



STATE OF NORTH CAROLINA

Department of Health and Human Services

Division of Health Benefits

Healthy Opportunities Lead Pilot Entity

Request for Proposal #30-2019-052 DHB



STATE OF NORTH CAROLINA

Request for Proposal

#30-2019-052 DHB

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Offeror Name



STATE OF NORTH CAROLINA
Department of Health and Human Services

Refer ALL Inquiries regarding this RFP to: Deidra C. Jones Contract Specialist Medicaid.Procurement@dhhs.nc.gov 919-527-7236	Request for Proposal # 30-2019-052 DHB
	RFP Issued/Posted: November 4, 2019
	Proposals will be opened: January 21, 2020 at 2:00 PM ET
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	Description: Healthy Opportunities Lead Pilot Entity (LPE)
	Using Agency: Department of Health and Human Services, Division of Health Benefits
	Requisition No.: N/A

EXECUTION

In compliance with this Request for Proposal (RFP), and subject to all the conditions herein, the undersigned Offeror offers and agrees to furnish and deliver any or all services proposed, at the budget proposed and within the time specified herein. By executing this proposal, the Offeror confirms it has read, understands, and will comply with all specifications and requirements in the RFP and any addendums in the event of contract award. By executing this proposal, the undersigned Offeror certifies that this proposal is submitted competitively and without collusion (N.C. Gen. Stat. § 143-54), that none of its officers, directors, or owners of an unincorporated business entity has been convicted of any violations of Chapter 78A of the General Statutes, the Securities Act of 1933, or the Securities Exchange Act of 1934 (N.C. Gen. Stat. § 143-59.2), and that it is not an ineligible Contractor as set forth in N.C. Gen. Stat. § 143-59.1. False certification is a Class I felony. Furthermore, by executing this proposal, the undersigned certifies to the best of Offeror's knowledge and belief, that it and its principals are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal or State department or agency. As required by N.C. Gen. Stat. § 143-48.5, the undersigned Offeror certifies that it, and each of its subcontractors for any Contract awarded as a result of this RFP, complies with the requirements of Article 2 of Chapter 64 of the NC General Statutes, including the requirement for each employer with more than 25 employees in North Carolina to verify the work authorization of its employees through the Federal E-Verify system. N.C. Gen. Stat. § 133-32 and Executive Order 24 (2009) prohibit the offer to, or acceptance by, any State Employee associated with the preparing plans, specifications, estimates for public Contract; or awarding or administering public Contracts; or inspecting or supervising delivery of the public Contract of any gift from anyone with a Contract with the State, or from any person seeking to do business with the State. By executing this proposal, you attest, for your entire organization and its employees or agents, that you are not aware that any such gift has been offered, accepted, or promised by any employees of your organization.

OFFEROR:		
STREET ADDRESS:	P.O. BOX:	ZIP:
CITY & STATE & ZIP:	TELEPHONE NUMBER:	TOLL FREE TEL. NO:
PRINCIPAL PLACE OF BUSINESS ADDRESS IF DIFFERENT FROM ABOVE		
PRINT NAME & TITLE OF PERSON SIGNING ON BEHALF OF OFFEROR:	FAX NUMBER:	
OFFEROR'S AUTHORIZED SIGNATURE:	DATE:	EMAIL:

Offer valid for at least **240** calendar days from date of proposal opening unless extended by the State in writing. After this time, any withdrawal of offer shall be made in writing, effective upon receipt by the agency issuing this RFP.

ACCEPTANCE OF RESPONSE

If any or all parts of this proposal are accepted by the State of North Carolina, an authorized representative of the Department of Health and Human Services shall affix his/her signature hereto and this document and all provisions of this Request for Proposal along with the Offeror's proposal, and the written results of any negotiations shall then constitute the written agreement between the parties. A copy of this acceptance will be forwarded to the successful Offeror.

<p>FOR STATE USE ONLY: Offer accepted and Contract awarded this ____ day of _____, 20____, as indicated on the attached certification, by _____</p> <p>(Authorized Representative of NC Department of Health and Human Services)</p>

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I. INTRODUCTION

A. Vision for North Carolina's Healthy Opportunities Pilots

1. North Carolina is transitioning its Medicaid and NC Health Choice programs' care delivery system for most beneficiaries and services from a predominately Fee-for-Service model to a Managed Care model, as directed by the North Carolina General Assembly.
 - a. Through Medicaid Managed Care and contracts with Prepaid Health Plans (PHPs), the North Carolina Department of Health and Human Services (the Department) seeks to advance integrated and high-value care, improve population health, engage and support providers, and establish a sustainable program with more predictable costs.
 - b. The Department's core goal in the transition to Managed Care is to improve the health of all North Carolinians through an innovative, whole-person centered, and well-coordinated system of care that addresses both medical and non-medical drivers of health.
2. A key feature of the State's transition to Medicaid Managed Care is the launch of the Healthy Opportunities Pilot Program (the Pilot program). The Pilot program has been authorized by the Centers for Medicare & Medicaid Services (CMS) for a five-year period, from November 1, 2019, through October 31, 2024, as part of North Carolina's Section 1115 Medicaid Demonstration Waiver.
3. The Pilot program creates an opportunity for payers, providers, and human service organizations (HSOs, e.g., community-based organizations or social service agencies) to have the tools, infrastructure and financing to integrate non-medical services directly linked to health outcomes into the delivery of care for a subset of eligible Medicaid Members.
4. The Department's goals for the Pilot program include:
 - a. Evaluate the effectiveness of select, evidence-based, non-medical interventions and the role of the Lead Pilot Entity (LPE) in improving health outcomes and reducing healthcare costs for high-need Medicaid Members.
 - b. Leverage evaluation findings to embed cost effective interventions that improve health outcomes into the Medicaid program statewide, furthering the Department's goals for a sustainable Medicaid program.
 - c. Ensure the sustainability of delivering non-medical services identified as effective through the evaluation, including by strengthening the capabilities of HSOs and partnerships with healthcare payers and providers.
 - d. Define and refine policies to improve health outcomes, reduce health care costs, and improve the lives of North Carolinians.
5. The Department's goals for the Pilot program, will be accomplished as follows:
 - a. Educate and empower PHPs and care management entities, such as Advanced Medical Homes, Local Health Departments (LHDs), and Care Management Agencies to target Pilot services to the highest-need Pilot-eligible Medicaid Members;

- b. Ensure Pilot Participants receive the least costly and maximally necessary and appropriate Pilot services;
- c. Ensure enrollment in other existing federal, state, and local programs when applicable to maximize the value of Pilot expenditures.
- d. Procure and support LPEs that will serve as the essential connection between PHPs and HSOs. The Department will contract with LPEs with deep connections in their communities and the ability to develop, strengthen and manage a network of HSOs that is:
 - i. Adequate in size, capacity, and expertise to meet Pilot Participants' needs,
 - ii. Capable of delivering high-quality Pilot services,
 - iii. Capable of capturing and sharing complete and accurate data required for Pilot program evaluation, and
 - iv. Appropriately sized to ensure the network is not too large, such that the LPE can efficiently and effectively oversee HSOs and distribute resources.
- e. Support data infrastructure that allows for secure and private exchange of information across healthcare organizations and HSOs, including supporting public-private efforts to use and deploy NCCARE360.
- f. Develop a Pilot service fee schedule, as approved by the Centers for Medicare and Medicaid Services prior to Pilot service delivery launch, for use throughout the Pilot program, adapting this fee schedule over the course of the pilot program to move towards value-based payments.
- g. Conduct an evaluation of the Pilot program, as detailed herein; and.
- h. Support all Pilot participating entities (i.e. PHPs, care management entities, LPEs, and HSOs) by fostering an environment of collaboration, accountability, system integration, continual evidence-based learning and adaptation, acknowledging the groundbreaking nature of the Pilot program and the need to evolve policies and operations together to ensure collective success.

B. Background on the Healthy Opportunities Pilots and Medicaid Managed Care Transformation

1. *Medicaid Managed Care Transformation*

- a. In September 2015, the North Carolina General Assembly (General Assembly) enacted North Carolina Session Law 2015-245 directing the transition of North Carolina's Medicaid program from a predominantly Fee-for-Service model to a predominantly Managed Care model.^{1,2} North Carolina law requires the Department, through its Division of Health

¹ Session Law 2015-245 has been amended by Session Law 2016-121; Section 11H.17.(a) of Session Law 2017-57, Part IV of Session Law 2017-186; Section 11H.10.(c) of Session Law 2018-5; Sections 4-6 of Session Law 2018-49; and Session Law 2018-48.

² Currently, a managed care delivery system exists for Behavioral Health and intellectual and developmental disabilities through contracts between the Department and the local management entities/managed care

Benefits (DHB), to implement a Medicaid Managed Care program. The Medicaid Managed Care program is structured to advance the Department's goals, as outlined above.

- b. Under the Medicaid Managed Care program, the Department will remain accountable for all aspects of the Medicaid and NC Health Choice programs. As directed by the General Assembly, the Department is delegating direct management of physical health, behavioral health, long-term services and supports (LTSS) pharmacy services, and unmet resource needs, and associated financial risks, to PHPs. PHPs will receive a monthly, actuarially sound, capitated payment and will contract with healthcare providers to deliver health services to their Members. The Department will monitor and oversee the administrative, operational, clinical, and financial function of the PHPs to ensure adherence to each PHP contract and the Department's expectations.
- c. On November 20, 2017, the Department submitted a request for a section 1115 Medicaid Demonstration Waiver to CMS requesting authority to implement its Medicaid Managed Care program. The request was approved on October 24, 2018 and revised to reflect technical amendments on April 25, 2019. The approved waiver provides the Department with authority to implement the Medicaid Managed Care program and incorporate innovative features into its new managed care delivery system that also required federal waiver authority.
- d. PHPs will offer two types of products:
 - i. Standard Plans: Beginning in 2020, most Medicaid beneficiaries will enroll in a Standard Plan which covers physical health, behavioral health, LTSS, pharmacy services, and unmet resource needs.³ Standard Plans are required to contract with local care management entities, including Advanced Medical Homes (AMHs) and LHDs, to manage care for both higher-need and rising risk Members. For Members who do not receive care management from a Tier 3 AMH or an LHD, the Standard Plan may either directly provide care management services or delegate to a different qualified local entity.
 - ii. Behavioral Health and Intellectual/Developmental Disabilities Tailored Plans (BH I/DD Tailored Plans): North Carolina will launch specialized managed care plans, the BH I/DD Tailored Plans, in 2021. These plans will be designed for individuals with significant behavioral health needs and intellectual/developmental disabilities (I/DD) and will provide integrated physical health, LTSS, pharmacy unmet resource needs services, plus a more robust behavioral health and I/DD benefit package than the Standard Plans. All BH I/DD Tailored Plan Members will be eligible for continuous care

organizations (LME/MCOs). Unless otherwise specified, "behavioral health," is inclusive of mental health and substance use disorders.

³ Standard plans will serve most Medicaid beneficiaries eligible for full Medicaid benefits who are not dually eligible for Medicare and Medicaid.

management throughout their enrollment. Care management may be conducted by the BH I/DD Tailored Plan or by a care management entity, including AMH+s⁴ or Care Management Agencies⁵ that are certified with expertise and training in addressing BH, I/DD, and traumatic brain injury (TBI) needs in addition to physical health needs.⁶

2. *North Carolina's Healthy Opportunities Pilots Program Funding Overview*

- a. The Pilot program presents the opportunity to test the impact of providing evidence-based non-medical interventions to high-need Medicaid Members through the State's Medicaid Managed Care program.
- b. North Carolina's section 1115 Medicaid Demonstration Waiver provides the Department up to \$650 million in expenditure authority to establish and operate the Healthy Opportunities Pilot program in 2 to 4 regions of the State through October 31, 2024. Specifically, as authorized in the Demonstration Waiver, the Department may use up to \$650 million in Medicaid funds to:
 - i. Cover the cost of the federally-approved Pilot services;
 - ii. Support the operational and administrative activities associated with Pilot responsibilities and
 - iii. Facilitate capacity building for LPEs and HSOs to participate effectively in the Pilot program and its evaluation.
- c. Availability of Medicaid funding for the Pilot program is contingent upon State funding availability, as described in *Section III.D. Terms and Conditions*.

3. *Healthy Opportunities Pilot Program Eligibility Criteria*

- a. The Department worked with CMS to establish the minimum criteria to be used in identifying Medicaid Members who may be eligible to receive Pilot services. To maximize the impact of limited Pilot funding, Pilot services will be provided to eligible Medicaid Members expected to benefit the most from them, as determined by PHPs and in accordance with Department standards and guidelines.
- b. To be eligible for and receive Pilot services, Medicaid Managed Care Members must have a Medicaid address of record⁷ in the identified Local Pilot region, and:
 - i. Have at least one qualifying physical or behavioral health condition, as defined in *Attachment L: Pilot Program Participant Eligibility Criteria*.

⁴ AMH+s will be primary care practices already certified as Tier 3 Advanced Medical Homes for Standard Plans, that have experience delivering primary care services to the BH I/DD Tailored Plan eligible population in North Carolina, or can otherwise demonstrate strong competency to serve that population, and will hold primary responsibility for providing integrated, whole-person care management under the BH I/DD Tailored Plan Care Management model.

⁵ Provider organizations with experience delivering behavioral health, I/DD, and/or TBI services to the BH I/DD Tailored Plan population in North Carolina that will hold primary responsibility for providing integrated, whole-person care management under the Tailored Care Management model.

⁶ Care managers supporting individuals receiving Assertive Community Treatment (ACT) will collaborate with the designated provider responsible for coordinating an enrollee's Pilot enrollment and services.

⁷ "Medicaid address of record" refers to the residential address included on a member's Medicaid 834 enrollment form and is used to determine residency for the purposes of the Medicaid program.

- ii. Have at least one qualifying social risk factor, as defined in *Attachment L: Pilot Program Participant Eligibility Criteria*.
 - iii. Be authorized to receive that service by its PHP, in accordance with Department standards and guidelines.
4. *Healthy Opportunities Pilot Program Services*
- a. The list of Pilot services approved by CMS in North Carolina’s 1115 Demonstration Waiver is included in *Attachment M: Federally Approved Healthy Opportunities Pilot Services*. Approved Pilot services will serve as the basis of the Pilot Service Fee Schedule that will be made available after CMS approval and prior to the start of Pilot service delivery.
 - b. The Pilot Service Fee Schedule will define each Pilot service and provide a service rate and may be updated by the Department over time. Prior to CMS approval, applicants may review draft service definitions and pricing inputs, which can be found at: <https://files.nc.gov/ncdhhs/documents/Public-Feedback-Pilot-Service-Definitions-and-Pricing-Inputs-FULL-PACKAGE-FINAL.pdf>.
 - c. Pilot services fall into one of four domains: housing instability, food insecurity, transportation insecurity and interpersonal violence/toxic stress.
 - d. These domains were selected because there is evidence indicating that addressing them will have a direct impact on health outcomes and/or health care costs. Delivering Pilot services within these domains supports the Department’s goal to provide an innovative, whole-person centered, and well-coordinated system of care that addresses both medical and non-medical drivers of health.
5. *Roles and Responsibilities of Pilot-Participating Entities*
- a. The Pilot program will be implemented between the Department and Pilot-Participating Entities, each of which will have specific roles and responsibilities.
 - b. The Department reserves the right to add or modify specific responsibilities for Pilot-Participating Entities, with appropriate notice to PHPs and LPEs, via amendment to the applicable contract.
 - c. The Department is ultimately responsible for designing, operationalizing and overseeing the Pilot program.
 - d. **Prepaid Health Plans (PHPs)**, including Standard Plans and BH I/DD Tailored Plans, will be responsible for managing Member needs — including their physical, behavioral, LTSS, and pharmacy needs as well as their unmet resource needs. PHPs’ key Pilot-related responsibilities will include the following activities. The Department may modify Pilot-related responsibilities:
 - i. Managing a capped allocation of funding (outside of their Medicaid Managed Care capitation payments) with which to make administrative payments to LPEs and care management entities, and service payments to HSOs for delivering authorized Pilot services.

- ii. Make Pilot eligibility determinations for their Members with qualifying physical/behavioral needs in combination with a qualifying social risk factor (using criteria in *Attachment L: Pilot Program Participant Eligibility Criteria*).
 - iii. Authorize Pilot services for Pilot Participants as detailed in *Attachment M: Federally Approved Healthy Opportunities Pilot Services*.
 - iv. Ensure Pilot Participants, if eligible and resources are available, are enrolled in other existing federal, state and local programs (e.g., Supplemental Nutrition Assistance Program and Low-Income Home Energy Assistance Program) to maximize the value of Pilot expenditures
 - v. Manage care management processes to ensure provision of integrated care management to Pilot Participants.
 - vi. Support Department oversight, data collection requirements, and evaluation of Pilots.
 - vii. Participate in Pilot learning and quality improvement activities organized by the Department and LPEs.
- e. **Care managers**, who may be based at a PHP or care management entity, are responsible for working in collaboration with the PHP and closely with high-need Medicaid Members, their families and their care team to manage Members’ full range of medical and non-medical needs. Care managers’ key Pilot-related responsibilities include:
- i. Screen Members to assess Pilot eligibility and making a recommendation on Pilot eligibility to the Member’s PHP.
 - ii. Secure Member consent for Pilot participation.
 - iii. Identify Pilot services that a Pilot Participant may be eligible to receive and that may benefit them; ensuring and facilitating enrollment in other federal, state and local programs prior to recommending related Pilot services; and securing authorization from the PHP and communicating authorizations to Pilot Participants.
 - iv. Make referrals to HSOs for authorized Pilot services and coordinating those services with HSOs as part of the Member’s care plan.
 - v. Follow up with Pilot Participants to evaluate ongoing needs and appropriate service mix and re-assess for Pilot eligibility every six [6] months.
 - vi. Support Department oversight, data collection, and evaluation of Pilots.
 - vii. Participate in Pilot learning and quality improvement activities organized by the Department and LPEs.
- f. **Human Service Organizations (HSOs)**, also known as community-based organizations or social service agencies, will deliver authorized Pilot services to Medicaid Members who are Pilot Participants, as part of a network established and managed by a Lead Pilot Entity. HSOs key Pilot responsibilities include the following activities:
- i. Delivering high-quality approved Pilot services to Pilot Participants.
 - ii. Tracking services delivered to Pilot Participants and conducting “closed-loop referrals” in NCCARE360.

- iii. Submitting invoices to the LPE for Pilot services delivered.
 - iv. Supporting Department oversight and evaluation of Pilots.
 - v. Participating in readiness and quality improvement activities, including trainings, technical assistance and convenings, organized by a Lead Pilot Entity or the Department.
- g. **Lead Pilot Entities** awarded a contract as a result of this RFP will play a critical role in connecting PHPs and care managers with HSOs. LPEs will contract with PHPs using a Department-standardized model contract and establish and manage a network of HSOs providing Pilot services to the PHPs' Members within a Pilot region. Other responsibilities of the LPE are described in this RFP.
6. *Pilot Program Funding: Purpose and Flow*
- a. Clear funding flows among Pilot-Participating Entities is essential for the successful implementation of the Pilot program and for ensuring the Department is a responsible steward of limited financial resources.
 - b. CMS has authorized Pilot program funding up to \$650 million for three primary purposes:
 - i. **Capacity Building:** LPEs and the HSOs contracted with LPEs will have access to capacity building funds within the first 24 months of the Contract Effective Date to support the successful execution of Pilot responsibilities.
 - ii. **Operational and Administrative Activities:** PHPs, care management entities and LPEs will receive funding per their Pilot-related contracts to support operational, administrative, and evaluation activities during the period Pilot services are delivered.
 - iii. **Delivery of Pilot Services:** HSOs will receive payments for the delivery of authorized Pilot services to Pilot Participants.
 - c. The Department can also use Pilot program funding to make value-based payments to PHPs, LPEs and HSOs. Value-based payments will be based on the Pilot entities' effectiveness in carrying out Pilot-related responsibilities, improving Pilot program participants' health outcomes and lowering health care costs.
 - d. Funding will flow between DHHS, PHPs, care management entities, LPEs and HSOs as governed by the applicable contract and depicted in *Exhibit 2: Pilot Program Funding Flow in Section V.E. Funding Flow: Payments to Lead Pilot Entities and HSOs*.
7. *Quality Improvement and Pilot Program Evaluation*
- a. Evaluating Pilot program effectiveness and sustainability is a goal of the Pilot program. All Pilot-Participating Entities will play a role in Pilot program evaluation, program integrity and accountability, and quality monitoring and improvement and will be expected to contribute to and support complete, timely and accurate data collection and reporting required for these purposes. CMS approved the Department's evaluation design of the Pilot program, and Offerors are encouraged to review at the following link: <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/nc/Medicaid-Reform/nc-medicaid-reform-eval-des-appv-ltr-20190815.pdf>.

- b. PHPs, care managers, LPEs and HSOs will participate in program integrity activities, ensuring accountability and compliance with Pilot financial, contractual and regulatory obligations, as well as quality improvement activities.
 - c. The Department and CMS have established a structured approach to Pilot evaluation, including:
 - i. **Rapid cycle assessments** to determine what implementation strategies and which services are proving most and least effective and allow the Department to re-deploy Pilot program resources to those that are most promising during the period Pilot services are delivered; and
 - ii. **Randomization of services** in the later part of the Pilots, as an important element of the evaluation of effective services.
 - iii. **Summative Evaluation:** assess the impact of the Pilot program on Pilot Participants and the Medicaid program and allow for segmentation of the analysis to understand which services are most effective for which Pilot Participants.
 - d. Ongoing learnings about service delivery, service rates and impact on health outcomes will position the Department to: provide periodic adjustments in Pilot design, services, payments and payment methodologies; move toward value-based payment through incentives, withholds and shared savings arrangements that increasingly link payments to health outcomes and healthcare costs; and, ultimately sustainably incorporate effective services and payment approaches into the Medicaid managed care program statewide.
 - e. LPEs will support quality improvement and evaluation, in part, by actively supporting quality improvement activities among HSOs through training and technical assistance that includes an, identifying and resolving implementation challenges in their Local Pilot region, collaborating closely with and convening Pilot stakeholders to understand and share Pilot implementation challenges and best practices, and participating in the Department's efforts to share best practices across the different Pilot regions and LPEs and rigorously evaluate and oversee the Pilot program.
 - f. LPEs will play an important role in collecting and submitting data to support the Pilot program evaluation and the Department's oversight and monitoring responsibilities. The ability of the LPE to collect and submit data to the Department and is a core competency.
 - g. Over time, Pilot-related payments to PHPs, LPEs, and HSOs will be linked to their effectiveness in carrying out their Pilot-related responsibilities and Pilot Participants' health outcomes and health care costs.
8. *NCCARE360: A Statewide Resource and Referral Platform*
- a. NCCARE360 is a statewide resource and referral platform that allows providers, payers, care managers and HSOs to connect individuals with service providers and community resources and track the outcomes of those referrals.
 - b. The platform is a public-private partnership between the Foundation for Health Leadership & Innovation, Inc. and the Department.

- c. NCCARE360 will be an integral component of Medicaid Managed Care and the Pilot program.
- d. PHPs and care management entities are expected to use NCCARE360 to connect all Medicaid Managed Care Members to necessary community resources and track closed-loop referrals. PHPs and care management entities will use NCCARE360 to connect Pilot Participants to HSOs that are in a Lead Pilot Entity's network for the delivery of authorized Pilot services.
- e. NCCARE360 will be a core infrastructure for a Lead Pilot Entity's network of contracted HSOs; HSOs will use NCCARE360 to receive referrals for Pilot services for Pilot Participants and track closed-loop referrals.

C. Purpose of Request for Proposal

1. The 1115 Demonstration Waiver authorizes the Department to issue an RFP to select LPEs through this competitive procurement process and enter into contracts with LPEs to operate elements of the Healthy Opportunities Pilot program. The 1115 Demonstration Waiver specifies the Department must evaluate Lead Pilot Entities on their abilities to meet the requirements outlined in the RFP.
2. The purpose of this RFP is to solicit proposals from Offerors to conduct all Lead Pilot Entity activities and meet the duties and responsibilities for a Lead Pilot Entity under the Pilot program, as detailed in this RFP.
3. The LPE will be responsible for providing or meeting all of the requirements described in this RFP. Upon award, the requirements in this RFP and any additional requirements established by the Department during the negotiation and award process will constitute a binding contract between the LPE and the Department.
4. Through this RFP, the Department seeks to contract with up to three organizations with experience working with health care organizations and HSOs in their communities. The Department seeks Offerors with the knowledge, experience, and resources to comply with and execute on the responsibilities of LPEs. Each Lead Pilot Entity will:
 - a. Serve as the essential connection for the Department, PHPs and care management entities with frontline HSOs.
 - b. Define geographic boundaries for its Local Pilot region, within which the LPE and other Pilot-participating entities will operate a Local Pilot and deliver Pilot services.
 - c. Establish and manage a network of contracted HSOs, which will deliver Pilot services to Pilot Participants within the Local Pilot region.
 - d. Monitor its contracted HSO network closely to ensure the delivery of timely and high-quality Pilot services to Pilot Participants, address and avoid service delivery underperformance, and prevent fraud, waste and abuse.
 - e. Distribute Pilot capacity building funds to contracted HSOs in the first 24 months of Pilot program implementation.

- f. Receive timely and ensure completeness and accuracy of invoices for services delivered to Pilot Participants from HSOs.
- g. Assess HSO network performance and identify and resolve implementation challenges through trainings and technical assistance and other quality improvement activities.
- h. Support Medicaid Managed Care program care managers in performing Pilot activities and quality improvement, by providing them with assistance using and navigating the contracted HSO network and connecting Pilot Participants to an appropriate HSO for services.
- i. Convene and facilitate relationships between Pilot-participating entities (the Department, contracted HSOs, care management entities, and PHPs), and broader community stakeholders to support Pilot program implementation and quality improvement. These activities include soliciting input on challenges and successes in Pilot program implementation, promoting exchange of best practices, and communication and coordination within the Local Pilot region, including by overseeing and participating in statewide learning collaboratives.
- j. Participate in Pilot program oversight and evaluation efforts by collecting and reporting on qualitative and quantitative data that will be used for periodic assessments (e.g., on capacity building expenditures), overall program evaluation, and ongoing program monitoring and oversight, and by actively engaging with the Department and Pilot-participating entities in Pilot program assessment, quality improvement, learning across Pilot regions, and evaluation.
- k. Routinely collect and report to the Department and PHPs timely, complete and accurate data to support the Department's Pilot oversight and evaluation.
- l. Maintain electronic system(s) of record to support all Pilot-related responsibilities, including, but not limited to, the provision of services, and invoices received from HSOs, invoices submitted to PHPs, and payments made to HSOs, including PHPs' payments for services delivered and the LPE's payments for capacity building.
- m. Perform any additional responsibilities as defined by contract or contract amendment.

II. GENERAL PROCUREMENT INFORMATION AND NOTICE TO OFFERORS

A. Important Notices

Offerors are Cautioned to Read Carefully

1. **Read, Review, and Comply:** It is the Offeror's responsibility to read this document in its entirety, review all attachments, tables, charts, exhibits, diagrams, and appendices, and comply with all instructions.
2. **Execution of Proposal:** Failure to sign the **Execution Page** in the indicated space and return all attachments, tables, charts, exhibits, diagrams, and appendices completed and signed where required, may render the proposal non-responsive, and the proposal may be rejected.
3. **Resulting Contract:** Under the State's procurement process, **any contract resulting from this RFP will consist of the RFP and the Offeror's response**, along with any addenda to the RFP, written clarifications, best and final offers (BAFO), and negotiation documents. The Contractor will be obligated to perform services as proposed in its offer, unless otherwise modified by clarification, BAFO, negotiation, or Contract amendment, or superseded by a document with higher order of precedence. See *Section III, D.17. ENTIRE AGREEMENT AND ORDER OF PRECEDENCE* for more information and the order of precedence of the contract documents and *Section II. C. Request for Proposal Functionality and Related Notices* for more information on the RFP, changes in specifications, and instructions regarding modifications to the terms and conditions.
4. **Negotiations:** The Department reserves the right to enter into negotiations with any Offeror to establish a contract that is in the best interest of the Department. Such negotiations are at the Department's sole discretion and may result in modifications to the RFP and/or Offeror's proposal and response to the RFP.
5. **Events and Deadlines:**
 - a. **Preproposal Conference** will be hosted by the Department on **November 15, 2019 at 11:30 AM ET**. See *Section II.D.2. Preproposal Offerors Conference* for details and instructions.
 - b. **Questions** concerning this RFP must be submitted in writing by **November 19 at 2:00 PM ET**. See *Section II.D.3. Questions Concerning this Request for Proposal* for details and instructions.
 - c. **Submission of Proposals** will be accepted until **January 21, 2020 at 2:00 PM ET**. See *Section II.E. Submission of Proposal and Offeror's Response* for details and instructions.

6. Number of Lead Pilot Entity Contract Awards

The Department will award up to three (3) LPE contracts, although the Department was provided federal authority to award up to four contracts. To ensure the efficient and effective implementation of the Pilot Program, it is essential that each Lead Pilot Entity has sufficient resources required to execute its responsibilities. In addition, the Department must have the resources required to ensure accountability for federal and state funds and oversee and support the Pilot Program. The Department has determined it is in the best interest of the State to award to no more than three (3) Lead Pilot Entity contracts.

B. General Procurement Information and Instructions

1. **INFORMATION AND DESCRIPTIVE LITERATURE:** The Offeror shall furnish all information requested as part of this RFP. Each Offeror shall submit detailed information with their proposal (e.g. narratives, diagrams, exhibits, examples, sketches, descriptive literature, complete specifications) to support the services and products offered.
2. **RECYCLING AND SOURCE REDUCTION:** It is the policy of the State to encourage and promote the purchase of products with recycled content to the extent economically practicable, and to purchase items which are reusable, refillable, repairable, more durable, and less toxic to the extent that the purchase or use is practicable and cost-effective. The State also encourages and promotes using minimal packaging and the use of recycled/recyclable products in the packaging of commodities purchased. However, no sacrifice in quality of packaging will be acceptable. The Offeror remains responsible for providing packaging that will adequately protect the commodity and contain it for its intended use. Offerors are strongly urged to bring to the attention of purchasers those products or packaging they offer which have recycled content and that are recyclable.
3. **SUSTAINABILITY:** To support the sustainability efforts of the State of North Carolina we solicit your cooperation in this effort. Pursuant to Executive Order 156 (1999), it is desirable that all proposals meet the following:
 - a. All copies of the proposal are printed double-sided;
 - b. All submittals and copies are printed on recycled paper with a minimum post-consumer content of thirty percent (30%);
 - c. Unless necessary, all proposals and copies should minimize or eliminate use of non-recyclable or non-reusable materials such as plastic report covers, plastic dividers, vinyl sleeves, and GBC binding. Three-ringed binders, glued materials, paper clips, and staples are acceptable; and
 - d. Materials should be submitted in a format which allows for easy removal, filing and/or recycling of paper and binder materials. Use of oversized paper is strongly discouraged unless necessary for clarity or legibility.

4. **HISTORICALLY UNDERUTILIZED BUSINESSES:** Pursuant to G.S. § 143-48 and Executive Order 150 (1999), the Department invites and encourages participation in this procurement process by businesses owned by minorities, women, disabled, disabled business enterprises, and nonprofit work centers for the blind and severely disabled.
5. **MISCELLANEOUS:** Pronouns, whether masculine, feminine, or gender-non-specific, shall be read to be inclusive of all genders and shall be read to include the plural and vice versa.
6. **INFORMAL COMMENTS:** The Department shall not be bound by informal explanations, instructions or information given at any time by anyone on behalf of the Department prior to or during the competitive process or after award, including but not limited to policy papers or any written or verbal statements whatsoever made outside of this RFP and any formal Addenda issued herewith. The Department is bound only by information provided in this RFP and in formal Addenda issued.
7. **COST FOR PROPOSAL PREPARATION:** Any costs incurred by an Offeror in preparing or submitting proposals are the Offeror's sole responsibility. The Department will not reimburse any Offeror for any costs incurred prior to award.
8. **OFFEROR'S REPRESENTATIVE:** Each Offeror shall submit with its proposal the name, title, email address, physical address, and telephone number of the person(s) with authority to bind the Offeror and answer questions or provide clarification concerning the Offeror's proposal. This information must be included in the Offeror's proposal and response.
9. **INSPECTION AT OFFEROR'S SITE:** The Department reserves the right to inspect, at a reasonable time, the equipment/item, plant, or other facilities of a prospective Offeror prior to Contract Award, and during the Contract Term as necessary for the Department to determine that such equipment/item, plant or other facilities conform with the specifications/requirements and are adequate and suitable for the proper and effective performance of the Contract.

C. Request for Proposal Functionality and Related Notices

1. RFP Functionality

- a. This RFP serves two functions:
 - i. Define the specifications of the services sought by the Department; and
 - ii. Provide the requirements and terms and conditions of any contract resulting from this procurement.
- b. All Terms and Conditions in this RFP shall be enforceable. The use of phrases such as "*shall*", "*will*", "*must*", "*required*", and "*requirements*" are intended to create enforceable Contract conditions. In determining whether proposals should be evaluated or rejected, the Department will take into consideration the degree to which the Offeror has proposed

or failed to propose solutions that are responsive to the Department's needs as described in this RFP.

2. Notices Regarding RFP and Terms and Conditions

- a. It is the Offeror's responsibility to read all instructions, terms and conditions, specifications, requirements, attachments and appendices, and any other components made a part of this RFP and comply with all instructions and directives. The Offeror is responsible for obtaining and complying with all addenda and other changes that may be issued relating to this RFP.
- b. All questions and issues regarding any term, condition, instruction or other component within this RFP must be submitted in accordance with the *Section II.D.3. Questions Concerning this Request for Proposal*. If the Department determines that any changes will be made because of the questions asked, then such decisions will be communicated in the form of an Addendum posted on the State's Interactive Purchasing System (IPS). The Department may also elect to leave open the possibility for later negotiation and amendment of specific provisions of the Contract that have been raised during the question and answer period. Other than through this process, and except as provided in *Section II.C.3. Proposed Modifications to Terms and Conditions*, the Department rejects and will not be required to evaluate or consider any additional or modified terms and conditions submitted with Offeror's proposal. This applies to any language appearing in or attached to the RFP document as part of the Offeror's proposal that purports to vary any terms and conditions, or Offeror's Instructions therein to render the proposal non-binding or subject to further negotiation.
- c. The Offeror's proposal to this RFP shall constitute a firm offer. **By execution and delivery of a proposal to this RFP, the Offeror agrees that any additional or modified terms and conditions, whether submitted purposely or inadvertently, or any purported condition to the offer, shall have no force or effect, and will be disregarded. Noncompliance with, or any attempt to alter or delete, this paragraph shall constitute sufficient grounds to reject the Offeror's proposal.**

3. Proposed Modifications to Terms and Conditions

- a. Offerors are urged and cautioned to inquire during the question period, in accordance with the instructions in this RFP, about whether specific language proposed as a modification is acceptable to or will be considered by the Department.
- b. Identification of objections or exceptions to the terms and conditions in the proposal itself shall not be allowed and shall be disregarded or the proposal rejected.
- c. If the Offeror wishes to suggest changes to any of the terms and conditions included in Sections III.D through F of this RFP, those must be submitted in *Attachment W: Request for Proposed Modifications to the Terms and Conditions*. The Department, in its sole

discretion, may consider any proposed modifications identified by the Offeror. Where necessary, any modification(s) to the terms and conditions agreed upon by the Department may be incorporated as part of an Addendum to the RFP, BAFO, negotiation document, Execution of Contract, or Contract Amendment after award. Other than through this process, the Department rejects and shall not be required to evaluate or consider any additional or modified terms, conditions, or instructions included in the Offeror's proposal.

4. Changes in Requirements and Specifications

- a. The Offeror is cautioned that the requirements of this RFP can only be altered by written Addendum issued by the Department, and that oral or emailed communications from whatever source(s) are of no effect.
- b. The Department reserves the right to modify any specification contained herein without modifying the timelines in this RFP. Any modification to specifications will be specified in an Addendum which shall be posted to IPS or through Negotiation.

5. Rights Reserved

The Offeror is made aware, pursuant to 01 NCAC 05B .0501, that in soliciting offers, any and all offers received may be rejected in whole or in part. Basis for rejection shall include, but not be limited to, the offer being deemed unsatisfactory as to quantity, quality, delivery, price or service offered; the offer not complying with conditions of the procurement document or with the intent of the proposed contract; lack of competitiveness by reason of collusion or otherwise or knowledge that reasonably available competition was not received; error(s) in specifications or indication that revision(s) would be to the State's advantage; cancellation of or changes in the intended project or other determination that the proposed requirement is no longer needed; limitation or lack of available funds; circumstances which prevent determination of the most advantageous offer; any determination that rejection would be to the best interest of the State.

Further, the Offeror is cautioned that this is a Request for Proposal, not a request to contract, and the Department reserves the unqualified right to reject all offers deemed failing to meet minimum qualifications, not responsive, incomplete, or non-compliant with the requirements described herein; or when such rejection is deemed to be in the best interest of the Department or the State of North Carolina.

The Department may also:

- a. Modify provisions of this RFP in response to changes in law or as required by CMS;
- b. Waive any formality or informality;
- c. Waive a specification or requirement of the RFP if it is in the best interest of the Department;

- d. Waive any undesirable, inconsequential, or inconsistent provisions of this RFP;
- e. Negotiate directly with one or more Offerors, if the responses to this solicitation demonstrate a lack of competition, or offers are found non-responsive; and/or
- f. Cancel this RFP at any time. Notice of Cancellation will be posted on the IPS website.
- g. In the event all proposals are rejected, and the Department enters into negotiation, pursuant to 01 NCAC 05B .0503, the Department reserves the right to award a contract to the Offeror or Offerors, which, in its opinion, has (have) made the best proposal through the negotiation process.

D. Schedule and Important Events

- 1. The Department will make every effort to adhere to the schedule detailed below in *Table 1. RFP Schedule*. The Department reserves the right to adjust the schedule and will post an Addendum on the IPS website for any schedule changes occurring prior to the opening of proposals.

Table 1: RFP Schedule

Activity	Responsible Party	Due Date
Issue Request for Proposal	Department	November 5, 2019
Preproposal Conference	Department	November 15, 2019 at 11:30 AM ET
Deadline to Submit Written Questions	Offeror	November 19, 2019 at 2:00 PM ET
Issue Addendum with Responses to Questions	Department	December 6, 2019
Deadline to Submit Proposals	Offeror	January 21, 2020 at 2:00 PM ET
Conduct Evaluation of Proposals	Department	January 21, 2020 to April 14, 2020.
Contract Award	Department	April 15, 2020

2. Preproposal Conference

- a. The Department will hold a Preproposal Conference on **November 15, 2019, 11:30 AM ET** at the North Carolina State University, McKimmon Conference and Training Center, 1101 Gorman St, Raleigh, NC 27606.

- b. The purpose of the conference is to allow the Department to review the Healthy Opportunities LPE RFP to provide potential Offerors with a clear understanding of the key components of the RFP, its requirements and the proposal submission process.
 - c. While attendees may ask questions at the Preproposal Conference, the Department is not required to respond during the conference. The Department will respond to written questions from potential Offerors per the process described in this RFP.
 - d. Potential Offerors are not required to attend the Preproposal Conference in order to submit responses to this RFP.
 - e. To ensure adequate accommodations, **potential Offerors are required to pre-register for the conference by sending an email with “LPE RFP Preproposal Conference” in the subject line to Medicaid.Procurement@dhhs.nc.gov** stating the name of the potential Offeror, the Offeror representatives to attend, the current role of each representative, and requests for a sign language interpreter or other accommodations. **Potential Offerors must pre-register at this email address no later than 3:00 PM ET on November 13, 2019.** There is no limit to the number of representatives potential Offerors may bring.
 - f. The preproposal conference is in person attendance only and will not be available by dial in or conference call.
 - g. Audio and video recording will not be permitted. Statements and materials discussed at conference are informational only, are not binding upon the Department and do not replace reading, reviewing and complying with this RFP.
 - h. Offerors will be required to check in upon arrival to the conference by signing the attendance roster. Offerors should bring a copy of the RFP to the conference, if needed. The Department will not provide paper or digital copies of the RFP during the conference.
3. Questions Concerning this Request for Proposal
- a. Written questions concerning this RFP will be received until **November 19, 2019 at 2:00 PM ET.**
 - b. Questions must be sent via email to Medicaid.Procurement@dhhs.nc.gov and include **“Questions LPE RFP #30-2019-052 DHB”** as the subject of the email. The questions should be submitted in the format below.

RFP Section	RFP Page Number	Offeror Question
Example: V.A.1.a)		

- c. The Department will prepare responses to all written questions submitted by the stated deadline and post an addendum to IPS. The Offeror is cautioned that contacting anyone other than the individual noted on the Execution Page of this RFP may be grounds for rejection of said Offeror’s response.

E. Submission of Proposal and Offeror's Response

1. Consideration

- a. The Offeror must meet all the minimum qualifications of this RFP, as provided in *Section IV. Minimum Qualifications*, for its proposal to be evaluated.
- b. Offeror's proposal must clearly demonstrate compliance with all the requirements stated within this RFP. The Department reserves the right to reject proposals deemed incomplete, non-responsive, or non-compliant with the RFP requirements; or when such rejection is deemed to be in the best interest of the Department or the State of North Carolina.
- c. The Offeror must demonstrate it will comply with the scope of services and all of the requirements in this RFP and must provide a detailed description to demonstrate its ability to completely fulfill each requirement and service.

