

**State of Nebraska Department of Health and Human Services  
REQUEST FOR PROPOSAL FOR CONTRACTUAL SERVICES**

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RFP 115136 O3	March 20, 2023
<b>OPENING DATE AND TIME</b>	<b>PROCUREMENT CONTACT</b>
May 19, 2023, 2:00 p.m. Central Time	Dana Crawford-Smith

**PLEASE READ CAREFULLY!  
SCOPE OF SERVICE**

The State of Nebraska (State), Department of Health and Human Services (DHHS), is issuing this Request for Proposal (RFP) Number 115136 O3 for the purpose of selecting a qualified Contractor(s) to provide Pharmacy and Drug Rebate Services (PDRS). A more detailed description can be found in Section V. The resulting contract may not be an exclusive contract as the State reserves the right to contract for the same or similar services from other sources now or in the future.

The term of the contract(s) will be six (6) years commencing upon execution of the contract by the State and Contractor. The Contract includes the option to renew for three (3) additional two (2) year periods upon mutual agreement of the Parties. The State reserves the right to extend the period of this contract beyond the termination date when mutually agreeable to the Parties.

ALL INFORMATION PERTINENT TO THIS REQUEST FOR PROPOSAL CAN BE FOUND ON THE INTERNET AT:  
<https://das.nebraska.gov/materiel/bidopps.html>.

**IMPORTANT NOTICE:** Pursuant to Neb. Rev. Stat. § 84-602.04, State contracts in effect as of January 1, 2014, and contracts entered into thereafter, must be posted to a public website. The resulting contract, the RFP, and the successful bidder's proposal or response will be posted to a public website managed by DAS, which can be found at <http://statecontracts.nebraska.gov>.

In addition and in furtherance of the State's public records Statute (Neb. Rev. Stat. § 84-712 et seq.), all proposals or responses received regarding this RFP will be posted to the State Purchasing Bureau public website.

These postings will include the entire proposal or response. Contractor must request that proprietary information be excluded from the posting. The Bidder must identify the proprietary information, mark the proprietary information according to state law, and submit the proprietary information in a separate container or envelope marked conspicuously using an indelible method with the words "PROPRIETARY INFORMATION". The Bidder must submit a detailed written document showing that the release of the proprietary information would give a business advantage to named business competitor(s) and explain how the named business competitor(s) will gain an actual business advantage by disclosure of information. The mere assertion that information is proprietary or that a speculative business advantage might be gained is not sufficient. (See Attorney General Opinion No. 92068, April 27, 1992) **THE BIDDER MAY NOT ASSERT THAT THE ENTIRE PROPOSAL IS PROPRIETARY. COST PROPOSALS WILL NOT BE CONSIDERED PROPRIETARY AND ARE A PUBLIC RECORD IN THE STATE OF NEBRASKA.** The State will then determine, in its discretion, if the interests served by nondisclosure outweighs any public purpose served by disclosure. (See Neb. Rev. Stat. § 84-712.05(3)) The Contractor will be notified of the agency's decision. Absent a State determination that information is proprietary, the State will consider all information a public record subject to release regardless of any assertion that the information is proprietary.

If the agency determines it is required to release proprietary information, the Bidder will be informed. It will be the Bidder's responsibility to defend the Bidder's asserted interest in non-disclosure.

To facilitate such public postings, with the exception of proprietary information, the State of Nebraska reserves a royalty-free, nonexclusive, and irrevocable right to copy, reproduce, publish, post to a website, or otherwise use any contract, proposal, or response to this RFP for any purpose, and to authorize others to use the documents. Any individual or entity awarded a contract, or who submits a proposal or response to this RFP, specifically waives any copyright or other protection the contract, proposal, or response to the RFP may have; and, acknowledges that they have the ability and authority to enter into such waiver. This reservation and waiver is a prerequisite for submitting a proposal or response to this RFP, and award of a contract. Failure to agree to the reservation and waiver will result in the proposal or response to the RFP being found non-responsive and rejected.

Any entity awarded a contract or submitting a proposal or response to the RFP agrees not to sue, file a claim, or make a demand of any kind, and will indemnify and hold harmless the State and its employees, volunteers, agents, and its elected and appointed officials from and against any and all claims, liens, demands, damages, liability, actions, causes of action, losses, judgments, costs, and expenses of every nature, including investigation costs and expenses, settlement costs, and attorney fees and expenses, sustained or asserted against the State, arising out of, resulting from, or attributable to the posting of the contract or the proposals and responses to the RFP, awards, and other documents.

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## GLOSSARY OF TERMS

**Acceptance Test Procedure:** Benchmarks and other performance criteria, developed by the State of Nebraska or other sources of testing standards, for measuring the effectiveness of products or services and the means used for testing such performance.

**Actual Acquisition Cost:** The purchase price of a drug paid by the pharmacy net of discounts, rebates, chargebacks and other adjustments to the price of the drug.