2. Responses to RFP Requirements and Scope of Services

- a. The Offeror must complete and return all documents and attachments required in this RFP. Failure to complete and return all documents and attachments as indicated may result in disqualification.
- b. The proposal must clearly articulate and address all requirements of this RFP. The Offeror must provide detailed narrative descriptions with supporting information that may include diagrams, exhibits, examples, samples, sketches, descriptive literature, etc.
- c. For some requirements, the Offeror may need to provide an affirmative statement to the question or requirement by, at a minimum, inserting the word CONFIRM in its proposal.
- d. The Offeror must describe any limitations, qualifications or contingences impacting the ability to perform as required by the RFP.
- e. The Offeror must not include any assumptions in its proposal. The Offeror should seek clarity on any questions or concerns during the defined question period.

3. Required Proposal Documents

To demonstrate the Offeror is qualified to meet the ongoing demands of the Department and comply with federal and state requirements, the Offeror is required to return the following documents, completed and signed where indicated and in the order listed, with their RFP response, the entirety of which shall be called the ***LPE Pilot Program Proposal***.

- a. Offeror's **Technical Proposal Response** must include the following:
 - i. RFP Cover Page with Title and RFP Number;
 - ii. **Completed** Offeror Name and Tax ID Number page;
 - iii. **Completed** and signed Execution Page;

- iv. The entire body of this RFP, excluding attachments;
- v. Each addendum released in conjunction with the RFP, including **signed** acknowledgement of receipt pages, as applicable;
- vi. **Completed** Attachment A: Minimum Qualifications Response; to address minimum qualifications within this RFP;
- vii. **Completed** Attachment B: Offeror's Response to Technical Evaluation Questions to address technical requirements and specifications identified within this RFP;
- viii. **Completed** Attachment F: Proposed Local Pilot Geographic Boundaries;
- ix. Attachment G: County Medicaid Enrollment and Urban/Rural Classification;
- x. **Completed** Attachment H: Contract Administrators;
- xi. **Completed** Attachment I: Proposed LPE Subcontracts and **signed** letters of intent from proposed subcontractors as required therein;
- xii. Attachment J: Letters to be Submitted with Response;
- xiii. Attachment K: Hospital and Health System Letter of Attestation and **signed** Letters of Attestation as required therein;
- xiv. Attachment L: Pilot Program Participant Eligibility Criteria;
- xv. Attachment M: Federally Approved Healthy Opportunities Pilot Services;
- xvi. Attachment N1: LPE Reporting Requirements;
- xvii. Attachment N2: LPE Milestones and Due Dates
- xviii. Attachment O: HSO Service Delivery Invoice Requirements
- xix. Attachment P: LPE System Requirements;
- xx. Attachment Q: Liquidated Damages;
- xxi. **Completed** Attachment R. Certification of Financial Condition and Legal Action Summary;
- xxii. **Completed** Attachment S: State Certifications
- xxiii. **Completed** Attachment T: Federal Certifications and Disclosures;
- xxiv. **Completed** Attachment U: Disclosure of Litigation and Criminal Convictions;
- xxv. **Completed** Attachment V: Location of Workers Utilized by the Contractor;
- xxvi. **Completed** Attachment W: Request for Proposed Modifications to the Terms and Conditions; and
- xxvii. **Completed** Attachment X: Business Associate Agreement.

- b. Offeror’s **Funding and Budget Proposal Response** must include the following:
 - i. Attachment C1: LPE Funding & Administrative Rate;
 - ii. Attachment C2: LPE Capacity Building Budget Proposal, including **completed** Capacity Building Budget Proposal Narrative;
 - iii. **Completed** Attachment C3: Offeror’s Response to Funding and Budget Evaluation Questions
 - iv. **Completed** Attachment C4: Capacity Building Budget Proposal Template (MS Excel worksheet);
 - v. Attachment D: Permitted Uses of LPE Capacity Building Funds;
 - vi. Attachment E: Permitted Uses of HSO Capacity Building Funds;

Offerors must request MS Word and Excel versions of documents and attachments required to be completed for proposal submission from Medicaid.Procurement@dhhs.nc.gov.

4. Proposal Submission and Number of Copies

Sealed responses of the Offeror’s proposal, subject to the conditions made a part hereof and the receipt requirements described herein, must be received at the address indicated below.

Table 2: Proposal Submission Address

MAILING ADDRESS FOR DELIVERY OF PROPOSAL VIA U.S. POSTAL SERVICE	OFFICE ADDRESS FOR DELIVERY BY ANY OTHER MEANS, SPECIAL DELIVERY, OVERNIGHT DELIVERY, OR BY ANY OTHER CARRIER
PROPOSAL NUMBER: 30-2019-052 DHB Attn: Deidra Jones, Contract Specialist NC Medicaid 2501 Mail Service Center Raleigh, NC 27699-1950	PROPOSAL NUMBER: 30-2019-052 DHB Attn: Deidra Jones, Contract Specialist NC Medicaid 820 S. Boylan Ave., McBryde Building Raleigh, NC 27603

The Offeror **must** deliver the following simultaneously to the address identified above by the deadline to submit proposals in *Section II.D. Table 1: RFP Schedule*:

- a. **Hard Copies:**
 - i. One (1) signed, original executed response of **Offeror’s LPE Pilot Program Proposal** with the **Technical Proposal Response** outlined in Section II.E.3.a. and the **Funding and Budget Proposal Response** outlined in Section II.E.3.b, **each submitted separately**; and

- ii. Twenty (20) copies of the signed, originally executed response with the **Technical Proposal Response** and **Funding and Budget Proposal Response**, **each submitted separately**.

b. **Electronic Copies:**

- i. One (1) copy of the signed, originally executed **Technical Proposal Response** outlined in Section II.E.3.a. **on a separate flash drive marked RFP 30-2019-052 DHB – Offeror’s Name – Technical Proposal**.

Each document, or group of documents, specified in Section II.E.a., items i-xxvii should be provided as separate PDF files and named accordingly.

- ii. One (1) copy of the executed **Funding and Budget Proposal Response** outlined in Section II.E.3.b **on a separate flash drive marked RFP 30-2019-052 DHB – Offeror’s Name – Funding and Budget Proposal**.

Each document or group of documents specified in Section II.E.b., items i-v should be provided as separate PDF files and named accordingly. Offer should also return Attachment C4: Capacity Building Budget Proposal Template in excel format.

- iii. One (1) copy of the signed, originally executed **Technical Proposal Response** outlined in Section II.E.3.a. redacted in accordance with G.S. § 132, the Public Records Act, **on a separate flash drive marked RFP 30-2019-052 DHB – Offeror’s Name – Technical Proposal-REDACTED**.

- iv. One (1) copy of the executed **Funding and Budget Proposal Response** outlined in Section II.E.3.b. redacted in accordance with G.S. § 132, the Public Records Act, **on a separate flash drive marked RFP 30-2019-052 DHB – Offeror’s Name – Funding and Budget Proposal-REDACTED**.

- v. For the purposes of this RFP, redaction means to edit a document by obscuring or removing information that is considered confidential and proprietary by the Offeror and meets the definition of Confidential Information set forth in G.S. § 132-1.2. Any information removed by the Offeror should be replaced with the word “Redacted”. If the response does not contain Confidential Information, Offeror should submit a signed statement to that effect.

- vi. For clarity, there should be a total of four (4) flash drives submitted to be compliant with this section.

- vii. The electronic copies of the response must not be password protected.

IMPORTANT NOTE: It is the responsibility of the Offeror to have the above documents and electronic copies physically in the Office provided above by the specified time and date of opening, regardless of the method of delivery. **This is an absolute requirement.** The time of delivery will be marked on each proposal when received, and any proposal

received after the submission deadline **will not be accepted or evaluated**. All risk of late arrival due to unanticipated delay, whether delivered by hand, U.S. Postal Service, courier or other delivery service or method, is entirely on the Offeror. Note that the U.S. Postal Service generally does not deliver mail to the street address above, but to the State's Mail Service Center stated above. The Offeror is cautioned that proposals sent via U.S. Mail, including Express Mail, may not be delivered by the Mail Service Center to the Contract and Contract Specialist named in *Section II.E.4 Table 2* of this RFP by the due date and time to meet the proposal submission deadline. The Offeror is urged to take the possibility of delay into account when submitting a proposal.

5. **Falsified Information**

The Department may initiate proceedings to debar an Offeror from participation in the offer process and from Contract Award as authorized by North Carolina law if it is determined that the Offeror has withheld relevant or provided false information.

F. Confidentiality and Prohibited Communications During Evaluation

1. As provided for in the North Carolina Administrative Code (NCAC), including but not limited to 01 NCAC 05B.0103, 09 NCAC 06B .0103 and 09 NCAC 06B .0302, all information and documentation whether electronic, written or verbal relative to the development of a contractual document for a proposed procurement or contract shall be deemed confidential in nature. In accordance with these and other applicable rules and statutes, such materials shall remain confidential until the award of a contract or until the need for the procurement no longer exists. Any proprietary or confidential information, which conforms to exclusions from public records as provided by G.S. § 132, **must be clearly marked as such with each page containing the trade secret or confidential information identified in boldface at the top and the bottom as "CONFIDENTIAL"** If only a portion of each page marked "CONFIDENTIAL" contains trade secret information, the trade secret information shall be designated with a contrasting color or by a box around such information. **In addition to marking confidential information as required by NCAC 05B.0103, confidential pages or portions of the proposal shall be reflected in the redacted copy submitted as instructed in Section II.E.4 as applicable.** By submitting a redacted copy, the Offeror warrants that it has formed a good faith opinion, having received such necessary or proper review by counsel and other knowledgeable advisors, that the portions marked **Confidential** and **Redacted** meet the requirements of G.S. § 132. The Offeror must identify the legal grounds for asserting that the information is confidential, including the citation to state law. **However, under no circumstances shall price information be designated as confidential.**
2. Except as otherwise provided above, pursuant to G.S. § 132-1, et seq., information or documents provided to the Department in response to this RFP are Public Record and subject to inspection, copy and release to the public unless exempt from disclosure by statute, including, but not limited to, G.S. § 132-1.2. Redacted copies provided by the Offeror to the

Department may be released in response to public record requests without notification to the Offeror.

3. During the period spanning the issuance of the RFP to Contract Award, possession of proposals, accompanying information, and subsequent negotiations are limited to personnel of the Department and any third parties involved in this procurement process.
4. Each Offeror submitting a proposal (including its representatives, subcontractors, and suppliers or other pilot partners or affiliates) is prohibited from having any communications with any person inside or outside the using agency, issuing agency, other government agency office, or body (including the purchaser named above, department secretary, agency head, members of the General Assembly and Governor's office), or private entity, if the communication refers to the content of Offeror's proposal or qualifications, the content of another Offeror's proposal, another Offeror's qualifications or ability to perform the contract, and/or the transmittal of any other communication of information that could be reasonably considered to have the effect of directly or indirectly influencing the evaluation of proposal and/or the award of the contract. An Offeror not in compliance with this provision shall be disqualified from Contract Award, unless it is determined in the Department's discretion that the communication was harmless, that it was made without intent to influence and that the best interest of the Department would not be served by the disqualification. An Offeror's proposal may be disqualified if its subcontractor and supplier engage in any of the foregoing communications during the time that the procurement is active (*i.e.*, the issuance date of the procurement until the date of the Contract award). Only those discussions, communications or transmittals of information authorized or initiated by the issuing agency for this RFP or general inquiries directed to the purchaser regarding requirements of the RFP (prior to proposal submission) or the status of the Contract Award (after submission) are excepted from this provision.
5. The Department may serve as custodian of Offeror's confidential information and not as an arbiter of claims against Offeror's assertion of confidentiality. If an action is brought pursuant to G.S. § 132-9 to compel the Department to disclose information marked confidential, the Offeror agrees that it will intervene in the action through its counsel and participate in defending the Department, including any public official(s) or public employee(s). The Offeror agrees that it shall hold the Department, State of North Carolina, and any official(s) and individual(s) harmless from all damages, costs, and attorneys' fees awarded against the Department in the action. The Department will provide reasonable notice to the Offeror in writing of any action seeking to compel the disclosure of Offeror's confidential information. The Department shall have the right, at its option and expense, to participate in the defense of the action through its counsel. The Department shall have no liability to Offeror with respect to the disclosure of Offeror's confidential information ordered by a court of competent authority pursuant to G.S. § 132-9 or other applicable law.

G. Evaluation Process and Contract Award

The Evaluation process will commence soon after responses are unsealed as defined in this RFP. The Department will evaluate each Offeror's proposal in accordance with the method, process, and scoring/weighting criteria stated herein.

1. Evaluation Committee and Method

- a. An Evaluation Committee (Committee) will be established to review each Offeror's proposal and make award recommendations. The Department may designate other individuals or subject matter experts to assist in the evaluation process. The Department reserves the right to alter the composition of the Committee or designate other staff or vendors to assist in the process.
- b. The Committee will review and evaluate all qualified responses received by the deadlines specified in this RFP. The Committee will be responsible for the entire evaluation process, including any clarifications, negotiations, and BAFOs, and scoring will be determined by consensus.

2. Evaluation Process: The following descriptions are to provide general information about the Department's evaluation process. The Department reserves the right to modify the evaluation process, including the order or content of the following evaluation process components:

- a. The Committee will review each Offeror's proposal to validate all required proposal documents are included and completed, and all Instructions to Offerors have been followed. Failure to adhere to these requirements may render the Offeror's response incomplete and may be grounds for rejection during any part of the evaluation process.
- b. The Committee will determine if Minimum Qualifications are met as required in *Section IV. Minimum Qualifications*. If the Offeror does not provide the required information, or the Department determines that the Offeror does not meet the Minimum Qualifications, that Offeror's response may be excluded from further consideration and evaluation if Minimum Qualifications are not met or at any time during the evaluation process if not identified during the determination of whether Minimum Qualifications were met.
- c. The Committee will review and evaluate the Offeror's *LPE Pilot Program Proposal*. Each Offeror should exercise due diligence to ensure their response is consistent with the instructions, clearly written and addresses all requirements and questions of this RFP.
- d. The Committee will make an award recommendation. Upon approval of the recommendation by the Department, the Notice of Award will be issued with the Department executing a Contract with the successful Offeror.

e. **Clarifications, Negotiations, and BAFOs -**

- i. The Department reserves the right to request Clarifications at any time from any Offeror, and such Clarifications must be submitted in writing to the Offeror to respond. However, the Department *is not required* to request Clarifications from any Offeror, and Offerors should exercise due diligence to ensure its response is clear and addresses all the requirements and specifications of the RFP. Pursuant to 01 NCAC 05A .0112, Clarification means communications between the State and a Vendor that may occur after receipt of Vendor's Offer made for the purpose of eliminating irregularities, informalities, or apparent clerical mistakes in an Offer. A Clarification may also be used in order for the State to interpret an Offer or Offers or to facilitate the State's evaluation of all Offers. A Clarification shall not be used to cure material deficiencies in an Offer, alter the scope of an Offer, or to negotiate.
- ii. The Department reserves the right to enter into negotiations with any Offeror to establish a contract that is in the best interest of the Department. Such negotiations may result in modifications to the RFP and/or Offeror's proposal and response.
- iii. The Department may issue a BAFO request to any Offeror, requesting one or more Offerors change its (their) initial offer(s).

- f. **In-Person or Oral Presentations** – The Department reserves the right to request in-person or oral presentations from any Offeror as part the Committee's evaluation of proposals. In-person presentations shall be conducted in Raleigh, NC at a site chosen by the Department. Oral presentations may be conducted by conference call. The presentations will address specific topics provided in advance to the Offeror. However, the Department *is not required* to request in-person or oral presentations from any or all Offerors and may limit any presentations only to those Offerors which are deemed competitive. Additional details regarding the scheduling of the in-person or oral presentations will be provided to selected Offerors by the Department upon determination that such presentation is needed. The Offeror is solely responsible for any costs associated with making in-person or oral presentations, including but not limited to travel and the preparation of additional materials.

3. **Scoring, Criteria, and Overall Weights**

- a. The Department will evaluate the Offeror's Technical Proposal for completeness and reasonableness and to determine if it complies with the instructions described in the RFP.
- b. The Department will determine if Offeror meets the requirements specified in Section IV. Minimum Requirements.

- c. The Offeror's response will be evaluated and scored on several factors. The Offeror's proposal and response will be scored based on an overall weighted point scale developed by the Department.
- d. Scoring of proposals will reflect the following weights/percentages:

Scoring Criteria and Weights			
Section	Technical Proposal Response	Subsection Weight	Section Weight
A - Administration and Management	Background and Experience	8.0%	25.0%
	Governance	5.0%	
	Staffing and Facilities	2.0%	
	Electronic System(s) of Record	3.0%	
	Implementation Plan	4.0%	
	Systems Testing and LPE Readiness Evaluation	1.0%	
	Non-Discrimination and Cultural Competency	2.0%	
B	Lead Pilot Entity and Prepaid Health Plan Contracts	1.5%	1.5%
C	Local Pilot Geographic Region	8.0%	8.0%
D - LPE and HSO Network Management	HSO Network Plan	12.0%	24.5%
	HSO Network Standards and Requirements	4.0%	
	Establish HSO Network	1.0%	
	HSO Readiness Review	2.0%	
	HSO Program Integrity and Monitoring	5.5%	
F - Quality Improvement and Pilot Program Evaluation	Assessing and Improving HSO Performance	5.0%	26.0%
	Convening Pilot-Participating Entities and Community Stakeholders	8.0%	
	Training and Technical Assistance	5.0%	
	Program Evaluation and Reporting	8.0%	
Total Technical Proposal		85.0%	85.0%

Section	Funding and Budget Proposal Response	Subsection Weight	Section Weight
E – Funding and Payments & Attachment C2: LPE Capacity Building Budget Proposal	Capacity Building and Budget Proposal	13.0%	
	HSO Payments for Delivered Pilot Program Services	1.0%	
	Value-Based Payments	1.0%	
Total Funding and Budget Proposal Response		15.0%	15.0%
Total LPE Pilot Program Proposal			100%

4. Contract Award

Upon conducting a comprehensive, fair, and impartial evaluation of the proposals received in response to this RFP, and the Department decides to award a Contract, the Department will sign the “Acceptance of Proposal” found at the bottom of the Execution of Proposal Section or require the signing of an Execution of Contract, thus resulting in the formation of the Contract(s). Within two (2) State Business Days after notification of award, the Offeror must register in NC E-Procurement @ Your Service. See <http://vendor.ncgov.com>.

5. Protest Procedures:

- a. If an Offeror wishes to protest any Contract awarded as a result of this solicitation, the Offeror shall submit a written request addressed to contact identified in *Section II.E.4 Proposal Submission and Number of Copies*. The protest request must include two (2) hardcopies and an electronic copy and be received in the proper office within thirty (30) days from the Contract award. Protest letters shall contain specific grounds and reasons for the protest, how the protesting party was harmed by the award made and any documentation providing support for the protesting party’s claims. **Note:** Contract Award notices are sent only to the Offeror awarded the Contract, and not to every person or firm responding to a solicitation. Proposal status and Award notices are posted on the Internet at <https://www.ips.state.nc.us/ips/>. All protests will be handled following the process defined in the North Carolina Administrative Code, 01 NCAC 05B.1519, but will be administered by Department of Health and Humans Services personnel.
- b. If a protest is determined by the Department head to be valid, the following outcomes may occur:
 - i. Cancellation of the award, and the solicitation to contract is not reissued;
 - ii. Cancellation of the award, and the solicitation to contract is reissued;
 - iii. Cancellation of the award, and the contract is awarded to the next technically competent, qualified offeror that agrees to honor its proposal.

III. DEFINITIONS, CONTRACT TERM, GENERAL TERMS AND CONDITIONS, OTHER PROVISIONS & PROTECTIONS

A. Definitions

1. **1115 Demonstration Waiver:** As defined by Section 1115 of the Social Security Act, state demonstrations that give states additional flexibility to design and improve their programs by demonstrating and evaluating state-specific policy approaches that promote the objectives of the Medicaid program. Specifically, North Carolina's 1115 Demonstration Waiver approved by the federal Centers for Medicare & Medicaid Services (CMS) on October 24, 2018 and revised to reflect technical amendments on April 25, 2019. Unless otherwise noted, any reference to the "1115 Demonstration Waiver" or to the "waiver" refers to the special terms and conditions of North Carolina's amended waiver approved by CMS on April 25, 2019.
2. **Advanced Medical Home (AMH):** A primary care practice that has attested to certain program participation levels (Tiers 1-3). Practices that attest to Tier 1 or Tier 2 rely on care managers at the Standard Plan for the provision of care management. Primary care practices certified as Tier 3 AMHs will take on direct responsibility for providing care management for Medicaid Members at the local level.
3. **Behavioral Health Intellectual/Developmental Disability Tailored Plan (BH I/DD Tailored Plan):** An integrated managed care plan specifically designed to serve beneficiaries with significant behavioral health disorders, intellectual and developmental disabilities and traumatic brain injuries as described in Section 4. (10) of Session Law 2015-245, as amended by Session Law 2018-48.
4. **Care Management:** Defined as a team-based, person centered approach to effectively managing patients' medical, social and behavioral conditions, including comprehensive assessment, transitional care management, coordination of services, and identification and management of unmet health-related needs and high-risk social environments. Care management is provided by a Medicaid care manager based at a PHP or local care management agency.
5. **Care Management Agencies:** Provider organization with experience delivering behavioral health, I/DD and/or TBI services to the BH I/DD Tailored Plan eligible population in North Carolina that will hold primary responsibility for providing integrated, whole-person care management under the Tailored Care Management model.
6. **Case Management:** The coordination of specific human services (e.g., assisting a patient looking for stable housing) by a staff member in a human service organization to effectively manage a patient's identified unmet health need.
7. **Contract Effective Date:** The date the Contract is fully executed by the Department and the Contractor.
8. **Corrective Action Plan (CAP):** A written document describing the deliberate set of actions to be taken by an entity, deficiency or non-compliance.

9. **Credible Allegation of Fraud:** An allegation from any source, including but not limited to the following in accordance with 42 C.F.R § 405.370:⁸
 - a. Fraud hotline complaints.
 - b. Claims data mining.
 - c. Patterns identified through provider audits, civil false claims cases, and law enforcement investigations.

Allegations are considered to be credible when they have indicia of reliability.

10. **Cultural Competency:** The ability to understand, appreciate and interact effectively with people of different cultures and beliefs to ensure the needs of all individuals served by the Pilot program are met, regardless of age, sex, race/ethnicity, sexual orientation, gender identity, disability, religion, income level, education, geographical location, or profession. Cultural Competency also means to be respectful and responsive to the health beliefs and practices and cultural and linguistic needs of diverse populations groups.
11. **Fee-for-Service:** A payment model in which providers are paid for each service provided.
12. **Health System:** An organization that includes at least one hospital and at least one group of physicians that provides comprehensive care (including primary and specialty care) who are connected with each other and with the hospital through common ownership or joint management.⁹
13. **Healthy Opportunities Pilot Program (the Pilot program):** The Enhanced Case Management and Other Services Pilot Program authorized by North Carolina’s 1115 Demonstration Waiver, referred to as the “Healthy Opportunities Pilot Program”. The Pilot program will evaluate the effectiveness of a set of select, evidence-based, non-medical interventions and the role of the Lead Pilot Entity on improving health outcomes and reducing healthcare costs for high-need Medicaid Members. The Healthy Opportunities Pilot Program refers to the overall Pilot program, which will encompass at least two and up to three Local Pilots.
14. **Healthy Opportunities Priority Domains:** The Department has identified four priority Healthy Opportunities Pilot services domains: housing instability, food insecurity, transportation insecurity and interpersonal violence/toxic stress.
15. **Human Service Organization (HSO):** An organization that offers non-medical services within one or more communities. HSOs are also known as community-based organizations or social service agencies.
16. **Implementation Plan:** Comprehensive schedule of events, tasks, durations, deliverables, and milestones developed and executed by the LPE to ensure successful implementation and launch of Pilot services in the Local Pilot region.
17. **Incentives:** Additional payments earned for meeting specified targets.
18. **Intellectual and Developmental Disability:** A severe, chronic disability of a person which:

⁸Available:https://www.ecfr.gov/cgi-bin/text-idx?SID=171a65380c71027e4e3f6823202ccb9f&mc=true&node=se42.2.405_1370&rgn=div8

⁹ Agency for Healthcare Research and Quality (AHRQ) definition of “Health System”, available: <https://www.ahrq.gov/chsp/data-resources/compendium.html>

- a. Is attributable to a mental or physical impairment or combination of mental and physical impairments;
 - b. Is manifested before the person attains age 22, unless the disability is caused by a traumatic head injury and is manifested after age 22;
 - c. Is likely to continue indefinitely;
 - d. Results in substantial functional limitations in three or more of the following areas of major life activity: self-care, receptive and expressive language, capacity for independent living, learning, mobility, self-direction and economic self-sufficiency; and
 - e. Reflects the person's need for a combination and sequence of special interdisciplinary, or generic care, treatment, or other services which are of a lifelong or extended duration and are individually planned and coordinated; or
 - f. When applied to children from birth through four years of age, may be evidenced as a developmental delay.¹⁰
19. **Lead Pilot Entity (LPE):** A successful Offeror awarded a Contract through this RFP; also referred to as the Contractor. A primary responsibility of the LPE is to contract with Prepaid Health Plans to manage a network of HSOs providing Pilot services to Pilot Participants.
20. **Limited English Proficiency (LEP):** Has the same meaning as LEP as defined in 42 C.F.R. §438.10(a) in accordance with 42 C.F.R. § 438.10(d), Information Requirements.¹¹
21. **Linguistic Competency:** The capacity of an organization and its personnel to communicate effectively and to convey information in a manner that is easily understood by diverse audiences. Such audiences include persons of limited English proficiency, those who have low literacy skills or are not literate, and individuals with disabilities. The organization must have policy, structures, practices, procedures, and dedicated resources to support this capacity.¹²
22. **Local Management Entity/Managed Care Organization (LME/MCO):** Defined in N.C. Gen. Stat. § 122C-3(20c) as a local management entity that is under contract with the Department to operate the combined Medicaid Waiver program authorized under Section 1915(b) and Section 1915(c) of the Social Security Act.
23. **Local Pilot:** A specific Pilot within the Healthy Opportunities Pilot Program operating in a defined geographic region of North Carolina for Pilot-eligible Medicaid Members whose Medicaid address of record is in the Local Pilot region, and in which one Lead Pilot Entity and other Pilot-participating entities conduct Pilot-related responsibilities.
24. **Local Pilot Geographic Region or Local Pilot Region:** The geographic area of contiguous counties within which a Local Pilot operates, as defined by a Lead Pilot Entity in partnership with the Department. The Local Pilot region provides the bounds of an individual Lead Pilot Entity's responsibilities.

¹⁰ Intellectual and Developmental Disabilities (IDDs) Condition Information. National Institutes for Health (NIH). Available: www.nichhd.nih.gov/health/topics/idds/conditioninfo/default

¹¹ Available https://ecfr.io/Title-42/pt42.4.438#se42.4.438_110

¹² Definition developed by National Center for Cultural Competence at Georgetown University. Available: https://nccc.georgetown.edu/culturalbroker/8_Definitions/2_Definitions.html

25. **Medicaid Managed Care:** The name of the North Carolina managed care program for North Carolina Medicaid and NC Health Choice benefits as required in Session Law 2015-245, as amended; does not include LME/MCOs.
26. **Member:** A Medicaid beneficiary specifically enrolled in and receiving benefits through the North Carolina Medicaid Managed Care program.
27. **NCCARE360:** Statewide technology infrastructure and coordinated community networks uniting health care and human services through a statewide resource directory, a community resource repository and a shared technology platform that enables health care and human service providers to send and receive secure closed-loop electronic referrals, communicate in real-time, securely share client appropriate information and track outcomes.
28. **NC Health Choice:** The Health Insurance Program for Children authorized by N.C. Gen. Stat. § 108A-70.25 and as set forth in the North Carolina State Plan of the Health Insurance Program for Children.
29. **PHP Region:** Any of the six (6) Medicaid Managed Care Regions defined pursuant to Section 5 of Session Law 2015-245, as amended or the seven (7) BH I/DD Tailored Plan Regions as defined by the Department.
30. **Pilot-Eligible Member:** An individual Medicaid managed care Member that meets the criteria to be eligible for participation in the Pilot program, as defined in *Attachment L: Pilot Program Participant Eligibility Criteria*.
31. **Pilot Participant:** A Medicaid Member who has been determined by their Prepaid Health Plan to be eligible, consented to participate in the Pilot program, and has been enrolled to receive Pilot services.
32. **Preliminary HSO Network:** The list of HSOs with which the Offeror proposes to contract if awarded a Lead Pilot Entity Contract. HSOs in the preliminary HSO network do not need to go through the full contracting process to be in the preliminary HSO network at the time of RFP response submission but must submit letters of intent to participate in the Offeror's network if awarded a contract. HSOs in the preliminary HSO network will be required to undergo the full contracting process if the Offeror is awarded a contract.
33. **Prepaid Health Plan (PHP):** Prepaid Health Plan shall have the same meaning as defined in Section 4. (2) of Session Law 2015-245, as amended by Session Law 2018-48. As defined therein, "PHP" includes both Commercial Plans and Provider-Led Entities (i.e. Standard Plans) and BH I/DD Tailored Plans. A PHP is a Managed Care Organization as defined 42 CFR 438.2.
34. **Readiness Evaluation or Readiness Review:** An assessment to determine the preparedness of the LPE or an HSO to effectively administer and provide the services defined in this RFP and any resulting contract, including contracts between LPEs and HSOs, and to comply with any additional readiness standards established by the Department.
35. **Rural County:** A county with an average population density of less than 250 people per square mile. A list of counties with this designation for the purposes of this RFP can be found in *Attachment G: County Medicaid Enrollment And Urban/Rural Classification*.

36. **Shared Savings:** In the context of Pilot program Value-Based Payment design, payments distributed to Pilot-participating entities based on total cost of care performance for Pilot Participants as defined in a methodology to be specified by the Department.
37. **Standard Plan:** A Medicaid Managed Care plan that provides integrated physical health, behavioral health and pharmacy services to most North Carolina Medicaid and NC Health Choice beneficiaries and that are not BH I/DD Tailored Plans in accordance with in Section 4. (10) of SL 2015-245, as amended by SL 2018-48.
38. **State:** The State of North Carolina, the NC Department of Health and Human Services as an agency or in its capacity as the Using Agency.
39. **State Business Day:** Traditional workdays, Monday through Friday, from 8:00AM ET through 5:00PM ET excluding State holidays. A list of North Carolina State Holidays is located at <https://oshr.nc.gov/state-employee-resources/benefits/leave/holidays>.
40. **Unmet Resource Needs:** Non-medical needs of individuals that foundationally influence health, such as housing instability, food insecurity, transportation insecurity, and interpersonal violence/toxic stress.
41. **Urban County:** Non-rural counties, or counties with an average population density above 250 people per square mile; this includes counties categorized by the North Carolina Rural Economic Development Center as “regional cities or suburban counties” and “urban counties.” A list of counties with this designation for the purposes of this RFP is in *Attachment G: County Medicaid Enrollment And Urban/Rural Classification*.
42. **Value-Based Payments:** Payment methodology linking payments to performance and value. For the purposes of the Pilot program, Pilot funds to PHPs, LPEs and HSOs will be linked over time to value, defined as meeting operational goals and expectations, improving Pilot Participants’ access to services to address Unmet Resource Needs, improving health outcomes, and reducing healthcare costs relative to expectations. Value-based payments may include Incentives, Withholds or Shared Savings components.
43. **Waste:** Overutilization of services or other practices that, directly or indirectly, result in unnecessary costs. It is not generally considered to be caused by criminally negligent actions, but by the misuse of resources.¹³
44. **Withholds:** A portion of Pilot payments withheld up front and paid out only after LPEs or PHPs meet specified Pilot benchmarks, consistent with the Pilot program Value-Based Care approach.

¹³ Office of the Inspector General. Solutions to Reduce Fraud, Waste and Abuse in HHS Programs. OIG Top Recommendations 2019. Available: www.oig.hhs.gov/reports-and-publications/compendium/files/compendium2019.pdf

B. Acronyms

1. **AMH:** Advanced Medical Home
2. **BH I/DD:** Behavioral Health and Intellectual/Developmental Disabilities
3. **CAP:** Corrective Action Plan
4. **CMS:** Centers for Medicare & Medicaid Services
5. **CPA:** Certified Public Accountant
6. **CY:** Calendar Year
7. **DHB:** Department of Health Benefits
8. **DHHS:** Department of Health and Human Services
9. **FedRAMP:** Federal Risk and Authorization Management Program
10. **HITECH:** Health Information Technology for Economic and Clinical Health Act
11. **HIPAA:** Health Insurance Portability and Accountability Act
12. **HSO:** Human Service Organization
13. **IDM:** Identify Management
14. **LEP:** Limited English Proficiency
15. **LHD:** Local Health Department
16. **LME/MCO:** Local Management Entity/Managed Care Organization
17. **LPE:** Lead Pilot Entity
18. **LTSS:** Long Term Services and Supports
19. **MCO:** Managed Care Organization
20. **MES:** Medicaid Enterprise System
21. **NCID:** North Carolina Identity Service
22. **PHI:** Protected health information
23. **PHP:** Prepaid Health Plan
24. **PIP:** Performance Improvement Plan
25. **PTA:** Privacy Threshold Analysis
26. **PSO:** Privacy and Security Office
27. **OCR:** Office for Civil Rights (Federal)
28. **RFP:** Request for Proposal
29. **SFTP:** Secure File Transfer Protocol
30. **SSH:** Secure Shell
31. **SSL:** Secure Sockets Layer
32. **TBI:** Traumatic Brain Injury

C. Contract Term and Related Pilot Periods

1. The contract term will begin on the Contract Effective Date and end on October 31, 2024 (“Contract Term”).
2. The Contract Term is divided into six Pilot Periods for the purposes of contracting, reporting, monitoring, evaluation and payments. Following the Implementation Period, the periods align with the State’s fiscal year, each of which begins on July 1 and ends on June 30 of the next year. The final period will end on October 31, 2024.
3. The Pilot Periods are specified below. See *Exhibit 1: Expected Healthy Opportunities Pilot Timeline* on the next page for information on how the Pilot Periods align with the fiscal years, Medicaid Managed Care and the 1115 waiver demonstration years.
 - a. **Implementation Period:** Contract Effective Date through February 28, 2021
 - b. **Service Delivery I:** March 1, 2021 through June 30, 2021
 - c. **Service Delivery II:** July 1, 2021 through June 30, 2022
 - d. **Service Delivery III:** July 1, 2022 through June 30, 2023
 - e. **Service Delivery IV:** July 1, 2023 through June 30, 2024
 - f. **Service Delivery V:** July 1, 2024 through October 31, 2024
4. The Department reserves the right to modify the Pilot Periods without modifying the Contract Term, by providing written notification to the Contractor as required in Section III.D.30. NOTICES.

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Exhibit 1: Expected Health Opportunities Pilot Timeline

Pilot Contract Periods Overlaid with Other Timelines

2019												2020												2021												2022												2023												2024												2025											
1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
SFY 2020												SFY 2021												SFY 2022												SFY 2023												SFY 2024												SFY 2025																							
MC Y1						MC Y2						MC Y3						MC Y4						MC Y5						MC Y6																																																					
DY 1						DY 2						DY 3						DY 4						DY 5																																																											
<i>Capacity Building Funds Available</i>																																																																																			
Implementation Period						Service Delivery I						Service Delivery II						Service Delivery III						Service Delivery IV						Service Delivery V																																																					

SFY = State Fiscal Year

MC = Managed Care Year

DY = Pilot Demonstration Year

D. Terms and Conditions

1. **ACCESS TO PERSONS AND RECORDS:**

- a. Pursuant to G.S. § 147-64.7 and G.S. § 143-49(9), the Department, the State Auditor, appropriate State or federal officials, and their respective authorized employees or agents shall have access to persons and premises, or such other locations where duties under the Contract are being performed, and are authorized to inspect, monitor, or otherwise evaluate all books, records, data, information, and accounts of the Contractor, their subcontractor(s), other persons directed by the Contractor, or Contractor's parent or affiliated companies as far as they relate to transactions under the Contract, performance of the Contract, or to costs charged to the Contract. The Contractor shall retain any such books, records, data, information, and accounts in accordance with the **RECORD RETENTION** clause of the Contract. Changes or additional audit, retention or reporting requirements may be imposed by federal or state law and/or regulation, and the Contractor must adhere to such changes or additions.
 - b. The State Auditor shall have access to persons and records because of all contracts or grants entered by State agencies or political subdivisions in accordance with NCGS § 147-64.7.
 - c. Nothing in this section is intended to limit or restrict the State Auditor's rights.
 - d. This provision shall survive termination or expiration of this Contract.
 - e. The State Auditor and the Auditor's authorized representatives shall have access to the persons used, records created, and equipment and facilities furnished pursuant to this Contract as authorized pursuant to N.C.G.S. § 147-64.7(2). The financial auditors of the Department shall also have full access to all financial records and other information determined by the Department to be necessary to Department's substantiation of the Medicaid monthly payment(s). These audit rights are in addition to any audit rights any federal agency may have regarding the use of federally allocated Medicaid funds.
2. **ADVERTISING:** Contractor agrees not to use the existence of this Contract or the name of the Department or State of North Carolina as part of any commercial advertising or marketing of its products or services, excepted as permitted under this Contract. A Contractor may inquire whether the Department is willing to act as a reference by providing information directly to other prospective customers. The Department is under no obligation to serve as a reference
 3. **AMENDMENTS:** This Contract may not be amended orally or by performance. The Contract may be amended only by written amendments executed by the Department and the Contractor.
 4. **ASSIGNMENT:** No assignment of the Contractor's obligations nor the Contractor's right to receive payment hereunder shall be permitted.

However, upon written request approved by the Department and solely as a convenience to the Contractor, the Department may:

- a. Forward the Contractor's payment check directly to any person or entity designated by the Contractor; and
- b. Include any person or entity designated by Contractor as a joint payee on the Contractor's payment check.

In no event shall such approval and action obligate the Department to anyone other than the Contractor, and the Contractor shall remain responsible for fulfillment of all Contract obligations. Upon advance written request, the Department may, at its discretion, approve an assignment to the surviving entity of a merger, acquisition or corporate reorganization, if made as part of the transfer of all or substantially all the Contractor's assets. Any purported assignment made in violation of this provision shall be void and a material breach of this Contract.

5. **AVAILABILITY OF FUNDS:** All payments to Contractor are expressly contingent upon and subject to the appropriation, allocation, and availability of funds to the Department for the purposes set forth in the Contract. If the Contract or any Purchase Order issued hereunder is funded in whole or in part by federal funds, the Department's performance and payment shall be subject to and contingent upon the continuing availability of said federal funds for the purposes of the Contract or Purchase Order. If the term of the Contract extends into fiscal years after that in which it is approved, such continuation of the Contract is expressly contingent upon the appropriation, allocation, and availability of funds by the N.C. General Assembly for the purposes set forth in this RFP and any resulting Contract. If funds to effect payment are not available, the Department will provide written notification to the Contractor and may terminate the Contract in accordance with the **TERMINATION** clause. If the Contract is terminated, the Contractor agrees to take back any affected deliverables and software not yet delivered under the Contract, terminate any Services supplied to the Department under the Contract, and relieve the Department of any further obligation thereof. The Department shall remit payment for deliverables and services accepted prior to the date of the previously mentioned notice in conformance with the payment terms.
6. **BACKGROUND CHECKS AND DISCLOSURE OF LITIGATION AND CRIMINAL CONVICTION OR ADVERSE FINANCIAL CONDITION:** The Contractor's failure to fully and timely comply with the terms of this Section and *Attachment U: Disclosure Of Litigation And Criminal Convictions*, including providing reasonable assurances satisfactory to the State, may constitute a material breach of the Contract and result in Termination for Cause.
 - a. Upon execution of this Contract, the Contractor shall notify the State if it, or any of its subcontractors, or their officers, directors, or their Key Personnel, who may provide services under this Contract, have ever been convicted of a felony, or any crime involving moral turpitude, including, but not limited to fraud, misappropriation, or deception. The

Contractor shall promptly notify the Department of any criminal litigation, investigations or proceeding involving the Contractor or any subcontractor, or any of the forgoing entities' then current officers or directors during the term of this Contract.

- b. The Contractor shall notify the State of any civil litigation, regulatory finding or penalty, arbitration, proceeding, or judgments against it or its subcontractors during the three (3) years preceding the Effective Period Commencement Date of the Contract, or which may occur during the term of this Contract that involves (1) services or related goods similar to those provided pursuant to any contract and that involve a claim that may affect the viability or financial stability of the Contractor; and (2) a claim or written allegation of fraud by the Contractor or any subcontractor hereunder, arising out of their business activities; and (3) a claim or written allegation that the Contractor or any subcontractor hereunder violated any federal, state or local statute, regulation or ordinance. Multiple lawsuits and or judgments against the Contractor or its subcontractors shall be disclosed to the Department to the extent they affect the financial solvency and integrity of the Contractor or subcontractor.
- c. Contractor agrees not to use any personnel in the performance of this Contract who have been convicted of any of the crimes listed in subpart a. herein above. In addition, Contractor will not use or authorize any subcontractor to use in the performance of this Contract any persons who have been convicted of any federal or state crime involving antitrust laws, anti-kickback laws, self-referral laws, improper influencing of public officials, or improper management or destruction of public records or financial records.
- d. The Contractor shall notify the State of any legal action that could adversely affect the Contractor's ability to meet the requirements of the Contract.
- e. All notices under subsection a, b, c, and d herein shall be provided in writing to the State within thirty (30) days after the Contractor learns about any such criminal, regulatory, or civil matters or financial circumstances or material change to prior disclosures, unless such matters are governed by the other stated terms and conditions of the Contract. Details of settlements which are prevented from disclosure by the terms of the settlement shall be annotated as such. Contractor may rely on good faith certifications of its subcontractors addressing the foregoing, which certifications shall be available for inspection at the option of the State.
- f. The Department reserves the right to request a criminal background check on Contractor's employees or independent contractors or the employees of Contractor's approved subcontractors.
- g. Where requested by the Department, Contractor must obtain, at its own expense, and provide the Department, or its designee, a North Carolina State Bureau of Investigation (SBI) and/or Federal Bureau of Investigation (FBI) background check on all employees prior to assignment.