**Addendum:** Something to be added or deleted to an existing document; a supplement.

**After Action Report:** A detailed critical summary of analysis of a past event made for the purpose of reassessing decisions and considering possible alternatives for future reference.

**After Receipt of Order (ARO):** After Receipt of Order

**Agency:** Any state agency, board, or commission other than the University of Nebraska, the Nebraska State colleges, the courts, the Legislature, or any other office or agency established by the Constitution of Nebraska.

**Agent/Representative:** A person authorized to act on behalf of another.

**Amend:** To alter or change by adding, subtracting, or substituting.

**Amendment:** A written correction or alteration to a document.

**Americans with Disabilities Act:** A civil right law that prohibits discrimination against individuals with disabilities in all areas of public life, including jobs, schools, transportation, and all public and private places that are open to the general public.

**Appropriation:** Legislative authorization to expend public funds for a specific purpose. Money set apart for a specific use.

**Average Wholesale Price:** A pharmaceutical term that describes the average price paid by a retailer to buy a drug from the wholesaler.

**Best and Final Offer (BAFO):** In a competitive bid, the final offer submitted which contains the contractor's (vendor's) most favorable terms for price.

**Bid/Proposal:** The offer submitted by a vendor in a response to a written RFP.

**Bidder:** A vendor who submits a proposal in response to a written RFP.

**Business:** Any corporation, partnership, individual, sole proprietorship, joint-stock company, joint venture, or any other private legal entity.

**Business Continuity and Disaster Recovery Plan:** Policies and procedures that ensure essential business and IT functions and processes are available during and after a disaster.

**Business Day:** Any weekday, except state-recognized holidays.

**Calendar Day:** Every day shown on the calendar including Saturdays, Sundays, and state/federal holidays.

**Cancellation:** To call off or revoke a purchase order without expectation of conducting or performing it at a later time.

**Center for Medicare and Medicaid Services:** Federal agency that administers the nation's major healthcare programs including Medicare, Medicaid, and CHIP.

**Change Order:** Document that requests changes to the Pharmacy, Preferred Drug List, Medicaid Drug Rebate, or Drug Utilization Review Solutions in some way that may affect functions, costs or timeline. May be submitted by either DHHS or Contractor. May require an amendment or addendum if approved.

**Collusion:** An agreement or cooperation between two or more persons or entities to accomplish a fraudulent, deceitful, or unlawful purpose.

**Commodities Description:** Detailed descriptions of the items to be purchased; may include information necessary to obtain the desired quality, type, color, size, shape, or special characteristics necessary to perform the work intended to produce the desired results.

**Competition:** The effort or action of two or more commercial interests to obtain the same business from third parties.

**Confidential Information:** Unless otherwise defined below, "Confidential Information" shall also mean proprietary trade secrets, academic and scientific research work which is in progress and unpublished, and other information which if released would give advantage to business competitors and serve no public purpose (see Neb. Rev. Stat. §84-712.05(3)). In accordance with Nebraska Attorney General Opinions 92068 and 97033, proof that information is proprietary requires identification of specific, named competitor(s) who would be advantaged by release of the information and the specific advantage the competitor(s) would receive.

**Contract:** An agreement between two or more parties creating obligations that are enforceable or otherwise recognizable at law; the writing that sets forth such an agreement.

**Contract Administration:** The management of the contract which includes and is not limited to; contract signing, contract amendments and any necessary legal actions.

**Contract Award:** Occurs upon execution of the State document titled "Service Contract Award" by the proper authority.

**Contract Management:** The management of day to day activities at the agency which includes and is not limited to ensuring deliverables are received, specifications are met, handling meetings and making payments to the Contractor.

**Contract Period:** The duration of the contract.

**Contractor:** Any individual or entity having a contract to furnish commodities or services.

**Copyright:** A property right in an original work of authorship fixed in any tangible medium of expression, giving the holder the exclusive right to reproduce, adapt and distribute the work.

**Critical Program Error:** Any Program Error, whether or not known to the State, which prohibits or significantly impairs use of the Licensed Software as set forth in the documentation and intended in the contract.

**Customer Service:** The process of ensuring customer satisfaction by providing assistance and advice on those products or services provided by the Contractor. Also includes telephone center and email support for all providers, participants and solution users.

**Customer Information Control System (CICS):** – a general-purpose transaction processing subsystem for the z/OS operating system.

**Default:** The omission or failure to perform a contractual duty.

**Deviation:** Any proposed change(s) or alteration(s) to either the terms and conditions or deliverables within the scope of the written RFP or contract.

**Drug Utilization Review:** Is a structured, ongoing program that interprets patterns of drug use in Medicaid programs and includes prospective drug review, retrospective drug use review, data assessment of drug use against predetermined and standards, and ongoing educational outreach activities conducted by Medicaid state agencies, managed health care systems, pharmacy benefit managers, academic institutions and/or other applicable stakeholders.

**Evaluation:** The process of examining an offer after opening to determine the vendor's responsibility, responsiveness to requirements, and to ascertain other characteristics of the offer that relate to determination of the successful award.

**Evaluation Committee:** Committee(s) appointed by the requesting agency that advises and assists the procuring office in the evaluation of proposals/proposals (offers made in response to written RFPs).

**Extension:** Continuance of a contract for a specified duration upon the agreement of the parties beyond the original Contract Period. Not to be confused with "Renewal Period".

**Federal Medical Assistance Percentage for Medicaid (FMAP):** CMS has declared that since the PDRS solution implementation is mandated by federal law that FMAP assistance can be used to fund the project if the solution meets all selected certification requirements.

**Federal Upper Limit:** Federal payment ceiling that applies to drugs with three or more generic versions.

**Fee for Service:** When states directly pay physicians, clinics, hospitals, and other medical providers a fee for each service

they provide their patients with Medicaid plans.

**Free on Board (F.O.B.) Destination:** The delivery charges are included in the quoted price and prepaid by the vendor. Vendor is responsible for all claims associated with damages during delivery of product.

**Free on Board (F.O.B.) Point of Origin:** The delivery charges are not included in the quoted price and are the responsibility of the agency. Agency is responsible for all claims associated with damages during delivery of product.

**Foreign Corporation:** A foreign corporation that was organized and chartered under the laws of another state, government, or country.

**Generic Code Number:** A standard number assigned by a drug pricing service.

**Generic Product Identifier:** A 14-character hierarchical classification system, which identifies drugs from their primary therapeutic use down to the unique interchangeable product regardless of manufacturer or pack size.

**Generic Sequence Number:** A generic code sequence number or unique clinical formulation identification number assigned to each different combination of ingredient(s), strength, dosage form, and route of administration for a drug formulation.

**Go Live:** Point in time when code is moved from the test environment to the production environment and the solution is available for use.

**Healthcare Common Procedure System:** Collection of standardized codes that represent medical procedures, supplies, products, and services.

**Installation Date:** The date when the procedures described in "Installation by Contractor", and "Installation by State", as found in the RFP, or contract, are completed.

**Interested Party:** A person, acting in their personal capacity, or an entity entering into a contract or other agreement creating a legal interest therein.

**Late Bid/Proposal:** An offer received after the Opening Date and Time.

**Licensed Software Documentation:** The user manuals and any other materials in any form or medium customarily provided by the Contractor to the users of the Licensed Software which will provide the State with sufficient information to operate, diagnose, and maintain the Licensed Software properly, safely, and efficiently.

**Managed Care Organization:** Health plan with a group of doctors and other providers working together to give health services to its members.

**Mandatory/Must:** Required, compulsory, or obligatory.

**Maximum Allowable Cost:** A standard measure used by Pharmacy Benefit Managers to calculate the reimbursement for retail pharmacies in their network.

**May:** Discretionary, permitted; used to express possibility.

**Member:** Individual who is a recipient of Nebraska's Medicaid program.

**Medicaid Drug Rebate:** The Medicaid Drug Rebate Program is a program that included Centers for Medicaid & Medicare Services (CMS), state Medicaid agencies, and participating drug manufacturers that helps to offset the federal and state costs of most outpatient prescription drugs dispensed to Medicaid patients.

**Medicaid Eligibility Group:** Defined by the populations they cover and the financial criteria that apply. Some eligibility groups are mandated by federal law and others may be covered at state option.

**Module (see System):** A collection of routines and data structures that perform a specific function of software.

**Must:** See Mandatory/ Must and Shall/Will/Must.

**National Average Drug Acquisition Cost:** Based on the retail price survey and focuses on the retail community pharmacy acquisition costs.

**National Council for Prescription Drug Programs:** An American National Standards Institute-accredited, standards

development organization providing healthcare solutions.

**National Drug Code:** Unique three-segmented number used to identify and report drugs.

**Nebraska Medical Assistance Program:** A program that is jointly funded by the state and the federal government to provide medical coverage to those who meet certain categorical eligibility criteria and who cannot afford to pay for medically necessary services.

**Open Market Purchase:** Authorization may be given to an agency to purchase items above direct purchase authority due to the unique nature, price, quantity, location of the using agency, or time limitations by the AS Materiel Division, State Purchasing Bureau.

**Opening Date and Time:** Specified date and time for the public opening of received, labeled, and sealed formal proposals.

**Operating System:** The control program in a computer that provides the interface to the computer hardware and peripheral devices, and the usage and allocation of memory resources, processor resources, input/output resources, and security resources.

**Outsourcing:** The contracting out of a business process which an organization may have previously performed internally or has a new need for, to an independent organization from which the process is purchased back.

**Performance Bond:** An insurance agreement, accompanied by a monetary commitment, by which a third party (the surety) accepts liability and guarantees that the Contractor fulfills any and all obligations under the contract.