- h. Contractor shall keep any records related to these verifications in accordance with the **RECORD RETENTION** clause of this Contract.
7. **BENEFICIARIES:** The Contract shall inure to the benefit and be binding upon the Parties and their respective successors. It is expressly understood and agreed that the enforcement of the Terms and Conditions of the Contract, and all rights of action relating to such enforcement, shall be strictly reserved to the Department and Contractor. Nothing contained in this Contract shall give or allow any claim or right of action whatsoever by any third person. It is the express intention of the Department and Contractor that any such other person or entity receiving services or benefits under the Contract shall be deemed an incidental beneficiary only and not a contractual third-party beneficiary.
8. **CHANGE IN CORPORATE STRUCTURE:** In cases where Contractor(s) are involved in corporate consolidations, acquisition or mergers, the Parties may negotiate agreements for the transfer of contractual obligations and the continuance of contracts within the framework of the new corporate structure, subject to Department approval and the terms of this Contract.
9. **CHOICE OF LAW AND FORUM:** The validity of this Contract and any of its terms and conditions or provisions, as well as the rights and duties of the Parties, are governed by the laws of North Carolina. Forum shall be in the District or Superior Courts of Wake County, North Carolina, where all matters, whether sounding in contract or tort, relating to the validity, construction, interpretation, and enforcement shall be determined. This section shall survive the termination of the Contract for any reason.
10. **COMPLIANCE WITH LAWS:**
- a. Contractor shall comply with all applicable federal and state laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business and performance in accordance with this Contract.
 - b. Contractor is responsible for ensuring its subcontractors comply with all laws, rules, regulations, and licensing requirements applicable to Contractor's performance under this Contract, including but not limited to the applicable provisions of (a) Title XIX of the Social Security Act and Titles 42 and 45 of the Code of Federal Regulations,; and (B) those laws, rules, or regulations of federal and State agencies having jurisdiction over the subject matter of this Contract, whether in effect when this Contract is signed, or becoming effective during the term of this Contract.
11. **CONTRACT ADMINISTRATORS:** Contract Administrators are the persons to whom notices provided for in this Contract shall be given, and to whom matters relating to the administration of this Contract shall be addressed as detailed in *Attachment H: Contract Administrators*.
12. **COOPERATION WITH OTHER STATE VENDORS:** Contractor shall cooperate with Department Vendors that are providing goods or services to or on behalf of the Department in relation to

Medicaid including those Vendors providing services with respect to system integration, encounter processing, enrollment and eligibility, data analytics, and those engaged by the Department to monitor, validate, or verify Contractor's performance.

13. **COPYRIGHT:** North Carolina Public Records Laws identifies all documents created for public transactions/business as public records; therefore, no deliverable items produced in whole or in part under this Contract shall be the subject of an application for copyright by or on behalf of Contractor, except as otherwise provided herein. The State shall own all deliverables that Contractor is required to deliver to the Department pursuant to this Contract, except as provided herein.
 - a. Contractor shall not acquire any right, title, and interest in and to the copyrights for goods, all software, technical information, specifications, drawings, records, documentation, data, or derivative works thereof, or other work products provided by the State to Contractor.
 - b. The State shall, upon payment for the services in full in accordance with the payment terms of this Contract, shall own copyrighted works first originated and prepared by Contractor for delivery to the State.
 - c. The State hereby grants Contractor a royalty-free, fully paid worldwide, perpetual, nonexclusive, irrevocable license for Contractor's business use, to non-confidential deliverables first originated and prepared by Contractor for delivery to the State.
 - d. Contractor shall maintain ownership of all pre-existing intellectual property that it provides to the State as part of the deliverable(s), and the State shall have a royalty-free, fully paid, worldwide, perpetual, non-exclusive, irrevocable license to use such intellectual property solely for its operations.
 - e. The intellectual property terms of this Contract do not: (i) affect Contractor's ownership of all other intangible intellectual property (e.g., processes, ideas, know how) that Contractor has developed in the course of performance hereunder, (ii) prevent Contractor from selling similar services elsewhere, or (iii) prevent Contractor from marketing, licensing or selling any and all intellectual property it develops hereunder to other customers, provided no State confidential information is used or disclosed in the process.
14. **COUNTERPARTS:** This Contract may be executed in two or more counterparts, each and all of which shall be deemed an original and all of which together shall constitute but one and the same instrument. Any signature page transmitted by electronic mail in portable document format will have the same legal effect as an original executed signature page.
15. **DISCLOSURE OF CONFLICTS OF INTEREST:** The Contractor shall disclose any known conflicts of interest, or perceived conflicts of interest, at the time they arise, as follows:

- a. Disclose any relationship to any business or associate to whom the Contractor is doing business that creates or may give the appearance of a conflict of interest related to this Contract.
 - b. By signing the RFP, Contractor certifies that it shall not knowingly take any action or acquire any interest, either directly or indirectly, that will conflict in any manner or degree with the performance of its services during the term of the Contract.
 - c. Disclose prior to employment or engagement by the Contractor, any firm principal, staff member or subcontractor, known by the Contractor to have a conflict of interest or potential conflict of interest related to this Contract.
 - d. All notices required by this subsection must be provided to the Department within thirty (30) calendar days Contractor becoming aware of the conflict.
16. **DISPUTE RESOLUTION**: In the event the Parties disagree as to their respective obligations or performance, or the performance of any subcontractor to this Contract, the Parties may agree to meet and identify the specific disagreement(s) between them. If this informal approach is agreed to by the Parties, the specific disagreement(s) will be documented and provided by the Parties. After each Party has received the written documentation, the following procedure may be followed:
- a. The assigned Party representatives will agree to a meeting time and place and the topics to be discussed.
 - b. At the meeting, each Party will present its position(s), including any evidentiary documentation.
 - c. If the Parties reach resolution at the meeting, Contractor will memorialize the resolution and send such written documentation to the Department for its approval.
 - d. If the Parties are not able to reach resolution at the meeting, each Party will have an additional thirty (30) days to provide additional information to the other Party in a further attempt to reach resolution.
 - e. If the Parties are unable to reach resolution at the end of the additional thirty (30) day period, this dispute resolution process will end, and each Party may invoke any legal or administrative remedy available to it at law or in equity.
 - f. During the period where the Parties are attempting to resolve a dispute, each Party shall proceed diligently and in good faith to perform its respective duties and responsibilities under this Contract.

Nothing in this section is intended to limit, restrict, or condition any other contractual or legal right of the Parties. All performance deficiencies and assessment of damages will be governed in accordance with the requirements and process specified in Section VI. Contract Performance

17. **ENTIRE AGREEMENT AND ORDER OF PRECEDENCE:** This Contract consists of the following documents incorporated herein by reference:
- a. Any amendments, business requirements, or implementation plans, executed by the Parties, in reverse chronological order;
 - b. Execution of Contract, if any;
 - c. Best and Final Offers and negotiation documents, in reverse chronological order, if any;
 - d. Written clarifications, in reverse chronological order, if any;
 - e. Addenda to the RFP, in reverse chronological order, if any; and
 - f. This RFP in its entirety; and
 - g. Offeror's proposal.

In the event of a conflict between the Contract Documents, the term in the Contract with the highest precedence shall prevail. These documents constitute the entire agreement between the parties and supersede all prior oral or written statements or agreements.

18. **EQUAL EMPLOYMENT OPPORTUNITY:** Contractor shall comply with all Federal and State requirements and North Carolina Executive Order 24 dated October 18, 2017, concerning fair employment and employment of the disabled and concerning the treatment of all employees without regard to discrimination by reason of race, color, ethnicity, national origin, age, disability, sex, pregnancy, religion, National Guard or veteran status, sexual orientation, gender identity or expression.
19. **FEDERAL INTELLECTUAL PROPERTY BANKRUPTCY PROTECTION ACT:** The Parties agree that the Department shall be entitled to all rights and benefits of the Federal Intellectual Property Bankruptcy Protection Act Public Law 100-506 codified at 11 U.S.C. 365(n) and any amendments thereto.
20. **FORCE MAJEURE:** Neither Party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations because of events beyond its reasonable control, including without limitation, fire, power failures, any act of war, hostile foreign action, nuclear explosion, riot, strikes or failures or refusals to perform under subcontracts, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.
21. **FORMER EMPLOYEE:** Pursuant to G.S. 143B-139.6C, the Department is prohibited from contracting with a vendor that employs or contracts with a person who is a former employee of the Department and uses that person in the administration of a contract with the Department. A violation of G.S. 143B-139.6C voids the contract between the Department and the vendor. By submitting a signed response to the RFP, Offeror certifies that it will not use

a former employee of the Department in the administration of the Contract (if awarded) in violation of the provisions of G.S. 143B-139.6C.

22. **GOVERNMENTAL RESTRICTIONS:** In the event any governmental restrictions are imposed which necessitate alteration of the material, quality, workmanship, or performance of the items or services offered prior to their delivery, it shall be the responsibility of the Contractor to notify, in writing, the issuing Department immediately, indicating the specific regulation which required such alterations. The Department reserves the right to accept any such alterations, including any price adjustments occasioned thereby, or to cancel the Contract.

23. **INDEMNIFICATION:**

a. Contractor shall hold and save the State, its officers, agents, and employees, harmless from liability of any kind, including all claims and losses accruing or resulting to any other person, firm, or corporation furnishing or supplying work, services, materials, or supplies in connection with the performance of this Contract, and from any and all claims and losses accruing or resulting to any person, firm, or corporation that may be injured or damaged by the Contractor in the performance of this Contract and that are attributable to the negligence or intentionally tortious acts of Contractor.

b. Contractor represents and warrants that it shall make no claim of any kind or nature against the State's agents who are involved in the delivery or processing of Contractor goods and/or services to the State. The representations and warranties in the preceding sentences shall survive the termination or expiration of this Contract. The State, Department, and/or Office of the Attorney General shall have the option to participate at their own expense in the defense of such claim(s) or action(s) filed, and the State shall be responsible for its own litigation expenses if it exercises this option.

c. Contractor shall hold and save the Department, State, its officers, agents, and employees, harmless from liability of any kind, including costs and expenses, resulting from infringement of the rights of any third party in any copyrighted material, patented or unpatented invention, articles, device, or appliance delivered relating to this Contract. This provision shall survive the termination or expiration of this Contract.

d. Notwithstanding any other term or provision in this Contract, nothing herein is intended nor shall be interpreted as waiving any claim or defense based on the principle of sovereign immunity that otherwise would be available to the Department and State under applicable law.

24. **INDEPENDENT CONTRACTORS:** Contractor and its employees, officers and executives, and subcontractors, if any, shall be independent Contractors and not employees or agents of the Department. The Contract shall not operate as a joint venture, partnership, trust, agency, or any other similar business relationship.

25. **INHERENT SERVICES:** If any services, deliverables, functions or responsibilities not specifically

described in the Contract are required for the proper performance, provision, and delivery of the services and deliverables to be delivered by Contractor pursuant to the Contract, or are an inherent part of or necessary subtask included within the Contract, they will be deemed to be implied by and included within the scope of the Contract to the same extent and in the same manner as if specifically described in the Contract. Unless otherwise expressly provided in the Contract, Contractor will furnish all necessary management, supervision, labor, facilities, furniture, computer and telecommunications equipment, software, supplies and materials necessary to provide the services to be delivered by Contractor under the Contract.

26. **INSURANCE**: During the term of the Contract, the Contractor, at its sole cost and expense, shall provide commercial insurance coverage of such type and with such terms and limits as may be reasonably associated with the Contract. At a minimum, the Contractor shall provide and maintain the following coverage and limits:
- a. **Worker's Compensation** - The Contractor shall provide and maintain Worker's Compensation Insurance, as required by the laws of North Carolina, as well as employer's liability coverage with minimum limits of \$500,000.00, covering all of Contractor's employees who are engaged in any work under the Contract. If any work is sublet, the Contractor shall require the subcontractor to provide the same coverage for any of his employees engaged in any work under the Contract.
 - b. **Commercial General Liability** - General Liability Coverage on a Comprehensive Broad Form on an occurrence basis in the minimum amount of \$2,000,000.00 Combined Single Limit.
 - c. **Automobile** - Automobile Liability Insurance, to include liability coverage, covering all owned, hired, and non-owned vehicles, used relating to the Contract. The minimum combined single limit shall be \$500,000.00 for bodily injury and property damage; \$500,000.00 for uninsured/under insured motorist; and \$5,000.00 for medical payment.
 - d. **Requirements** - Providing and maintaining adequate insurance coverage is a material obligation of the Contractor and is of the essence of this Contract. All such insurance shall meet all laws of the State of North Carolina. Such insurance coverage shall be obtained from companies that are authorized to provide such coverage and that are authorized by the Commissioner of Insurance to do business in North Carolina. The Contractor shall always comply with the terms of such insurance policies, and all requirements of the insurer under any such insurance policies, except as they may conflict with existing North Carolina laws or this Contract. The limits of coverage under each insurance policy maintained by the Contractor shall not be interpreted as limiting the Contractor's liability and obligations under the Contract.
27. **LITIGATION**: If a demand is asserted, or litigation or administrative proceedings are begun against the Contractor or against the Department and Contractor jointly relating to the services being provided under this Contract, the Contractor shall notify the Department

within five (5) State Business Days of becoming aware of such action. To the extent no conflict of interest exists or arises, Parties may agree to joint defense and agree to cooperate fully in defense of such litigation.

- a. In the event of litigation against the Department related to the Contract, Contractor's performance, or services provided under the Contract, Contractor will cooperate with Department fully in the defense of such litigation.
- b. Any civil or administrative settlements between Contractor and any entity related to this Contract are public record. All settlements must be reported to the Department within thirty (30) days of an executed settlement agreement and a copy of the settlement agreement must be provided to the Department upon request.
- c. This provision shall survive expiration or termination of the Contract.

28. **MEDIA CONTACT APPROVAL AND DISCLOSURE:** Contractor shall not use the name or seal of the North Carolina Division of Health Benefits, the North Carolina Department of Health and Human Services or the State of North Carolina in any media release or public announcement or disclosure relating to the terms of this Contract without prior approval of the Department. Contractor shall not provide any information to the media regarding a recipient of services under this Contract without first receiving approval from the Department. In the event the Contractor is contacted by the media for information related to the terms of this Contract or a recipient of services under the Contractor shall make immediate contact with the Department when the contact occurs. Contractor must submit any information related to such media release or public disclosure to the Department for review and approval at least seven (7) State Business Days in advance of intended disclosure. Department may, at its sole discretion, object to its publication or require changes to the information intended for public release. The requirements of this Section shall not apply to any information the Contractor is required by law to disclose.
29. **MONITORING OF SUBCONTRACTORS:** Contractor shall perform on-going monitoring of all subcontractors and shall confirm compliance with subcontract requirements. As part of on-going monitoring, the Contractor shall identify to the subcontractor(s) deficiencies or areas for improvement and shall require the subcontractor(s) to take appropriate corrective action. Contractor shall perform a formal performance review of all subcontractors at least annually.
30. **NOTICES:** Any notices permitted or required under the Contract must be delivered to the appropriate Contract Administrator for each Party. Unless otherwise specified in the Contract, any notices shall be in writing and delivered by **both** email and by either (a) prepaid U.S. Mail, or (b) commercial courier (e.g. FedEx, UPS, DHL), or (c) personal delivery.
31. **OWNERSHIP OF DELIVERABLES:** All project materials, including Deliverables, software, data, and documentation created during the performance or provision of services hereunder that are not licensed to the Department or other State entity, or are not proprietary to the

Contractor are the property of the Department and must be kept confidential or returned to the Department, or destroyed. Proprietary Contractor materials shall be identified to the Department by the Contractor prior to use or provision of services hereunder and shall remain the property of the Contractor. Derivative works of any Contractor proprietary materials prepared or created during the performance of provision of services hereunder shall be subject to a perpetual, royalty free, nonexclusive license to the Department and the State. This term shall survive termination or expiration of the Contract.

32. **PAYMENT AND INVOICE TERMS:**

- a. The Contractor shall submit invoices for LPE and HSO capacity building funding in accordance with the following schedule.
 - i. The initial invoice shall be submitted to the Department within ten (10) days of receipt of notification of approval of Contractor's capacity building budget proposal. The amount of the initial invoice shall not exceed twenty-five percent (25%) of the annual capacity building budget, unless otherwise agreed to by the Department.
 - ii. Subsequent invoices shall be sent not more than forty-five (45) days and not less than thirty (30) days prior to the beginning of the upcoming quarterly budget period and shall not exceed twenty-five percent (25%) of the annual capacity building budget, unless otherwise agreed to by the Department.
- b. Invoices must be submitted as follows:
 - i. Electronically to: MedicaidFinanceAP@dhhs.nc.gov
 - ii. A hard copy to:
Department of Health and Human Services
Division of Health Benefits
ATTENTION: Accounting
CONTRACT: 30-2019-052 DHB
1985 Umstead Drive
2501 Mail Service Center
Raleigh, NC 27699-2501
 - iii. Medicaid accounting staff may be reached at 919-855-4114 for questions regarding invoices.
 - iv. The Department will promptly notify the Contractor of any changes to the information above for submission of invoices.
- c. Invoices must be dated and reflect the quarterly capacity building budget defined in the Contract for services or deliverables and include sufficient supporting documentation for the Department to validate the request.

- d. The Parties shall mutually agree to an invoicing and payment schedule for any one-time implementation fees, if applicable, except the Department shall not make payment for any one-time fees prior to the date services for the applicable component of the Scope of Services are fully implemented, unless otherwise agreed to by the Department.
 - e. Except as otherwise provided, the Contractor is responsible for all payments to subcontractors under the Contract.
 - f. Payment terms are Net not later than thirty (30) days after receipt of a correct invoice as verified by the Department. Notwithstanding the payment terms, payment is contingent upon the Contractor's meeting prior quarter capacity building reporting requirements.
 - g. In the event the invoice is not correct, and the Department requires changes, the payment terms are net not later than thirty (30) days after receipt of the correct invoice is resubmitted by the Contractor.
 - h. The Department reserves the right to dispute an invoice after payment and require the Contractor to include a credit on the subsequent invoice to resolve disputes.
 - i. Any reductions based on liquidated damages or other performance issues may be withheld from the Contractor's invoices. Contractor shall provide a credit memo for such reductions within ten (10) days, upon request.
33. **PROHIBITION AGAINST CONTINGENT FEES AND GRATUITIES:** Contractor warrants that it has not paid, and agrees not to pay, any bonus, commission, fee, or gratuity to any employee or official of the State for obtaining any Contract or award issued by the State and its Departments and other agencies or entities. The Contractor further warrants that no commission or other payment has been or will be received from or paid to any third-party contingent on the award of any Contract by the State, except as shall have been expressly communicated to the Department's Contract Administrator for contractual issues in writing prior to acceptance of the Contract or award in question. The Contractor and their authorized signatory further warrant that no officer or employee of the State has any direct or indirect financial or personal beneficial interest, in the subject matter of the Contract; obligation or Contract for future award of compensation as an inducement or consideration for making the Contract. Subsequent discovery by the State of non-compliance with these provisions shall constitute sufficient cause for termination of all outstanding contracts. Violations of this provision may result in debarment of the Contractor(s) as permitted by 9 NCAC 06B.1206, 01 NCAC 05B.1520, or other provision of law.
34. **RECORD RETENTION:** Records relating to performance under this Contract may not be destroyed, purged, or disposed of except in accordance with applicable State and federal regulations. Records related to this Contract must be retained for ten (10) years following its expiration or termination. Any federal regulations that require a longer retention period shall supersede and control. If any litigation, claim, audit, or other civil or criminal action

(collectively, "Actions") related to performance under this Contract commences before the retention period has completed, all records relevant to the Actions must be maintained until the Actions are resolved.

35. **RESPONSE TO STATE INQUIRES AND REQUESTS FOR INFORMATION:** The Contractor shall prioritize requests from the Department to respond to inquiries from any Departments under the State of North Carolina, the North Carolina General Assembly or other government agencies or bodies. Contractor shall respond to urgent requests from the Department within twenty-four (24) hours and according to the guidance and timelines provided by the Department.
36. **RIGHT TO PUBLISH:** The Department agrees to allow the Contractor to publish material associated with the terms of this Contract provided the Contractor receives prior written approval from the Department. The Contractor shall submit for review any presentation or publication that will be given to outside parties that contains data and information relating to the terms of this Contract at least thirty (30) days in advance. The Contractor shall not advertise or publish information for commercial benefit concerning this contract without the prior written approval of the Contracting Officer.
37. **SEVERABILITY:** If a court of competent authority holds that a provision or requirement of the Contract violates any applicable law, each such provision or requirement shall be enforced only to the extent it is not in violation of law or is not otherwise unenforceable and all other provisions and requirements of the Contract shall remain in full force and effect.
38. **STATE CONTRACT REVIEW:** This RFP and subsequent contracts are exempt from the State contract review and approval requirements pursuant to G.S § 143B-216.80(b)(4).
39. **SUBCONTRACTORS:**
 - a. Acceptance of Contractor's proposal will include any subcontractor(s) specified therein. Work performed under this contract by the Contractor or its employees will not be subcontracted without prior written approval of the Department. Contractor must submit a written request for approval prior to the start of services by the subcontractor.
 - b. Upon request and within five (5) State Business Days of such request, Contractor shall provide the Department with complete copies of any contracts made by and between the Contractor and all subcontractors. The Contractor remains solely responsible for the performance of its subcontractors. Subcontractors, if any, shall adhere to the same standards required of the Contractor and this Contract. Any contracts made by the Contractor with a subcontractor shall include an affirmative statement that the Department is an intended third-party Beneficiary of the Contract; that the subcontractor has no contract with the Department; and that the Department shall be indemnified by the Contractor for any claim presented by the subcontractor. Notwithstanding any other term herein, Contractor shall timely exercise its contractual remedies against any non-

performing subcontractor and, when deemed appropriate by the Department, substitute another subcontractor.

- c. The Contractor shall neither participate with nor enter into any agreement with any individual or entity that has been excluded from participation in federal health care programs or has been debarred from doing business with the State of North Carolina.
- d. Any contract(s) between the Contractor and subcontractor(s) require:
 - i. The subcontractor to agree that the State, the DHHS Inspector General, the Comptroller General, or their designees have the right to audit, evaluate, and inspect its premises, any books, records, contracts, computer or other electronic systems of the subcontractor relating to its Medicaid enrollees, or of the subcontractor's contractor, that pertain to any aspect of services and activities performed, or determination of amounts payable under the Contractor's contract with the State;
 - ii. The subcontractor to agree that the right to audit by the State of North Carolina, the DHHS Inspector General, the Comptroller General or their designees, will exist through ten (10) years from the final date of the contract period or from the date of completion of any audit, whichever is later; and
 - iii. That if the State, or the DHHS Inspector General determine that there is a reasonable possibility of fraud or similar risk, the State, or the DHHS Inspector General may inspect, evaluate, and audit the subcontractor at any time.

38. **SURVIVAL**: The expiration, termination, or cancellation of this Contract will not extinguish the rights of either party that accrue prior to expiration, termination, or cancellation or any obligations that extend beyond termination, expiration or cancellation, either by their inherent nature or by their express terms.

39. **TAXES**: Any applicable taxes shall be invoiced as a separate item and in accordance with this paragraph and applicable laws.

- a. G.S. § 143-59.1 bars the Department from entering into Contracts with Contractors if the Contractor or its affiliates meet one of the conditions of G.S. § 105-164.8(b) and refuses to collect use tax on sales of tangible personal property to purchasers in North Carolina. Conditions under G.S. § 105-164.8(b) include: (1) Maintenance of a retail establishment or office, (2) Presence of representatives in the State that solicit sales or transact business on behalf of the Contractor and (3) Systematic exploitation of the market by media-assisted, media-facilitated, or media-solicited means. By execution of the proposal document the Contractor certifies that it and all its affiliates, (if it has affiliates), collect(s) the appropriate taxes.
- b. All agencies participating in this Contract are exempt from Federal Taxes, such as excise and transportation. Exemption forms submitted by the Contractor will be executed and returned by the using agency.

- c. Capacity Building Budget proposed shall not include any personal property taxes, nor any sales or use tax (or fees) unless required by the North Carolina Department of Revenue.
40. **TERMINATION:** Department shall provide any notice of termination to the Contractor's Contract Administrator for contractual matters, pursuant to *Attachment H: Contract Administrators* and the *NOTICE* clause of this Contract.
- a. **Termination without Cause:** The Department may terminate this Contract, in whole or in part, by giving sixty (60) days prior notice in writing to the Contractor. Contractor shall be entitled to sums due as compensation for deliverables provided and services performed in conformance with the Contract. In the event the Contract is terminated for the convenience of the Department, the Department will pay for all services performed and products delivered in conformance with the Contract up to the date of termination.
 - b. **Termination for Cause:** In the event any goods, software, or service furnished by the Contractor during performance of any Contract term fails to conform to any material requirement of the Contract, and the failure is not cured within thirty (30) days, or other time period specified by the Department, after providing written notice thereof to Contractor, the Department may arrange for the provision and the fulfillment of such obligations, all at the sole cost and expense of Contractor, and the Contractor shall refund to Department all sums expended by Department in so doing. The rights and remedies of the Department provided above shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Contract. Contractor shall not be relieved of liability to the Department for damages sustained by the Department arising from Contractor's breach of the Contract; and the Department may, in its discretion, withhold any payment due as a setoff until the damages are finally determined or as agreed by the Parties. Voluntary or involuntary bankruptcy or receivership by Contractor shall be cause for termination.
 - c. **Contract Expiration, Termination, and Transition Obligations of Contractor:**
Not less than sixty (60) days prior to the date of planned expiration or forty-five (45) days of planned termination of this Contract, Contractor shall:
 - i. Arrange for the secure maintenance of all Contractor records for audit and inspection by Department, CMS, and other authorized government officials;
 - ii. Provide for the transfer of all data, to Department or its agents as may be requested by Department;
 - iii. Provide for the preparation and delivery of all reports, forms and other documents to Department as may be required pursuant to this Contract or any applicable policies and procedures of Department; and
41. **TIME IS OF THE ESSENCE:** Time is of the essence in the performance of this contract and all provisions that specify a time for performance.

42. **TITLES AND HEADINGS:** Titles and headings in this RFP, and in any subsequent contract, are for convenience only and shall have no binding force of effect.
43. **WAIVER:** The failure to enforce or the waiver by the State of any right or of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.

E. Confidentiality, Privacy and Security Protections

1. The requirements of this section shall survive expiration or termination of the Contract except for subsections 5, 6, 7, and 8, which shall survive so long as Contractor holds State-owned data.
2. **Confidential Information**
 - a) The Contractor, its agents, and its subcontractors shall maintain the security and confidentiality of all data, information, working papers, and other documents related to the Contract. The Contractor shall treat all information obtained through its performance under the Contract as confidential information and shall not use such information except as provided under this Contract. Any use, sale, or offer of confidential information except as contemplated under the Contract or approved in writing by the Department shall be a violation of the Contract. Any such violation will be considered a material breach of the Contract. Contractor specifically warrants that it, its officers, directors, principals, employees, any subcontractors, and approved third-party contractors shall hold all information received during performance of the Contract in the strictest confidence and shall not disclose the same to any third party except as contemplated under the Contract or approved in writing by the Department.
 - b) Contractor warrants that all its employees, subcontractors, and any approved third-party Contractors are subject to a non-disclosure and confidentiality agreement that is enforceable in North Carolina and sufficient in breadth to include and protect confidential information related to the Contract. The Contractor shall, upon request by the Department, verify and produce true copies of any such agreements. Production of such agreements by the Contractor may be made subject to applicable confidentiality, non-disclosure, or privacy laws, provided that the Contractor produces satisfactory evidence supporting exclusion of such agreements from disclosure under the North Carolina Public Records laws in NCGS 132-1 et. Seq. The Department may, in its sole discretion, provide a non-disclosure and confidentiality agreement satisfactory to the Department for the Contractor's execution. The Department may exercise its rights under this paragraph as necessary or proper, in its discretion, to comply with applicable security regulations or statutes, including but not limited to, 26 USC 6103 and IRS Publication 1075 (Tax Information Security Guidelines for Federal, State, and Local Agencies and Entities), HIPAA, and implementing regulation in the Code of Federal Regulations and any future

regulations imposed upon the Department of Information Technology Services or the North Carolina Department of Revenue pursuant to future statutory or regulatory requirements.

- c) The Department, State auditors, State Attorney General, Federal officials as authorized by Federal law or regulations, and State officials as authorized by State law or regulations, as well as the authorized representatives of the foregoing, shall have access to confidential information in accordance with the requirements of State and Federal laws and regulations. No other person or entity shall be granted access to confidential information unless State and Federal laws and regulations allow such access. The Department has the sole authority to determine if and when any other person or entity has properly obtained the right to have access to any confidential information and whether such access may be granted. Use or disclosure of confidential information shall be limited to purposes directly connected with the administration of the Contract.
- d) The Contractor warrants that without prior written approval of the Department, the Contractor shall not incorporate confidential or proprietary information of any person or entity not a Party to the Contract into any materials furnished to the Department, nor without such approval shall the Contractor disclose to the Department or induce the Department to use any confidential or proprietary information of any person or entity not a Party to the Contract.
- e) The foregoing confidentiality provisions do not prevent the Contractor from disclosing information that (i) at the time of disclosure by the Department is already known by the Contractor without an obligation of confidentiality other than under this Contract, (ii) is publicly known or becomes publicly known through no act of the Contractor other than an act that is authorized by the Department, (iii) is rightfully received by Contractor from a third party and Contractor has not reason to believe that the third party's disclosure was in violation of an obligation of confidence to the Department, (iv) is independently developed by the Contractor without use of the Department's confidential information, (v) is disclosed without similar restrictions to a third party by the Department, or (vi) is required to be disclosed pursuant to a requirement of law or a governmental authority, so long as the Contractor, to the extent possible provides the Department with timely prior notice of such requirement and coordinates with the State in an effort to limit the nature and scope of such required disclosure.

3. HIPAA and HITECH

- a) The Department has declared itself to be a hybrid entity under HIPAA with the Division of Health Benefits being a covered healthcare component. As such, this Contract and related activities are subject to HIPAA and Health Information Technology for Economic and Clinical Health Act (HITECH). Contractor shall comply with HIPAA and HITECH requirements and regulations, as amended, including:

- 1) Compliance with the Privacy Rule, Security Rule, and Notification Rule;
- 2) The development of and adherence to applicable Privacy and Security Safeguards and Policies;
- 3) Timely reporting of violations regarding the access, use, and disclosure of protected health information (PHI); and
- 4) Timely reporting of privacy and/or security incidents:

<https://www.ncdhhs.gov/about/administrative-divisions-offices/office-privacy-security>

- b) Contractor will be performing functions on behalf of the Department that make Contractor a business associate for purposes of HIPAA regulations. Accordingly, Contractor and this Contract are subject to the terms and conditions of the Business Associate Agreement, Attachment X, to this Contract.
- c) Contractor shall cooperate and coordinate with the Department and its privacy officials and other compliance officers as mandated by HIPAA and HITECH and accompanying regulations, or as requested by the Department, during performance of the Contract so that both Parties are in compliance with HIPAA and HITECH.
- d) In addition to federal law and regulation, Contractor shall comply with State rules and regulation regarding protected information and Department and State policies including State IT Security Policy and standards. These policies may be revised from time to time and the Contractor shall comply with all such revisions.

4. North Carolina Identity Theft Protection Act and Other Protections

Certain data and information received, generated, maintained or used by Contractor may be classified as “*identifying information*” within the meaning of NCGS 14-113.20(b) or “*personal information*” within the meaning of NCGS 75-61(10). Contractor is subject to the North Carolina Identity Theft Protection Act requirements, NCGS 132-1.10 and NCGS 75-65 and must protect such identifying information and personal information as required by law, Department and State policy, and the terms of this Contract. Contractor shall report security incidents and breaches of all protected information, whether PHI, identifying information, or personal information as required in these Confidentiality, Privacy, and Security Provisions.

5. Information Technology

- a) Contractor shall comply with and adhere to all applicable Federal and North Carolina laws, regulations, policies, and guidelines, including but not limited to HIPAA, CMS and State IT Security Policy and Standards, and Department Privacy and Security Policies. These policies may be revised periodically, and the Contractor shall comply with any revisions. The State Security Manual is available at <https://it.nc.gov/statewide-information->

[security-policies](#) and the Department security manual is available at <https://www2.ncdhhs.gov/info/olm/manuals/dhs/pol-80/man/>:

- b) Contractor's information technology systems shall meet all Federal, State, and Department statutes, rules and regulations governing information technology (including but not limited to 26 U.S.C. 6103, SSA, IRS Publication 1075, and HIPAA) and the policies of the NC Department of Information Technology. See e.g., <https://it.nc.gov/statewide-information-security-policies> and <https://it.nc.gov/document/statewide-data-classification-and-handling-policy>:
- c) **Enterprise Architecture Standards:** The North Carolina Statewide Technical Architecture standards are located at <https://it.nc.gov/services/it-architecture/statewide-architecture-framework>. This provides a series of domain documents describing objectives, principles and best practices for the development, implementation and integration of business systems.
- d) **Modifications, Updates or Fixes to Contractor's Information Technology Systems:** Contractor shall adhere to the Department's Change Management and control policies and procedures for all system modifications. Contractor shall not modify, update, or fix any IT system that shares information with (or interfaces with) the Department's Information Technology systems without the Department's prior written approval. Contractor's request for approval must be communicated to the Department no later than one hundred twenty (120) days prior to the change and contain a detailed description of the changes proposed by Contractor. Contractor must supplement its request with all clarifications and additional information requested by the Department. Contractor shall not place any modification, upgrade or fix into a production environment without first giving the Department an opportunity to test the modification, upgrade or fix to ensure that it does not impair the operation of the Department's IT systems. The Department reserves the right to delay implementations if it perceives a risk to its operations.
- e) **Patch Management:** Contractor shall apply patches based on State requirements on or to any Information Technology Systems or platforms that share information with (or interfaces with) the Department's Information Technology Systems or which may impact the delivery of services to the Department's members. The State requirements are located at the following URL: https://files.nc.gov/ncdit/documents/files/Statewide-Information_Security_Manual.pdf. Contractor shall coordinate patching activity with the Department to be sure any dependent patching that needs to be implemented on Department Information Technology Systems or platforms is completed in the conjunction with Contractor patching. The requirement to apply the patch may come from Contractor, the Department, or an external organization such as <https://www.us-cert.gov/>.

- f) **Changes to Department Information Technology Systems:** The Department anticipates changes to its Information Technology Systems. Contractor will update its Information Technology Systems to conform with any updates to the Departments' Information Technology System changes including but not limited to data exchanges and interfaces, file formats, data exchange frequencies, data exchange protocols and transports, source and target systems, and file size (i.e. number of records per file or overall file size in bytes). The Department will support testing.
- g) **Department's Rejection of Contractor's Modifications, Updates or Fixes to Contractor's IT Systems:** The Department reserves the right to reject any modification, update or fix that does not meet the Department's Information Technology standards or could impair the operation of the Department's IT system.
- h) **Cost of Modifications, Updates, Fixes, and Patches to Contractor's IT Systems:** The cost of all modifications, updates, fixes, and patches to Contractor's Information Technology Systems (whether proposed by Contractor or required by the Department) shall be borne solely by Contractor.
- i) **State LAN/WAN:** Contractor shall not connect any of its own equipment to a State LAN/WAN without prior written approval by the State. Contractor shall complete all necessary paperwork as directed and coordinated by the Department's Contract Administrator for Security for security issues to obtain the required written approval by the Department to connect Contractor-owned equipment to a State LAN/WAN.
- j) **Connectivity:** Contractor shall be responsible for providing connectivity to the Department's network and systems as required by the Department. This includes any network, connectivity, licensing, or hardware associated with complying with the State's and the Department's policy for securing data. This applies to all communication between Contractor and the Department and includes the Department's current and future contractors' networks.
- k) **Web / Internet Presence:** Where necessary, any web presence that is required to complete the terms of this Contract will comply with the Department's the State's, and federal standards including but not limited to those required for accessibility (Web Content Accessibility Guidelines (WCAG) 2.0 and the current release of web content accessibility guidelines published by the Web Accessibility Initiative and outlined in Sec. 508 of the Rehabilitation Act of 1973 as amended January 2017). The Department will make these standards available as needed.
- l) **Architecture Framework:** Contractor shall follow the North Carolina Statewide Information Architecture Framework (located at <https://it.nc.gov/services/it-architecture/statewide-architecture-framework>), and any Department derivatives of these documents. Contractor shall provide documentation as requested by the Department to assess the security of Contractor's facilities and systems.

6. Continuous Monitoring

- a) Contractor shall adhere to the State CIO's mandate for a Continuous Monitoring Process and work with the Department to implement a risk management program that continuously monitors risk through assessments, risk analysis and data inventory. The requirements are based on NIST 800-37, Continuous Monitoring Process, and originates from N.C. Gen. Stat. § 143B-1376, which requires the North Carolina State CIO to annually assess each agency and each agency's contractors' compliance with enterprise security standards located at: http://www.ncleg.net/EnactedLegislation/Statutes/HTML/ByChapter/Chapter_143B.html.

- b) If required, Contractor shall assist the Department with risk assessment and security assessment of the Contractor's critical systems and infrastructure.

c) **Risk Assessment:**

Contractor shall assist the Department with risk assessment and security assessment of the Contractor's critical systems and infrastructure.

Contractor shall perform the required assessments, either through a third-party or a self-assessment, on a three-year cycle (with a third-party assessment mandated every third year).

All findings identified in the assessment shall be provided, through the Department to the North Carolina Department of Information Technology within thirty (30) days of assessment completion and a plan to remediate each finding.

The Contractor shall provide a risk assessment for its cloud-hosted providers or off-site hosting service providers.

The Contractor shall provide all findings identified in these risk assessments to NC DIT within thirty (30) days of assessment completion, also including a corrective action plan documenting how each finding will be remediated.

d) **Assessment of Agency Cloud-Hosted Providers or Off-Site Hosting Services:**

- a) Contractors providing infrastructure as Platform as a Service and/or Software as a Service are required to obtain approval from the Department and ensure Contractor compliance with Statewide security policies.
- b) Contractor shall provide attestation to their compliance and an industry recognized, third party assessment report performed annually. Types of these reports include: Federal Risk and Authorization Management Program (FedRAMP) certification, SOC 2 Type II, SSA 16/18 or ISO 27001.

- c) Departments and their divisions/offices are required to review these reports, assess the risk of each contractor, and provide annual certification of their compliance to the State CIO.
- d) Contractor shall cooperate with the Department in completing a data inventory of all cloud hosted services as required and performed through completion of a Privacy Threshold Analysis (PTA) documenting the data classification and data fields hosted within the cloud, offsite or vendor hosted environment. The PTA shall be reviewed and updated annually by the Parties and when changes have been made to the data being collected. The Department's PTA form is available at: <https://it.nc.gov/documents/privacy-threshold-analysis-pta-form>.

7. Secure Integration Services

- a) Contractor's systems shall be able to transmit, receive and process data in HIPAA-compliant or Department-specific formats and methods, including but not limited to Secure File Transfer Protocol (SFTP) over encrypted connections such as a SSL (Secure Sockets Layer) or SSH (Secure Shell).
- b) Contractor shall work with the Department and Department vendors to implement data exchanges that comply with the Department, State's security policies, as defined by the North Carolina Department of Information Technology. The State's preferred method of exchanging data with other applications in the Medicaid Enterprise System (MES) is through synchronous real-time web services and/or asynchronous queue-based messaging.
- c) Contractor shall have the ability to exchange files through secure protocols with other systems.

8. North Carolina Identity (NCID) Service

- a) Any Contractor systems that are utilized by the State or by Beneficiaries must externalize identity management and may be required to utilize the North Carolina Identity Service for the identity management and authentication related functions performed by Contractor's applications. NCID is the State's enterprise identity management (IDM) service. The North Carolina Department of Information Technology operates it. Additional information regarding this service can be found in the DIT Service Catalog at: <http://it.nc.gov/it-services> (see Identity Management - NC Identity Management under the main menu item Application Services) and the NCID Web site at: <https://www.ncid.its.state.nc.us/>.
- b) The use of any other IDM service will require Department and State approval. The protocol (web services, LDAP, SAML, etc.) shall be determined by the Department and the Contractor based on the implementation. In addition, the Contractor may be required to implement multi factor authentication per the State specifications.

9. Security

a) State of NC Security Standards and DHHS Privacy and Security Standards

1. Contractor shall comply with all security standards including those published in the State of North Carolina Statewide Information Security Manual, the North Carolina Department of Health and Human Services Privacy and Security Office (PSO) Standards, and any federal regulations and requirements. Department policies can be found at:

<https://www2.ncdhhs.gov/info/olm/manuals/dhs/pol-80/man/>.

The State of North Carolina Statewide Information Security Manual is available at the following URL: <https://it.nc.gov/statewide-information-security-policies>. The Department will work with the Contractor to validate compliance with the PSO standards.

2. The Contractor's systems and processes shall comply with all current and future Federal, State, and Department requirements for privacy and security and data exchange within one hundred twenty (120) days of the implementation of that standard.

b) Physical Security

1. Each person who is an employee or agent of Contractor or sub-contractor must always display an appropriate State badge and his or her company ID badge while on State premises. Upon request of Department personnel, each such employee or agent must also provide additional photo identification.
2. At all times at any State facility, Contractor's personnel shall cooperate with State site requirements, including being prepared to be escorted, providing information for badging, and wearing the badge in a visible location.

c) State of NC Data Classification and Handling

The State of North Carolina Data Classifications as published in the North Carolina Department of Information Technology Data Classification and Handling Policy guide and the related handling procedures will apply to all data held in Contractor's IT systems on behalf of the Department, and in the execution of this contract. The guide is available at the following URL: <https://files.nc.gov/ncdit/documents/files/Statewide-Data-Class-Handling.pdf>.

10. Service and Organization Control (SOC) Reports

- a) All SOC 1 and SOC 2 Type II reports and associated SOC 2 corrective action plans, must be submitted annually to the Department's Contract Administrator for Security in a format to be specified by the State.

- b) The Department will accept ISO 27001 certification for security controls in lieu of a SOC 2 Type II report.
- c) Reports under this section are required to be submitted within thirty (30) days of completion unless another timeframe is approved by the Department.

11. Privacy and Security Incidents and Breaches

- a) Contractor shall cooperate with the Department regarding any privacy and security incident or breach.
- b) Contractor shall report all privacy and security incidents (whether confirmed or suspected) and any breaches to the Department's Privacy and Security Office Incident Website at <https://www.ncdhhs.gov/about/administrative-divisions-offices/office-privacy-security> within twenty-four (24) hours after the incident is first discovered. If a Social Security number has been compromised, the incident must be reported to the Department's privacy and Security Office within sixty (60) minutes.
- c) Contractor in coordination with the Department PSO shall also report any breaches of personal information to the North Carolina Department of Justice Consumer Protection Division as well as to the three major consumer reporting agencies. NCDJ information is available here: <http://ncdoj.gov/Protect-Yourself/2-4-3-Protect-Your-Identity/Protect-Your-Business/Security-Breach-Information.aspx>.
- d) If any applicable Federal, State, or local law, regulation or rule requires the Department or the Contractor to give persons written notice of a privacy and/ or security breach arising out of the Contractor's performance under this Contract, the Contractor shall bear the cost of the notice and any other costs related to or resulting from the breach.
- e) Contractor shall notify the Department's Contract Administrator for Privacy and Security matters of any contact by the Federal Office for Civil Rights (OCR) received by the Contractor. This term survives termination or expiration of the Contract, as it relates to contact by OCR related to this Contract.

F. Public Records and Trade Secrets Protections

- 1. Pursuant to N.C. Gen. Stat. § 132-1, et seq., this Contract and information or documents provided to the Department under the Contract are Public Record and subject to inspection, copy and release to the public unless exempt from disclosure by statute.
- 2. Any proprietary or confidential information which conforms to exclusions from public records as provided by Chapter 132 of the General Statutes must be clearly marked as such with each page containing the trade secret or confidential information identified in boldface at the top and the bottom as "**CONFIDENTIAL.**" If only a portion of each page marked "**CONFIDENTIAL**" contains trade secret information, the trade secret information shall be designated with a contrasting color or by a box around such information. Any material labeled as confidential constitutes a representation by the Contractor that it has made a reasonable effort in good

faith to determine that such material is, in fact, a trade secret under N.C. Gen. Stat. § 66-152(2). Under no circumstances shall price information be designated as confidential. The Contractor is urged and cautioned to limit the marking of information as trade secret or confidential so far as is possible.

3. Regardless of what Contractor may label as a trade secret, the determination of whether it is or is not entitled to protection will be made in accordance with N.C. Gen. Stat. § 132-1.2 and N.C. Gen. Stat. § 66-152(2). If any challenge, legal or otherwise, is made related to the confidential nature of information redacted by the Contractor, the Department will provide reasonable notice of such action to Contractor, and Contractor shall be responsible for the cost and defense of, or objection to, release of any material. The Department is not obligated to defend any challenges as to the confidential nature of information identified by the Contractor as being trade secret, proprietary, and otherwise confidential. The Department shall have no liability to Contractor with the respect to disclosure of Contractor's confidential information ordered by a court of competent authority pursuant to N.C. Gen. Stat. § 132-9 or other applicable law.
4. A redacted copy of this Contract and any subsequent amendments, documents, or materials relating to or provided as part of this Contract, shall be provided to the Department within thirty (30) days of execution. Redacted copies must clearly indicate where information has been redacted. For the purposes of this Contract, redaction means to edit the document by obscuring information that is considered confidential and proprietary **and** meets the definition of Confidential Information set forth in N.C. Gen. Stat. § 132-1.2. In lieu of redacting information by obscuring, Contractor may replace the information, paragraphs or pages with the word "Redacted." By submitting a redacted copy, the Contractor warrants that it has formed a good faith opinion, having received such necessary or proper review by counsel and other knowledgeable advisors, that the portions marked Confidential and/or Redacted meet the requirements of Chapter 132 of the General Statutes. Redacted copies provided by Contractor to the Department may be released in response to public record requests without notification to the Contractor. Information submitted by Contractor that is not marked "Confidential" or "Trade Secret" will become a public record.

IV. MINIMUM QUALIFICATIONS

The Offeror must meet the Minimum Qualifications specified in this Section to be considered and have its response evaluated as defined in *Section II.G: Evaluation Process and Contract Award Section*.

The Offeror must complete *Attachment A: Minimum Qualifications Response* and provide the required information, documentation or details to demonstrate its adherence to each requirement as part of the Offeror's Proposal.

A. Acceptance of Terms and Conditions

The Offeror agrees to all of the terms and conditions, including confidentiality, privacy and security protections, public records and trade secrets protections, specified in Section III of this RFP.

B. Entity Requirements

1. The Offeror is not a Prepaid Health Plan.
2. The Offeror is not a Local Managed Entity-Managed Care Organization.
3. The Offeror is not a hospital or Health System or, in the alternate, if the Offeror is a hospital or Health System, Offeror shall demonstrate it is ***exclusively positioned*** to serve as the LPE for the service region proposed by the Offeror by submitting Letters of Attestation, as required in *Attachment K: Hospital and Health System Letter of Attestation*.

Exclusively positioned means the Offeror is a hospital or Health System, and each Letter of Attestation indicates support for the Offeror's proposal over any other offeror proposal for the service region proposed.

C. Financial Stability

The Offeror is financially stable and has disclosed any legal actions that could adversely affect its financial condition or ability to meet the requirements of this RFP as required in *Attachment R: Certification of Financial Condition and Legal Action Summary*.

V. SCOPE OF SERVICES

As part of its response to this RFP, the Offeror must provide a detailed narrative, diagrams, process flows, exhibits, examples, sketches, descriptive literature and/or detailed information specifically requested by the Department for the Offeror to demonstrate its ability to meet the requirements of the Healthy Opportunities Lead Pilot Entity.

A. Administration and Management

1) Program Administration

a) Background and Goals Related to Program Administration

In North Carolina, the Department of Health and Human Services is the single State Medicaid agency designated under 42 C.F.R. § 431.10 to administer or supervise the administration of the State plan for medical assistance. The Division of Health Benefits is designated with administration, provision, and payment for medical assistance under the Federal Medicaid (Title XIX) and the State Children's Health Insurance (Title XXI) (CHIP) programs. The Division of Social Services (DSS) is designated with the administration and determination of eligibility for the two programs. In addition to the Department's oversight, CMS also monitors North Carolina's Medicaid Managed Care activities through its Regional Office in Atlanta, Georgia and its Center for Medicaid, CHIP and Survey & Certification, Division of Integrated Health Systems in Baltimore, Maryland.

The Department is responsible for all aspects of the North Carolina Medicaid and NC Health Choice programs and the Healthy Opportunities Pilot Program, as defined in the 1115 Medicaid Demonstration Waiver. To ensure clear accountability for Pilot program administration and oversight, the Department has defined accountabilities for Pilot program implementation and oversight.

b) Program Administration Scope of Services

- i) LPE will manage certain aspects of the Healthy Opportunities Pilot program, as set forth herein. The LPE will be subject to oversight by the Department.
- ii) LPE shall meet implementation milestones, have appropriate infrastructure and governance, establish and manage an adequate HSO network that delivers high quality Pilot services, participate in Pilot program evaluation and quality improvement, and operate a successful Local Pilot program.
- iii) LPE shall work cooperatively with the Department and other Pilot-participating entities to be good stewards of Pilot funds and Department and Pilot-participating entities' personnel time and to ensure effective administration of the Pilot program.
- iv) LPE shall submit to the Department's Contract Administrator for day-to-day activities a Pilot Entity Engagement Plan, in accordance with *Section V.F. Quality Improvement and Pilot Program Evaluation*.

2) LPE Eligibility

a) Background and Goals Related to Entity Eligibility

In its oversight authority and responsibility, the Department has identified standards essential to a successful Pilot program. The Department will contract with LPEs that, at a minimum:

- i) Have strong connections to the communities served.
- ii) Can develop, strengthen, support and continuously manage a network of HSOs; and
- iii) Are financially sound.

b) Entity Eligibility Scope of Services

i) Eligible Entity Types

- 1. The LPE must be a single legal entity, properly formed and organized in North Carolina, and in good standing with the North Carolina Secretary of State.
- 2. The LPE shall have an established governance structure.

ii) Non-Eligible Entities

An LPE shall not be:

- 1. A PHP; or
- 2. An LME/MCO; or
- 3. A hospital or Health System, unless it otherwise qualifies as set forth in Section IV. Minimum Qualifications.

iii) Financial Stability

- 1. The LPE shall remain in sound financial condition throughout the term of the Contract and shall notify the Department within ten (10) days of any material change to its financial condition.
- 2. The LPE shall provide updated financial information within ten (10) days of the Department's request.

3) Lead Pilot Entity Governance

a) Background and Goals Related to Governance

The Pilot program requires LPEs to develop and continuously maintain an effective service-delivery network of HSOs, continuously manage and account for Pilot program funds, and participate in the Pilot program evaluation. These responsibilities require a representative and active corporate governance structure, including a governing body charged with oversight of the LPE.

The Department has identified a set of requirements for the governing body to ensure sufficient oversight related to LPE decision-making and financial accountability.

b) Governance Scope of Services

- i) The LPE shall establish a governing body to oversee the LPE. The governing body's responsibilities shall include authority over the LPE's program-related decisions and use of the LPE's Pilot funds.

- ii) The LPE governing body must include, at a minimum, representation from each of the following Sections A. through D.
 - A. Healthcare organizations and medical and non-medical provider organizations operating within the Local Pilot region, including entities such as:
 - 1. Health system(s), provider organization(s), federally qualified health center(s), or rural health clinic(s);
 - 2. PHPs;
 - 3. Behavioral health agency(ies) or behavioral health provider organization(s);
 - 4. Local health department(s);
 - 5. Department(s) of social services;
 - 6. Human service organizations; however, if the LPE also serves as an HSO delivering Pilot services, an HSO represented on the LPE’s governing body must provide services in a different Healthy Opportunities Priority Domain than the LPE; or
 - 7. Other community stakeholders, such as community health foundations, associations and local government officials (e.g., county managers, county commissioners).
 - B. Consumer advocates, including a representative of a consumer advocacy organization, current or former Medicaid Members, or the Member’s guardian, parent, or caregiver (collectively the “Consumer Advocate”). Consumer Advocate representation shall have expertise or experience across all four Healthy Opportunities Priority Domains.
 - 1. One Consumer Advocate may represent more than one, but not all four, Healthy Opportunities Priority Domains.
 - 2. Each Consumer Advocate shall receive:
 - (i) Reasonable compensation for, at a minimum, travel expenses and time spent preparing for and participating in meetings; and
 - (ii) Training regarding the Consumer Advocate’s roles and responsibilities.
 - (iii) Reimbursement of allowable expenses to Consumer Advocates for work performed under this Contract shall be made in accordance with the North Carolina State Budget.
 - C. At least one member with expertise in evaluation and data management.
 - D. While not required, the Department encourages the LPE to include representation on the governing body with experience and/or expertise in network development, network management, and/or contract oversight.
- iii) The governing body shall use its collective experience, expertise, best practices, and ongoing learning opportunities (e.g. Pilot learning collaboratives or results of Rapid Cycle Assessments) when providing guidance to the LPE.

- iv) Contractor shall submit the following information to the Department as required in Attachment N2: LPE Milestones and Due Dates:
 - A. Names of the individuals on the Pilot-specific governing body;
 - B. The governing body's bylaws;
 - C. Policies, procedures, and other information detailing the operations and authority of the governing body, including decisions or types of decisions subject to a vote of the governing body.
- v) In the event of a vacancy on the governing body, the LPE shall:
 - A. Notify the Department in writing within five (5) State Business Days after the vacancy is identified.
 - B. Take reasonable efforts to fill vacancies within 90 days after the vacancy is identified.
 - C. Submit the replacement individual's name to the Department Contract within thirty (30) days of the selection of a governing body replacement,

4) Staffing and Facilities

a) Background and Goals Related to Staffing and Facilities

In order to successfully carry out its responsibilities under the Pilot program, it is important the LPE secures adequate space, and hires or contracts with experienced, qualified individuals.

b) Staffing and Facilities Scope of Services

- i) The LPE shall develop an organizational structure to comply with the requirements of the Contract and shall hire or contract with a sufficient number of qualified individuals to execute Pilot responsibilities.
 - A. The LPE shall ensure it has appropriate, qualified staff to fill roles and positions needed to perform all of the LPE's responsibilities throughout the term of the Contract.
- ii) Physical Presence in North Carolina and Local Pilot Region

The LPE shall have a physical presence in North Carolina. Specifically, LPE must have at least one office located in the Local Pilot Region for the entire term of the Contract.
- iii) Conflict of Interest
 - A. The LPE shall verify that it and its employees, directors, governing bodies, agents, and subcontractors comply with all applicable federal and State conflict of interest laws, including Section 1902(a)(4)(C) of the SSA, 42 C.F.R. § 438.58, and N.C. Gen. Stat. §§ 108A-65 and 143B-139.6C.
 - B. The LPE shall take reasonable action to verify that employees or contractors who have been officers or employees of North Carolina and have been responsible for the expenditure of substantial amounts of federal, state, or county money under the State medical assistance plan, comply with G.S. § 108A-65.

- C. The LPE shall ensure that financial considerations do not influence decisions related to HSO network contracts, governing body representation, or other Pilot program operations.
- D. The LPE shall take reasonable action to ensure its employees, directors, officers, owners, or subcontractors, who are licensed, credentialed, or otherwise providing professional services in North Carolina, abide by their professional obligations and do not take action in violation of their professional obligations.
- E. The LPE shall not serve as a legal guardian for any Pilot Participant who accesses services through its contracted HSOs.
- F. LPE shall submit its adopted Conflict of Interest Policy for review by the Department as required in Attachment N2: LPE Milestones and Due Dates.
- G. The LPE shall provide its written Conflict of Interest Policy to the Department within three (3) State Business Days of the Department's request.

5) Invoicing and Electronic System(s) of Record

a) Background and Goals Related to Invoicing and Electronic System(s) of Record

The Department's ability to evaluate the effectiveness of Pilot services and the success of the LPE to address Unmet Resource Needs, improve health outcomes and reduce healthcare costs for high-need Medicaid managed care Members shall depend, in part, on the LPE's ability to collect, store, track, and exchange data.

Therefore, the LPE must maintain and use invoicing solutions and electronic system(s) of record for the Pilot program. The Department expects that NCCARE360 will support some of the functions required to support Lead Pilot Entity operations, reporting and evaluation. To promote consistency and efficiency, the Department further specifies system requirements in *Attachment P: LPE System Requirements*.

b) Invoicing and Electronic System(s) of Record Scope of Services:

i) Invoicing

- A. The LPE shall receive, track and validate HSO invoices including:
 - 1. Permitting HSOs to generate invoices based on services delivered, including supporting documentation.
 - 2. Receiving invoices from HSOs.
 - 3. Validating completeness and accuracy of invoices and supporting documentation from HSOs.
 - 4. Transmitting complete and accurate invoices to PHPs.
 - 5. Transmitting incomplete or inaccurate invoices back to the submitting HSOs.
 - 6. Recording and tracking the status of invoices (e.g. submitted, pending, paid, denied, under dispute, dispute resolved).

7. Generating information and/or reports on invoices.
- B. Contractor shall track service payments from PHPs to HSOs including:
 1. Receiving from PHPs remittance with information regarding HSO payments and invoice details.
 2. Recording and tracking the status of payment and payment reconciliations, disputes, and dispute resolution between HSOs and PHPs.
 3. Generating information and/or reports on payments from PHPs to HSO.
 - C. Contractor acknowledges and agrees that the State will determine whether to provide a solution to support this requirement or if the solution will be provided by Contractor. The determination by the State may be after award of the Contract or prior to award.
 - D. If the solution is required to be provided by Contractor, the cost to Contractor may be a permitted use for LPE capacity building funds as described in *Section V.E.3.* and *Attachment D: Permitted Uses of LPE Capacity Building Funds.* Any solution provided by Contractor must include any specifications or capabilities as required by the Department.
 - E. If provided by the Department, Contractor agrees to use the solution provided and as instructed by the Department.
 - F. The cost for any solution by Offeror should not be included as part of its Capacity Building Budget.
- ii) Electronic System(s) of Record
- A. The LPE shall maintain electronic system(s) of record and back-up processes capable of executing all Pilot functionality as defined in *Attachment P: LPE System Requirements.*
 - B. The LPE shall use NCCARE360 to support certain Pilot functionality, as specified in *Attachment P: LPE System Requirements.*
 1. The LPE shall not be charged a licensing fee for its use of NCCARE360 for purposes of this Contract.
 2. The LPE will participate in onboarding and training activities to support its use of NCCARE360, as required by the Department.
 - C. The Department reserves the right to change the requirements related to NCCARE360 and/or require the LPE to use a specific technology or system other than NCCARE360 for execution of responsibilities.
 1. If the Department exercises this right:
 - a. The Department will work with the LPE to ensure it is prepared to execute its responsibilities with the selected technology or system; and
 - b. The LPE may have the opportunity to revise its capacity building budget request for Department review and approval.

2. Changes to the LPE's capacity building budget shall be done via amendment in accordance with *Section III.D.*

D. The LPE shall participate in systems integration and end-to-end testing as directed by the Department during Readiness Evaluation review as described in *Section V.A.7. System(s) Testing and LPE Readiness Evaluation.*

6) Implementation Plan

a) Background and Goals Related to Implementation Plan

The Department will identify and contract with organizations well-positioned to execute LPE responsibilities. The LPE shall have the resources, expertise, and technology available to implement the Pilot program upon Contract award.

b) Implementation Plan Scope of Services

i) The LPE shall submit an updated Implementation Plan to the Department for its review and approval as required in Attachment N2: LPE Milestones and Due Dates.

ii) The LPE shall not initiate its Implementation Plan until it receives the Department's approval.

7) System(s) Testing and LPE Readiness Evaluation

a) Background and Goals Related to System(s) Testing and Readiness Evaluation

Readiness Evaluation, including system integration and end-to-end testing, is an important component of the Department's responsibility and ability to ensure the LPE is prepared for service delivery in the Pilot region. The Department will conduct a thorough Readiness Evaluation prior to the commencement of service delivery.

b) System(s) Testing and Readiness Evaluation Scope of Services

i) The LPE shall meet all readiness criteria established by the Department including but not limited to technology infrastructure; personnel; and information privacy and security for data collection, submission, and transfer requirements.

ii) The LPE shall comply with and participate in the Department's Readiness Evaluation activities, to the Department's satisfaction, before the commencement of Pilot service delivery, as follows:

A. The Readiness Evaluation may include, but is not limited to, on-site reviews, desk top reviews, system demonstrations, and staff interviews.

B. At the Department's request the LPE shall submit all policies and procedures, engagement strategies and training plans, and other required documentation which are subject to Departmental review and approval.

C. The LPE shall submit all documents related to its HSO network and in accordance with *Section V.D.LPE and HSO Network Management.*

D. The LPE shall participate in and complete systems integration and end-to-end testing in accordance with the Contract and all Department requirements.

iii) The LPE shall meet Readiness Evaluation requirements and Contract requirements within the timeframes and deadlines specified by the Department. Readiness

Evaluation requirements shall be communicated to the LPE thirty (30) days prior to a Readiness Evaluation, unless otherwise specified in this Contract.

- iv) The Department may conduct Readiness Evaluations during the term of the Contract as new program requirements are implemented or prior to the LPE's implementation of a program, operational, or technical change.
- v) Based upon results of the Readiness Evaluation activities, the Department may, in its sole discretion:
 - A. Allow the LPE to commence full or partial Pilot program operations;
 - B. Allow the LPE to commence service delivery operations if the LPE does not meet some of the Readiness Evaluation requirements, but has submitted to the Department and the Department has approved, a Corrective Action Plan (CAP) demonstrating how LPE will meet all of the Readiness Evaluation requirements within the timeframe specified by the Department;
 - C. Limit the LPE's level of Pilot-related operations based on the results of the Readiness Evaluation review and any CAP;
 - D. Delay the start date of Pilot service delivery; or
 - E. Take any other action permitted under the Contract.

8) **Non-Discrimination**

a) **Background and Goals Related to Non-Discrimination**

The Department is committed to prohibiting discrimination. Specifically, in its Pilot program, the Department is committed to requiring all entities comply with State and Federal laws, regulations, guidelines, and standards prohibiting discrimination.

b) **Non-Discrimination Scope of Services**

LPE shall comply with all applicable Federal and State laws, regulations, guidelines, certifications, and standards, including, but not limited to the following:

- i) Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000d et seq., which prohibits discrimination on the basis of race, color, or national origin;
- ii) Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 794, which prohibits discrimination on the basis of handicap;
- iii) Title IX of the Education Amendments of 1972, as amended, 20 U.S.C. 1681 et seq., which prohibits discrimination on the basis of sex;
- iv) The Age Discrimination Act of 1975, as amended, 42 U.S.C. 6101 et seq., which prohibits discrimination on the basis of age;
- v) Section 654a of the Omnibus Budget Reconciliation Act of 1981, as amended, 42 U.S.C. 9849, which prohibits discrimination on the basis of race, creed, color, national origin, sex, handicap, political affiliation or beliefs.
- vi) The Americans with Disabilities Act of 1990, P.L. 101-336, which prohibits discrimination on the basis of disability and requires reasonable accommodation for persons with disabilities.

- vii) Section 1557 of the Patient Protection and Affordable Care Act, which prohibits discrimination on the basis of race, color, national origin, sex, age, or disability in certain health programs or activities.
 - viii) The North Carolina Equal Employment Practices Act, Article 49A of Chapter 143 of the North Carolina General Statutes, which prohibits employment discrimination on the basis of race, religion, color, national origin, age, sex or handicap by employers which regularly employ 15 or more employees.
 - ix) The North Carolina Persons with Disabilities Protection Act, Chapter 168A of the North Carolina General Statutes, which prohibits disability discrimination.
 - x) The North Carolina Retaliatory Employment Discrimination Act, Article 21 of Chapter 95 of the North Carolina General Statutes, which prohibits employer retaliation against employees who in good faith take or threaten to take protected action under the law.
- c) The LPE shall develop and maintain a written non-discrimination policy. At a minimum, the non-discrimination policy shall include:
- i) The definition of discrimination under Federal law;
 - ii) Policies and procedures to identify resources and address the needs of individuals with disabilities;
 - iii) The LPEs policies and procedures for tracking and addressing complaints, including penalties;
 - iv) Federal and State non-discrimination resources, including contact information.
- d) The LPE shall:
- i) Submit its adopted non-discrimination policies and procedures for review by the Department as required in Attachment N2: LPE Milestones and Due Dates;
 - ii) Review the non-discrimination policies and procedures no less than annually and make updates as needed or required;
 - iii) Provide the non-discrimination policy to directors, officers, employees, and subcontractors; and
 - iv) Provide changes and updates to the non-discrimination policies and procedures to the Department within ten (10) days after adoption.

9) **Cultural Competency**

a.) **Background and Goals Related to Cultural Competency**

The Department is committed to providing a whole-person, well-coordinated system of care that is sensitive to cultural differences. This commitment requires the LPE to meet cultural competency standards to ensure they continuously maintain strong connections to the communities in the Local Pilot Region in a way that values cultural differences. Additionally, each LPE must enforce each contracted HSO's compliance with cultural competency standards, as detailed herein.

b.) **Cultural Competency Scope of Services:**

- i) The LPE shall ensure its directors, officers, and personnel have an understanding of the demographics, background, health, and health-related needs of potential Pilot Participants in its region.
- ii) If the LPE's Local Pilot region includes members of federally recognized tribes (e.g., Eastern Band of Cherokee Indians), the LPE shall ensure its directors, officers, and personnel understand the unique needs of this population, and the impact of these needs on engagement and communication.
- iii) The LPE is expected to use reasonable efforts to recruit and employ staff who reflect the Local Pilot region's Medicaid population, including individuals with similar demographics, background, and language fluency to understand the Pilot Participants' needs.

B. Lead Pilot Entity and Prepaid Health Plan Contracts

1) Background and Goals related to LPE -PHP Contracts

All Standard Plans and BH I/DD Tailored Plans operating in a county that is part of a Local Pilot region must participate in the Pilot program and contract with the LPE. PHPs with strong support from its Medicaid Members' care managers, will have important responsibilities in the operation of the Pilot program, including:

- a) Managing a budget for a Local Pilot region and making administrative payments to LPEs and care management entities, and making payments to HSOs for services provided to eligible Members;
- b) Identifying Pilot-eligible Medicaid Members based on eligibility criteria as detailed in this RFP;
- c) Securing consent from Members for Pilot participation;
- d) Enrolling Medicaid Members into the Pilots;
- e) Identifying and authorizing Pilot services for which a Pilot Participant is eligible and would most benefit from;
- f) Ensuring that eligible Pilot Participants are enrolled in other federal, state and local programs to maximize the value of Pilot expenditures. Such programs include but are not limited to:
 - i. Food and Nutrition Services;
 - ii. Temporary Assistance for Needy Families;
 - iii. Child Care Subsidy;
 - iv. Low Income Home Energy Assistance Program
- g) Referring Pilot Participants to HSOs that are within the LPE's contracted HSO network for authorized Pilot services;
- h) Monitoring Pilot Participant progress with current Pilot service mix every three [3] months and reassess the Pilot Participant's eligibility for the Pilot program every six [6] months.
- i) Coordinating Pilot services as part of a Member's care plan;

- j) Supporting Department oversight and evaluation of Pilots; and
 - k) Participating in Pilot learning and quality improvement activities organized by the Department and LPEs.
- 2) **Lead Pilot Entity and PHPs Scope of Services:**
- a) The LPE shall use the Department’s model contract to develop and govern the contractual relationship between the LPE and each PHP providing services in its Local Pilot region.
 - b) The LPE shall execute a contract with each PHP within 130 days of receipt of the Department’s model LPE-PHP contract as required in Attachment N2: LPE Milestones and Due Dates.
 - c) The model contract shall include, as examples, language to govern the following:
 - i. Flow of Funds requirements, including:
 - A. The PHPs’ requirement to pay the LPE administrative payments, as detailed in *Attachment C1: LPE Funding & Administrative Rate*;
 - B. The PHPs’ requirement to pay the LPE’s contracted HSOs for authorized Pilot services delivered to Pilot Participants;
 - C. The LPE’s responsibility to receive invoices from HSOs and ensure their completeness prior to sending to the PHPs;
 - D. The LPE’s responsibility to transmit complete and accurate invoices to PHPs;
 - E. The PHPs’ requirement to transmit remittances regarding invoices paid or denied;
 - F. The LPE’s responsibility to act on behalf of HSOs to resolve payment disputes with PHPs, as needed;
 - ii. Technical interface requirements;
 - i. Program integrity coordination;
 - ii. HSO network monitoring;
 - iii. Strategies to assist PHPs in identifying Pilot eligible populations; and
 - iv. Collaboration related to Pilot program quality improvement activities.

C. Local Pilot Geographic Region

1) **Background and Goals Related to Local Pilot Geographic Region**

The LPE must have strong connections to and an understanding of their communities to effectively develop, strengthen, and continuously maintain a network of HSOs and offer services in its Local Pilot Region. The LPE will establish a network of HSOs to offer Pilot services. Pilot program eligibility will be limited to Medicaid Managed Care Members whose Medicaid address of record is in one of the Local Pilot Regions.

On an ongoing basis, the Department will assess whether the proposed Local Pilot Region is advancing the Department’s goal of effective Pilot program implementation and evaluation with an eventual ability to scale successful components of the Pilot program across diverse urban and rural areas statewide through the following objectives:

- a) Promote cross-county collaboration in recognition that Pilot-eligible Medicaid Members seek services across county lines;
 - b) Ensure Pilot funding is adequate across geographic areas;
 - c) Support the evaluation methodology by, in part, working to ensure sufficient enrollment numbers; and,
 - d) Continuously learn about the impact of Pilot services across diverse areas of the State.
- 2) **Local Pilot Geographic Region Scope of Services**
- a) The LPE shall propose, subject to Department review and approval, a list of contiguous counties that make up the Local Pilot region in which it will establish a network of HSOs to offer Pilot services, as defined in *Attachment M: Federally Approved Healthy Opportunities Pilot Services*.
 - b) The LPE shall define its Local Pilot region based on its assessment of the counties it can effectively serve, the population's need for specific Pilot services, and HSO capacity in accordance with requirements outlined in this RFP.
 - c) The LPE's Local Pilot Region:
 - i. Must cover no less than three contiguous North Carolina counties;
 - ii. Shall cover the entirety of any county included in the Local Pilot Region;
 - iii. May cross Standard Plan and BH I/DD Tailored Plan PHP Region boundaries;
 - iv. Will promote cross-county collaboration since Medicaid Members seek services across county lines; and
 - v. May include a subset of counties from within the PHP regions.
 - d) The Contractor's Local Pilot Region shall include a minimum of 240,000 total Medicaid Members across all counties (based on enrollment figures and county classification in *Attachment G: County Medicaid Enrollment And Classification*).
 - e) The Department may consider a Local Pilot Region that does not meet the minimum Medicaid Member threshold if it is composed exclusively of counties with 45,000 or fewer Medicaid Members pursuant to *Attachment G: County Medicaid Enrollment And Classification*.
 - f) The Department and LPE will finalize the Local Pilot Geographic Region within 45 days following the Contract Effective Date, as required in Attachment N2: LPE Milestones and Due Dates, if modifications to LPE's *Attachment F: Proposed Local Pilot Geographic Boundaries* are required by the Department.
 - g) The LPE may request a modification to the Local Pilot Geographic Region in writing to the Department, with an explanation of how the modification advances Pilot program goals. The modification is subject to the Department's review and approval.
 - h) The Department may, in its sole discretion, require the LPE to modify its Local Pilot Region to advance the goals of the Pilot program. The Department will provide written notification to the LPE at least 90 days prior to a change to the Local Pilot Region. A modification may be made for one or more reasons. For example, to:

- A. Address a particular Medicaid member population or community that would benefit from participation in the Pilot program;
- B. Ensure Local Pilot Regions do not overlap with one another;
- C. Ensure a sufficient number of Pilot-eligible Medicaid Members reside within the boundaries of each Local Pilot region to achieve Pilot program goals, including in circumstances where Medicaid membership has substantially changed due to policy changes;
- D. Ensure the selected region has sufficient HSO capacity to provide Pilot services; and/or
- E. Advance other Medicaid Managed Care and 1115 Waiver Demonstration goals.

D. LPE and HSO Network Management

1) **Background and Goals Related to LPE and HSO Network Management**

A core function of each LPE is to develop and manage a network of contracted HSOs. The LPE serves as a central administrative, technical and operational link between the contracted HSOs, PHPs, and care managers. PHPs' care managers or care managers in local care management entities will refer Pilot Participants for authorized Pilot services to the contracted HSOs. The LPE will support the network of contracted HSOs in various ways, including distributing initial capacity building funds, providing technical assistance, gathering data on HSO performance for evaluation purposes, and monitoring and working with HSOs on an ongoing basis.

The Department has established principles, standards and processes for ensuring the HSOs are sufficient to work with the LPE and implement its networks. Each HSO network must provide Pilot Participants in the Local Pilot Region with access to all Pilot services without requiring them to travel inordinate distances or experience excessive delays. Also, the HSO network must be established in an efficient way, including relying on existing HSOs that are currently providing high-quality Pilot services. Since the creation of HSO networks is a new activity with no precedent in North Carolina or other states, the Department will be closely reviewing and monitoring the development and implementation of HSO networks. Lead Pilot Entities should prepare for continued and close collaboration with the Department, particularly during the Readiness Review process, and for the likelihood that the Department's network adequacy and efficiency standards will evolve over time as experience is gained with Pilot implementation.

2) **LPE and HSO Network Management Scope of Services**

a) **HSO Network Standards and Requirements**

- i. The LPE shall contract with a network of qualified HSOs to deliver Pilot services in accordance with Department standards, including this Contract and subsequent Department guidance.

- ii. The Department, in its sole discretion, reserves the right to change HSO network requirements and will provide the LPE a minimum of forty-five (45) days prior written notice for compliance.
 - iii. **HSO network requirements.**
 - A. The HSO network shall include an appropriate and reasonable number and mix of HSOs to provide services across the Local Pilot Region addressing all of the Healthy Opportunities Priority Domains.
 - B. HSO networks shall meet minimum network adequacy and network efficiency standards, as detailed in this section;
 - C. HSO networks must ensure the delivery of high-quality Pilot services;
 - D. The HSO network shall meet the Department's 1115 Waiver Demonstration and Pilot program goals.
 - iv. **Minimum network adequacy standards.**

The LPE's contracted HSO network must meet the Department's minimum HSO network adequacy standards, including the following:

 - A. The network shall be sufficient to provide all Pilot services to the Pilot Participants in the Local Pilot Region as identified in *Attachment M: Federally Approved Healthy Opportunities Pilot Services*.
 - B. The network has sufficient capacity so Pilot Participants do not face barriers when accessing Pilot services.
 - C. Pilot Participants are not required to travel an unreasonable distance or wait an unreasonable length of time to obtain routine Pilot services.
 - v. **Minimum network efficiency standards.** The LPE's contracted HSO network shall:
 - A. Prioritize reliance on HSOs with existing capacity to deliver high-quality Pilot services.
 - B. Minimize the LPE's administrative expenses and oversight responsibilities by engaging with no more HSOs than is necessary to provide Pilot services.
 - C. Consider the volume of services a contracted HSO must deliver to make the HSO network participation viable, including, restricting the number of HSOs providing any Pilot service to ensure sufficient volume for each HSO providing that service.
- b) **Establish the HSO Network**
- i. The LPE shall develop and continuously maintain the HSO network.
 - ii. As required in Attachment N2: LPE Milestones and Due Dates, at least 75 days before the start date of Pilot Period Service Delivery I, or another date as determined by the Department in its sole discretion, the LPE shall submit a network report to the Department with the following information:
 - A. A list of LPE's contracted HSOs;
 - B. Information about each contracted HSO, including:

- A. Specific Pilot services contracted for delivery and the associated Healthy Opportunities Priority Domain;
 - B. The HSO's capacity to serve Pilot Members;
 - C. The number of HSOs serving each county within the Local Pilot Region, by (a) Healthy Opportunities Priority Domain; and (b) in the aggregate;
 - D. The geographic distribution of Pilot service locations per county per Healthy Opportunities Priority Domain, in relationship to the geographic distribution of Medicaid Members;
 - E. Data on the attested capacity of HSOs to serve Pilot Participants; and
 - F. Current or planned ability to receive referrals and complete closed-loop referrals through NCCARE360.
 - C. A description of how the network meets the Department's HSO network standards and requirements;
 - D. The specific metrics, including time, distance and wait-time standards the LPE shall use to evaluate compliance with network adequacy standards;
 - E. Identification of gaps in the network of HSOs, if applicable, with a request for an exception to the network adequacy requirements;
 - iii. The Department shall review the HSO network report to ensure the Department's network adequacy and efficiency standards have been met and determine if service delivery can begin.
 - iv. If the Department does not approve the LPE's HSO network report, the LPE may receive conditional approval for its HSO network through the submission of a supplemental network plan describing how the LPE will resolve the Department's concerns, which may include, but is not limited to, one or more of the following:
 - A. Provide technical assistance;
 - B. If available and appropriate, provide additional capacity building funds;
 - C. Contract with HSOs outside of the LPE region; and
 - D. Expand use of digital video and telephonic technologies where appropriate and effective to delivering service(s).
 - v. If the Department does not approve the LPE's HSO network report or a supplemental network plan by the end of the Department's LPE Readiness Evaluation Period, the Department will, in its sole discretion, determine appropriate recourse which may include a CAP and withholding funds (i.e. capacity building and/or LPE administrative payments). Nothing in this Section v. shall limit the Department's rights under this Contract.
- c) **HSO Network Directory**
- i. The LPE shall maintain an HSO directory that includes all contracted HSOs, with the following information for each HSO:
 - A. Physical address(es)
 - B. County (ies) served

- C. Phone number(s)
 - D. Website (if applicable)
 - E. Pilot service(s) offered
 - F. Language(s) spoke
 - G. Hours of service
- ii. As required in Attachment N2: LPE Milestones and Due Dates, at least 75 days prior to the start date of Pilot Period Service Delivery I, the LPE shall ensure the list of contracted HSOs is in NCCARE360, in a format to be determined by the Department. The Department may, in its sole discretion, adjust the timing for submission as needed.
 - iii. If any HSO is temporarily suspended or is no longer participating in the HSO network at any time during the term of the Contract, the LPE shall update the contracted HSO directory on the LPE's website and in NCCARE360 within 3 State Business Days.
 - iv. The LPE shall provide the HSO directory to the Department, PHPs, the PHPs' contracted care management entities, and contracted HSOs.
 - v. The LPE shall make the contracted HSO directory publicly available on its website.
- d) **HSO Network Maintenance**
- i. The LPE shall ensure its network of contracted HSOs complies with Department standards over time.
 - ii. The LPE shall report to the Department an updated version of its contracted HSO Network report, including all currently contracted HSOs and its assessment of the adequacy and efficiency of the network, in accordance with a timeline to be determined by the Department.
 - iii. If the Department identifies gaps in an HSO network at any time, the Department may request the LPE submit an updated Network Plan, following the procedures in *Section V.D.2). LPE and HSO Network Management Scope of Services* unless otherwise directed by the Department.
- e) **HSO Application and Assessment Process**
- i. The LPE shall develop an application for HSO network participation and a standardized process to assess applications.
 - ii. No later than 60 days following the Contract Effective Date, the LPE and Department shall finalize an HSO network application, as required in Attachment N2: LPE Milestones and Due Dates.
 - iii. No later than 90 days following the Contract Effective Date, the LPE shall submit to the Department a description of its proposed HSO assessment process for Department review and approval, as required in Attachment N2: LPE Milestones and Due Dates. The Department reserves the right to request revisions to the HSO network application at any time, at its sole discretion.
 - iv. The LPE's HSO Network Application must:

- A. Gather and evaluate information of all required factors to be considered when evaluating an HSO per *Section V.D.2) g) HSO Contract Criteria*.
- B. Provide guidance and information to HSOs about permissible uses of HSO capacity building funding based on *Attachment E: Permitted Uses Of HSO Capacity Building Funds* and *Section V.E.2. HSO Capacity Building Funding*.
- C. Solicit information on the HSO's capacity building funding needs.
- v. The LPE's HSO assessment process must:
 - A. Establish a standardized approach to evaluating an HSO's application.
 - B. Include an HSO readiness assessment tool to determine whether selected HSO are prepared to deliver Pilot services prior to the first day of Pilot Period Service Delivery I, as described in *Section V.D.2) h). HSO Readiness Review*.
 - C. Describe the LPE's approach to distributing capacity building funding amongst HSOs, as further described in *Section V.E.4 HSO Capacity Building Scope of Services*.
- vi. The LPE shall accept applications from interested HSOs that offer Pilot services in the Local Pilot Region and review all such applications using the standardized process.
- vii. The LPE shall conduct active outreach to solicit applications from qualified county departments and agencies.
- viii. The LPE shall consider the cost and complexity of preparing an HSO to provide Pilot services when evaluating applications; however, LPE shall not immediately exclude HSOs solely because they require capacity building funds.
- f) **HSO-LPE Contract Development**
 - i. The LPE shall only contract with HSOs qualified to participate in the Local Pilot network in accordance with this Contract.
 - ii. The LPE shall determine an appropriate and reasonable number and mix of HSOs with which to contract across the Local Pilot Region and Healthy Opportunities Priority Domains to meet HSO Network standards and requirements in *Section V.D.1. HSO Network Standards and Requirements*.
 - iii. The LPE shall use the Department's model HSO contract, which shall:
 - A. Include a description of each party's roles and responsibilities.
 - B. Establish the HSO's minimum requirements, as detailed in *Section V.D.2) g) HSO Contract Criteria* as a condition of receiving Pilot funds;
 - C. Include the requirements by which an HSO may subcontract with other HSOs to provide the complete Pilot service (e.g., allowing two or more housing HSOs to provide the full set of activities required for Housing Navigation, Support and Sustaining Services).
 - D. Address the HSO's responsibilities, which may include the following:
 - A. The qualifications for HSO network participation, including all readiness and Readiness Review standards.