**Pharmacy Benefit Manager:** A specific hardware and Operating System combination that is different from other hardware and Operating System combinations to the extent that a different version of the Licensed Software product is required to execute properly in the environment established by such hardware and Operating System combination.

**Platform:** A specific hardware and Operating System combination that is different from other hardware and Operating System combinations to the extent that a different version of the Licensed Software product is required to execute properly in the environment established by such hardware and Operating System combination.

**Point of Contact (POC):** The person designated to receive communications and to communicate.

**Pre-Bid/Pre-Proposal Conference:** A meeting scheduled for the purpose of clarifying a written RFP and related expectations.

**Preferred Drug List:** A list of medications that Medicaid will cover the cost for without the need to request a prior authorization and are comprised of medications that either are generic formulations or are the result of price negotiations between pharmaceutical companies and Medicaid.

**Prior Authorization:** Is a health plan cost-control process by which physicians and other health care providers must obtain advance approval from a health plan of state Medicaid before a specific service is delivered to the patient to qualify for payment coverage.

**Prior Quarter Adjustment Statement:** Mandated for use by labelers to uniformly explain prior quarter actions/payments/credits to states.

**Product:** Something that is distributed commercially for use or consumption and that is usually (1) tangible personal property, (2) the result of fabrication or processing, and (3) an item that has passed through a chain of commercial distribution before ultimate use or consumption.

**Program Error:** Code in Licensed Software which produces unintended results or actions, or which produces results or actions other than those described in the specifications. A program error includes, without limitation, any Critical Program Error.

**Program Set:** The group of programs and products, including the Licensed Software specified in the RFP, plus any additional programs and products licensed by the State under the contract for use by the State.

**Project:** The total scheme, program, or method worked out for the accomplishment of an objective, including all documentation, commodities, and services to be provided under the contract.

**Project Management Plan:** A Formal approved document that defines the overall plan for how the project will be executed, monitored and controlled.

**Proposal:** See Bid/Proposal.

**Proprietary Information:** Proprietary information is defined as trade secrets, academic and scientific research work which is in progress and unpublished, and other information which if released would give advantage to business competitors and serves no public purpose (see Neb. Rev. Stat. § 84-712.05(3)). In accordance with Attorney General Opinions 92068 and 97033, proof that information is proprietary requires identification of specific named competitor(s) advantaged by release of the information and the demonstrated advantage the named competitor(s) would gain by the release of information.

**Protest/Grievance:** A complaint about a governmental action or decision related to a RFP or resultant contract, brought by a vendor who has timely submitted a bid or proposal response in connection with the award in question, to AS Materiel Division or another designated agency with the intention of achieving a remedial result.

**Public Proposal Opening:** The process of opening correctly submitted offers at the time and place specified in the written RFP and in the presence of anyone who wished to attend.

**Recommended Hardware Configuration:** The data processing hardware (including all terminals, auxiliary storage, communication, and other peripheral devices) to the extent utilized by the State as recommended by the Contractor.

**Reconciliation of State Invoices:** Form used by all labelers when responding to the State's current quarter invoice.

**Release Date:** The date of public release of the written RFP to seek offers.

**Renewal Period:** Optional contract periods subsequent to the original Contract Period for a specified duration with previously agreed to terms and conditions. Not to be confused with Extension.

**Request for Proposal (RFP):** A written RFP utilized for obtaining competitive offers.

**Requirements Traceability Matrix:** Document that demonstrates the relationship between requirements and other artifacts. It's used to prove that requirements have been fulfilled

**Responsible Contractor:** A contractor who has the capability in all respects to perform fully and lawfully all requirements with integrity and reliability to assure good faith performance.

**Responsive Contractor:** A contractor who has submitted a proposal which conforms to all requirements of the RFP document.

**Shall/Will/Must:** An order/command; mandatory.

**Should:** Expected; suggested, but not necessarily mandatory.

**Software License:** Legal instrument with or without printed material that governs the use or redistribution of licensed software.

**Sole Source – Services:** A service of such a unique nature that the vendor selected is clearly and justifiably the only practical source to provide the service. Determination that the vendor selected is justifiably the sole source is based on either the uniqueness of the service or sole availability at the location required.

**Specifications:** The detailed statement, especially of the measurements, quality, materials, and functional characteristics, or other items to be provided under a contract.

**State Maximum Allowable Costs:** Rates established with the assistance of a vendor using CMS approved methodology. Applied to both brand and generic drug products in each drug group.

**Statutory:** These clauses are controlled by state law and are not subject to negotiation.

**Subcontractor:** Individual or entity with whom the contractor enters a contract to perform a portion of the work awarded to the contractor.

**System (see Module):** Any collection or aggregation of two (2) or more Modules that is designed to function, or is represented by the Contractor as functioning or being capable of functioning, as an entity.

**Termination:** Occurs when either Party, pursuant to a power created by agreement or law, puts an end to the contract prior to the stated expiration date. All obligations which are still executory on both sides are discharged but any right based on prior breach or performance survives.