- B. Requirements related to referrals using NCCARE360.
 - C. Invoicing and payment requirements.
 - D. Language regarding use of funds.
 - E. Data collection and reporting requirements to adequately support program integrity, quality improvement, and evaluation efforts.
- E. Provide flexibility to tailor it to the specific requirements of the parties, which may include:
- A. The Pilot program services to be provided by the HSO
 - B. Use of funds
 - C. Reporting and Monitoring
 - D. Invoicing
 - E. Payment, denial and dispute language
 - F. Specific language, as appropriate, to implement additional processes for documenting referrals, service delivery, and invoicing. For example, to ensure compliance with the Violence Against Women Act.
- iv. Within 30 days of receipt of the Department’s model LPE-HSO contract, the LPE may submit modification requests to the model contract to the Department, as provided in Attachment N2: LPE Milestones and Due Dates. The Department is under no obligation to consider or implement any LPE proposed modification to the LPE-HSO model contract.
 - v. The LPE shall provide the Department with effective or proposed HSO contracts within 10 days upon request.
 - vi. As required in Attachment N2: LPE Milestones and Due Dates, at least 120 days prior to the start date of Pilot Period Service Delivery I, the LPE shall submit a contracted HSO manual to the Department for review and approval. Upon Department’s approval, the LPE shall distribute the manual to its contracted HSOs. The manual will provide information about the contracted HSO’s obligations, including how to collect and submit information about services provided to Pilot Participants
- g) **HSO Contract Criteria**
- i. The LPE shall leverage available information from the Department, PHPs, NCCARE360, and knowledge of the Local Pilot Region to identify and assess HSOs for participation in the HSO network.
 - ii. In order to contract with the LPE, an HSO must meet all of the following criteria:
 - A. Demonstrate the capacity or the experience to provide Pilot services or closely-related services as described in *Attachment M: Federally Approved Healthy Opportunities Pilot Services*;
 - B. Demonstrate a readiness to participate in the Pilot program and serve Members with physical, behavioral and Unmet Resource Needs;

- C. Maintain a physical presence in North Carolina, with one or more offices located in or serving the Local Pilot Region for the term of the Contract;
 - D. Demonstrate strong community relationships, as determined by the LPE;
 - E. Demonstrate a history of serving Medicaid beneficiaries in the community;
 - F. The ability to receive referrals through NCCARE360 and to close the loop on referrals by reporting service delivery outcomes;
 - G. The ability to submit invoices for Pilot services using standardized protocols;
 - H. Demonstrate the hours of operation and staffing are sufficient to serve needs of Pilot Participants;
 - I. Demonstrate Cultural Competency, as detailed in the Contract;
 - J. Demonstrate non-discriminatory practices, as detailed in this Contract;
 - K. Attested willingness to serve all Pilot Participants referred to the organization in accordance with its capacity constraints and contract with the LPE;
 - L. Business licensing or accreditation that meets industry standards, if required to provide the service to Pilot Participants;
 - M. Demonstrated history of responsible financial stewardship and integrity. In a case where an organization is new or does not have a recent audit or other mechanism for demonstrating financial stewardship, the organization must demonstrate the capacity to develop responsible financial stewardship and integrity;
 - N. Capability to comply with all reporting and oversight requirements, as required in the Contract;
 - O. Technical expertise to meet the requirements for rapid cycle assessment and program evaluation, as detailed in the Contract;
 - P. Agree to not use Pilot funds to refinance or displace activities already in process or performed by the HSO.
- iii. **Additional Criteria.** The LPE shall also consider the following factors when evaluating an HSO for inclusion in the network:
- A. Strength of existing relationship with Pilot beneficiaries;
 - B. Experience serving communities in the Pilot region;
 - C. Any offered complementary services that could improve the delivery or effectiveness of pilot services;
 - D. Additional factors deemed relevant by the LPE.
- iv. **Non-Discrimination Criteria**
- A. LPE shall ensure the contract between LPE and each HSO requires each HSO to adhere to the same standards required of the LPE, as set forth in this Contract, including Non-Discrimination, as detailed in Section V.A.8.
 - B. The LPE shall ensure that its contracted HSOs:
 - A. Make its non-discrimination policy available for Department review, upon the Department's request;

- B. Make updates to its non-discrimination policy as necessary, and, at a minimum, review the non-discrimination policy annually;
 - C. Make the non-discrimination policy available to Pilot program participants and employees of the HSO, upon request.
 - v. **Cultural Competency Criteria**
 - A. The LPE shall inform contracted HSOs of resources available to support cultural and linguistic competency.
 - B. LPE shall ensure the contract between LPE and each HSO requires each HSO to adhere to the same standards required of the LPE, as set forth in this Contract, including Cultural Competency, as detailed in Section V.A.9.
- h) **HSO Readiness Review**
 - i. The LPE shall assess the readiness of its contracted HSOs to deliver Pilot services prior to authorizing an HSO to deliver Pilot services using the HSO Readiness Tool described in *Section V.D.2) e) HSO Application and Assessment Process*.
 - ii. The LPE shall complete its Readiness Review for HSOs included in the LPE's HSO network report described in *Section V.D.3 Establishing the HSO Network Process* at least ninety (90) days prior to the start date of Pilot Period Service Delivery I, as required in Attachment N2: LPE Milestones and Due Dates.
 - iii. The LPE's HSO Readiness Review shall determine whether the HSO can:
 - A. Meet the requirements of the LPE-HSO contract;
 - B. Deliver Pilot services in accordance with Department and LPE standards; and
 - C. Comply with any additional readiness standards established by the Department, which may include:
 - A. A sufficient number of personnel;
 - B. Functional use of and understanding of how to conduct closed-loop referrals through NCCARE360; and/or
 - C. Participation in data and evaluation efforts.
 - iv. The LPE shall conduct site visits to contracted HSOs as part of the HSO Readiness Evaluation process.
- i) **HSO Program Integrity and Monitoring**
 - i. **Monitor HSO Activities**

The LPE shall provide, for Department review and approval at a date to be determined by the Department in its sole discretion, a plan describing how it will monitor and oversee its contracted HSO network in accordance with the requirements in this section.

 - A. On a schedule to be determined by the Department, in its sole discretion, the LPE shall assess its HSOs' activities to ensure compliance with all requirements, including identifying:
 - 1. Contracted HSOs who are not meeting contractual obligations,
 - 2. Overpayments and underpayments, and

3. Fraud, waste and abuse.
 - B. The LPE shall conduct, at a minimum, the following activities to assist in identifying the situations identified in subsection A immediately above:
 1. Invoice analyses to identify:
 - a) Overpayments and underpayments
 - b) Invoice discrepancies or outliers;
 - c) An unusually high or low volume of claims relative to historical trends or baseline expectations.
 2. Planned and unplanned site visits to contracted HSOs;
 3. Desk monitoring;
 4. Service delivery verification procedures, including:
 - a) Outreach to Members to confirm receipt of services
 - b) Outreach to HSOs to document services provided match submitted invoices.
 - C. The LPE shall use information and reports from various sources to monitor HSOs' activities, including PHPs, NCCARE360 and other entities' data and reports.
- ii. **Addressing HSO Performance Issues**
- A. If the LPE identifies an HSO that is not meeting its contractual obligations, the LPE shall:
 1. Develop a Performance Improvement Plan (PIP) and provide supplementary training and technical assistance to assist the HSO address performance issues;
 2. If the PIP and training and technical assistance is ineffective, develop a CAP to address areas requiring improvement;
 3. The LPE may require a CAP without first developing a PIP; and/or
 4. Take any other action permitted under the LPE-HSO contract or as directed by the Department.
 - B. If performance issues persist, the LPE may take any action permitted under the LPE-HSO contract or as directed by the Department.
 - C. The Department reserves the right to require the LPE to terminate its contract with an HSO.
 - D. Nothing in this section is intended to limit or restrict the Department's rights under this Contract.
- iii. **Address Overpayments and Underpayments**
- The LPE shall assist HSOs to resolve payment errors, including by:
- A. Working with the PHP to recoup overpayments and reconcile underpayments with HSOs.

- B. Working with the contracted HSOs directly to identify and reconcile overpayments and underpayments.
- C. Nothing in this section is intended to limit or restrict the LPE's rights pursuant to the LPE-HSO contract or the Department's rights under this Contract.

iv. **Address Identified HSO Network Fraud, Waste and Abuse**

- A. If the LPE suspects that an HSO may have engaged in fraud, waste and/or abuse, the LPE shall immediately notify the Department.
- B. LPE shall conduct an investigation of the potential fraudulent, wasteful or abusive activity to determine if the HSO engaged in a prohibited activity. Upon consultation with the Department and to the extent allowed by law, during the investigation, the LPE shall suspend payments to the HSO if credible allegations of fraud, waste or abuse are present.
- C. LPE shall provide the Department with a written report detailing its investigation and findings and recommendations within five (5) days upon completion of its investigation.
- D. After consultation with the Department, if it is determined that HSO has engaged in fraudulent, wasteful, or abusive activity, LPE shall terminate the HSO's contract and require the HSO to repay the Pilot dollars or take other action as directed by the Department.

E. Funding and Payments

1) **Background and Goals Related to Flow of Funds, Payments to LPEs and HSOs, and Value-Based Payments:**

A clear and well-documented flow of funds is important to the Department as it promotes financial accountability in the Pilot program. As authorized in the waiver, Pilot program funding may be used for three primary purposes: capacity building, operational and administrative activities, and the delivery of Pilot services.

Capacity Building: The LPE and its contracted HSOs will have access to funds in the first two years or 24 months beginning on the Contract Effective Date to support capacity building, infrastructure development and other activities necessary to execute Pilot responsibilities, as described in *Attachment D: Permitted Uses For LPE Capacity Building Funds* and *Attachment E: Permitted Uses of HSO Capacity Building Funds*. LPEs will receive capacity building funding to spend on their infrastructure development and will distribute a significant portion of their capacity building funding directly to HSOs. The capacity building dollars distributed to HSOs shall be used to support an HSO's ability to execute contractual Pilot requirements (e.g., submitting invoices accurately) and deliver Pilot services.

Operational and Administrative Activities: The LPE, PHPs, and care management entities will receive Pilot funding to support their operational and administrative Pilot-related activities

during the period Pilot services are delivered. The LPE’s Operational and Administrative funding is detailed further in *Attachment C1: LPE Funding & Administrative Rate*.

Delivery of Pilot Services: HSOs will receive payments for the delivery of authorized Pilot services to Pilot Participants. These service payment rates include the organization’s costs to deliver the services and its related administrative costs. To initiate a request for payment, HSOs will generate and submit invoices reflecting the delivery of authorized Pilot services to Pilot Participants to the LPE, which will receive and review the invoices to ensure completeness and accuracy and work with HSOs that require assistance completing and submitting invoices. The LPE will transmit invoices to the PHPs, which will conduct a final review and directly pay HSOs for approved invoices. The PHP will provide a remittance advice indicating whether an invoice was paid or rejected, and if paid, how much. The LPE shall act on behalf of an HSO to assist in resolving a payment dispute with a PHP.

Value-Based Payments: In addition to the three primary purposes for authorized Pilot funds, over the course of the Pilot program, Pilot payments to PHPs, LPEs, and HSOs will be linked to value. Value-based payments will assist to develop a sustainable program with more predictable costs through a whole-person centered and well-coordinated system of care. Value-based payments will be linked closely to priority Pilot program goals and objectives, including effective and timely implementation of the Pilot program and the extent to which the delivered Pilot services address Unmet Resource Needs, improve health outcomes and reduce healthcare costs for subsets of Pilot Participants. Pilot program value-based payment policies follow a trajectory of increasing accountability over the Pilot years, as defined in the 1115 Demonstration Waiver.

2) **Flow of Funds Scope of Service**

a) The following exhibit describes how funds will flow to support capacity building, operational and administrative activities, and Pilot service delivery.

Exhibit 2: Pilot Program Funding Flow

Funding Purpose	Funding Type	Funding Flow
Capacity Building	LPE Capacity Building	DHHS → LPE
	HSO Capacity Building	DHHS → LPE → HSO
Operational and Administrative Activities	PHP-Retained Payment for Operations	DHHS → PHP
	Care Management Payment	DHHS → PHP → Care Management Entity
	LPE Payment for Operations	DHHS → PHP → LPE
Pilot Service Delivery	HSO Payment for Pilot Service Delivered and Related Administrative Costs	DHHS → PHP → HSO

- b) To ensure proper oversight of the flow of funds, the Department may, in its sole discretion, modify the funding flow.
 - c) In addition to regular reporting requirements, the Department may require access to any information related to the flow of funds.
- 3) **LPE Capacity Building Scope of Service**
- a) The LPE and its contracted HSOs will have access to capacity building funds during the first 24 months of the Contract, beginning on the Contract Effective Date, to support capacity building, infrastructure development and other activities necessary to execute Pilot responsibilities, as described in *Attachment D: Permitted Uses For LPE Capacity Building Funds* and *Attachment E: Permitted Uses of HSO Capacity Building Funds*. LPEs will receive capacity building funding to spend on their infrastructure development and will distribute a significant portion of their capacity building funding directly to HSOs, as described in *Section V.E.4 HSO Capacity Building Scope of Services*. The LPE is required to ensure that a majority, at least 51%, of capacity building dollars are distributed to HSOs. LPEs are encouraged to distribute a significantly greater share than 51%. The capacity building dollars distributed to HSOs shall be used to support an HSO's ability to execute contractual Pilot requirements (e.g., submitting invoices accurately) and deliver Pilot services.
 - b) The LPE must request, use and distribute the minimum amount of capacity building dollars required to effectively implement its Pilot responsibilities and support the capacity building of HSOs. This requirement includes, but is not limited to, an obligation by the LPE to use existing resources instead of building new capacity for Pilot functionality.
 - c) **Permitted and Excluded Uses**
 - i. The LPE shall use capacity building funding only on permitted uses, as described in *Attachment D: Permitted Uses For LPE Capacity Building Funds*.
 - ii. The LPE shall not use capacity building funding on impermissible uses, as detailed in *Attachment D: Permitted Uses For LPE Capacity Building Funds*.
 - iii. Pilot program expenditures should be reasonable, including but not limited to the following:
 - A. Costs should not exceed what a prudent person would incur under similar circumstances.
 - B. Costs are consistent with the market for comparable goods or services.
 - C. The LPE incurs costs following its established policies and procedures and the terms and conditions of this Contract.
 - d) **LPE Capacity Building Budget Development and Application**
 - i. The LPE shall submit an initial request for two years of capacity building funding for the Department's review and approval, in accordance with this Section V.E. and *Attachment C2: LPE Capacity Building Budget Proposal*.

- ii. The LPE may have the opportunity to submit one or more requests to revise its capacity building funding for the Department’s review and approval, in the Department’s sole discretion.
- iii. If permitted, and as required, the LPE’s request to revise its capacity building funding shall be submitted using the Department’s format. The LPE shall, at a minimum, explain in detail specific reasons for changes between prior and current funding requests.

e) Schedule for Disbursement and Reporting

- i. The LPE shall invoice the Department for capacity building funds as provided in Section III.D.32. **PAYMENT AND INVOICE TERMS**. If the LPE does not expend capacity building funds in accordance with its approved budget and schedule, the Department reserves the right to change the schedule for funding disbursement and amount of capacity building payments.
- ii. The LPE shall report its expenses for each capacity building budget line item no less frequently than quarterly, as provided in *Attachment N1: LPE Reporting Requirements*. Expenditure reports shall include, at a minimum, the amount budgeted for the reporting period and the budget year-to-date, the amount expended for the reporting period and the budget year-to-date, and a narrative detailing the specific expenditure and reasons for variations from the budget, if any.

f. Accountability and Reconciliation

- i. If the LPE has unexpended capacity building funds at the conclusion of the 24-month period, the LPE may request to carryover the funds to be spent during the next twelve (12) month period. The request shall be submitted to the Department in a form and format to be determined by the Department. The Department, in its sole discretion, will approve or deny the request to carryover unexpended capacity building funds.
- ii. Only previously approved funds are eligible for carryover.
- iii. If the LPE does not submit a request to carryover unexpended funds or if the request is not approved by the Department, the LPE shall return all unexpended funds to the Department within thirty (30) days following the end of the 24-month capacity building funding period.

4. HSO Capacity Building Scope of Services

- a. LPEs will allocate, distribute and monitor capacity building funds for its contracted HSOs in accordance with the Department’s review and approval to ensure the HSO capacity building funding supports the Department’s priorities and are no more than necessary to meet Pilot objectives in an efficient and effective way.

b. Budget Development

- i. The LPE’s capacity building budget shall be consistent with the requirements of *Section V.E.3) LPE Capacity Building Scope of Services* and will:

- A. Include an initial estimate of capacity building dollars for HSOs that is at least 51 percent of the total 24-month capacity building funding request. The LPE shall leverage its assessment of its preliminary HSO network described in *Section V.D.2) e). HSO Application and Assessment Process* to develop the initial requested funding for HSO capacity building
 - B. Explain how LPE will assess the capacity building needs of its HSO network as the network is developed and as detailed in *Section V.D.2) e). HSO Application and Assessment Process*.
 - C. On a weekly basis during HSO network development, the LPE shall submit to the Department for its review and approval, batches of HSO-level requests for capacity building funding for distribution to HSOs, using a form and format to be developed by the Department, if required.
 - 1. The HSO capacity building funding requests must support HSOs' readiness to participate in the Pilot program and ensure all Pilot services are available to Pilot Participants.
 - 2. The HSO-level requests for capacity building funding shall provide the Department with requested funding per HSO and per type of expenditure.
 - 3. The Department reserves the right to modify the LPE's requested HSO-level capacity building budget submissions in its sole discretion.
 - D. As required in Attachment N2: LPE Milestones and Due Dates, the LPE shall submit an updated aggregate HSO capacity building budget, using a form and format to be developed by the Department, if required.
 - 1. The aggregate budget must meet the requirements set forth in *Section V.E.3. LPE Capacity Building Scope of Services*.
 - 2. The LPE shall use the minimum amount of capacity building dollars required to effectively implement Pilot responsibilities and support HSO capacity building.
 - 3. In its sole discretion, the Department reserves the right to modify the LPE's HSO capacity building budget.
- c. **Permitted / Excluded Uses**
- i. The LPE shall ensure contracted HSOs spend capacity building dollars on permitted uses only, as provided in *Attachment E: Permitted Uses of HSO Capacity Building Funds*. The LPE may determine which permissible uses are appropriate to offer in its Local Pilot region based on its assessment of its community needs
 - ii. The LPE shall ensure HSOs do not spend capacity building dollars on impermissible uses, as provided in *Attachment E: Permitted Uses Of HSO Capacity Building Funds*.
 - iii. If the LPE does not permit spending on all permitted uses, the LPE must inform the Department in writing (a) as part of HSO network application, or (b) if implemented

at a later date, prior to the change. The Department must review and approve these requests.

- iv. The LPE shall not distribute capacity building dollars to HSOs for Pilot-related administrative activities; administrative activities will be funded through the payments for Pilot services. Administrative activities may include, for example, personnel time to generate invoices to receive payment for services delivered and reports for submission to the Department, and non-personnel costs such as maintaining IT systems to support Pilot program operations

d. Capacity Building Application, Distribution and Methodology

- i. The LPE shall permit HSOs to request capacity building funds through the application process used to apply to become part of the HSO network.
- ii. The LPE shall allow contracted HSOs to apply for additional capacity building funds contingent on need and availability of funds.
- iii. The LPE shall use its Department approved HSO network application, which will include a section for HSO capacity building submission, to solicit HSO capacity building requests.
- iv. As part of the HSO network development process, the LPE shall provide instructions and guidance to HSOs to support submission of their applications for capacity building funds.
- v. As required in Attachment N2: LPE Milestones and Due Dates, the LPE shall submit to the Department, for its review and approval, an HSO Capacity Building Funding Distribution Approach. The approach shall address the following elements and shall be consistent with the provisions of the LPE-HSO contract:
 - A. An assessment of how capacity building funds distributed to HSOs in the Local Pilot Region will prepare HSOs for Pilot program participation and delivery of Pilot services;
 - B. The permitted uses of capacity building funding for HSOs within the network and a rationale for why these permitted uses will best support contracted HSOs in its Local Pilot region;
 - C. A description of the process by which the LPE will ensure that capacity building funds disbursed to contracted HSOs will only be used for the permitted uses and not used for impermissible uses as detailed in *Attachment E: Permitted Uses Of HSO Capacity Building Funds*;
 - D. The LPE's approach to and process for distributing funds, including:
 - 1. The HSO application process; and
 - 2. The application review process.
 - E. The LPE's approach to monitoring the HSOs' capacity building expenditures, including the LPE's form for standard reporting of capacity building expenses and the documentation requirements.

- F. The LPE's approach to addressing variations in an HSO's spending compared to its requested capacity building funds.
- vi. The LPE shall review and determine the amount of capacity building funds to distribute to a contracted HSO, subject to the Department's review and approval and in accordance with the following:
 - A. The LPE shall only approve and make capacity building funding payments to HSOs for permitted activities, as defined in *Attachment E: Permitted Uses of HSO Capacity Building Funds*.
 - B. The LPE shall only approve and make capacity building funding payments to be expended during the LPE's period of eligibility for capacity building payments which is the first 24 months of the Contract.
 - C. At a minimum, the LPE's review of each HSO's application for capacity building funds shall consider the following:
 - 1. Comprehensiveness of the HSO's application.
 - 2. Confirmation that the use of the funds is both permissible and a key factor to the organization's capacity to participate in the Pilot program and serve Pilot Participants through the delivery of authorized Pilot services.
 - 3. A demonstrated readiness to effectively use capacity building funding upon receipt.
 - 4. Demonstrated ability to meet all accounting and financial standards and requirements.
 - 5. The availability of capacity building dollars remaining in the Department-approved aggregate HSO capacity building funding budget
 - 6. Demonstrated focus to cost-effectiveness if funds are provided to an HSO applicant.
- vii. The LPE can deny an HSO's request to spend capacity building dollars on a permitted use based on its assessment of the request.
- viii. The LPE can work with the HSO to modify its request based on the LPE's assessment of the request, its knowledge of community need, availability of funds, or for another reason the LPE determines appropriate.
- viii. **Monitoring**
 - A. The LPE shall monitor capacity building expenditures for each contracted HSO by requiring HSOs to submit reports to the LPE on capacity building expenditures on a quarterly basis using the LPE reporting form which shall be consistent with Department guidance.
 - B. The LPE will monitor and enforce compliance with the approved HSO capacity building budget.
 - C. The LPE shall maintain documentation of HSO capacity building expenditures and submit reports to the Department based on the requirements in

Attachment N1: LPE Reporting Requirements. The Department shall determine the form, format and schedule of the documentation.

D. The Department reserves the right to require updates to the HSO capacity building budget during the capacity building period.

e. **Distribution Process**

- i. The LPE shall distribute the first approved capacity building funding payment to an HSO no later than 30 days after the LPE has received funds from the Department, and the Department has approved the capacity building request.
- ii. The LPE shall distribute all subsequent approved capacity building funding payments, as applicable, to an HSO in accordance with the LPE-HSO contract.

5) **LPE Administrative Overhead Funds**

- a) The LPE shall accept prospective payments from its contracted PHPs for the LPE's Pilot administrative costs, beginning at the launch of Pilot services, as described in *Attachment C1: LPE Funding & Administrative Rate*.
- b) The frequency and distribution approach of these payments will be defined in the PHP-LPE model contract to be developed by the Department and described in *Section V.B. Lead Pilot Entity and Prepaid Health Plan Contracts*.

6) **HSO Payments for Pilot Program Services**

- a) The LPE shall require its HSOs to populate and submit an invoice and supporting documentation, when applicable, to request reimbursement for delivering an authorized Pilot service to a Pilot Participant based on a referral from a care manager.
- b) The LPE shall require contracted HSOs to use Department-standardized data elements on the invoice defined in *Attachment O: HSO Service Delivery Invoice Requirements*.
- c) The LPE shall collect and track Pilot service invoices from contracted HSOs.
- d) The LPE shall develop a policy on the acceptable duration of time between the date a Pilot service was rendered and the submission deadline for the invoice, which may be no more than 45 days, and include these requirements in the LPE-HSO contract and the LPE-PHP contract.
- e) The LPE shall ensure invoices submitted by contracted HSOs for Pilot services rendered:
 - A. Include all required elements as defined in *Attachment O: HSO Service Delivery Invoice Requirements*.
 - B. Represent services delivered and authorized by the PHP.
 - C. Include any supporting documentation required by the LPE and the Department.
- f) The LPE shall deny an incomplete or inaccurate invoice and shall return the invoice to the appropriate HSO for correction.

- A. The LPE shall develop an approach to minimize invoice denials, with strategies that educate and support the HSOs (e.g. via training and technical assistance).
- B. Denial and dispute policies must be included in the LPE-HSO contract and consistent with the Department-developed model contract.
- g) The LPE shall send complete and accurate invoices to PHPs for Pilot services delivered to their enrolled Members for final review, adjudication¹⁴ and payment to the HSO.
- h) The LPE is not responsible for final review, adjudication or payment of an invoice.
- i) The LPE shall receive a record from the PHP of invoices paid, the amount paid per invoice, and invoices denied.
- j) The LPE shall ensure HSOs receive remittances to explain whether an invoice was paid, and if so, how much, and the reason for any invoice payment or rejection decisions.
- k) The LPE shall act on behalf of an HSO to resolve any payment dispute with a PHP.
- l) The LPE shall submit to the Department upon request its policies regarding payment disputes.

7) Funding Flow for Value-Based Payments:

- a) The LPE shall receive value-based payments and be subject to value-based payment adjustments in accordance with the Department’s assessment of the LPE’s performance against specific targets and benchmarks to be detailed in Department guidance.
 - A. In Pilot Period Service Delivery I and Pilot Period Service Delivery II, the LPE will receive incentive payments based on completion of Pilot implementation milestones.
 - B. Beginning in Pilot Period Service Delivery III, LPE payments will be subject to adjustment based on value-based criteria to be outlined in Department guidance.
- b) Beginning with Pilot Period Service Delivery I, the LPE must share all earned value-based payments with high-performing contracted HSOs.
 - A. The LPE shall describe its approach to and process for distributing a portion of its earned value-based payments to high-performing contracted HSOs for review and approval by the Department, on a timeline to be determined by the Department. The LPE’s description will address:
 - 1. Methodology for calculating the portion of the value-based payments that will be distributed to high-performing contracted HSOs;

¹⁴ Adjudication in the context of this RFP is the act of determining how much to pay an HSO based on a submitted invoice for a delivered Pilot service.

2. Approach to consulting with HSOs on process for VBP payment calculation and distribution;
 3. Assessment criteria for identifying high-performing contracted HSOs to receive a portion of the earned value-based payment;
 4. Data collection and reporting requirements that will be necessary between the HSOs and the LPE to facilitate the LPE's assessment;
 5. Methodology for calculating the amount of funding to be distributed to high-performing contracted HSOs; and
 6. Schedule of assessment and payments.
- B. The LPE shall make value-based payments to the high-performing contracted HSOs in accordance with the LPE's approved approach.

F. Quality Improvement and Pilot Program Evaluation

1. Background and Goals Related to Quality Improvement and Pilot Program Evaluation

One of the Department's priorities in launching the Pilots is to test, evaluate, and understand the most effective combination of services that result in effective improved health outcomes, lower health care utilization, and reduced costs. CMS approved the Department's Pilot evaluation design, which is located at: <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/nc/Medicaid-Reform/nc-medicaid-reform-eval-des-appv-ltr-20190815.pdf>.

Through the 1115 Demonstration Waiver project, including the rapid cycle assessments, the Department will evaluate the impact of Pilot services on participants' health outcomes and healthcare costs, with the goal of identifying and ensuring sustainability of effective interventions that meet the Demonstration's goals.

Early learnings about service delivery and impact on health outcomes will assist the Department: (a) make periodic adjustments in Pilot design; (b) progress toward value-based payments, as discussed herein, and, (c) ultimately incorporate effective services and payment approaches into the Medicaid managed care program statewide. The goals of the Department in ensuring effective Pilot implementation and in evaluating the Pilot are closely linked. LPEs are essential in supporting the Department's efforts to ensure effective implementation and to learn from the Pilots by:

1. Identifying and resolving implementation challenges with all Pilot-participating entities through convenings and regular collaboration;
2. Collaborating with PHPs to understand Pilot Participants' experience and the impact of Pilot services on the PHP's Pilot Participants, to inform the LPE's technical assistance and training approach with its network of contracted HSOs;
3. Utilizing capacity building funds in an effective and efficient manner;

4. Participating in the Department’s efforts to evaluate changes to the HSO landscape to assist the Department in meeting its goal to not negatively impact the landscape of HSOs in the Pilot region, including by delaying or displacing services for other non-Pilot populations;
5. Assessing and supporting quality improvement of its network of contracted HSOs and their ability to deliver timely and high-quality Pilot services through technical assistance, training and value-based payments;
6. Facilitating and supporting collaborative care across its network of HSOs and care managers to accomplish shared goals of improving health outcomes and achieving coordinated, high-quality care; and,
7. Participating in and supporting the Department’s quantitative and qualitative efforts to rigorously evaluate and oversee the Pilot program.
8. To ensure accountability for state and federal funding, the Department has developed a design for systematically evaluating the Pilots, including:
 1. **Rapid Cycle Assessments** will assist the Department efficiently ascertain which interventions are most promising, and, in the alternate, those that are not. As the Department collects data and examines the results, it can modify or discontinue implementation strategies and services that are less effective to ensure funding is spent on effectively delivering services with a demonstrated impact on health status, outcomes and cost.
 2. **Randomization of higher intensity services** will be an important element in the evaluation of effective services.
 3. **The Summative Evaluation** will assess the Pilot program’s global impact on Pilot Participants and the Medicaid program. Unlike the rapid cycle assessment, which is designed to drive prompt modifications, the summative evaluation will focus on understanding the individual characteristics of Pilot Participants who benefit most from the Pilot services and which services have a demonstrated impact on outcomes and cost. This will ensure services are scalable across diverse regions of North Carolina and appropriate to incorporate into Medicaid Managed Care statewide after the conclusion of the demonstration.

2. **Quality Improvement and Pilot Program Evaluation Scope of Services**

a) **Assessing and Improving HSO Performance**

- i. At a date to be determined by the Department, the LPE shall provide an HSO Performance Assessment Plan describing how it will assess and improve the performance of its contracted HSO network in accordance with the requirements in this section.
- ii. The LPE shall assess its contracted HSOs’ performance to ensure the delivery of high-quality and timely services to Pilot Participants on a schedule to be determined by the Department.

- iii. The LPE shall conduct, an analysis of contracted HSO referrals through NCCARE360, including:
 - A. Referral acceptance rates,
 - B. Referral accept timeliness,
 - C. Reasons for referral denials,
 - D. Referral outcomes,
 - E. Case resolution rate by HSO, and
 - F. Service outcome information by HSO
- iv. The LPE shall collect and use qualitative and, as applicable, quantitative information from other sources to assess HSO performance, including regular engagement with PHPs, care management entities, and HSOs.
- v. The LPE shall use findings from its assessment of HSOs' performance to inform its Pilot Entity Engagement Plan and Training and Technical Assistance Plan, described in *Section V.F.2) c) Training and Technical Assistance*.

b) Convening Pilot-Participating Entities and Community Stakeholders

- i. As required in Attachment N2: LPE Milestones and Due Dates, the LPE shall develop and submit to the Department, for its review and approval, a Pilot Entity Engagement, Training and Technical Assistance Plan that describes the activities planned per year, including related to a schedule, topics to be covered, target audiences, and venues. The LPE shall solicit input from Pilot-Participating entities and other stakeholders within the Local Pilot Region on key topics and issues for discussion at Pilot-related activities and include the approach to soliciting input in its Pilot Entity Engagement Plan.
- ii. The LPE shall convene Pilot-Participating Entities within its Local Pilot Region at regular intervals during the term of the Contract to:
 - A. Solicit information about implementation barriers and enablers to identify areas where training, technical assistance and/or convening would support effective Pilot program implementation.
 - B. Review or develop Pilot-related policies and procedures
 - C. Strengthen relationships between Pilot-participating entities
- i. While the primary purpose of these activities is quality improvement and engagement, the LPE should maintain documentation of lessons learned through these discussions, including through the use and summary of convening participant evaluation, and provide such documentation to the Department upon request.
- ii. The LPE shall conduct convenings with Pilot-participating entities in the following formats:
 - A. In-person convenings at least twice per year.
 - B. Regular telephonic or web-based convenings.
- iii. The LPE shall collaborate closely with PHPs at regular intervals to gain information about its Pilot Participants' experience and the impact of Pilot services on the PHP's

Pilot Participants, to inform the LPE's technical assistance and training approach with its network of contracted HSOs.

- iv. The LPE shall engage with community members and other interested stakeholders that are not Pilot-participating entities to increase awareness and receive input into Pilot program implementation and activities.
- v. The LPE shall maintain documentation of input received from such stakeholders and provide such documentation to the Department upon request. The LPE shall use this input in developing their Pilot Entity Engagement Plan and Training and Technical Assistance Plan, where relevant.
- vi. The LPE shall actively participate in Department-led learning collaboratives designed to share best practices across Local Pilots.

c) Training and Technical Assistance

- i. As part of the Pilot Entity Engagement, Training and Technical Assistance Plan, the LPE shall describe the training and technical assistance sessions planned per Service Delivery period, including information about HSO and care manager audiences, topics, venues, and schedule.
- ii. The LPE shall include in the Pilot Training and Technical Assistance Plan a description of how it will facilitate the timely identification of issues and barriers to Pilot service delivery faced by contracted HSOs and care managers

d) Provide Training and Technical Assistance to Contracted HSOs

- i. The LPE shall conduct trainings for contracted HSOs on a schedule to be determined by the LPE, in coordination with the Department, to support execution of Pilot-related responsibilities.
 - 1. The LPE shall provide individual or group training and/or technical assistance to its contracted HSOs, as appropriate, to address issues and share best practices in implementation and delivery of Pilot services, participation in Pilot program evaluation, and other Pilot program activities.
 - 2. The LPE may subcontract with other organizations to provide select training or technical assistance to contracted HSOs, as needed.
- B. Training materials and formats may include, but are not limited to:
 - 1. Webinars
 - 2. Written material and documents
 - 3. Targeted, one-on-one training
- C. The LPE shall provide ongoing technical assistance to contracted HSOs to support the following goals, at a minimum:
 - 1. Address issues identified by one or more HSOs.
 - 2. Support HSOs' capacity to successfully deliver Pilot services and meet Pilot-related obligations, including, for example:

1. Use of NCCARE360 for referrals
 2. Data management and reporting
 3. Participation in evaluation
 4. Meeting access and cultural and linguistic competency requirements
 5. Ensuring that Pilot services are not duplicating or displacing services available through other local, state or federally-funded programs
3. Support HSOs' capacity to expand delivery of Pilot services to Pilot Participants.
 4. Support HSOs with trainings specific to Pilot service domain areas.
 5. Support HSOs' quality improvement activities to ensure a high-performing network and effective Pilot program implementation.
 6. Support HSOs with meeting performance standards, including implementing PIPs and CAPs.
- D. While the primary purpose of technical assistance to HSOs is quality improvement and engagement, the LPE should maintain documentation of lessons learned through technical assistance efforts, including through the use and summary of training/technical assistance participant evaluations, and provide such documentation to the Department upon request.
- E. The LPE shall facilitate the timely identification of issues and barriers to Pilot service delivery faced by contracted HSOs, including by tracking and summarizing priority issues as they arise, and steps being taken to address such issues, as otherwise described in this *Section V.F.*
- e) Provide Training and Technical Assistance to Care Managers**
- i. The LPE shall train and advise care managers on available Pilot services and appropriate contracted HSOs based on a participant's circumstances and care needs preferences, on a schedule to be determined by the Department.
 - ii. The LPE shall conduct trainings for care managers according to guidance and standards to be issued by the Department to support execution of Pilot-related responsibilities.
 - iii. Training materials and formats may include, but are not limited to:
 1. Webinars
 2. Written material and documents
 3. Targeted, one-on-one training
 - iv. The LPE shall provide ongoing technical assistance to care managers to support the following goals, at a minimum:

- A. Address issues identified and communicated by a care manager related to Pilot services and HSO availability and accessibility
- B. Support care managers' capacity to successfully interact with Pilot Participants, including assessing their needs, referring them to contracted HSOs and adhering to Pilot program-related obligations
- C. Support care managers' understanding of and familiarity with contracted HSOs and Pilot services
- v. The LPE shall facilitate the timely identification of issues and barriers to Pilot service delivery faced by care managers.
- vi. The LPE shall have multiple communication channels available for advising care managers and other care team members on Pilot Participants' care plan development that includes, at a minimum, telephonic and secure web-based communication (e-mail).
- vii. The LPE shall respond to a care manager request for input on a Pilot Participant's or a Pilot-eligible Medicaid Member's care plan as it relates to use of Pilot services as soon as possible and at least within one (1) State Business Day.
- viii. The LPE shall facilitate the timely identification of issues and barriers to managing care for Pilot Participants faced by care managers, including by tracking and summarizing priority issues as they arise, and steps being taken to address such issues.
- ix. While the primary purpose of technical assistance to care managers is quality improvement and engagement, the LPE should maintain documentation of lessons learned through technical assistance efforts, including through the use and summary of training and technical assistance participant evaluations, and provide such documentation to the Department upon request.

f) Value-Based Payment to Support Quality Improvement

- i. The LPE's methodology to distribute earned value-based incentive payments, as described in *Section V.E.7. Funding Flow for Value-Based Payments* shall support and align with quality improvement and effective Pilot program implementation goals by rewarding HSOs':
 - A. Delivery of high-quality and timely services
 - B. Contributions to the Pilot program goals of addressing Unmet Resource Needs and improving health outcomes and healthcare costs.
- ii. The LPE shall educate and prepare HSOs for participation in its value-based payment program.

g) Program Evaluation and Oversight

- i. The LPE shall provide timely and accurate reports on regular intervals and as requested by the Department to support:

- A. Pilot program evaluation (as further described in *Section V.F.2) h*). *Submit Timely, Accurate, Complete data for Pilot Program Evaluation*;
 - B. Department reporting to CMS
 - C. Department efforts to monitor, evaluate and improve Pilot program implementation.
- ii. The LPE shall report as provided in *Attachment N1: LPE Reporting Requirements* and submit other reports as requested by the Department on a schedule to be determined by the Department.
 - iii. The LPE shall require all contracted HSOs to support Pilot program-related data collection efforts and meet all data quality and timeliness standards required by the Department.
 - iv. The LPE shall participate in qualitative efforts to support Pilot program evaluation, Department reporting to CMS, and Department efforts to monitor, evaluate and improve Pilot program implementation. These efforts may include:
 - A. Participating in structured interviews
 - B. Coordinating and participating in site visits
 - C. Recruiting network HSOs to participate in interviews, focus groups and site visits, including care coordinators and other frontline staff if needed
 - D. Recruiting Pilot Participants to participate in interviews and focus groups

h) Submit Timely, Accurate, and Complete Data for Pilot Program Evaluation

- i. The LPE shall collect and store data as directed by the Department. This includes, but is not limited to, data regarding the LPE's HSO network, pilot service delivery, invoicing and payment for pilot services, and disbursement of capacity building funds.
- ii. The LPE shall submit timely, complete, accurate data to the Department and/or to Prepaid Health Plans or other parties as directed by the Department. The LPE's data submissions shall conform to all Department requirements regarding:
 - A. Data elements contained in the data submission
 - B. File format, including any requirements that specific data be submitted in a machine-readable format and include accompanying metadata.
 - C. Cadence and timeliness of data submission.
 - D. Data completeness, accuracy, or any other components of data quality or integrity
 - E. Data privacy and security standards and processes
 - F. Data governance policies, processes, and controls
- iii. As required in *Attachment N2: LPE Milestones and Due Dates*, the LPE shall submit to the Department for review and approval a detailed written plan

describing the technology systems, processes, tools, and key personnel the LPE will use to meet all LPE data collection and submission requirements.

- iv. The Department reserves the right to request raw, source data to substantiate the LPE's data monitoring and reporting submissions.
- v. The LPE shall track and make available to the Department raw, source data that supports program evaluation and monitoring and, in a format, and transmission method that will be specified by the Department.
- vi. The LPE shall preserve all source data in accordance with the RECORD RETENTION term of this Contract.
- vii. If the LPE ceases operations before three years after the end of the Pilot, it shall make arrangements for secure storage of the data prior to dissolution and shall notify DHHS and the evaluator of its designee for data storage.

G. Fraud, Waste and Abuse

1. Background and Goals Related to Fraud, Waste and Abuse

The LPEs shall play a critical role in the Department's efforts to ensure Pilot program integrity. In addition to the LPE's central and proactive role related to managing the integrity of its network HSOs, the Department requires LPEs to provide notification of any other instances of fraud, waste and abuse related to the Pilot program.

2. Fraud, Waste and Abuse Scope of Services

- a) To promote integrity in Pilot program activities, the LPE shall immediately notify the Department of any suspected fraud, waste and abuse discovered or observed in the course of administering the Pilot program.
- b) The above requirement is in addition to the LPE's proactive role in identifying instances of fraud, waste or abuse in the Pilot program activities of its contracted HSOs, described in *Section V.D.2) i). HSO Program Integrity and Monitoring*.

VI. CONTRACT PERFORMANCE

A. Contractual Compliance

The LPE shall comply with all terms, conditions, requirements, performance standards, and applicable laws as set forth in the Contract or any amendments thereto including any rules, policies, or procedures incorporated pursuant to the Contract.

B. Department Right to All Remedies

The Department reserves the right to impose any and all remedies available under the terms of the Contract, at law or in equity, and in the event that the Department determines, in its sole discretion, that the LPE has violated any provision of the Contract, or if the LPE does not comply with any other applicable North Carolina or federal law or regulation, compliance with which is mandated expressly or implicitly by this Contract.

C. Notice of Deficiency

The Department will provide the LPE with written notice of the need for a PIP, imposition of a CAP, or other remedies available under the Contract, detailing the nature of underperformance, violation or noncompliance, any actions the Department seeks to impose against the LPE, and, if applicable, the method and timeframes by which the LPE may dispute the claim of noncompliance and the imposed actions.

D. Performance Improvement Plan (PIP) or Corrective Action Plan (CAP)

1. In the event the Department identifies that an LPE is underperforming as to the terms, conditions, requirements and performance standards as set forth in the Contract, the Department may provide technical assistance and require development and implementation of a PIP to assist the LPE in meeting the Department's expectations. Notwithstanding this subsection, the Department's rights to issue a CAP or terminate with cause are not limited.
2. If such technical assistance is provided and a PIP is implemented, and the LPE does not address identified underperformance issues through technical assistance and/or a PIP, the Department reserves the right to require a CAP.
3. Following a Notice of Deficiency, the LPE shall immediately cease the noncompliant behavior and take actions to mitigate the harm caused by the violation until an approved PIP or CAP is implemented.
4. The LPE shall accept and implement the CAP to address its areas of deficiency. The LPE shall establish the CAP within fifteen (15) days, or within a time determined by the Department depending on the nature of the violation, from the date on the written notice requesting the CAP.
5. After establishment of the CAP and based on the LPE's unaddressed underperformance, the Department has the authority to terminate its contract with the LPE.

E. Liquidated Damages

1. To ensure Pilot program integrity, adherence to the terms of this Contract, and effective Pilot program implementation, the Department is entitled to impose liquidated damages if the LPE does not meet the terms and conditions of this Contract. Nothing in this Section is intended to prohibit the Department from exercising other rights and remedies as may be appropriate due to Lead Pilot Entity's failure to perform.
2. The Department shall provide the LPE with written notice of the imposition of liquidated damages detailing the nature of the noncompliance, the assessed liquidated damages, and the method and timeframes by which the LPE must respond including how the LPE may dispute the assessment.

F. Payment of Liquidated Damages

1. If the LPE elects not to dispute the assessment of liquidated damages, the liquidated damages shall be due and payable within thirty (30) days of the date on the written notice assessing the liquidated damages.
2. If the LPE elects to dispute the assessment of liquidated damages but does not prevail in the dispute the liquidated damages shall be due and payable within thirty (30) days of the date on the written notice of final decision issued by the Department upholding its original decision.
3. If the LPE fails to pay liquidated damages by the applicable due date, the LPE shall be subject to interest and a late payment penalty until the past due amount is paid. The Department reserves the right to recoup any monies owed to the Department from assessed liquidated damages by withholding the amount from future payments owed to the LPE by the Department or its contracted PHPs.
4. Notwithstanding the LPE's dispute of liquidated damages, the Department shall have the right to retroactively impose liquidated damages on the LPE for violations of the terms of this contract during the pendency of a dispute in accordance with this Section and *Attachment Q: Liquidated Damages* if the LPE does not prevail in the dispute and the violations continued during the dispute process.
5. Liquidated damages assessed by the Department do not affect the LPE's rights or obligations with respect to any third party.

VII. ATTACHMENTS TO THE RFP

The following attachments are included in the Section:

- A. Minimum Qualifications Response
- B. Offeror's Response to Technical Evaluation Questions
- C. 1. LPE Funding & Administrative Rate
- C. 2. LPE Capacity Building Budget Proposal
- C. 3. Offeror's Response to Funding and Budget Evaluation Questions
- C. 4. Capacity Building Budget Proposal Template
- D. Permitted Uses of LPE Capacity Building Funds
- E. Permitted Uses of HSO Capacity Building Funds
- F. Proposed Local Pilot Geographic Boundaries
- G. County Medicaid Enrollment and Urban/Rural Classification
- H. Contract Administrators
- I. Proposed LPE Subcontractors
- J. Letters to be Submitted with Response
- K. Hospital and Health System Letter of Attestation
- L. Pilot Program Participant Eligibility Criteria
- M. Federally Approved Healthy Opportunities Pilot Services
- N. 1. LPE Reporting Requirements
- N. 2. LPE Milestones and Due Dates
- O. HSO Service Delivery Invoice Requirements
- P. LPE System Requirements
- Q. Liquidated Damages
- R. Certification of Financial Condition and Legal Action Summary
- S. State Certifications
- T. Federal Certifications and Disclosures
- U. Disclosure of Litigation and Criminal Convictions
- V. Location of Workers Utilized by Contractor
- W. Request for Proposed Modifications to the Terms and Conditions
- X. Business Associate Agreement

ATTACHMENT A: MINIMUM QUALIFICATIONS RESPONSE

The Offeror is required to meet the Minimum Qualifications specified in Section IV. Minimum Qualifications for its response to be evaluated by the Department.

The Offeror must complete this Attachment by checking the boxes and providing the information, documentation, including letters, or other details to demonstrate its adherence to each requirement, as applicable and required herein, and signing this Attachment.

1. Agreement to Terms and Conditions

- The Offeror agrees and accepts, without exception all terms and conditions, including confidentiality, privacy and security protections and public records and trade secrets protections, specified in *Section III of this RFP*. The Offeror may suggest modifications to the terms and conditions per the instructions in *Section II.C.3.c* and acknowledges such suggestions are not part any subsequent Contract unless explicitly accepted by the Department in accordance with *Section II.C.3.c*.

2. Attestations

- a. The Offeror certifies it is not a Prepaid Health Plan (PHP) as defined in Section III.A. Definitions of this RFP.
- b. The Offeror certifies it is not a Local Management Entity-Managed Care Organization (LME-MCO) as defined in Section III.A. Definitions of this RFP.
- c. The Offeror certifies it **IS NOT** a hospital or a Health System as defined in Section III.A. Definitions of this RFP.

OR

- The Offeror certifies it **IS** a hospital or a Health System as defined in Section III.A. Definitions of this RFP and is submitting Letters of Attestation in accordance with *Attachment K: Hospital and Health System Letter of Attestation* to demonstrate it is *exclusively positioned* to serve as the LPE for the service region proposed by the Offeror.

Exclusively positioned means the Offeror is a hospital or Health System, and each Letter of Attestation supports the Offeror's proposal over any other offeror proposal for the service region proposed.

To meet this Minimum Qualification, Offeror must submit Letters of Attestation from the following:

- i. The County Manager for each county within the proposed region, and
- ii. Ten (10) non-medical service provider organizations (Note: The Department prefers attestations from HSOs committed or eligible to provide Pilot services), and
- iii. Ten (10) healthcare provider organizations not affiliated with the Offeror hospital or Health system (e.g., federal qualified health centers, rural health centers, local health departments, primary care providers, behavioral health providers).

3. Financial Stability and Legal Disclosure

The Offeror is financially stable and has disclosed any legal actions that could adversely affect its financial condition or ability to meet the requirements of this RFP as required by *Attachment R: Certification of Financial Condition and Legal Action Summary*.

By completing and signing this Minimum Qualifications Response, the Offeror affirms adherence to the required Minimums Qualifications and attests the information provided herein is accurate, and the individual signing certifies he or she is authorized to make the foregoing statements on behalf of the Offeror.

Offeror Signature

Date

Printed Name and Title

ATTACHMENT B: OFFEROR’S RESPONSE TO TECHNICAL EVALUATION QUESTIONS

Instructions and Page Limitations:

Offeror must respond to all questions in *Attachment B: Offeror’s Response to Technical Evaluation Questions*. The Offeror must confirm adherence to and describe its approach to meet the requirements of the Contract as indicated. This includes providing a detailed narrative, diagrams, exhibits, examples, sketches, descriptive literature and/or detailed information specifically tailored for the Healthy Opportunities Lead Pilot program.

The Department requests the Offeror adhere to the page limit guidelines for each section listed below in *Table 3: Attachment B Response Page Guidelines*. The page guidelines assigned in Table 3 are not related to the evaluation scoring or criteria and should not be interpreted as a reference to scoring weight or importance. Completion of tables within questions and supplemental materials, such as letters, draft plans and policies, requested as part of the Offeror’s *LPE Pilot Program Proposal* will not be counted toward page guidelines where noted within each evaluation question. The Offeror’s detailing of any limitations and/or issues with meeting the Department’s expectations or requirements will not be counted toward page guidelines, provided the Offeror describes the limitations/issues in the separate field provided within the evaluation question. Additional materials provided beyond what is requested in the evaluation questions may not be considered for evaluation.

The Offeror may use up to an additional ten (10) pages in total if it needs additional space to provide a complete response to questions. The Offeror may use the ten (10) pages on one question or spread the additional pages across several questions, being sure that the total number of additional pages does not exceed ten (10) pages. The Offeror shall indicate in each question if the additional pages are utilized.

If applicable, organizations that come together as a newly formed entity should provide responses regarding the prior relevant experience and capabilities of each entity that makes up the newly formed entity. Offerors that plan to subcontract with other entities to execute some Pilot responsibilities may include and reference the subcontractors’ experience as part of their responses if Offer has completed *Attachment I: Proposed LPE Subcontractors* and the subcontractor has provided a letter of subcontracting intent.

Table 3: Attachment B Response Page Guidelines

RFP Section	Number of Pages
Section V.A. Administration and Management	30
Section V.B. Lead Pilot Entity and Prepaid Health Plan Contracts	5
Section V.C. Lead Pilot Geographic Region	10
Section V.D. LPE and HSO Network Management	30
Section V.F. Quality Improvement and Pilot Program Evaluation	30
Additional pages used throughout Attachment B Response	10
Total Number of Pages for Response to Attachment B	115

Evaluations Questions:

RFP Section	Evaluation Questions
<p>Section V. A. Administration and Management</p>	<p>The Department requests the response to this section be limited to 30 pages.</p> <ol style="list-style-type: none"> 1. Offeror must confirm that it meets the eligibility requirements of V.A.2) b) and describe its ability to meet the Department's goals described in Section V.A.2) a) and requirements of V.A.2) b). The description must include: <ol style="list-style-type: none"> a. Organization, physical location, history, and mission, including description of how the Pilot relates to the organization's history and mission; b. Community connections; c. Current primary projects or initiatives; d. Relevant experience performing similar roles to those detailed in this RFP, including, but not limited to: <ol style="list-style-type: none"> i. Coordinating with HSOs to provide social services; ii. Engaging in initiatives or projects with healthcare providers or payers; iii. Providing training and/or quality improvement support; iv. Financial management; v. Convening stakeholders for knowledge sharing; and vi. Data management and analytics. e. If Offeror is a newly formed entity, past organizational experience shall count towards a response. All experience should be within the past five (5) years of the date the RFP is issued by the Department. 2. The Offeror must include in its submission a minimum of 10 Letters of Community Support (letters do NOT count toward page limit) describing, at a minimum, the organizations' experiences working with the Offeror and detailed information regarding why the Offeror would be an effective Lead Pilot Entity in the community. <i>See Attachment J: Letters to be Submitted with Response</i> for a summary of the letters Offeror may have to submit with its response and additional instructions. At least one Letter of Community Support must be submitted by a Department of Social Services within the proposed region. Letters of Community Support should be submitted from entities such as: <ol style="list-style-type: none"> a. Health systems, provider organizations, federally qualified health centers or rural health clinics b. Behavioral health agencies or behavioral health provider organizations

- c. Local health departments
- d. Human service organizations
- e. Other community stakeholders, such as community health foundations, associations, local government officials (e.g., county managers, county commissioners).

Governance

- 3. In accordance with requirements in Section V.A.3) Lead Pilot Entity Governance, the Offeror must describe its proposed approach to establishing and operating the LPE-specific governing body, including:
 - a. The decisions or types of decisions subject to the body’s vote, and
 - b. How the governing body will oversee the LPE’s use of its funds.
- 4. In accordance with requirements in Section V.A.3) Lead Pilot Entity Governance, the Offeror must describe how it will ensure that it can manage change to respond to real-time learning (e.g., from Lead Pilot Entity participation in learning collaboratives or results of annual Rapid Cycle Assessments) and the need for regular quality improvement in Pilot program implementation while retaining oversight by its Pilot-specific governing body.
- 5. Describe how Offeror will ensure representation on the governing body as required by Section V.A.3) b) ii). Include any organizations identified by Offeror to ask for a representative and those that have already agreed to provide an individual for representation. Include in the response the benefits that having a representative from those organizations will bring to the Pilot program.

Staffing and Facilities

- 6. Describe how the Offeror will meet the requirements of Section V.A.4) Staffing and Facilities. Include with the response a proposed organizational chart that identifies the titles and role(s) for each position, that will have Pilot-related responsibilities, and the efforts Offeror will take to hire appropriate staff. Identify any positions that have already been filled whether through a new hire or by an individual currently employed by the Offeror. For any positions already filled, include the individuals’ credentials, if applicable, and experience specific to the identified role.
Organizational chart does NOT count toward page limit.

Electronic System(s) of Record

- 7. In accordance with requirements in Sections V.A.5). Invoicing and Electronic Systems of Record, the Offeror must describe its electronic system(s) of record, including NCCARE360, and how the system(s) will meet the requirements set forth in Attachment P. Offeror is not required to provide information in its response for

any “to be determined” system. At a minimum, Offeror’s response must address the following:

- a. Recording and tracking the status of LPE-PHP contracts;
- b. Accepting, storing and tracking LPE-HSO contracts to participate in the network;
- c. Distributing, recording, and tracking capacity building payments to HSOs;
- d. Accepting, recording, tracking capacity building funds received and expended;
- e. Accepting, recording, tracking value-based payments distributed to HSOs.

Implementation Plan

8. In accordance with requirements in Section V.A.6) Implementation Plan, the Offeror must develop and submit an initial Implementation Plan (***the initial Implementation Plan does NOT count toward page limit***) that identifies the timelines for completing key activities associated with the pre-Pilot service delivery period. At a minimum, the initial Implementation Plan shall identify the implementation team, if in place; the project manager, and a day-to-day implementation contact. The initial Implementation Plan shall additionally include timelines for the following activities:

- a. Establishing the implementation team, identifying the project manager, and selecting a day-to-day implementation contact, if all or some are not in place;
- b. Hiring and training Pilot program staff;
- c. Establishing a Pilot-specific governing body;
- d. Contracting with HSOs;
- e. Contracting with PHPs;
- f. Preparing IT systems for Pilot Service delivery; and
- g. Providing initial trainings and convenings for Pilot stakeholders

Systems Testing and Lead Pilot Entity Readiness Evaluation

9. In accordance with requirements in Section V.A.7) Systems Testing and Lead Pilot Entity Readiness Evaluation, the Offeror must confirm adherence that it will fully participate in and meet the Department’s requirements in accordance with *Section V.A.7) and describe how it will meet those requirements.*

	<p><i>Non-Discrimination and Cultural Competency</i></p> <p>10. Offeror must confirm that it will meet the requirements of Sections V.A.8) Non-Discrimination and V.A.9). Cultural Competency and describe how it will meet those requirements. As part of this response, the Offeror shall include a description of its approach, including any relevant experience, to ensuring the provision of culturally competent services in the delivery of its LPE obligations, for example in the provision of training and technical assistance, convening community stakeholders, and other LPE services provided.</p> <p>Offeror must describe any limitations and issues meeting the requirements of this Section or affirmatively respond there are no limitations or issues.</p>
<p>Section V. B. Lead Pilot Entity and Prepaid Health Plan Contracts</p>	<p><i>LPE and PHP Contracts</i></p> <p>The Department requests the response to this section be limited to 5 pages.</p> <p>11. The Offeror shall confirm its adherence and describe its approach to meeting the Department’s expectations and requirements for Section V.B. <i>LPEs and PHPs Contracts</i>. Description must include Offeror’s relevant experience in engaging and/or contracting with health care payers, including, but not limited to, insurance companies or other comparable entities, health care providers, and/or federal, state, and local government entities.</p> <p>Offeror must describe any limitations and issues meeting the requirements of this Section or affirmatively respond there are no limitations or issues.</p>
<p>Section V. C. Local Pilot Geographic Region</p>	<p>The Department requests the response to this section be limited to 10 pages.</p> <p>12. The Offeror shall confirm its adherence and describe its approach to meeting the Department’s expectations and requirements for <i>Section V. C. Local Pilot Geographic Region</i>. Offeror’s response must include the following:</p> <ul style="list-style-type: none"> a. <i>Completed Attachment F: Proposed Local Pilot Geographic Boundaries</i> (Does not count toward page limit) b. Approach and rational for choosing the counties in which it will offer Pilot services, including, but not limited to, why the proposed region would benefit from a Pilot program, the extent to which the region is prepared to host a Pilot program, and any special issues or considerations associated with the proposed region. c. Approach, including any relevant experience, to facilitating cross-county collaboration, and how it plans to operationalize cross-county collaboration as part of the Pilot Program. As a part of this response, the

	<p>Offeror shall include examples of relevant business cases that demonstrate the approach, experience and understanding of needs, barriers and challenges to cross-county collaboration and how they can be addressed.</p> <p>Offeror must describe any limitations and issues meeting the requirements of this Section or affirmatively respond there are no limitations or issues.</p>
<p>Section V. D. LPE and HSO Network Management</p>	<p><i>HSO Network Plan</i></p> <p>The Department requests the response to this section be limited to 30 pages</p> <p>13. The Offeror shall confirm its adherence and describe its approach to meeting the Department’s expectations and requirements for <i>Section V.D. LPE and HSO Network Management</i>.</p> <p>Offeror’s response shall include an initial HSO Network Plan which must address the following:</p> <ol style="list-style-type: none"> a. The process and methodology for the distribution of community resource needs against available HSOs and HSO capacity to serve those needs; b. A description of LPE activities used to develop the initial HSO network plan; c. A description of the specific metrics LPE used to develop the initial HSO network plan against the Department’s efficiency and adequacy standards, including any proposed use of any specific time and distance standards; d. A list of HSOs that have submitted a letter of intent to participate in the Offeror’s initial network plan. While an application and contracting process will be required in order to be included in the HSO Network, the full application and contracting process is not required to include the HSO in the Offeror’s initial network plan; a letter of intent is sufficient; e. For each HSO in the initial network plan, information on the geographic regions it would serve and the Pilot services that it would provide; f. A set of questions that will form the Offeror’s HSO Network Application, in accordance with Section V.D.2) e). <i>HSO Application and Assessment Process. Does NOT count toward page limit.</i> g. The outreach process the Offeror will use to identify and assess HSOs for the network. h. How the Offeror will ensure an appropriate and reasonable number and mix of HSOs to meet adequacy and efficiency needs. i. The Offeror’s planned evaluation process.

14. The Offeror must include with its submission the Letters of Intent for Preliminary Network from HSOs listed in response to Question 13.d. above. *See Attachment J: Letters to be Submitted with Response* for a summary of the letters Offeror may have to submit with its response and additional instructions.

HSO Network Standards and Requirements

15. In accordance with requirements in Section V.D.2) b) Establish the HSO Network, if the Offeror anticipates gaps in its network’s ability to deliver all Pilot services within its Local Pilot region, the Offeror must describe these gaps and strategies it will undertake to address these gaps, including using technical assistance and/or the use of capacity building funds. If the Offeror anticipates no gaps in its HSO network, the Offeror must describe in detail why no such gaps are anticipated.

Establish the HSO Network

16. In accordance with requirements in Section V.D.2.a). HSO Network Standards and Requirements, the Offeror shall describe its approach, including any relevant experience contracting with HSOs or other service provider organizations, including the key contract terms and duration of the contractual relationship, and how this approach, or any relevant experience will benefit the Pilot Program.

HSO Readiness Review

17. Offeror must confirm its adherence and describe its approach to meeting Section V.D.2).h). HSO Readiness Review. Description must include:

- a. Any relevant experience, to assessing other organizations’ readiness to participate in initiatives, and how it plans to assess the readiness of its HSO network.
- b. The Offeror’s HSO readiness assessment tool it will use to develop its HSO network and ensure that its contracted HSOs are ready for pilot participation by the beginning of Service Delivery. ***(The Readiness Assessment Tool does NOT count toward page limit).***

HSO Program Integrity and Monitoring

18. In accordance with the requirements in Section V.D.2) i). HSO Program Integrity and Monitoring, the Offeror shall describe its approach in assessing and monitoring the performance of a contracted or collaborating entity in meeting its contractual obligations. Offeror’s description must include:

- a. Experience relevant to monitoring and assessing its contracted HSO network

	<ul style="list-style-type: none"> b. A description of how it will monitor for: <ul style="list-style-type: none"> i. Monitor for Contract Performance (e.g., program compliance, accurate spending, accurate reporting, data quality, etc.) ii. Monitor for Fraud, Waste and Abuse iii. Manage the need for substantive, ongoing monitoring while minimizing administrative burden on network HSOs <p>Offeror must describe any limitations and issues meeting the requirements of this Section or affirmatively respond there are no limitations or issues.</p>
<p>Section V.F. Quality Improvement and Pilot Program Evaluation</p>	<p><i>Assessing and Improving HSO Performance</i></p> <p>The Department requests the response to this section be limited to 30 pages.</p> <p>19. The Offeror shall confirm its adherence and describe its approach to meeting the Department’s expectations and requirements for <i>Section V.F. Quality Improvement and Pilot Program Evaluation</i>. Offeror’s response must include:</p> <ul style="list-style-type: none"> a. Experience in identifying external organizations’ needs or challenges, providing support and technical assistance, and improving organizations’ performance as described in Sections V.F.2.a) Assessing and Improving HSO Performance, V.F.2.b) Convening Pilot-Participating Entities and Community Stakeholders, and V.F.2.c) Training and Technical Assistance. b. In its response about experience, the Offeror must provide one or more past business cases and describe: <ul style="list-style-type: none"> i. The type of organization the Offeror was working with (e.g., HSO, health care provider, care management agency). ii. The type of challenges the organization was experiencing. iii. The type of assistance the Offeror provided to the organization to overcome the challenges. iv. How this assistance provided to the organization ultimately improved the performance of or met the need of the organization. <p>20. The Offeror shall describe its approach to meeting the requirements of Section V.F.2.f) Value-Based Payment to Support Quality Improvement. The response must include Offeror’s relevant experience in engaging with healthcare payers or providers to understand individuals’ healthcare utilization, costs, and outcomes.</p> <p><i>Convening Pilot Participating Entities and Community Stakeholders</i></p>

21. Offeror shall describe its approach to meeting the requirements of Section V.F.2.b) Convening Pilot-Participating Entities and Community Stakeholders. The response must include the following:

- a. Relevant experience convening diverse stakeholders and facilitating meetings around issues requiring collaboration.
- b. In accordance with requirements in Section V.F. A preliminary approach convening Pilot participating entities (contracted HSOs, care managers, PHPs), how the Offeror will solicit input from Pilot-participating entities on Pilot program implementation status and challenges, and example key topics for discussion during convenings.
- c. The critical stakeholders in the Pilot region, why they are important to Pilot program implementation, and how the Offeror will engage with them over the course of the Pilot program.

Training and Technical Assistance

22. The Offeror shall describe its approach to meeting the requirements of Section V.F.2.c). Training and Technical Assistance. The response must include:

- a. Relevant experience providing trainings or technical assistance to assist contracted entities to improve performance.
- b. The types of trainings and technical assistance it anticipates providing (both itself and/or through contracted agencies) to contracted HSOs based on identified issues and barriers.
- c. Its approach to advising care managers at local care management entities on HSOs in the Pilot network and technical assistance on how to connect Pilot enrollees to services.

Program Evaluation and Reporting

23. The Offeror shall describe its approach to meet the requirements of Section V.F.2.g) Program Evaluation and Oversight. The response must include:

- a. Relevant experience participating in quantitative and qualitative program evaluations, retention of data, and reporting.
- b. A description of any existing systems it has that collects data and generates reports in support of programmatic monitoring and evaluation, including a description of its existing:
 - i. Electronic system(s) of record,
 - ii. Data analytic tools, analytic software products, or report generation systems,

- iii. Staff and their relevant and data analytic qualifications, and
- iv. Applicable data analytic and reporting policies and procedures.

24. The Offeror shall describe how it will meet the requirements of Section V.F.2.h) Submit Timely, Accurate, Complete Data for Pilot Program Evaluation. The response must include:

- a. Any relevant experience collecting and submitting timely and accurate data to another entity on a regular basis.
- b. The file formats Offeror has used to transmit data and whether it has experience with submitting machine-readable data.
- c. Any Experience monitoring and evaluating the quality, completeness, and accuracy of data it collects or transmits. The Offeror must describe steps or interventions it has taken to improve data quality when issues have been identified.

Offeror must describe any limitations and issues meeting the requirements of this Section or affirmatively respond there are no limitations or issues.

ATTACHMENT C1: LPE FUNDING & ADMINISTRATIVE RATE

LPEs will be eligible for two forms of funding to support Pilot activities:

- **Lead Pilot Entity Capacity Building Funding:** Available for 24 months beginning on the Contract Effective Date, for the purposes described in *Attachment D: Permitted Uses of LPE Capacity Building Funds*, based on Department review and approval of budget (*Attachment C2: LPE Capacity Building Budget Proposal*); and
- **Lead Pilot Entity Administrative Funding:** Available starting with the launch of Pilot Period Service Delivery I, as defined in Section III.C. and continuing through the duration of a Lead Pilot Entity's contract. This Attachment describes the preliminary approach to Lead Pilot Entity Administrative Funding.

The Department anticipates dedicating approximately \$2.3 million per service delivery year for each Lead Pilot Entity's administrative funding. The specific amount of administrative funding allocated to each LPE will be determined by the Department based on a number of factors, including the budget proposal submitted by the LPE, the total number of Lead Pilot Entity Pilot regions selected, the number of Medicaid enrollees in the LPE's Pilot region, and available resources.

LPE administrative payments are intended to be applied to personnel and non-personnel costs associated with the ongoing LPE responsibilities associated with Pilot operations specified and require in this RFP. PHPs will prospectively pay the LPE their Department-approved administrative funding on a regular basis.

The LPE Administrative Funding approach described in this Attachment is preliminary and subject to change. Lead Pilot Entity administrative funding allocations for individual LPEs will be determined after Pilot Lead Pilot Entity selection and prior to Pilot service launch.

ATTACHMENT C2: LPE CAPACITY BUILDING BUDGET PROPOSAL

A. Capacity Building Budget Proposal and Narrative Instructions

As part of its contract with the Department, the LPE will receive capacity building funding payments from the Department as described in *Section V.E.3 LPE Capacity Building Scope of Services*.

To help determine how much capacity building funding the LPE will receive, the Offeror shall submit a two year/24-month, capacity building funding request comprised of two components:

1. **Budget Proposal.** The LPE shall use the Department's *Capacity Building Budget Proposal Template*, which will be provided in MS Excel format upon request as provided in Section II.E.3, to indicate specific dollar amounts requested within various categories of permitted spending. See *Attachment C4: Capacity Building Budget Proposal Template* for the budget proposal contents and additional information.
2. **Budget Proposal Narrative.** The Offeror shall provide additional information and a rationale for its budget request using the Department's guidance for the *Capacity Building Budget Narrative*, listed below.
3. **Guidance for Capacity Building Budget Proposal and Narrative.** The budget justification narrative must include: (1) an introductory section that describes the approach the Offeror has taken to developing the budget, including cost drivers and risks, as further detailed below, and (2) a detailed description of how the funds will be used in each expenditure category to support execution the LPE responsibilities, as further detailed in this attachment.

The Offeror must adhere to the following guidelines for developing the capacity building funding budget proposal:

- a) The budget narrative introduction must include a description of: how the Offeror established the budget, including the share that will be distributed to HSOs; the steps it has taken to ensure that it will request, use and distribute the minimum amount of capacity building dollars required to effectively implement Pilot responsibilities and support HSO capacity building; and a discussion of major cost drivers and any anticipated risks and risk mitigation strategies associated with the budget request.
- b) The budget proposal must include sufficient details regarding all components of the requested 24-month budget to ensure proposed capacity building funding amounts adhere to Department guidelines and requirements.
- c) The budget proposal should be based on a 24-month budget divided into two 12-month periods (Budget Year 1 and Budget Year 2). The Offeror does not have to submit the same request for the two 12-month periods and may want to consider reducing capacity building expenditures in the second 12-month period when capacity building should be further along.

- d) Capacity budget requests, including funding for the Lead Pilot Entity to spend on execution of its obligations and funding to distribute to HSOs, must not exceed \$10 million per 12-month period. As stated previously, the Department expects Offerors to ensure their requests are the minimum amount of capacity building dollars required to effectively implement Pilot responsibilities and support HSO capacity building. The Department was authorized a limited amount of capacity building funding to spend on the Healthy Opportunities Pilot Program. The funding will need to be used to fund all Pilot regions. Funding for the Pilot that is not spent on capacity building dollars will be reallocated to funding to cover the cost of Pilot services for Pilot enrollees.
- e) The budget proposal and narrative must describe the requested funding level in the following permissible spending categories as outlined in *Attachment D: Permitted Uses of LPE Capacity Building Funds*:
 - 1. Lead Pilot Entity Establishment
 - 2. HSO Network Development
 - 3. Infrastructure/IT System Development
 - 4. HSO Technical Assistance & Training
 - 5. HSO Capacity Building Funding Distribution
 - 6. Governance and Cross-Entity Collaboration
 - 7. Program Administration, Evaluation and Oversight
 - 8. Community Engagement
- f) Proposed budgets must not include costs for impermissible activities for capacity building funding as outlined in *Attachment D: Permitted Uses of LPE Capacity Building Funds*.
- g) Proposed budgets must include the dollar amount and a justification for why the proposed budget is required to execute the LPE's responsibilities.
- h) The Department will evaluate the budget request submission and reserves the right to require the Offeror to modify its budget prior to contract award to ensure it meets all Department requirements and expectations.
- i) Note, as provided in Section V.E.4) that LPEs may be required to submit an updated HSO Capacity Building Funding request after award once the LPE has contracted with its full HSO network and has a better understanding of the HSOs' needs.

B. Capacity Building Budget Narrative

The budget narrative provides additional information about how the Offeror established the proposed budget and a rationale for the broad categories and detailed components of the Offeror's proposed 24-month budget for capacity building funding.

The budget narrative must include an introductory or background section that addresses the following:

1. A description of how the Offeror established the budget, including sources of information on expected costs for its own capacity building and for HSO capacity building.

2. A discussion of how the Offeror determined the share of the total 24-month capacity building budget that will be distributed to HSOs for capacity building. The minimum threshold is 51%, but Offerors are encouraged to propose a higher share to maximize resources going into the community for expanding the capacity to provide Pilot services as long as it does not compromise their ability to effectively meet Lead Pilot Entity obligations.
3. The specific steps that the Offeror has taken to ensure that it will request, use and distribute the minimum amount of capacity building dollars required to effectively implement Pilot responsibilities and support HSO capacity building. This should include a description of how the Offeror plans to take maximum advantage of existing resources rather than building new capacity when it is not efficient and cost-effective to do so.
4. An analysis of the major cost drivers in the budget for both Lead Pilot Entity and HSO capacity building based on an understanding of its region.
5. A review of any anticipated risks and risk mitigation strategies associated with the budget request, including cost inputs that are uncertain, dependencies on partnerships with other organizations or any other major issues that might affect the accuracy of the proposed budget.

The Offeror's Capacity Building Budget Narrative must also include detail for the following permissible use categories (as applicable) in accordance with the permissible spending categories as outlined in *Attachment D: Permitted Uses of LPE Capacity Building Funds*:

- a) Lead Pilot Entity Establishment
- b) HSO Network Development
- c) Infrastructure/IT System Development
- d) HSO Technical Assistance & Training
- e) HSO Capacity Building Funding Distribution
- f) Governance and Cross-Entity Collaboration
- g) Program Administration, Evaluation and Oversight
- h) Community Engagement

The budget narrative must include sufficient detail for each category for each annual period within the proposed 24-month budget for capacity building funding.

C. Capacity Building Budget Proposal Development and Content

The Offeror should follow the directions outlined below for developing the 24-month budget and ensure it provides the level of detailed required in the proposed budget and budget narrative for each permissible capacity building spending category.

The Offeror should only include costs in the proposed budget that are associated within one or more of the permissible spending categories and directly related to capacity needed to operate a Healthy Opportunities Pilot Program. Specifically, staff time from the LPE organization dedicated to other organizational functions should not be included in proposed budgets. For example, staff members who

will only be working 50% time on Pilot-related activities can only have 50% of their salary and benefits allocated to the proposed annual budget for capacity building. Budgets for Lead Pilot Entity staff costs may be split across permitted use categories as applicable (e.g., 60% of Lead Pilot Entity Program Manager salary and benefits allocated to “Lead Pilot Entity Establishment” while 40% time is allocated to “Governance and Cross-Entity Collaboration,” reflecting staff time anticipated to be spent in the respective permissible spending category).

1. **Lead Pilot Entity Establishment** – The Offeror may include funding for the initial development of the LPE’s staff and administrative capacity, including recruiting and hiring dedicated staff, administrative operation of the organization and the development of program policies and processes. The Offeror may include funding to meet contractual requirements prior to service delivery, including, for example: preparing for the Department-required Lead Pilot Entity Readiness Review and developing its Pilot Implementation Plan. Overhead costs for supplies, lease payments and administrative costs essential for Pilot program participation may be included in the proposed budget as well.
Detail required for the permitted use category includes, but is not limited to:
 - a) The number of projected FTEs by role or position (e.g., Program Manager)
 - b) Total salary and benefits for each of the staff roles identified
 - c) Brief explanation of the role and responsibilities of the projected staff roles identified
 - d) Average costs per person and total costs for other projected costs (e.g., travel, training, services, supplies and overhead)
 - e) “Other projected costs” must be broken into line items that provide sufficient detail

2. **HSO Network Development** – The Offeror may include funding for efforts related to the development of the LPE’s network, including HSO outreach, assessment and contracting. Overhead costs for supplies and administrative costs essential to HSO network development may be included in the proposed budget as well.
Detail required for the permitted use category includes, but is not limited to:
 - a) The number of projected FTEs by role or position (e.g., Contract Manager)
 - b) Total salary and benefits for each of the staff roles identified
 - c) Brief explanation of the role and responsibilities of the projected staff roles identified
 - d) Average costs per person and total costs for other projected costs (e.g., travel, training, services, supplies and overhead)
 - e) “Other projected costs” must be broken into line items that provide sufficient detail

3. **Infrastructure/IT System Development** – Except as otherwise provided in Section V.A.5) b) the Offeror may include funding for all costs related to the procurement, development and preparation of IT infrastructure and systems required for Pilot program participation, including staff time to execute on

these responsibilities and the cost of the IT system and ensuring that IT systems are compliant with all confidentiality, privacy and security requirements as described in this RFP.

Detail required for the permitted use category includes, but is not limited to:

- a) IT infrastructure and systems that are not NCCARE360 that will be procured, developed or prepared for the following activities to the extent required for Pilot program operations:
 - i. Accepting, storing and tracking HSO applications to participate in the network
 - ii. Distributing, recording and tracking capacity building payments to HSOs
 - iii. Recording and tracking the status of PHP contracts
 - iv. Receiving administrative funds from PHPs
 - v. Accepting, recording, tracking capacity building funds received and expended
 - vi. Accepting, recording, tracking value-based payments received and shared with HSOs
 - vii. Collecting data and generating information/reports
- b) Computers and other equipment
- c) IT platforms or software for webinar host services
- d) Where applicable, include information on what current systems are being leveraged for Pilot-related administrative functions and how they will be modified and/or used for Pilot program participation
- e) The number of projected FTEs by role or position (e.g., IT Network Specialist)
- f) Total salary and benefits for each of the staff roles identified
- g) Brief explanation of the role and responsibilities of the projected staff roles identified
- h) Average costs per person and total costs for other projected costs (e.g., travel, training, services, supplies and overhead)
- i) "Other projected costs" must be broken into line items that provide sufficient detail

4. ***HSO Technical Assistance, Training and Quality Improvement*** – The Offeror may include funding for the provision of technical assistance and training to HSOs and care managers, including training plan development and execution, and other activities associated with improving the performance of an HSO and the quality of the Pilot services it delivers.

Detail required for the permitted use category includes, but is not limited to:

- a) The number of projected FTEs by role or position (e.g., Training Manager)
- b) Total salary and benefits for each of the staff roles identified
- c) Brief explanation of the role and responsibilities of the projected staff roles identified
- d) Average costs per person and total costs for other projected costs (e.g., travel, training, services, supplies and overhead)
- e) "Other projected costs" must be broken into line items that provide sufficient detail

5. ***HSO Capacity Building Funding Distribution*** – The Offeror should include: (1) an aggregate estimate of capacity building funding to be distributed to its network of contracted HSOs, and (2) the LPE staff’s time required for distribution process development, assessment of HSO funding requests and payment distribution and oversight. The aggregate estimate of HSO capacity building funding must be based on the LPE’s assessment of needs and gaps in the Offeror’s preliminary Pilot HSO network developed in response to this RFP. The Offeror will be required to submit an updated HSO capacity building funding distribution after award.

Detail required for the permitted use category includes, but is not limited to:

- a) Total dollars available for distribution to contracted HSOs
- b) The anticipated number of in-network contracted HSOs
- c) A preliminary perspective on the overall current capacity of HSOs in the proposed Local Pilot region
- d) The number of projected FTEs by role or position (e.g., Program Manager)
- e) Total salary and benefits for each of the staff roles identified
- f) Brief explanation of the role and responsibilities of the projected staff roles identified
- g) Average costs per person and total costs for other projected costs (e.g., travel, training, services, supplies and overhead)
- h) “Other projected costs” must be broken into line items that provide sufficient detail

6. ***Governance & Cross-Entity Collaboration*** – The Offeror may include funding for efforts related to the facilitation and development of the LPE’s relationships with Pilot-participating entities, collaborative opportunities among Pilot-participating entities, and establishing a Pilot-specific governance body.

Detail required for the permitted use category includes, but is not limited to:

- a) The number of projected FTEs by role or position (e.g., Program Director)
- b) Total salary and benefits for each of the staff roles identified
- c) Brief explanation of the role and responsibilities of the projected staff roles identified
- d) Average costs per person and total costs for other projected costs (e.g., travel, training, services, supplies and overhead)
- e) “Other projected costs” must be broken into line items that provide sufficient detail

7. ***Program Administration, Evaluation and Oversight*** – The Offeror may include funding for supporting and facilitating required reporting for Pilot program participation.

Detail required for the permitted use category includes, but is not limited to:

- a) The number of projected FTEs by role or position (e.g., Program Manager)
- b) Total salary and benefits for each of the staff roles identified
- c) Brief explanation of the role and responsibilities of the projected staff roles identified

- d) Average costs per person and total costs for other projected costs (e.g., travel, training, services, supplies and overhead)
- e) "Other projected costs" must be broken into line items that provide sufficient detail

8. **Community Engagement** The Offeror may include funding for activities to support community awareness of the Pilot Program and engagement with community stakeholders.

Detail required for the permitted use category includes, but is not limited to:

- a) The number of projected FTEs by role or position (e.g., Program Manager)
- b) Total salary and benefits for each of the staff roles identified
- c) Brief explanation of the role and responsibilities of the projected staff roles identified
- d) Average costs per person and total costs for other projected costs (e.g., travel, training, services, supplies and overhead)
- e) "Other projected costs" must be broken into line items that provide sufficient detail

ATTACHMENT C3: OFFEROR’S RESPONSE TO FUNDING AND BUDGT EVALUTION QUESTIONS

Instructions and Page Limitations:

Offeror must respond to all questions in *Attachment C3: Offeror’s Response to Funding and Budget Evaluation Questions*. The Offeror must confirm adherence to and describe its approach to meet the requirements of the Contract as indicated. This includes providing a detailed narrative, diagrams, exhibits, examples, sketches, descriptive literature and/or detailed information specifically tailored for the Healthy Opportunities Lead Pilot program.

The Department requests the Offeror adhere to the page limit guidelines for each section listed below in *Table 4: Attachment C3 Response Page Guidelines*. The page guidelines assigned in the Table 4 are not related to the evaluation scoring or criteria and should not be interpreted as a reference to scoring weight or importance. Completion of tables within questions and supplemental materials, such as letters, draft plans and policies, requested as part of the Offeror’s *LPE Pilot Program Proposal* will not be counted toward page guidelines where noted within each evaluation question. The Offeror’s detailing of any limitations and/or issues with meeting the Department’s expectations or requirements will not be counted toward page guidelines provided the Offeror describes these limitations/issues in the separate field provided within the evaluation question. Additional supplemental materials provided beyond what is requested in the evaluation questions may not be considered for evaluation.

Table 4: Attachment C3 Response Page Guidelines

RFP Section	Number of Pages
Section V.E. Funding and Payments	13
Attachment C2 LPE Capacity Building Budget Proposal Narrative	no limit
Additional pages used throughout Attachment C3 Response	2
Total Number of Pages for Response to Attachment C3	15

Evaluations Questions:

RFP Section	Evaluation Questions
<p>Section V.E. Funding and Payments</p>	<p>Capacity Building</p> <p>The Department requests the response to this section be limited to 10 pages.</p> <p>1. The Offeror shall confirm its adherence and describe its approach to meeting the Department’s expectations and requirements for <i>Section V.E.</i></p> <p>Funding Flow and Payments</p> <p>Section. Offeror’s response must include:</p> <ul style="list-style-type: none"> a. A request for two years of capacity building funding for the Department’s review and approval according to the Department’s submission template, as described in <i>Attachment C2: LPE Capacity Building Budget Proposal</i>. The response to this question does NOT count toward page limit. The request must include: <ul style="list-style-type: none"> i. Amounts for the LPE to spend on its organization’s needs. ii. A proposed funding amount for distribution to HSOs to support their needs of at least 51 percent of the total two-year capacity building budget request. This requested funding amount may be revised after awards when the selected Lead Pilot Entity has a better understanding of its full HSO network and its HSOs’ needs. iii. A detailed budget narrative, as required by <i>Attachment C2: LPE Capacity Building Budget Proposal</i>, that includes, but is not limited to, a description of how the Offeror has ensured that the budget request is for no more than the minimum amount of capacity building dollars required to effectively implement Pilot responsibilities and support HSO capacity building; a detailed description of how the Offeror developed the budget; a review of major cost drivers in the budget; and a discussion of any of the risks associated with the proposed budget and the Offeror’s strategies for mitigating them. b. A description of Offeror’s proposed approach to soliciting and evaluating HSOs’ capacity building funding requests and overseeing distribution as required by Section V.E.4. HSO Capacity Building Scope of Services. The description must include: <ul style="list-style-type: none"> i. The criteria that will be used to evaluate HSOs’ requests for capacity building funds, including as part of the HSO Network Application, which must be submitted with the response to this

RFP, as described in *Section V.D.2) e). HSO Application and Assessment Process.*

- ii. The Offeror's approach to distributing capacity building funds to HSOs.
- iii. How the Offeror plans to conduct oversight of and monitor the HSOs' use of distributed capacity building funding.