**Third Party:** Any person or entity, including but not limited to fiduciaries, shareholders, owners, officers, managers, employees, legally disinterested persons, and sub-contractors or agents, and their employees. It shall not include any entity or person who is an interested Party to the contract or agreement.

**Trade Secret:** Information, including, but not limited to, a drawing, formula, pattern, compilation, program, device, method, technique, code, or process that (a) derives independent economic value, actual or potential, from not being known to, and not being ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy (see Neb. Rev. Stat. §87-502(4)).

**Trademark:** A word, phrase, logo, or other graphic symbol used by a manufacturer or vendor to distinguish its product from those of others, registered with the U.S. Patent and Trademark Office.

**Upgrade:** Any change that improves or alters the basic function of a product or service.

**Unit Rebate Amount:** Calculation performed by the Center for Medicare and Medicaid Services Medicaid Drug Program using the drug manufacturers pricing.

**Vendor:** An individual or entity lawfully conducting business in the State of Nebraska, or licensed to do so, who seeks to provide goods or services under the terms of a written RFP.

**Will:** See Shall/Will/Must.

**Work Day:** See Business Day.

## ACRONYM LIST

<b>AAC:</b>	<b>Actual Acquisition Cost</b>
<b>AAR:</b>	After Action Report
<b>ACH:</b>	Automated Clearing House
<b>ADA:</b>	Americans with Disability Act
<b>API:</b>	Application Program Interface
<b>ARO:</b>	After Receipt of Order
<b>AWP:</b>	Average Wholesale Price
<b>BAFO:</b>	Best and Final Offer
<b>BC/DR:</b>	Business Continuity and Disaster Recovery
<b>BI:</b>	Business Intelligence
<b>CICS:</b>	Customer Information Control System
<b>CMS:</b>	Centers for Medicare and Medicaid Services
<b>COBOL:</b>	Common Business-Oriented Language
<b>COTS:</b>	Commercial off the shelf
<b>DAS:</b>	Department of Administrative Services
<b>DDI:</b>	Design, Development, and Implementation
<b>DHHS:</b>	Nebraska Department of Health and Human Services
<b>DMA:</b>	Data Management and Analytics
<b>DR:</b>	Disaster Recovery
<b>DSS:</b>	Decision Support Services
<b>DUR:</b>	Drug Utilization Review
<b>ECI:</b>	External Call Interface
<b>EDI:</b>	Electronic Data Interchange
<b>EES:</b>	Eligibility and Enrollment Systems
<b>EOL:</b>	End of Life
<b>EOS:</b>	End of Support
<b>ePHI:</b>	Electronic Protected Health Information
<b>EVV:</b>	Electronic Visit Verification
<b>FEA:</b>	Fiscal Employer Agent
<b>FFS:</b>	Fee for Service
<b>FIPS:</b>	Federal Information Processing Standards

<b>FMAP:</b>	Federal Medical Assistance Percentage
<b>FMS:</b>	Financial Management Services
<b>FTI:</b>	Federal Tax Information
<b>FUL:</b>	Federal Upper Limit
<b>GCN:</b>	Generic Code Number
<b>GPI:</b>	Generic Product Identifier
<b>GSN:</b>	Generic Sequence Number
<b>HCPCS:</b>	Healthcare Common Procedures Coding System
<b>HHS:</b>	U.S. Department of Health and Human Services
<b>HITECH:</b>	Health Information Technology for Economic and Clinical Health
<b>HIPAA:</b>	Health Insurance Portability and Accountability Act
<b>ICD:</b>	Interface Control Document
<b>IS&amp;T:</b>	Information Systems and Technology
<b>IV&amp;V:</b>	Independent verification and validation
<b>LDM:</b>	Logical Data Model
<b>MAC:</b>	Maximum Allowable Cost
<b>MCI:</b>	Master Client Index
<b>MCO:</b>	Managed Care Organization
<b>MDM:</b>	Master Data Management
<b>MDRP:</b>	Medicaid Drug Rebate Program
<b>MECT:</b>	Medicaid Enterprise Certification Toolkit
<b>MEG:</b>	Medicaid Eligibility Group
<b>MITA:</b>	Medicaid Information Technology Architecture
<b>MLTC:</b>	Medicaid and Long-Term Care
<b>MMIS:</b>	Medicaid Management Information Systems
<b>MPI:</b>	Master Provider Index
<b>NADAC:</b>	National Average Drug Acquisition Cost
<b>NCPDP:</b>	National Council for Prescription Drug Programs
<b>NDC:</b>	National Drug Code
<b>N-FOCUS:</b>	Nebraska Family Online Client User System
<b>NITC:</b>	Nebraska Information Technology Commission
<b>NMAP:</b>	Nebraska Medical Assistance Program

<b>NPI:</b>	National Provider Identifier
<b>NTRAC:</b>	Nebraska, Timely, Responsive, Accurate, Customer Service
<b>OCIO:</b>	Office of the Chief Information Officer
<b>PA:</b>	Prior Authorization
<b>PBM:</b>	Pharmacy Benefit Manager
<b>PDL:</b>	Preferred Drug List
<b>PHI:</b>	Protected Health Information
<b>PII:</b>	Personally Identifiable Information
<b>PMBOK:</b>	Project Management Body of Knowledge
<b>PMI:</b>	Project Management Institute
<b>PMP:</b>	Project Management Plan
<b>PMPM:</b>	Per Member per Month
<b>POS:</b>	Point of Sale
<b>PQAS:</b>	Prior Quarter Adjustment Statement
<b>PS&amp;E:</b>	Provider Screening and Enrollment
<b>RFI:</b>	Request for Information
<b>RFP:</b>	Request for Proposal
<b>ROSI:</b>	Reconciliation of State Invoices
<b>RPO:</b>	Recovery Point Objective
<b>RTM:</b>	Requirements Traceability Matrix
<b>RTO:</b>	Return to Operation
<b>SaaS:</b>	Software as a Service
<b>SMA:</b>	State Medicaid Agency
<b>SMAC:</b>	State Maximum Allowable Costs
<b>SPB:</b>	State Purchasing Bureau
<b>SSA:</b>	Social Security Administration
<b>TC:</b>	Therapeutic Class
<b>UPS:</b>	Uninterruptible Power Supply
<b>URA:</b>	Unit Rebate Amount
<b>WSRR:</b>	WebSphere Service Registry and Repository

## **I. PROCUREMENT PROCEDURE**

### **A. GENERAL INFORMATION**

The RFP is designed to solicit proposals from qualified Bidder(s) who will be responsible for providing pharmacy and drug rebate services at a competitive and reasonable cost. Terms and Conditions, Project Description and Scope of Work, Proposal instructions, and Cost Proposal Requirements may be found in Sections II through VI.

Proposals shall conform to all instructions, conditions, and requirements included in the RFP. Prospective bidders are expected to carefully examine all documents, schedules, and requirements in this RFP, and respond to each requirement in the format prescribed. Proposals may be found non-responsive if they do not conform to the RFP.

### **B. PROCURING OFFICE AND COMMUNICATION WITH STATE STAFF AND EVALUATORS**

Procurement responsibilities related to this RFP reside with State Purchasing Bureau. The point of contact (POC) for the procurement is as follows:

Name: Dana Crawford-Smith  
Agency: DHHS  
Address: 301 Centennial Mall S  
Lincoln, NE 68508

Telephone: 402-471-7575

E-Mail: [dhhs.rfpquestions@nebraska.gov](mailto:dhhs.rfpquestions@nebraska.gov)

From the date the RFP is issued until the Intent to Award is issued, communication from the Bidder(s) is limited to the POC listed above. After the Intent to Award is issued, the Bidder(s) may communicate with individuals the State has designated as responsible for negotiating the contract on behalf of the State. No member of the State Government, employee of the State, or member of the Evaluation Committee is empowered to make binding statements regarding this RFP. The POC will issue any answers, clarifications or amendments regarding this RFP in writing. Only the SPB or awarding agency can award a contract. Bidders shall not have any communication with or attempt to communicate or influence any evaluator involved in this RFP.

The following exceptions to these restrictions are permitted:

1. Contact made pursuant to pre-existing contracts or obligations;
2. Contact required by the schedule of events or an event scheduled later by the RFP POC; and
3. Contact required for negotiation and execution of the final contract.

*The State reserves the right to reject a bidder's proposal, withdraw an Intent to Award, or terminate a contract if the State determines there has been a violation of these procurement procedures.*

**C. SCHEDULE OF EVENTS**

The State expects to adhere to the procurement schedule shown below, but all dates are approximate and subject to change.

ACTIVITY		DATE/TIME
1.	Release RFP	03/20/2023
2.	Notification of Intent to Attend Pre-Proposal Conference	03/24/2023
3.	Pre-Proposal Conference (optional) Webex meeting: <a href="https://sonvideo.webex.com/sonvideo/j.php?MTID=m7d8262a248200bac1d56e415bef45c57">https://sonvideo.webex.com/sonvideo/j.php?MTID=m7d8262a248200bac1d56e415bef45c57</a>	03/27/2023 10:00 a.m.
4.	Last day to submit written questions	04/03/2023
5.	Last day to submit "Notification of Intent To Submit a Proposal" (Required)	04/03/2023
6.	State responds to written questions through RFP "Addendum" and/or "Amendment" to be posted to the Internet at: <a href="https://das.nebraska.gov/materiel/bidopps.html">https://das.nebraska.gov/materiel/bidopps.html</a>	04/17/2023
7.	Proposal Opening Location: <a href="https://sonvideo.webex.com/sonvideo/j.php?MTID=m7dd622fbc1757d62b43497ee6406b9a5">https://sonvideo.webex.com/sonvideo/j.php?MTID=m7dd622fbc1757d62b43497ee6406b9a5</a>	05/19/2023 2:00 PM Central Time
8.	Review for conformance to RFP requirements	05/25/2023
9.	Evaluation period	05/25/2023 – 07/21/2023
10.	"Oral Interviews/Presentations and/or Demonstrations" (if required)	07/24/2023 – 08/08/2023
11.	Post "Notification of Intent(s) to Award" to Internet at: <a href="https://das.nebraska.gov/materiel/bidopps.html">https://das.nebraska.gov/materiel/bidopps.html</a>	08/09/2022
12.	Contract finalization period	08/09/2023 – 10/06/2023
13.	CMS Review and Approval of Contract	10/09/2023 – 12/08/2023
14.	Contract award	12/29/2023
15.	Contractor start date	01/02/2024