HSO Payments for Delivered Pilot Program Services

2. Offeror must confirm adherence and describe how it will meet the requirements of Section V.E.6) HSO Payments for Pilot Program Services. Offeror must provide in its response:

- a. One or more specific examples of its organization's prior experience with assisting organizations with documenting services delivered to ensure they receive payment for those services.
- b. The proposed criteria it will use to assess HSO performance to identify high performing HSOs for distribution of value-based payments.

Offeror must describe any limitations and issues meeting the requirements of this Section or affirmatively respond there are no limitations or issues.

ATTACHMENT C4: CAPACITY BUILDING BUDGET PROPOSAL TEMPLATE

Healthy Opportunities LPE Request for Proposal (RFP) # 30-2019-052 DHB

Lead Pilot Entity Capacity Building Budget Proposal Template



Budget Proposal Template Instructions

The purpose of this template is to provide a format for the submission of the capacity building budget proposed by the Offeror

Please note: The detailed justification and narrative for the items in this template need to be provided under separate cover as directed in *Attachment C2: LPE Capacity Building Budget Proposal*. Details provided in the accompanying LPE Capacity Building Budget Narrative must include justification for how the cost/value of each item was developed.

Instructions for Budget Template Completion by Workbook Tab

Summary

- o Offeror must indicate the organization's name in cell "D6"
- o All other cells in this tab auto-populate. The sheet has been protected to preserve the formulas that populate the budget summary information

Budget Detail Tabs

Budget Year 1

Budget Year 2

- o Offerors can add additional rows in the individual "Budget Year" tabs for each major budget section as necessary to capture all requested budget items
- o Only insert rows inside rows highlighted in blue in order to preserve formulas that populate the Summary tab
- o All amounts must be entered in whole dollars
- o Offerors must ensure the requested capacity building budget amounts adhere to the appropriate totals for each budget year and in total across the two-year capacity building time frame according to DHHS guidelines and requirements. See *Attachment C2: LPE Capacity Building Budget Proposal* for detailed instructions and information.

Healthy Opportunities LPE Request for Proposal (RFP) # 30-2019-052 DHB
Lead Pilot Entity Capacity Building Budget Proposal Template



Proposed Budget Summary & Cover Sheet

Offeror Name:

Annual Budget Amount Requested:	Capacity Building Year 1	Capacity Building Year 2	TOTAL TWO-YEAR BUDGET (24 MONTHS)
\$	-	\$	-

Capacity Building Funding Budget Year 1 (12 Months)

Summary of Detailed Budget	<u>LPE Capacity Building Funding Permitted Use Category</u>	<u>Requested Amount</u>
		Lead Pilot Entity Establishment
	HSO Network Development	\$ -
	Infrastructure/IT System Development	\$ -
	HSO Technical Assistance & Training	\$ -
	HSO Capacity Building Funding Distribution	\$ -
	Governance and Cross-Entity Collaboration	\$ -
	Program Administration, Evaluation and Oversight	\$ -
	Community Engagement	\$ -
	TOTAL BUDGET PROPOSED	\$ -

Capacity Building Funding Budget Year 2 (12 Months)

Summary of Detailed Budget	<u>LPE Capacity Building Funding Permitted Use Category</u>	<u>Requested Amount</u>
		Lead Pilot Entity Establishment
	HSO Network Development	\$ -
	Infrastructure/IT System Development	\$ -
	HSO Technical Assistance & Training	\$ -
	HSO Capacity Building Funding Distribution	\$ -
	Governance and Cross-Entity Collaboration	\$ -
	Program Administration, Evaluation and Oversight	\$ -
	Community Engagement	\$ -
	TOTAL BUDGET PROPOSED	\$ -



Proposed Capacity Building Budget Detail (Year 1) - INSERT OFFEROR NAME HERE

Directions: Offerors must submit a two-year/24-month capacity building funding request that demonstrates how the LPE will spend the capacity building dollars within the 24-month timeframe. The budget components below directly correspond to the Permitted Uses for Lead Pilot Entity Capacity Building Funds (see RFP Attachment D: Permitted Uses of LPE CAPACITY BUILDING FUNDS for more details). In this worksheet, Offerors must provide associated costs for each permitted capacity building item or activity for which funding is proposed for Year 1.

KEY	[User Input] Budget Funding Request Line Items by Section	Total Budget (Year 1)
	Auto-Populated Cells	Total Capacity Building Funding Requested for LPE: \$0.00

Lead Pilot Entity Establishment			
Item	Estimated Cost Per Unit	Estimated Units	Total Estimated Amount
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
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			\$ -
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			\$ -
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			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
TOTAL			\$0.00

HSD Technical Assistance & Training				
Item	Estimated Cost Per Unit	Estimated Units		Total Estimated Amount
			\$	-
			\$	-
			\$	-
			\$	-
			\$	-
			\$	-
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			\$	-
		TOTAL		\$0.00

HSD Capacity Building Funding Distribution				
Item	Estimated Cost Per Unit	Estimated Units		Total Estimated Amount
			\$	-
			\$	-
			\$	-
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		TOTAL		\$0.00

Governance and Cross-Entity Collaboration				
Item	Estimated Cost Per Unit	Estimated Units		Total Estimated Amount
			\$	-
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			\$	-
		TOTAL		\$0.00

Program Administration, Evaluation and Oversight				
Item	Estimated Cost Per Unit	Estimated Units		Total Estimated Amount
			\$	-
			\$	-
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			\$	-
		TOTAL		\$0.00



Proposed Capacity Building Budget Detail (Year 2) - INSERT OFFEROR NAME HERE

Directions: Offerors must submit a two-year/24-month capacity building funding request that demonstrates how the LPE will spend the capacity building dollars within the 24-month timeframe. The budget components below directly correspond to the Permitted Uses for Lead Pilot Entity Capacity Building Funds (see RFP Attachment D: Permitted Uses of LPE CAPACITY BUILDING FUNDS for more details). In this worksheet, Offerors must provide associated costs for each permitted capacity building item or activity for which funding is proposed for Year 2.

KEY

[User Input] Budget Funding Request Line Items by Section
Auto-Populated Cells

Total Budget (Year 2)
 Total Capacity Building Funding Requested for LPE \$0.00

Lead Pilot Entity Establishment			
Item	Estimated Cost Per Unit	Estimated Units	Total Estimated Amount
		\$	-
		\$	-
		\$	-
		\$	-
		\$	-
		\$	-
		\$	-
		\$	-
		\$	-
		\$	-
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		\$	-
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		\$	-
		\$	-
		\$	-
TOTAL			\$0.00

HSO Network Development			
Item	Estimated Cost Per Unit	Estimated Units	Total Estimated Amount
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
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			\$ -
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			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
TOTAL			\$0.00

Infrastructure/IT Systems Development			
Item	Estimated Cost Per Unit	Estimated Units	Total Estimated Amount
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
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			\$ -
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			\$ -
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			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
TOTAL			\$0.00

Governance and Cross-Entity Collaboration			
Item	Estimated Cost Per Unit	Estimated Units	Total Estimated Amount
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
TOTAL			\$0.00

Program Administration, Evaluation and Oversight			
Item	Estimated Cost Per Unit	Estimated Units	Total Estimated Amount
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
TOTAL			\$0.00

Community Engagement			
<i>Item</i>	<i>Estimated Cost Per Unit</i>	<i>Estimated Units</i>	<i>Total Estimated Amount</i>
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
		TOTAL	\$50.00

ATTACHMENT D: PERMITTED USES OF LPE CAPACITY BUILDING FUNDS

A. Establishing the Lead Pilot Entity

1. Staff time devoted to hiring and training Lead Pilot Entity staff
2. Staff time devoted to administrative operation of the LPE, including time devoted to office management, human resources, and executive leadership
 - a. Requires percentage allocation of time if portions of time are devoted to non-Lead Pilot Entity programs and functions
3. Staff time spent on developing core program policies and processes essential for daily and long-term efficacy
4. Administrative overhead costs, such as office supplies and lease payments for necessary office space

B. Developing a network of human service organizations (HSOs):

1. Staff time for outreach to potential contracted HSOs, including developing materials and conducting meetings
2. Staff time for executing contracts with HSOs, including reviewing applications and assessing provider qualifications
3. Staff time and in-state travel to support network development and on-site qualification assessments
4. Marketing and outreach material

C. Developing necessary infrastructure/systems:

1. Staff time for procuring, developing, and/or preparing Lead Pilot Entity infrastructure and systems
2. Purchases needed to have functional systems for:
 - a. Receiving invoices from HSOs
 - b. Reviewing invoices for completeness and accuracy
 - c. Analyzing invoices for outliers and discrepancies
 - d. Submitting invoices to PHPs
 - e. Receiving remittances from PHPs
 - f. Tracking payment disputes and resolutions regarding invoice payments
 - g. Tracking and distributing capacity building dollars to HSOs
 - h. Assessing HSOs' performance
 - i. Receiving administrative funds from PHPs
 - j. Data collection and reporting related to services provided
 - k. Data collection and reporting related to finances
 - l. Systems to support program integrity monitoring and reporting

The cost for any systems listed in C.2.a.-f. should not be included as part of its Capacity Building Budget.

D. Providing technical assistance and training to HSOs:

1. Staff time spent developing an overarching training plan, including activities to directly assess HSOs' training needs
2. Staff time on developing and executing trainings for HSOs
3. Staff time spent providing technical assistance to troubleshoot identified issues, including through broadly available webinars/written material and targeted, one-on-one assistance

E. Distributing capacity building funding to HSOs:

1. Staff time establishing policies and processes to facilitate distribution of capacity building funding to HSOs
2. Staff time operationalizing distribution of capacity building funding to HSOs, including reviewing applications for funding, providing oversight and executing payments

F. Facilitating collaboration and governance among Pilot-participating entities:

1. Staff time developing memoranda of understanding and/or contractual relationships with PHPs
2. Staff time devoted to participating in governance and implementation meetings in partnership with the State, PHPs and/or Pilot Providers
3. Staff time on Pilot-specific Learning Communities, including:
 - a. Developing an overarching plan for series of Learning Communities across Pilot participating entities
 - b. Developing and executing Learning Community meetings
4. Staff time preparing for and attending State-sponsored, cross-Pilot Learning Community meetings

G. Reporting to support program administration, evaluation and oversight:

1. Staff time to support reports related to:
 - a. Budget requests and expenditures
 - b. Evaluation efforts
 - c. Program integrity efforts

H. Participating in community engagement:

1. Staff time to conduct meetings and calls with community stakeholders outside of Pilot-participating entities to increase community awareness of and engagement in the Pilot program

I. Lead Pilot Entity Capacity Building Impermissible Activities

1. Activities for which other federal or state funding is available; Pilot funds may not be used to duplicate or supplant funding from other federal or state funds
2. Real estate investments, developments and other capital projects, except as explicitly permitted above
3. Ongoing lease or utilities payments
4. Staff time devoted to non-Pilot related responsibilities or services
5. Debt restructuring and bad debt

6. Defense and prosecution of criminal and civil proceedings, and claims
7. Donations and contributions
8. Entertainment
9. Alcoholic beverages
10. Fines and penalties
11. Fundraising and investment management costs
12. Goods or services for personal use
13. Idle facilities and idle capacity
14. Interest expense
15. Lobbying
16. Memberships and subscription costs not related to the Pilot program
17. Patent costs

ATTACHMENT E: PERMITTED USES OF HSO CAPACITY BUILDING FUNDS

A. **Assessing readiness to participate in the Pilot program and deliver services:**

1. Staff time devoted to conducting Pilot-specific needs assessment, including the following activities:
 - a. Assessment of current organizational capabilities, infrastructure and systems, and capacity to deliver Pilot services
 - b. Identification of critical gaps and needs to be addressed for seamless provision of Pilot services to enrollees to ensure successful Pilot program participation
2. Cost to hire/procure an individual or entity to provide technical assistance regarding assessing and modifying organizational processes and workflows in preparation for Pilot service delivery

B. **Hiring and training staff:**

1. Staff time devoted to hiring HSO staff that will have a direct role in the execution of Pilot-related responsibilities or delivering Pilot services
2. Staff time to develop a Pilot-related training plan, including activities to assess current staff and newly hired training needs
3. Staff time devoted to executing or participating in trainings for HSO staff that will have a direct role in the execution of Pilot-related responsibilities or delivering Pilot services
4. Production costs for training materials, such as guidelines and policies on HSO operations as it pertains to Pilot program participation (e.g., invoicing processes, services to Pilot Participants versus non-Pilot Participants)

C. **Operationalizing day-to-day Pilot-related responsibilities:**

1. Cost of salary and fringe for HSO staff that will have a direct role in executing Pilot-related responsibilities, including related to Pilot invoicing, referrals, data collection/exchange/analysis, evaluation and financial management.
2. Cost of salary and fringe for HSO staff that will have a direct role in delivering Pilot services to Pilot Participants.

D. **Developing necessary infrastructure/systems:**

1. Staff time for procuring, developing, and/or preparing HSO infrastructure and systems for Pilot program participation, including onboarding onto and gaining full functionality with NCCARE360
2. Purchases needed to have functional systems to support program integrity monitoring and reporting

E. **Pilot service delivery enhancements:¹⁵**

1. Staff time devoted to the assessment of the HSO's organizational and infrastructural capacity to deliver Pilot services *above and beyond* current capabilities in Pilot service

¹⁵ Expanding capacity may be to support serving more Pilot enrollees, to serve geographic areas within the Local Pilot region that the organization does not currently serve, or to deliver Pilot services not currently offered.

delivery (in the case the HSO is considering offering additional Pilot services not already offered)

2. Staff time devoted to the hiring and training of additional staff required for the execution of Pilot-related responsibilities or delivering Pilot services *above and beyond* current capacity (if the HSO proceeds with offering additional Pilot services not already offered)
3. Costs of office furnishings, supplies, and equipment that support the delivery of Pilot services (e.g., computers, desks, chairs, etc.)
4. Costs of modest modifications to existing physical infrastructure of HSO that are essential for an organization's capacity to deliver Pilot services (e.g., replacing infrastructure that refrigerates fresh food)
 - a. DHHS must review and approve all Lead Pilot Entity-approved requests related to modest modifications to existing physical infrastructure prior to funds distribution
 - b. Capacity building funding may not be used for real estate investments, developments, and other capital projects

F. Participation in learning collaboratives:

1. Staff time devoted to active participation in educational and training opportunities provided or sponsored by the LPE or DHHS
2. Staff time for active participation in Lead Pilot Entity- and DHHS-facilitated learning convenings

G. Participation in Pilot Program Evaluation activities

1. Staff time for participating in interviews, surveys and other qualitative assessments that serve the evaluation and data needs of the Pilot program
2. Staff time devoted to data collection to support evaluation and oversight of the Pilot program

H. Other permitted uses

Additional capacity building activities proposed by the HSO to the LPE and approved by the Department

I. Exclusions: HSOs are not permitted to spend capacity building dollars on:

1. Activities for which other federal or state funding is available; Pilot funds may not be used to duplicate or supplant funding from other federal or state funds
2. Real estate investments, developments and other capital projects, except as explicitly permitted above
3. Ongoing lease or utilities payments
4. Staff time devoted to non-Pilot related responsibilities or services
5. Debt restructuring and bad debt
6. Defense and prosecution of criminal and civil proceedings, and claims
7. Donations and contributions
8. Entertainment
9. Alcoholic beverages

10. Fines and penalties
11. Fundraising and investment management costs
12. Goods or services for personal use
13. Idle facilities and idle capacity
14. Interest expense
15. Lobbying
16. Memberships and subscription costs not related to the Pilot program
17. Patent costs

ATTACHMENT F: PROPOSED LOCAL PILOT GEOGRAPHIC BOUNDARIES

The Offeror must provide its proposed Local Pilot geographic boundaries by completing the following table indicating:

- a. The names of each county to be served by the Local Pilot HSO network.
- b. Whether each county is urban or rural using *Attachment G: County Medicaid Enrollment and Urban/Rural Classification*;
- c. The number of Medicaid enrollees residing in each county using *Attachment G: County Medicaid Enrollment and Urban/Rural Classification*;
- d. The total number of Medicaid enrollees residing across all counties in the proposed Local Pilot geographic boundary using *Attachment G: County Medicaid Enrollment And Urban/Rural Classification*

County	Urban or Rural	Number of Medicaid Enrollees
Total Medicaid Enrollees		

ATTACHMENT G: COUNTY MEDICAID ENROLLMENT AND URBAN/RURAL CLASSIFICATION

County	Medicaid Enrollment*	Classification**
Alamance	34,653	Urban
Alexander	7,276	Rural
Alleghany	2,546	Rural
Anson	7,580	Rural
Ashe	5,651	Rural
Avery	2,988	Rural
Beaufort	11,914	Rural
Bertie	5,812	Rural
Bladen	9,536	Rural
Brunswick	22,721	Rural
Buncombe	43,619	Urban
Burke	20,300	Rural
Cabarrus	35,981	Urban
Caldwell	20,497	Rural
Camden	1,163	Rural
Carteret	11,534	Rural
Caswell	5,596	Rural
Catawba	30,641	Urban
Chatham	9,274	Rural
Cherokee	6,891	Rural
Chowan	3,503	Rural
Clay	2,247	Rural
Cleveland	28,392	Rural
Columbus	17,278	Rural
Craven	19,387	Rural
Cumberland	83,664	Urban
Currituck	2,850	Rural
Dare	4,964	Rural
Davidson	33,626	Urban
Davie	6,605	Rural
Duplin	15,126	Rural
Durham	54,656	Urban
Edgecombe	20,148	Rural

County	Medicaid Enrollment*	Classification**
Forsyth	78,486	Urban
Franklin	13,183	Rural
Gaston	49,233	Urban
Gates	2,146	Rural
Graham	2,341	Rural
Granville	10,745	Rural
Greene	4,983	Rural
Guilford	114,998	Urban
Halifax	16,868	Rural
Harnett	26,065	Rural
Haywood	13,662	Rural
Henderson	16,870	Urban
Hertford	7,235	Rural
Hoke	14,111	Rural
Hyde	1,204	Rural
Iredell	28,067	Urban
Jackson	7,766	Rural
Johnston	40,421	Rural
Jones	2,366	Rural
Lee	14,951	Rural
Lenoir	17,569	Rural
Lincoln	15,091	Urban
Macon	7,110	Rural
Madison	4,664	Rural
Martin	6,273	Rural
McDowell	10,818	Rural
Mecklenburg	203,919	Urban
Mitchell	3,391	Rural
Montgomery	7,260	Rural
Moore	15,602	Rural
Nash	23,704	Rural
New Hanover	34,741	Urban
Northampton	6,038	Rural
Onslow	34,142	Rural
Orange	15,472	Urban
Pamlico	2,350	Rural

County	Medicaid Enrollment*	Classification**
Pasquotank	9,186	Rural
Pender	12,729	Rural
Perquimans	2,690	Rural
Person	8,881	Rural
Pitt	39,070	Urban
Polk	3,187	Rural
Randolph	32,356	Rural
Richmond	16,277	Rural
Robeson	50,230	Rural
Rockingham	21,618	Rural
Rowan	33,357	Urban
Rutherford	15,469	Rural
Sampson	18,376	Rural
Scotland	12,736	Rural
Stanly	12,226	Rural
Stokes	8,265	Rural
Surry	16,823	Rural
Swain	4,498	Rural
Transylvania	5,897	Rural
Tyrrell	921	Rural
Union	30,362	Urban
Vance	17,633	Rural
Wake	132,344	Urban
Warren	5,016	Rural
Washington	3,855	Rural
Watauga	4,426	Rural
Wayne	33,476	Rural
Wilkes	15,459	Rural
Wilson	22,308	Rural
Yadkin	7,488	Rural
Yancey	3,968	Rural

Source Notes: * Average calendar year (CY) 2018 Medicaid enrollment. Calculated by averaging monthly enrollment for January 2018 – December 2018 as reported in the “Annual Enrollment by County and Budget Groups” reports, available at <https://medicaid.ncdhhs.gov/documents/reports/enrollment-reports/medicaid-and-health-choice-enrollment-reports>.

** Classifications developed and defined by the N.C. Rural Center, as available at: <https://www.ncruralcenter.org/about-us/>.

ATTACHMENT H: CONTRACT ADMINISTRATORS

Contract Administrators are the persons to whom notices provided for in this Contract shall be given, and to whom matters relating to the administration of this Contract shall be addressed. The Department and Contractor may change its respective administrator, address, and telephone number by providing written notice.

For the Department

Contract Administrator for contractual issues:

Name & Title	Deidra Jones Contract Specialist
Physical Address	820 S. Boylan Avenue Raleigh, NC 27603
Mail Service Center Address	2501 Mail Service Center Raleigh, NC 27699-1950
Telephone Number	919-527-7236
Email Address	Deidra.jones@dhhs.nc.gov

Contract Administrator for day to day activities:

Name & Title	
Physical Address	
Mail Service Center Address	
Telephone Number	
Email Address	

Department's Coordinator for Federal, State, and Department security matters:

Name & Title	Pyreddy Reddy, DHHS CISO
Address 1	695 Palmer Drive, Raleigh, NC 27603
Telephone Number	919-855-3090
Email Address	Pyreddy.Reddy@dhhs.nc.gov

Department's HIPAA and Policy Coordinator for Federal, State, and Department privacy matters:

Name & Title	Freya Hardy-Lynch, RHIA, HIPAA and Policy Coordinator
Address 1	333 E. Six Fords Road, Raleigh, NC 27699-2501
Telephone Number	919-814-0107
Email Address	Freya.hardy-lynch@dhhs.nc.gov

For the Contractor

Contract Administrator for contractual issues:

Name & Title	
Address	
Telephone Number	
Email Address	

Contract Administrator for day to day activities:

Name & Title	
Address	
Telephone Number	
Email Address	

Contractor's Coordinator for Privacy and Security matters:

Name & Title	
Address	
Telephone Number	
Email Address	

ATTACHMENT I: PROPOSED LPE SUBCONTRACTORS

The Offeror must complete a Proposed LPE Subcontractor form for each known subcontractor (i.e. there should be one form for each proposed subcontractor) and submit a signed letter of intent from each subcontractor confirming their intent to subcontract with the Offeror and their proposed role fulfilling obligations of the Lead Pilot Entity, as described in *Attachment J: Letters to be Submitted with Response*.

Letters of intent must be submitted on the proposed subcontractor’s letterhead and signed by an individual authorized to certify the statements in the letter on behalf of the proposed subcontractor.

By signing the RFP Execution page, the Offeror:

1. Certifies that the information provided in response to *Attachment I: Proposed LPE Subcontractors* is true to the best of its information and belief; and
2. Acknowledges the requirements set forth in Section III.D.39. Subcontractors, requiring Department approval of any subcontractors used in the performance of any Contract awarded as a result of the RFP.

Proposed LPE Subcontractor Form	
1. Business Information. Provide the requested Information in the space provided:	
Legal Name of Subcontractor	
Name Used for Business if Different	
FEIN/Taxpayer ID	
Address	
Name of Contact Person	
Title	
Phone Number	
Email Address	
2. Anticipated Scope of Subcontracted Services. Identify the scope of LPE services and activities that will be provided by the subcontractor; cite specific Sections of the RFP as applicable:	

3. Relevant Experience of Subcontractor. Provide a detailed description, including examples with dates and results where relevant, of subcontractor's experience and qualifications relevant to the anticipated scope of services indicated above:

4. Confirmation of Scope of Services. Describe any limitations or issues of subcontractor meeting the requirements of the Sections of this RFP relevant to the scope of subcontracted services described above (No response will be interpreted as no limitations or issues):

ATTACHMENT J: LETTERS TO BE SUBMITTED WITH RESPONSE

RFP Section	Letter Type	High-Level Description	Applicability to Offeror
Attachment A: Minimum Qualifications Response	Letter of Attestation for Hospital/Health System	If the Offeror is a health system or hospital, it must submit letters of attestation validating the Offeror's contention that no other entity could serve as the LPE for the regions. See also Attachment K: Hospital and Health System Letter of Attestation.	Only for Offerors who are a hospital or health system as defined in <i>Section III.A. Definitions</i> .
Attachment B: Offeror's Response to Technical Evaluation Question #2	Letters of Community Support	The Offeror must submit a minimum of 10 Letters of Community Support describing, at a minimum, the organizations' experiences working with the Offeror and why the Offeror would be an effective Lead Pilot Entity.	All Offerors
Attachment B: Offeror's Response to Technical Evaluation Question #13	Letter of Intent for Preliminary Network	The Offeror must submit Letters of Intent from potential HSO's attesting to its intent to participate in a Lead Pilot Entity's HSO network. Letters shall include services to be provided in their attested domain and an estimate of the number of Pilot enrollees the HSO may be able to serve.	All Offerors
Attachment I: Proposed LPE Subcontractors	Letter of Subcontracting Intent	The Offeror must submit a Letter of Subcontracting Intent from each subcontracting organization that confirms its intent to execute specific roles and responsibilities required to establish and operate the LPE. See also Attachment I: Proposed LPE Subcontractors.	Only for Offerors who plan to have subcontractors

All Letters required to be submitted with Offeror's response must be submitted on the organization or entity's letterhead, dated and signed by an individual authorized to certify the statements in the letter.

ATTACHMENT K: HOSPITAL AND HEALTH SYSTEM LETTER OF ATTESTATION

Offerors that are a hospital or Health System, as defined in *Section III.A. Definitions*, are required to submit letters of attestation.

Letters must be submitted on the county or organization’s letterhead and signed by an individual authorized to certify the statements in the letter on behalf of the county or organization. All letters of attestation must be dated and include the following language:

“I understand that the North Carolina Department of Health and Human Services (the Department) released Request for Proposal #30-2019-052 DHB to procure a Lead Pilot Entity (LPE) for the Healthy Opportunities Pilot Program, the Enhanced Case Management and Other Services Pilot Program authorized under North Carolina’s 1115 Medicaid Reform Demonstration project approved by the Centers for Medicare & Medicaid Services.

I understand that the Department will not evaluate a response from a hospital or a health system to serve as an LPE unless that hospital or health system collects and submits letters of attestation from key community partners affirming that the hospital or health system is exclusively positioned to serve as the LPE in the proposed region.

By signing this letter of attestation on behalf of my organization, I certify that this organization, _____, has determined this hospital or health system, _____, to be exclusively positioned to serve as the LPE for this community, and as such, this organization will not support an LPE offer from any other entity proposing to cover the county in which we are located.”

Add Signature

Type Name and Title

ATTACHMENT L: PILOT PROGRAM PARTICIPANT ELIGIBILITY CRITERIA

Medicaid managed care Members with at least one of the “Physical/Behavioral Health-Based Criteria” and at least one of the “Social Risk Factors” listed in the following tables will be eligible to participate in the Healthy Opportunities Pilot program. PHPs will be responsible for determining Pilot eligibility and targeting Pilot services to their highest-need Pilot eligible Members.

Physical/Behavioral Health-Based Criteria

Population	Age	Physical/Behavioral Health-Based Criteria
Adults	21+	<ul style="list-style-type: none"> • 2 or more chronic conditions. Chronic conditions that qualify an individual for Pilot program enrollment include: BMI over 25, blindness, chronic cardiovascular disease, chronic pulmonary disease, congenital anomalies, chronic disease of the alimentary system, substance use disorder, chronic endocrine and cognitive conditions, chronic musculoskeletal conditions, chronic mental illness, chronic neurological disease and chronic renal failure, in accordance with Social Security Act section 1945(h)(2). • Repeated incidents of emergency department use (defined as more than four visits per year) or hospital admissions.
Pregnant Women	N/A	<ul style="list-style-type: none"> • Multifetal gestation • Chronic condition likely to complicate pregnancy, including hypertension and mental illness • Current or recent (month prior to learning of pregnancy) use of drugs or heavy alcohol • Adolescent ≤ 15 years of age • Advanced maternal age, ≥ 40 years of age • Less than one year since last delivery • History of poor birth outcome including: preterm birth, low birth weight, fetal death, neonatal death
Children	0-3	<ul style="list-style-type: none"> • Neonatal intensive care unit graduate • Neonatal Abstinence Syndrome • Prematurity defined by births that occur at or before 36 completed weeks gestation • Low birth weight, defined as weighing less than 2500 grams or 5 pounds 8 ounces upon birth

		<ul style="list-style-type: none"> • Positive maternal depression screen at an infant well-visit
	0-20	<ul style="list-style-type: none"> • One or more significant uncontrolled chronic conditions or one or more controlled chronic conditions that have a high risk of becoming uncontrolled due to unmet social need, including: asthma, diabetes, underweight or overweight/obesity as defined by having a BMI of <5th or >85th percentile for age and gender, developmental delay, cognitive impairment, substance use disorder, behavioral/mental health diagnosis (including a diagnosis under DC: 0-5), attention deficit/hyperactivity disorder, and learning disorders • Experiencing three or more categories of adverse childhood experiences (e.g. Psychological, Physical, or Sexual Abuse, or Household dysfunction related to substance abuse, mental illness, parental violence, criminal behavioral in household) • Enrolled in North Carolina’s foster care or kinship placement system

Social Risk Factors

Risk Factor	Definition
Homelessness and Housing Insecurity	Homelessness, as defined in 42 C.F.R. § 254b(h)(5)(A), and housing insecurity, as defined based on questions used to establish housing insecurity in the Accountable Health Communities Health Related Screening Tool.
Food Insecurity	As defined by the US Department of Agriculture commissioned report on Food Insecurity in America: <ul style="list-style-type: none"> • Low Food Security: reports of reduced quality, variety, or desirability of diet. Little or no indication of reduced food intake. • Very low food security: Reports of multiple indications of disrupted eating patterns and reduced food intake
Transportation Insecurity	Defined based on questions used to establish transportation insecurities in the Accountable Health Communities Health Related Screening Tool.
At risk of, witnessing, or experiencing interpersonal violence	Defined based on questions used to establish interpersonal violence in the Accountable Health Communities Health Related Screening Tool.

ATTACHMENT M: FEDERALLY APPROVED HEALTHY OPPORTUNITIES PILOT SERVICES

Service Sub-Category	Healthy Opportunities Pilot Services
Housing	
Tenancy Support and Sustaining Services	<ul style="list-style-type: none"> • Assisting the individual with identifying preferences related to housing (e.g., type, location, living alone or with someone else, identifying a roommate, accommodations needed, or other important preferences) and needs for support to maintain community integration. • Supports to assist the individual in budgeting for housing/living expenses, including financial literacy education on budget basics and locating community-based consumer credit counseling bureaus. • Assisting the individual to connect with social services to help with finding housing necessary to support individual in meeting their medical care needs. This pilot service is furnished only to the extent it is reasonable and necessary as clearly identified through an enrollee’s care plan. • Assisting the individual with housing application and selection process, including filling out housing applications and obtaining and submitting appropriate documentation. • Assisting the individual to develop a housing support plan based on the functional needs assessment, including establishing measurable goal(s) as part of the overall person-centered plan. • Developing a crisis plan, which must identify prevention and early intervention services if housing is jeopardized. • Participating in the person-centered plan meetings to assist the individual in determination or with revisions to housing support plan. • Assisting the individual to review, update and modify his or her housing support and crisis plan on a regular basis to reflect current needs and address existing or recurring housing retention barriers. • Assisting the individual to complete reasonable accommodation requests as needed to obtain housing. • Supporting individuals in the development of independent living skills, such as skills coaching, financial counseling and anger management • Connecting the individual to education and training on tenants’ and landlords’ role, rights, and responsibilities. • Assisting in reducing risk of eviction by providing services such as services that help the beneficiary improve his or her conflict resolution

	<p>skills, coaching, role-playing and communication strategies targeted towards resolving disputes with landlords and neighbors; communicate with landlords and neighbors to reduce the risk of eviction; address biopsychosocial behaviors that put housing at risk; and provide ongoing support with activities related to household management.</p> <ul style="list-style-type: none"> • Assessing potential health risks to ensure living environment is not adversely affecting occupants’ health. • Providing services that will assist the individual with moving into stable housing, including arranging the move, assessing the unit’s and individual’s readiness for move-in, and providing assistance (excluding financial assistance) in obtaining furniture and commodities. This pilot service is furnished only to the extent it is reasonable and necessary as clearly identified through an enrollee’s care plan and the enrollee is unable to meet such expense or when the services cannot be obtained from other sources. • Providing funding related to utility set-up and moving costs provided that such funding is not available through any other program. This pilot service is furnished only to the extent it is reasonable and necessary as clearly identified through an enrollee’s care plan and the enrollee is unable to meet such expense or when the services cannot be obtained from other sources.
<p>Housing Quality and Safety Improvement Services</p>	<ul style="list-style-type: none"> • Repairs or remediation for issues such as mold or pest infestation if repair or remediation provides a cost-effective method of addressing occupant’s health condition, as documented by a health care professional, and remediation is not covered under any other provision such as tenancy law. This pilot service is furnished only to the extent it is reasonable and necessary as clearly identified through an enrollee’s care plan and the enrollee is unable to meet such expense or when the services cannot be obtained from other sources. • Modifications to improve accessibility of housing (e.g., ramps, rails) and safety (e.g., grip bars in bathtubs) when necessary to ensure occupant’s health and modification is not covered under any other provision such as the Americans with Disabilities Act.
<p>Legal Assistance</p>	<ul style="list-style-type: none"> • Assistance with connecting the enrollee to expert community resources to address legal issues impacting housing and thereby adversely impacting health, such as assistance with breaking a lease due to unhealthy living conditions. This pilot service does not include legal representation or payment for legal representation.

<p>Securing House Payments</p>	<ul style="list-style-type: none"> • Provide a one-time payment for security deposit and first month’s rent provided that such funding is not available through any other program. This payment may only be made once for each enrollee during the life of the demonstration, except for State determined extraordinary circumstances such as a natural disaster. This pilot service is furnished only to the extent it is reasonable and necessary as clearly identified through an enrollee’s care plan and the enrollee is unable to meet such expense or when the services cannot be obtained from other sources.
<p>Short-Term Post-Hospitalization</p>	<ul style="list-style-type: none"> • Post-hospitalization housing for short-term period, not to exceed six [6] months, due to individual’s imminent homelessness provided that such a service is not available under any other programs. Temporary housing may not be in a congregate setting. To the extent temporary housing services are available under other programs, this service could cover connecting the individual to such program and helping them secure housing through that program.
<p>Food</p>	
<p>Food Support Services</p>	<ul style="list-style-type: none"> • Assist the enrollee with applications for SNAP and WIC • Assist the enrollee with identifying and accessing school-based food programs • Assist the enrollee with locating and referring enrollees to food banks or community-based summer and after-school food programs • Nutrition counseling and education, including on healthy meal preparation • Providing funding for meal and food support from food banks or other community-based food programs, including funding for the preparation, accessibility to, and food for medical condition specific “healthy food boxes,” provided that such supports are not available through any other program. Meal and food support services must be provided according to the enrollee’s care plan and must not constitute a “full nutritional regimen” (three meals per day per person).
<p>Meal Delivery Services</p>	<ul style="list-style-type: none"> • Providing funding for targeted nutritious food or meal delivery services for individuals with medical or medically-related special dietary needs provided such funding cannot be obtained through any other source. Meals provided as part of this service must be provided according to the enrollee’s care plan and must not constitute a “full nutritional regimen” (3 meals per day, per person).
<p>Transportation</p>	

<p>Non-emergency health-related transportation</p>	<ul style="list-style-type: none"> • Transportation services to social services that promote community engagement. • Providing educational assistance in gaining access to public or mass transit, including access locations, pilot services available via public transportation, and how to purchase transportation passes. • Providing payment for public transportation (i.e., bus passes or mass transit vouchers) to support the enrollee’s ability to access pilot services and other community-based and social services, in accordance with the individual’s care plan. • Providing account credits for cost-effective private forms of transportation (taxi, ridesharing) in areas without access to public transit. Pilot transportation services must be offered in accordance with an enrollee’s care plan, and transportation services will not replace non-emergency medical transportation as required under 42 CFR 431.53. Whenever possible, the enrollee will utilize family, neighbors, friends, or community agencies to provide transportation services.
<p>Interpersonal Violence (IPV)/Toxic Stress</p>	
<p>Interpersonal Violence-Related Transportation</p>	<ul style="list-style-type: none"> • Transportation services to/from IPV service providers for enrollees transitioning out of a traumatic situation.
<p>IPV and Parenting</p>	<ul style="list-style-type: none"> • Assistance with linkages to community-based social service and mental health agencies with IPV expertise.
<p>Support Resources</p>	<ul style="list-style-type: none"> • Assistance with linking to high quality child care and after-school programs. • Assistance with linkages to programs that increase adults’ capacity to participate in community engagement activities. • Providing navigational services focusing on identifying and improving existing factors posing a risk to the safety and health of victims transitioning out of traumatic situations (i.e., obtaining a new phone number, updating mailing addresses, securing immediate shelter and longer-term housing, school arrangements to minimize disruption of school schedule, connecting enrollees to medical-legal partnerships to address overlap between healthcare and legal needs).
<p>Legal Assistance</p>	<ul style="list-style-type: none"> • Assistance with directing the beneficiary to available legal services within the legal system for interpersonal violence related issues, such as securing a Domestic Violence Protection Order. This pilot service does not include legal representation or payment for legal representation.

Child-Parent Support	<ul style="list-style-type: none">• Evidence-based parenting support programs (i.e., Triple P – Positive Parenting Program, the Incredible Years, and Circle of Security International).• Evidence-based Maternal, Infant, and Early Home Visiting services to promote enhanced health outcomes, whole person care and community integration.• Dyadic therapy treatment for children and adolescents at risk for or with an attachment disorder, or as a diagnostic tool to determine an attachment disorder.
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ATTACHMENT N1: LPE REPORTING REQUIREMENTS

The LPE shall submit the following reports. The Department reserves the right to modify reporting frequency and make changes to the content and types of reports required of the LPE at any time.

LPE Reporting Requirements			
Purpose	Recommended System to Generate Reports	Frequency & Due Date	Required Report Content
Network Adequacy	NCCARE360	Monthly; due within 20 days after the end of each month	<ol style="list-style-type: none"> 1. Total number of contracted HSOs; 2. Number of contracted HSOs per Healthy Opportunities domain; 3. Number and name of Pilot service(s) offered by each HSO;
	At Lead Pilot Entity discretion	Monthly; due within 20 days after the end of each month	<ol style="list-style-type: none"> 4. Anticipated capacity of contracted HSOs for Pilot enrollees (i.e. how many Pilot enrollees do they anticipate being able to serve); 5. Current capacity of contracted HSOs (i.e., how many individuals they serve); 6. Number and name of Pilot service(s) not offered by current HSO network, if applicable.
HSO Referral Performance	NCCARE360	Quarterly; due within 30 days after the end of each calendar quarter	<ol style="list-style-type: none"> 7. Referral acceptance rate by HSO 8. Referral acceptance timeliness by HSO 9. Reasons for referral denials, 10. Referral outcomes 11. Case resolution rate by HSO 12. Service outcome information by HSO
HSO Monitoring	At Lead Pilot Entity discretion	Quarterly; due within 30 days after the end of each calendar quarter, unless specified as requiring immediate reporting	<ol style="list-style-type: none"> 13. The number and names of HSOs that: <ol style="list-style-type: none"> a. Are currently participating in a PIP b. Are currently under a CAP process 14. The LPE shall report immediately the number and names of HSOs that have had their: <ol style="list-style-type: none"> c. Pilot service payments suspended or withheld, and, d. Contracts with the LPE terminated 15. Findings from service delivery verifications

LPE Reporting Requirements			
Purpose	Recommended System to Generate Reports	Frequency & Due Date	Required Report Content
Tracking Payments to HSOs for Service Delivery	At Lead Pilot Entity discretion	Quarterly; due within 30 days after the end of each calendar quarter	<ul style="list-style-type: none"> 16. Total number of HSO Pilot service delivery invoices submitted, in aggregate and by: HSO, Pilot service and PHP 17. Total amount invoiced, in aggregate and by: HSO, Pilot service and PHP 18. Total HSO Pilot service delivery payments distributed to all contracted HSOs 19. Total amount distributed by Pilot service 20. Total aggregate payments for Pilot services by PHP 21. Total number of denied invoices and a summary of the reasons the invoices were denied 22. Total number of payment disputes and associated dollar amounts, in aggregate, by PHP, by HSO and by Pilot service 23. Summary of payment resolutions, in aggregate, by PHP, by HSO and by Pilot service

LPE Reporting Requirements			
Purpose	Recommended System to Generate Reports	Frequency & Due Date	Required Report Content
HSO Capacity Building Funding	At Lead Pilot Entity discretion	Monthly; due within 20 days after the end of each month	24. Total HSO capacity building funding approved among all contracted HSOs 25. Total HSO capacity building funding distributed among all contracted HSOs 26. Total HSO capacity building funding approved to each HSO by HSO name 27. Total HSO capacity building funding distributed to each HSO by HSO name 28. Total HSO capacity building expenditures spent by all contracted HSOs 29. Total HSO capacity building expenditures of each contracted HSO 30. Summary of the types of expenditures made to support capacity building activities of contracted HSOs considering the permitted uses of capacity building funding for HSOs, as defined in <i>Attachment E: Permitted Uses Of HSO Capacity Building Funds</i> 31. Narrative description of the expected impact of capacity building funds distributed to HSOs based on HSOs' applications for capacity building funding
Lead Pilot Entity Capacity Building	At Lead Pilot Entity discretion	Quarterly; due within 30 days after the end of each calendar quarter	32. Expenditure reports shall include, at a minimum, the amount budgeted for the reporting period and the budget year-to-date, the amount expended for the reporting period and the budget year-to-date, as well as the total expenditures for each applicable capacity building permitted use, including how the expenditures have been used and a narrative detailing the specific expenditure and reasons for variations from the budget, if any.