**D. WRITTEN QUESTIONS AND ANSWERS**

Questions regarding the meaning or interpretation of any RFP provision must be submitted in writing to State Purchasing Bureau and clearly marked "RFP Number 115136 O3; PDRS Questions". The POC is not obligated to respond to questions that are received late per the Schedule of Events.

Bidders should present, as questions, any assumptions upon which the bidder's proposal is or might be developed. Proposals will be evaluated without consideration of any known or unknown assumptions of a Bidder. The contract will not incorporate any known or unknown assumptions of a Bidder.

It is preferred that questions be sent via e-mail to [dhhs.rfpquestions@nebraska.gov](mailto:dhhs.rfpquestions@nebraska.gov), but may be delivered by hand or by U.S. Mail. It is required that bidders submit questions using the following format.

RFP Section Reference	RFP Page Number	RFP Text	Question

Written answers will be posted at <https://das.nebraska.gov/materiel/bidopps.html> per the Schedule of Events.

**E. PRE-PROPOSAL CONFERENCE**

A pre-proposal conference will be held per the Schedule of Events. Attendance at the pre-proposal conference is optional. Bidders will have an opportunity to ask questions at the conference to assist in the clarification and understanding of the Request for Proposal requirements. Questions that have a material impact on the Request for Proposal or process, and questions that are relevant to all bidders, will be answered in writing and posted at <https://das.nebraska.gov/materiel/bidopps.html>. An answer must be posted to be binding on the State. The State will attempt to provide verbal answers to questions that do not impact the Request for Proposal or process and are only of interest to an individual bidder during the conference. If a bidder feels it necessary to have a binding answer to a question that was answered verbally, the question should be submitted in writing per the Schedule of Events.

**F. NOTIFICATION OF INTENT TO SUBMIT A PROPOSAL**

Bidders who intend to submit a proposal should complete a "Notification of Intent to Submit a Proposal Form" (see Form C) and deliver the form by hand or U.S. mail to the POC for the RFP per the Schedule of Events. A list of Bidders who submitted a Notification of Intent to Submit a Proposal will be posted on the Internet at <https://das.nebraska.gov/materiel/bidopps.html>.

**G. SECRETARY OF STATE/TAX COMMISSIONER REGISTRATION REQUIREMENTS (Statutory)**

All bidders must be authorized to transact business in the State of Nebraska and comply with all Nebraska Secretary of State Registration requirements. The Bidder who is the recipient of an Intent to Award will be required to certify that it has complied and produce a true and exact copy of its current (within ninety (90) calendar days of the intent to award) Certificate or Letter of Good Standing, or in the case of a sole proprietorship, provide written documentation of sole proprietorship and complete the United States Citizenship Attestation Form, available on the Department of Administrative Services website at <http://das.nebraska.gov/materiel/purchasing.html>. This must be accomplished prior to execution of the contract.

**H. ETHICS IN PUBLIC CONTRACTING**

The State reserves the right to reject proposals, withdraw an intent to award or award, or terminate a contract if a Bidder commits or has committed ethical violations, which include, but are not limited to:

1. Offering or giving, directly or indirectly, a bribe, fee, commission, compensation, gift, gratuity, or anything of value to any person or entity in an attempt to influence the bidding process;
2. Utilize the services of lobbyists, attorneys, political activists, or consultants to influence or subvert the bidding process;
3. Being considered for, presently being, or becoming debarred, suspended, ineligible, or excluded from contracting with any state or federal entity;
4. Submitting a proposal on behalf of another Party or entity; and
5. Collude with any person or entity to influence the bidding process, submit sham proposals, preclude bidding, fix pricing or costs, create an unfair advantage, subvert the proposal, or prejudice the State.

The Bidder shall include this clause in any subcontract entered into for the exclusive purpose of performing this contract.

Bidder shall have an affirmative duty to report any violations of this clause by the Bidder throughout the bidding process, and throughout the term of this contract for the successful Bidder and their subcontractors.