LPE Reporting Requirements			
Purpose	Recommended System to Generate Reports	Frequency & Due Date	Required Report Content
Value-Based Payment	At Lead Pilot Entity discretion	Quarterly; due within 30 days after the end of each calendar quarter	<ul style="list-style-type: none"> 33. Information required by the Department to make value-based payments 34. Summary of key findings, including measures of high performance, from its assessment to identify high-performing contracted HSOs for shared value-based payments 35. Total HSO value-based payment distributed among all contracted HSOs 36. Total HSO value-based payment distributed to each HSO by HSO name 37. Summary of HSO performance on value-based payment performance metrics
Technical Assistance and Training	At Lead Pilot Entity discretion	Quarterly; due within 30 days after the end of each calendar quarter	<ul style="list-style-type: none"> 38. Summary of identified issues or barriers that prompted training/technical assistance conducted, if applicable. 39. Summary of the types of group trainings and planned technical assistance activities provided to contracted HSOs, excluding ad hoc, one-on-one interactions and consultations 40. Summary of the types of group trainings and planned technical assistance activities provided to care managers, excluding ad hoc, one-on-one interactions and consultations 41. Total number of HSOs engaged and the name of each HSO engaged for each in-person, telephonic and webinar training provided 42. Total number of care management entities engaged in each in-person, telephonic and webinar training provided by entity name

LPE Reporting Requirements			
Purpose	Recommended System to Generate Reports	Frequency & Due Date	Required Report Content
Convening	At Lead Pilot Entity discretion	Quarterly; due within 30 days after the end of each calendar quarter	43. Number of convenings executed 44. A description of target audience and attendees 45. A qualitative description of the topics covered, recommendations made and actions taken as a result.
Evaluation and CMS Monitoring	At Lead Pilot Entity discretion	Quarterly; due within 30 days after the end of each calendar quarter	46. Information to support: <ul style="list-style-type: none"> a. Pilot evaluation, and b. Quarterly and annual reporting by the Department to CMS.

ATTACHMENT N2: LPE MILESTONES AND DUE DATES

#	RFP Section	Milestone or Activity	Due Date
ADMINISTRATION AND MANAGEMENT			
1	V.A. 6) Implementation Plan	Submit an updated Implementation Plan for Department review and approval	30 days following the Contract Effective Date
2	V.A. 3) LPE Governance	Establish Lead Pilot Entity governing body	45 days following the Contract Effective Date
3	V.A. 4) Staffing and Facilities	Submit adopted conflict of interest policy for review by the Department	75 days following the Contract Effective Date
4	V.A. 8) Non-Discrimination	Submit its adopted non-discrimination policies and procedures for review by the Department	75 days following the Contract Effective Date
LPE AND PHP CONTRACTS			
5	V. B. 2) Lead Pilot Entity and PHPs Scope of Services	Execute contracts with PHPs	Within 130 days of LPE's receipt of Department's LPE-PHP model contract.
LOCAL PILOT GEOGRAPHIC REGION			
6	V.C. 2) f) Local Pilot Geographic Region Scope of Services	Finalize the Local Pilot Geographic region	45 days following the Contract Effective Date
LPE AND HSO NETWORK MANAGEMENT			
7	V.D. 2) e) HSO Application and Assessment Process	Finalize the HSO network application	60 days following the Contract Effective Date
8	V.D. 2) e) HSO Application and Assessment Process	Submit description of HSO assessment process	90 days following the Contract Effective Date
9	V.D. 2) f) HSO-LPE Contract Development	Submit modification requests to the model LPE-HSO contract.	Within 30 days of LPE's receipt of the Department's model contract
10	V. D. 2) b) Establish the HSO Network	Submit HSO network report	75 days before the start date of Service Delivery I
11	V. D. 2) c) HSO Network Directory	Ensure the list of contracted HSOs is in NCCARE360	75 days before the start date of Service Delivery I
12	V. D. 2) h) HSO Readiness Review	Complete all HSO readiness reviews	90 days prior to the start date of Service Delivery I
13	V. D. 2) f) HSO-LPE Contract Development	Submit contracted HSO manual	120 days before the start date of Service Delivery I
PAYMENTS TO LPEs AND FLOW OF FUNDS			
14	V.E. 4) d) Capacity Building Application, Distribution and Methodology	Submit HSO capacity building funding distribution approach	90 days following the Contract Effective Date
15	V. E. 4) b) Budget Development	Submit updated aggregate HSO capacity building budget	200 days following the Contract Effective Date

#	RFP Section	Milestone or Activity	Due Date
QUALITY IMPROVEMENT AND PILOT PROGRAM EVALUATION			
16	V. F. 2) h) Submit Timely, Accurate, and Complete Data for Pilot Program Evaluation	Submit detailed written plan describing the technology systems, processes, tools, and key personnel the LPE will use to meet all LPE data collection and submission requirements.	120 days following the Contract Effective Date
17	V. F. 2. B) Convening Pilot Participating Entities and Community Stakeholders	Submit Pilot Entity Engagement, Training and Technical Assistance Plan	215 days following the Contract Effective Date

ATTACHMENT O: HSO SERVICE DELIVERY INVOICE REQUIREMENTS

Invoices must be transmitted in accordance with all privacy and security requirements and must include the following standardized information:

- a) Pilot Participant:
 - i. Name
 - ii. Medicaid identification number
 - iii. Name of PHP that authorized the Pilot service
- b) Provider organization name
- c) Pilot service delivered
- d) Description of services(s) rendered
- e) Date(s) and/or duration of services(s) delivered
- f) Number of unit(s) of services(s) delivered
- g) Cost of services(s) delivered
- h) Authorized person's signature
- i) Date transmitted to Lead Pilot Entity
- j) Supporting documentation, which shall be consistent with any guidance issued by the Department, if applicable

ATTACHMENT P: LPE SYSTEM REQUIREMENTS

As required in *Section V.A.5) Invoicing and Electronic System(s) of Record* the LPE shall use the systems listed in this Attachment to meet the IT requirements set forth in this RFP. The Department reserves the right to modify requirements to use NCCARE360 and make additional changes in consultation and agreement with the LPEs.

The Department also reserves the right to require the LPE to use a specific technology or system other than NCCARE360 for requirements described as “At Lead Pilot Entity discretion” in this Attachment. The Department will work with LPEs to the extent the Department makes this decision to ensure LPEs are prepared and have sufficient resources from the Department to execute its responsibilities with the selected technology or system.

As provided in Section V.A. Administration and Management the State will determine whether to provide a solution to support invoicing requirements or if the solution will be provided by Contractor. Systems applicable to this requirement are described as “To Be Determined” in this Attachment. The determination by the State may be after award of the Contract or prior to award. If the solution is required to be provided by Contractor, the cost to Contractor **may** be a permitted use for LPE capacity building funds as described in *Section V.E.3. and Attachment D: Permitted Uses of LPE Capacity Building Funds*. Any solution provided by Contractor must include any specifications or capabilities as required by the Department. ***The cost for any solution by Offeror should not be included as part of its Capacity Building Budget.***

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Functionality	System Requirements	Required System to Use
Develop HSO Network	Store HSO applications	At Lead Pilot Entity discretion
	Record and track status of HSO applications	At Lead Pilot Entity discretion
	Track anticipated capacity of contracted HSOs	At Lead Pilot Entity discretion
Identify Contracted Network of HSOs	Identify HSO as part of Lead Pilot Entity network	NCCARE360
	Store HSO demographic information	NCCARE360
	Record point-in-time contract status (such as active, inactive, terminated)	At Lead Pilot Entity discretion
	Track HSO contract status (such as active, inactive, terminated) history over time	At Lead Pilot Entity discretion
	Identify Pilot services HSO is contracted to provide	NCCARE360
Track HSO Referral Performance	Track and generate information/reports on HSO performance, such as referral acceptance rates and referral acceptance timeliness	NCCARE360
	Track case resolution rate by HSO	NCCARE360
	Track service outcome information by HSO	NCCARE360
Assess Network Adequacy and Efficiency	Track and generate information/reports on HSO network composition, such as number of HSOs per domain or per county	NCCARE360 and other system(s), at Lead Pilot Entity discretion
	Track current capacity of contracted HSOs	At Lead Pilot Entity discretion
Monitor Network of HSOs for Program Integrity	Record and track HSO monitoring status such as on PIP, CAP or Under Investigation	At Lead Pilot Entity discretion
	Record and track HSOs that have had Pilot service payments withheld.	At Lead Pilot Entity discretion
	Record and track HSOs that have had contracts with the LPE terminated.	At Lead Pilot Entity discretion
Receive, Track and Validate HSO Invoices	Identify if person is enrolled in Pilot	NCCARE360
	Identify a service as an authorized Pilot service for delivery to Pilot enrollee	At Lead Pilot Entity discretion

	Permit HSO to generate invoices based on services delivered, including supporting documentation	To Be Determined
	Receive invoice from HSO	To Be Determined
	Validate completeness and accuracy of invoice and supporting documentation from HSO	To Be Determined
	Transmit complete and accurate invoice to PHP	To Be Determined
	Transmit incomplete or inaccurate invoice to HSO that submitted the invoice	To Be Determined
	Records and tracks status of invoices such as submitted, pending, paid, denied, under dispute, dispute resolved	To Be Determined
	Generates information and/or reports on invoices	To Be Determined
Track Service Payments from PHPs to HSOs	Receive from PHPs remittance with information regarding HSO payments and invoice denials	To Be Determined
	Record and track the status of payment and payment reconciliations, disputes, and dispute resolution between HSOs and PHPs	To Be Determined
	Generate information and/or reports on payments from PHPs to HSOs	To Be Determined
Distribute Capacity Building Funds to HSOs	Record and track the status of capacity building funding applications from HSOs	At Lead Pilot Entity discretion
	Receive electronic distribution of capacity building funding from the Department for distribution to HSOs	At Lead Pilot Entity discretion
	Record and tracks the status of capacity building funding payments to HSOs	At Lead Pilot Entity discretion
	Records and tracks HSOs' capacity building expenditures based on HSOs' submitted reports	At Lead Pilot Entity discretion

	Generate information and/or reports on HSO capacity building funding requests and expenditures	At Lead Pilot Entity discretion
	Allow for electronic distribution of capacity building payments to HSOs	At Lead Pilot Entity discretion
Contract with PHPs	Record and track the status of PHP contracts	At Lead Pilot Entity discretion
	Generate information and/or reports on PHP contracting	At Lead Pilot Entity discretion
	Record and track the status of payments and payment reconciliations between the LPE and PHPs	At Lead Pilot Entity discretion
	Generate information and/or reports on payments and payment reconciliations between the LPE and PHPs	At Lead Pilot Entity discretion
Use Lead Pilot Entity Capacity Building Funding	Record and track Lead Pilot Entity capacity building funding requests submitted to the Department	At Lead Pilot Entity discretion
	Record and track receipt of Lead Pilot Entity capacity building funds from the Department	At Lead Pilot Entity discretion
	Record and track capacity building expenditures and uses, including distribution to sub-contractors or external vendors (not including HSOs)	At Lead Pilot Entity discretion
	Generate information and/or reports on capacity building requests, expenditures, impact of expenditures and requested budget modifications	At Lead Pilot Entity discretion
	Receive capacity building funds electronically from the Department	At Lead Pilot Entity discretion
Participate in Value-Based Payments	Identify and track contracted HSOs' performance as it relates to their potential to earn value-based payment distributions	NCCARE360 and other system(s), at Lead Pilot Entity discretion
	Record and track the status of value-based payments received from the Department	At Lead Pilot Entity discretion

	Record and track the status of value-based payments distributed to HSOs	At Lead Pilot Entity discretion
	Generate information and/or reports on value-based payments received and distributed	At Lead Pilot Entity discretion
	Allow for electronic receipt of value-based payments from the Department	At Lead Pilot Entity discretion
	Allows for electronic distribution of value-based payments to HSOs	At Lead Pilot Entity discretion
Technical Assistance and Training	Track and record types of training and technical assistance activities provided to key entities such as contracted HSOs and care managers	At Lead Pilot Entity discretion
	Track and record the total number of HSOs engaged in each training provided	At Lead Pilot Entity discretion
	Track and record the total number of care managers engaged in each training provided	At Lead Pilot Entity discretion
	Track and record priority issues surrounding barriers to Pilot service delivery faced by contracted HSOs and participating care managers as they arise and steps being taken to address such issues	At Lead Pilot Entity discretion
Convening	Track and record key features of convenings executed including: number of convenings completed, description of attendees and a description of topics covered.	At Lead Pilot Entity discretion
Monitor and Evaluate for CMS	Collect and analyze data and generates reports in support of Pilot evaluation and quarterly/annual monitoring reporting by the Department to CMS	Multiple systems may be used, including NCCARE360 and others at Lead Pilot Entity discretion

ATTACHMENT Q: LIQUIDATED DAMAGES

Service Area/#	Service Requirement or Program Issue	Liquidated Damages
Core Functions		
1	Failure to submit the network adequacy plan as described in <i>Section V.D.3. Establishing the HSO Network</i> .	\$500 per day per day late
2	Failure to submit an updated list of contracted HSOs as described in <i>Section V.D.5. HSO Network Maintenance</i> on the frequency determined by the Department.	\$500 per day per day late
Performance Reporting		
3	Failure to submit reports on use and disbursement of capacity building funds.	\$500 per day per report
4	Failure to provide all other reports not related to capacity building funds as specified throughout this contract within the timeframes specified by the Department	\$100 per day per report
Request for Information, Directives		
5	Failure to respond to or comply with any formal written requests for information or a directive made by the Department within the timeframe provided by the Department.	\$500 per incident that the Department determines the Contractor is not in compliance and \$500 per after ten (10) days
Privacy and Security		
6	Failure by the Contractor to timely report violations in the access, use and disclosure of PHI or timely report a security incident or timely make a notification of breach or notification of provisional breach.	Unless otherwise provided by Federal or State law, regulation or policy, \$250 per enrollee per occurrence

The Department reserves the right to establish additional service level agreements (SLAs) or performance metrics and liquidated damages for non-compliance or underperformance.

By signing the RFP Execution page, the Offeror agrees to adhere to any SLAs or performance metrics and accompanying liquidated damages required by the Department.

ATTACHMENT R: CERTIFICATION OF FINANCIAL CONDITION AND LEGAL ACTION SUMMARY

The Offeror must complete and sign this Attachment and include the required documents as indicated herein.

The undersigned hereby certifies that:

- The Offeror has included the following documents with this completed *Certification Of Financial Condition And Legal Action Summary*.
 - a. Audited or reviewed financial statements (preferably audited) prepared by an independent Certified Public Accountant (CPA for the two most recent fiscal years, including at a minimum balance sheet, income statement, and cash flow statement for each year. Must provide the contact information for the CPA/audit firm.
 - b. The current Month End Balance Sheet and Year-to-Date Income Statement at the time of proposal submission.
 - c. The most recent corporate tax filing OR independent audit report. If submitting the independent audit report, it must include contact information for the audit firm.
- The Offeror is in sound financial condition and, if applicable, has received an unqualified audit opinion for the latest audit of its financial statements.
- The Offeror has included a brief statement outlining and describing its financial stability.
- The Offeror has no outstanding liabilities, including tax and judgment liens, to the Internal Revenue Service or any other government entity.
- The Offeror is current in all amounts due for payments of federal and state taxes and required employment-related contributions and withholdings.
- The Offeror is not the subject of any current litigation or findings of noncompliance under federal or state law.
- The Offeror has not been the subject of any past or current litigation, findings in any past litigation, or findings of noncompliance under federal or state law that may impact in any way its ability to fulfill the requirements of this Contract.
- The Offeror acknowledges that this is a continuing certification, and the Offeror shall notify the Department within fifteen (15) calendar days of any material change to any of the representations made herein.

If any one or more of the foregoing boxes is NOT checked, the Offeror shall explain the reason in the space below:

Offerors are encouraged to explain any negative financial information in its financial statement below and are encouraged to provide documentation supporting those explanations:

By completing this Certification of Financial Condition and Legal Action Summary, the Offeror affirms the ability to financially support implementation and on-going costs associated with this Contract, and the individual signing certifies he or she is authorized to make the foregoing statements on behalf of the Offeror.

Signature

Date

Printed Name

ATTACHMENT S: STATE CERTIFICATIONS

Contractor Certifications Required by North Carolina Law

Instructions: The person who signs this document should read the text of the statutes and Executive Order listed below and consult with counsel and other knowledgeable persons before signing. The text of each North Carolina General Statutes and of the Executive Order can be found online at:

- Article 2 of Chapter 64:
http://www.ncga.state.nc.us/EnactedLegislation/Statutes/PDF/ByArticle/Chapter_64/Article_2.pdf
- G.S. 133-32: <http://www.ncga.state.nc.us/gascripts/statutes/statutelookup.pl?statute=133-32>
- Executive Order No. 24 (Perdue, Gov., Oct. 1, 2009):
<http://www.ethicscommission.nc.gov/library/pdfs/Laws/EO24.pdf>
- G.S. 105-164.8(b):
http://www.ncga.state.nc.us/EnactedLegislation/Statutes/PDF/BySection/Chapter_105/GS_105-164.8.pdf
- G.S. 143-48.5:
http://www.ncga.state.nc.us/EnactedLegislation/Statutes/HTML/BySection/Chapter_143/GS_143-48.5.html
- G.S. 143-59.1:
http://www.ncga.state.nc.us/EnactedLegislation/Statutes/PDF/BySection/Chapter_143/GS_143-59.1.pdf
- G.S. 143-59.2:
http://www.ncga.state.nc.us/EnactedLegislation/Statutes/PDF/BySection/Chapter_143/GS_143-59.2.pdf
- G.S. 143-133.3:
http://www.ncga.state.nc.us/EnactedLegislation/Statutes/HTML/BySection/Chapter_143/GS_143-133.3.html
- G.S. 143B-139.6C:
http://www.ncga.state.nc.us/EnactedLegislation/Statutes/PDF/BySection/Chapter_143B/GS_143B-139.6C.pdf

CERTIFICATIONS

- (1) **Pursuant to G.S. 133-32 and Executive Order No. 24 (Perdue, Gov., Oct. 1, 2009)**, the undersigned hereby certifies that the Contractor named below is in compliance with, and has not violated, the provisions of either said statute or Executive Order.
- (2) **Pursuant to G.S. 143-48.5 and G.S. 143-133.3**, the undersigned hereby certifies that the Contractor named below, and the Contractor's subcontractors, complies with the requirements of Article 2 of Chapter 64 of the NC General Statutes, including the requirement for each employer with more than 25 employees in North Carolina to verify the work authorization of its employees through the Federal E-Verify system." E-Verify System Link: www.uscis.gov
- (3) **Pursuant to G.S. 143-59.1(b)**, the undersigned hereby certifies that the Contractor named below is not an "ineligible Contractor" as set forth in G.S. 143-59.1(a) because:
 - (a) Neither the Contractor nor any of its affiliates has refused to collect the use tax levied under Article 5 of Chapter 105 of the General Statutes on its sales delivered to North Carolina when the sales met one or more of the conditions of G.S. 105-164.8(b); and
 - (b) [check one of the following boxes]
 - Neither the Contractor nor any of its affiliates has incorporated or reincorporated in a "tax haven country" as set forth in G.S. 143-59.1(c)(2) after December 31, 2001; or
 - The Contractor or one of its affiliates has incorporated or reincorporated in a "tax haven country" as set forth in G.S. 143-59.1(c)(2) after December 31, 2001 but the United States is not the principal market for the public trading of the stock of the corporation incorporated in the tax haven country.
- (4) **Pursuant to G.S. 143-59.2(b)**, the undersigned hereby certifies that none of the Contractor's officers, directors, or owners (if the Contractor is an unincorporated business entity) has been convicted of any

ATTACHMENT T: FEDERAL CERTIFICATIONS AND DISCLOSURES

The undersigned states that:

- (a) He or she is the duly authorized representative of the Contractor named below;
- (b) He or she is authorized to make, and does hereby make, the following certifications on behalf of the Contractor, as set out herein:
 - a. The Certification Regarding Nondiscrimination;
 - b. The Certification Regarding Drug-Free Workplace Requirements;
 - c. The Certification Regarding Environmental Tobacco Smoke;
 - d. The Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions; and
 - e. The Certification Regarding Lobbying;
- (c) He or she has completed the Certification Regarding Drug-Free Workplace Requirements by providing the addresses at which the contract work will be performed;
- (d) [Check the applicable statement]

He or she **has completed** the attached **Disclosure Of Lobbying Activities** because the Contractor **has made, or has an agreement to make**, a payment to a lobbying entity for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action;

OR

He or she **has not completed** the attached **Disclosure Of Lobbying Activities** because the Contractor **has not made, and has no agreement to make**, any payment to any lobbying entity for influencing or attempting to influence any officer or employee of any agency, any Member of Congress, any officer or employee of Congress, or any employee of a Member of Congress in connection with a covered Federal action.

- (e) The Contractor shall require its subcontractors, if any, to make the same certifications and disclosure.

Signature

Title

Contractor Name

Date

[This Certification Must be Signed by the Same Individual Who Signed the Proposal Execution Page]

I. Certification Regarding Nondiscrimination

The Contractor certifies that it will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (h) the Food Stamp Act and USDA policy, which prohibit discrimination on the basis of religion and political beliefs; and (i) the requirements of any other nondiscrimination statutes which may apply to this Agreement.

II. Certification Regarding Drug-Free Workplace Requirements

1. The Contractor certifies that it will provide a drug-free workplace by:
 - a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
 - b. Establishing a drug-free awareness program to inform employees about:
 - i. The dangers of drug abuse in the workplace;
 - ii. The Contractor's policy of maintaining a drug-free workplace;
 - iii. Any available drug counseling, rehabilitation, and employee assistance programs; and
 - iv. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
 - c. Making it a requirement that each employee be engaged in the performance of the agreement be given a copy of the statement required by paragraph (a);

- d. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the agreement, the employee will:
 - i. Abide by the terms of the statement; and
 - ii. Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five days after such conviction;
 - e. Notifying the Department within ten days after receiving notice under subparagraph (d)(ii) from an employee or otherwise receiving actual notice of such conviction;
 - f. Taking one of the following actions, within 30 days of receiving notice under subparagraph (d)(ii), with respect to any employee who is so convicted:
 - i. Taking appropriate personnel action against such an employee, up to and including termination; or
 - ii. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency; and
 - g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).
2. The sites for the performance of work done in connection with the specific agreement are listed below (list all sites; add additional pages if necessary):

Address

Street _____

City, State, Zip Code _____

Street _____

City, State, Zip Code _____

3. Contractor will inform the Department of any additional sites for performance of work under this agreement.

4. False certification or violation of the certification may be grounds for suspension of payment, suspension or termination of grants, or government-wide Federal suspension or debarment. 45 C.F.R. § 82.510.

III. Certification Regarding Environmental Tobacco Smoke

Public Law 103-227, Part C-Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000.00 per day and/or the imposition of an administrative compliance order on the responsible entity.

The Contractor certifies that it will comply with the requirements of the Act. The Contractor further agrees that it will require the language of this certification be included in any subawards that contain provisions for children's services and that all subgrantees shall certify accordingly.

IV. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier

Covered Transactions

Instructions

[The phrase "prospective lower tier participant" means the Contractor.]

1. By signing and submitting this document, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of the fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originate may pursue available remedies, including suspension and/or debarment.

3. The prospective lower tier participant will provide immediate written notice to the person to whom this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549, 45 C.F.R. Part 76. You may contact the person to whom this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter any lower tier covered transaction with a person who is debarred, suspended, determined ineligible or voluntarily excluded from participation in this covered transaction unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this document that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Non-procurement List.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized in paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension, and/or debarment.

Certification

1. **The prospective lower tier participant certifies**, by submission of this document, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

V. Certification Regarding Lobbying

The Contractor certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federally funded contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form SF-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award document for subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) who receive Federal funds of \$100,000.00 or more and that all subrecipients shall certify and disclose accordingly.
4. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000.00 and not more than \$100,000.00 for each such failure.

VI. Disclosure of Lobbying Activities

Instructions

This disclosure form shall be completed by the reporting entity, whether sub awardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any

agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Use the SF-LLL-A Continuation Sheet for additional information if the space on the form is inadequate. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.

1. Identify the status of the covered Federal action.
2. Identify the appropriate classification of this report. If this is a follow-up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
3. Enter the full name, address, city, state and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or sub-award recipient. Identify the tier of the sub awardee, e.g., the first sub awardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
4. If the organization filing the report in Item 4 checks "Sub awardee", then enter the full name, address, city, state and zip code of the prime Federal recipient. Include Congressional District, if known.
5. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
6. Enter the Federal program name or description for the covered Federal action (Item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
7. Enter the most appropriate Federal Identifying number available for the Federal action identified in Item 1 (e.g., Request for Proposal (RFP) number, Invitation for Bid (IFB) number, grant announcement number, the contract grant, or loan award number, the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
8. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in Item 4 or 5.

9. (a) Enter the full name, address, city, state and zip code of the lobbying entity engaged by the reporting entity identified in Item 4 to influence the covered Federal action.

(b) Enter the full names of the individual(s) performing services and include full address if different from 10(a). Enter Last Name, First Name and Middle Initial (MI).
10. Enter the amount of compensation paid or reasonably expected to be paid by the reporting entity (Item 4) to the lobbying entity (Item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report, enter the cumulative amount of payment made or planned to be made.
11. Check the appropriate boxes. Check all boxes that apply. If payment is made through an in-kind contribution, specify the nature and value of the in-kind payment.
12. Check the appropriate boxes. Check all boxes that apply. If other, specify nature.
13. Provide a specific and detailed description of the services that the lobbyist has performed, or will be expected to perform, and the date(s) of any services rendered. Include all preparatory and related activity, not just time spent in actual contact with Federal officials. Identify the Federal official(s) or employee(s) contacted or the officer(s), employee(s), or Member(s) of Congress that were contacted.
14. Check whether or not a SF-LLL-A Continuation Sheet(s) is attached.
15. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, D. C. 20503

Disclosure of Lobbying Activities
(Approved by OMB 0344-0046)

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

<p>1. Type of Federal Action:</p> <p><input type="checkbox"/> a. contract</p> <p><input type="checkbox"/> b. grant</p> <p><input type="checkbox"/> c. cooperative agreement</p> <p><input type="checkbox"/> d. loan</p> <p><input type="checkbox"/> e. loan guarantee</p> <p><input type="checkbox"/> f. loan insurance</p>	<p>2. Status of Federal Action:</p> <p><input type="checkbox"/> a. Bid/offer/application</p> <p><input type="checkbox"/> b. Initial Award</p> <p><input type="checkbox"/> c. Post-Award</p>	<p>3. Report Type:</p> <p><input type="checkbox"/> a. initial filing</p> <p><input type="checkbox"/> b. material change</p> <p>For Material Change Only:</p> <p>Year _____ Quarter _____</p> <p>Date Of Last Report: _____</p>
<p>4. Name and Address of Reporting Entity:</p> <p><input type="checkbox"/> Prime</p> <p><input type="checkbox"/> Sub awardee Tier (if known) _____</p> <p>Congressional District (if known) _____</p>		<p>5. If Reporting Entity in No. 4 is Sub awardee, Enter Name and Address of Prime:</p> <p>Congressional District (if known) _____</p>
<p>6. Federal Department/Agency:</p>	<p>7. Federal Program Name/Description:</p> <p>CFDA Number (if applicable) _____</p>	
<p>8. Federal Action Number (if known)</p>	<p>9. Award Amount (if known) \$</p>	
<p>10. a. Name and Address of Lobbying Entity (if individual, last name, first name, MI):</p> <p>(attach Continuation Sheet(s) SF-LLL-A, if necessary)</p>	<p>b. Individuals Performing Services (including address if different from No. 10a.) (last name, first name, MI):</p> <p>(attach Continuation Sheet(s) SF-LLL-A, if necessary)</p>	
<p>11. Amount of Payment (check all that apply):</p> <p>\$ _____ <input type="checkbox"/> actual <input type="checkbox"/> planned</p>	<p>13. Type of Payment (check all that apply):</p> <p><input type="checkbox"/> a. retainer</p> <p><input type="checkbox"/> b. one-time fee</p> <p><input type="checkbox"/> c. commission</p> <p><input type="checkbox"/> d. contingent fee</p> <p><input type="checkbox"/> e. deferred</p> <p><input type="checkbox"/> f. other; specify: _____</p>	
<p>12. Form of Payment (check all that apply):</p> <p><input type="checkbox"/> a. cash</p> <p><input type="checkbox"/> b. In-kind; specify: Nature _____</p> <p style="padding-left: 150px;">Value _____</p>		
<p>14. Brief Description of Services Performed or to be Performed and Date(s) of Services, including officer(s), employee(s), or Member(s) contacted, for Payment Indicated in Item 11(attach Continuation Sheet(s) SF-LLL-A, if necessary):</p>		
<p>15. Continuation Sheet(s) SF-LLL-A attached: <input type="checkbox"/> Yes <input type="checkbox"/> No</p>		
<p>16. Information requested through this form is authorized by title 31 U. S. C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U. S. C.</p>		<p>Signature: _____</p> <p>Print Name: _____</p>

1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Title: _____

Telephone No: _____ Date: _____

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Standard Form - LLL

ATTACHMENT U: DISCLOSURE OF LITIGATION AND CRIMINAL CONVICTIONS

The Offeror must provide information regarding litigation and criminal conviction in response to the RFP by completing this Disclosure of Litigation and Criminal Conviction Form.

1. The Offeror shall disclose if it, or any of its subcontractors, or their officers, directors, or Key Personnel who may provide Services under any contract awarded pursuant to this solicitation, have ever been convicted of a felony, or any crime involving moral turpitude, including, but not limited to fraud, misappropriation, or deception.
2. The Offeror shall disclose if it, or its any of its subcontractors, are the subject of any current litigation or investigations of noncompliance under Federal or State law.
3. The Offeror shall disclose any civil litigation, regulatory finding or penalty, arbitration, proceeding, or judgments against it or its subcontractors during the three (3) years preceding its offer that involve (1) Services or related goods similar to those provided pursuant to any contract and that involve a claim that may affect the viability or financial stability of the Contractor, or (2) a claim or written allegation of fraud by the Contractor or any subcontractor hereunder, arising out of their business activities, or (3) a claim or written allegation that the Contractor or any subcontractor violated any Federal, State or local statute, regulation or ordinance. Multiple lawsuits and or judgments against the Offeror or subcontractor shall be disclosed to the State to the extent they affect the financial solvency and integrity of the Offeror or subcontractor.
4. In the event the Offeror, an officer of the Offeror, or an owner of a twenty-five percent (25%) or greater share of the Offeror, is convicted of a criminal offense incident to the application for or performance of a State, public or private Contract or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of North Carolina employees; convicted under State or Federal antitrust statutes; or convicted of any other criminal offense which, in the sole discretion of the State, reflects upon the Offeror's business integrity, such Offeror shall be prohibited from entering into a contract for goods or Services with any department, institution, or agency of the State.
5. The Offeror shall disclose in the *Attachment R: Certification of Financial Condition and Legal Action Summary* any legal action that could adversely affect the Offeror's financial conditions or ability to meet the requirements of any Contract resulting from the RFP.

By signing the RFP, Offeror certifies that the information provided in response to the RFP is true to the best of its information and belief. Offeror agrees to notify Department of any changes to the information provided that arise prior to award of any Contract resulting from the RFP. By signing the RFP, Offeror further acknowledges the requirements set forth in the BACKGROUND CHECKS AND DISCLOSURE OF LITIGATION AND CRIMINAL CONVICTION OR ADVERSE FINANCIAL CONDITIONS term of the Contract and the resulting obligations should a Contract be awarded to the Offeror.

ATTACHMENT V: LOCATION OF WORKERS UTILIZED BY CONTRACTOR

Upon Contract Award, the successful Offeror becomes a Contractor providing goods and or services to the State. In addition to any other evaluation criteria identified in this RFP, the Department may, for purposes of evaluating proposed or actual contract performance outside of the United States, also consider how that performance may affect the following factors to ensure that any award will be in the best interest of the Department:

1. Total cost to the Department;
2. Level of quality provided by the Contractor;
3. Process and performance capability across multiple jurisdictions;
4. Protection of the State's information and intellectual property;
5. Availability of pertinent skills;
6. Ability to understand the Department's business requirements and internal operational culture;
7. Identified risk factors such as the security of the State's information technology;
8. Relations with citizens and employees; and
9. Contract enforcement jurisdictional issues.

In accordance with G.S. § 143-59.4, the Contractor shall detail the location(s) at which performance will occur, as well as the way it intends to utilize resources or workers outside of the United States in the performance of this Contract. The Department will evaluate the additional risks, costs, and other factors associated with such utilization prior to making an award. Items a, b, and c below **MUST BE COMPLETED**.

a) Will any work under this Contract be performed outside the United States?

YES NO

If the Contractor answered "YES" above, the Contractor shall complete items 1 and 2 below:

1. List the location(s) outside the United States where work under this Contract will be performed by the Contractor, any subcontractors, employees, or other persons performing work under the Contract:
2. Describe the corporate structure and location of corporate employees and activities of the Contractor, its affiliates, or any other subcontractors that will perform work outside the U.S.:

b) The Contractor agrees to provide notice, in writing to the Department, of the relocation of the Contractor, employees of the Contractor, subcontractors of the Contractor, or other persons performing services under the Contract outside of the United States

YES NO

NOTE: All Contractor or subcontractor personnel providing call or contact center services to the State of North Carolina under the Contract **shall** disclose to inbound callers the location from which the call or contact center services are being provided.

c) Identify all U.S. locations at which performance will occur:

Signature of Authorized Representative Name of Entity

Name and Title DATE

ATTACHMENT W: REQUEST FOR PROPOSED MODIFICATIONS TO THE TERMS AND CONDITIONS

As provided for in **Section II.C.3**, Offeror may submit proposed modifications to the terms and conditions of the RFP for consideration by the Department. The proposed modifications do not alter the terms and conditions of the RFP and have no force or effect on the RFP or any contract unless accepted by the Department and incorporated through a negotiation document, addenda to the RFP, or amendment to the Contract.

The Department, at its sole discretion, may consider any of the proposed modifications submitted in this Attachment.

The Offeror must check the appropriate box to indicate whether it is proposing modifications to the terms and conditions of the RFP:

The Offeror DOES NOT propose modifications.

OR

The Offeror DOES propose modifications as provided in the following table.

	RFP Citation	Redline of Proposed Modification
	(i.e., section & page number)	(i.e., include text as published in RFP and strikethrough words, phrases or sentences proposed to be deleted and underline words, phrases, or sentences proposed to be added)
1.		
2.		

ATTACHMENT X: BUSINESS ASSOCIATE AGREEMENT

NORTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES

DIVISION OF HEALTH BENEFITS

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (“Agreement”) is made effective upon the later of the execution dates of this Agreement (“Effective Date”) by and between North Carolina Department of Health and Human Services, Division of Health Benefits (“Covered Entity”) and _____ (“Business Associate”) (collectively the “Parties”).

1. BACKGROUND

- a. Covered Entity and Business Associate are Parties to a contract entitled: **Healthy Opportunities Lead Pilot Entity** (the “Contract”), whereby Business Associate agrees to perform certain services for or on behalf of Covered Entity.
- b. Covered Entity is an organizational unit of the North Carolina Department of Health and Human Services (the “Department”) that has been designated in whole or in part by the Department as a health care component for purposes of the HIPAA Privacy Rule.
- c. The relationship between Covered Entity and Business Associate is such that the Parties believe Business Associate is or may be a “business associate” within the meaning of the HIPAA Privacy Rule.
- d. The Parties enter into this Agreement with the intention of complying with the HIPAA Privacy Rule provision that a Covered Entity may disclose protected health information to a business associate and may allow a business associate to create or receive protected health information on its behalf, if the covered entity obtains satisfactory assurances that the business associate will appropriately safeguard the information.

2. DEFINITIONS

Unless some other meaning is clearly indicated by the context, the following terms shall have the following meaning in this Agreement:

- a. “Electronic Protected Health Information” shall have the same meaning as the term “electronic protected health information” in 45 C.F.R. § 160.103.
- b. “HIPAA” means the Administrative Simplification Provisions, Sections 261 through 264, of the federal Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, as modified and amended by the Health Information Technology for Economic and Clinical Health (“HITECH”) Act, Title XIII of Division A and Title IV of Division B of the American Recovery and Reinvestment Act of 2009, Public Law 111-5.

- c. "Individual" shall have the same meaning as the term "individual" in 45 C.F.R. § 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).
- d. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Part 160 and Part 164.
- e. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 C.F.R. § 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- f. "Required By Law" shall have the same meaning as the term "required by law" in 45 C.F.R. § 164.103.
- g. "Secretary" shall mean the Secretary of the United States Department of Health and Human Services or the person to whom the authority involved has been delegated.
- h. Unless otherwise defined in this Agreement, terms used herein shall have the same meaning as those terms have in the Privacy Rule.

3. OBLIGATIONS OF BUSINESS ASSOCIATE

- a. Business Associate agrees to not use or disclose Protected Health Information other than as permitted or required by this Agreement or as Required by Law.
- b. Business Associate agrees to use appropriate safeguards and comply, where applicable, with subpart C of 45 C.F.R. Part 164 with respect to electronic protected health information, to prevent use or disclosure of the Protected Health Information other than as provided for by this Agreement.
- c. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this Agreement.
- d. Business Associate agrees to report to Covered Entity any use or disclosure of the Protected Health Information not provided for by this Agreement of which it becomes aware, including breaches of unsecured protected health information as required by 45 C.F.R. § 164.410.
- e. Business Associate agrees, in accordance with 45 C.F.R. § 164.502(e)(1) and § 164.308(b)(2), to ensure that any subcontractors that create, receive, maintain, or transmit protected health information on behalf of Business Associate agree to the same restrictions and conditions that apply to Business Associate with respect to such information.
- f. Business Associate agrees to make available protected health information as necessary to satisfy Covered Entity's obligations in accordance with 45 C.F.R. § 164.524.
- g. Business Associate agrees to make available Protected Health Information for amendment and incorporate any amendment(s) to Protected Health Information in accordance with 45 C.F.R. § 164.526.

- h. Unless otherwise prohibited by law, Business Associate agrees to make internal practices, books, and records relating to the use and disclosure of Protected Health Information received from, or created or received, by Business Associate on behalf of, Covered Entity available to the Secretary for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule.
- i. Business Associate agrees to make available the information required to provide an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528.

4. PERMITTED USES AND DISCLOSURES

- a. Except as otherwise limited in this Agreement or by other applicable law or agreement, if the Contract permits, Business Associate may use or disclose Protected Health Information to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the Contract, provided that such use or disclosure:
 - 1) would not violate the Privacy Rule if done by Covered Entity; or
 - 2) would not violate the minimum necessary policies and procedures of the Covered Entity.
- b. Except as otherwise limited in this Agreement or by other applicable law or agreements, if the Contract permits, Business Associate may disclose Protected Health Information for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate, provided that:
 - 1) the disclosures are Required by Law; or
 - 2) Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and will be used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.
- c. Except as otherwise limited in this Agreement or by other applicable law or agreements, if the Contract permits, Business Associate may use Protected Health Information to provide data aggregation services to Covered Entity as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B).
- d. Notwithstanding the foregoing provisions, Business Associate may not use or disclose Protected Health Information if the use or disclosure would violate any term of the Contract or other applicable law or agreements.

5. TERM AND TERMINATION

- a. **Term.** This Agreement shall be effective as of the Effective Date stated above and shall terminate when the Contract terminates.
- b. **Termination for Cause.** Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity may, at its option:

- 1) Provide an opportunity for Business Associate to cure the breach or end the violation, and terminate this Agreement and services provided by Business Associate, to the extent permissible by law, if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity;
- 2) Immediately terminate this Agreement and services provided by Business Associate, to the extent permissible by law; or
- 3) If neither termination nor cure is feasible, report the violation to the Secretary as provided in the Privacy Rule.

c. Effect of Termination.

- 1) Except as provided in paragraph (2) of this section or in the Contract or by other applicable law or agreements, upon termination of this Agreement and services provided by Business Associate, for any reason, Business Associate shall return or destroy all Protected Health Information received from Covered Entity or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.
- 2) In the event that Business Associate determines that returning or destroying the Protected Health Information is not feasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction not feasible. Business Associate shall extend the protections of this Agreement to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

6. GENERAL TERMS AND CONDITIONS

- a. Except as provided in this Agreement, all applicable terms and conditions of the Contract shall remain in force and shall apply to this Agreement as if set forth fully herein.
- b. In the event of a conflict in terms between this Agreement and the Contract, the interpretation that is in accordance with the Privacy Rule shall prevail. In the event that a conflict then remains, the Contract terms shall prevail so long as they are in accordance with the Privacy Rule.
- c. A breach of this Agreement by Business Associate shall be considered sufficient basis for Covered Entity to terminate the Contract for cause.

IN WITNESS WHEREOF, the Parties, through their authorized representatives, execute this Agreement as of the Effective Date.

CONTRACTOR

Signature

Date

NORTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES, Division of Health Benefits

Dave Richard
Deputy Secretary
NC Medicaid

Date