**I. DEVIATIONS FROM THE REQUEST FOR PROPOSAL**

The requirements contained in this RFP (Sections II thru VI) become a part of the terms and conditions of the contract resulting from this RFP. Any deviations from the RFP in Sections II through VI must be clearly defined by the Bidder in its proposal and, if accepted by the State, will become part of the contract. Any specifically defined deviations must not be in conflict with the basic nature of the RFP, requirements, deliverables, payment terms, or applicable state or federal laws or statutes. "Deviation", for the purposes of this RFP, means any proposed changes or alterations to either the contractual language or deliverables within the scope of this RFP. The State discourages deviations and reserves the right to reject proposed deviations.

**J. SUBMISSION OF PROPOSALS**

The State is accepting only electronically submitted responses. The State will not accept proposals by email, voice, or telephone.

Pages may be consecutively numbered for the entire proposal or may be numbered consecutively within sections. Figures and tables should be numbered and referenced in the text by that number. They should be placed as close as possible to the referencing text. The Technical Proposal should not contain any reference to dollar amounts. However, information such as data concerning labor hours and categories, materials, subcontracts and so forth, shall be considered in the Technical Proposal so that the bidder's understanding of the scope of work may be evaluated. The Technical Proposal shall disclose the bidder's technical approach in as much detail as possible, including, but not limited to, the information required by the Technical Proposal instructions.

It is the bidder's responsibility to ensure the RFP is received electronically and submitted by the date and time indicated in the Schedule of Events. Proposals must be submitted via ShareFile by the date and time of the proposal opening per the Schedule of Events. No late proposals will be accepted.

It is the responsibility of the bidder to check the website for all information relevant to this RFP to include addenda and/or amendments issued prior to the opening date. Website address is as follows: <https://das.nebraska.gov/materiel/bidopps.html>.

Emphasis should be concentrated on conformance to the RFP instructions, responsiveness to requirements, completeness, and clarity of content. If the bidder's proposal is presented in such a fashion that makes evaluation difficult or overly time consuming the State reserves the right to reject the proposal as non-conforming.

**1. Bidders must submit responses via ShareFile using the proposal submission link.**

Note to bidders: Not all browsers are compatible with ShareFile. Currently Chrome, Internet Explorer and Firefox are compatible. After the bidder clicks the proposal submission link, the bidder will be prompted to enter contact information including an e-mail address. By entering an e-mail address, the bidder should receive a confirmation email confirming the successful upload directly from ShareFile.

Proposal submission link: <https://nebraska.sharefile.com/r-r962f6ecfc79a4680ad72c8e566edb5fb>

- a. The Technical, Cost Proposal and Proprietary information should be uploaded as separate and distinct files.  
If duplicated proposals are submitted, the State will retain only the most recently submitted response.  
If it is the bidder's intent to submit multiple proposals, the bidder must clearly identify the separate submissions.  
It is the bidder's responsibility to allow time for electronic uploading. All file uploads must be completed by the Opening date and time per the Schedule of Events. No late proposals will be accepted.

**b. ELECTRONIC PROPOSAL FILE NAMES**

The bidder should clearly identify the uploaded RFP proposal files. To assist in identification the bidder should use the following naming convention:

- i. RFP 115136 O3, Company Name, Description of Service

If multiple files are submitted for one RFP proposal, add number of files to file names: RFP 115136 O3, Company Name, File 1 of 2.

If multiple RFP proposals are submitted for the same RFP, add the proposal number to the file names: RFP 115136 O3, Company Name Proposal 1 File 1 of 2.

Proposal responses should include the completed Form A, "Contact Information". The RFP number should be included in all correspondence.



**K. PROPOSAL PREPARATION COSTS**

The State shall not incur any liability for any costs incurred by bidders in replying to this solicitation, including any activity related to bidding on this solicitation.

**L. FAILURE TO COMPLY WITH REQUEST FOR PROPOSAL**

Violation of the terms and conditions contained in this solicitation or any resultant contract, at any time before or after the award, shall be grounds for action by the State which may include, but is not limited to, the following:

1. Rejection of a bidder's proposal;
2. Withdrawal of the Intent to Award;
3. Withdrawal of the Award;
4. Negative Vendor Performance Report(s)
5. Termination of the resulting contract;
6. Legal action; and
7. Suspension of the bidder from further bidding with the State for the period of time relative to the seriousness of the violation, such period to be within the sole discretion of the State.

**M. PROPOSAL CORRECTIONS**

A bidder may correct a mistake in a proposal prior to the time of opening by uploading a revised and completed proposal if the original proposal was electronically submitted.

1. If a corrected electronic proposal is submitted, the file name(s) date/time stamped with latest date/time stamp will be accepted. The corrected proposal file name(s) should be identified as:
  - a. Corrected 115136 O3 Company Name Proposal #1 File 1 of 2,
  - b. Corrected 115136 O3 Company Name Proposal #2 File 2 of 2, etc.

Changing a proposal after opening may be permitted if the change is made to correct a minor error that does not affect price, quantity, quality, delivery, or contractual conditions. In case of a mathematical error in extension of price, unit price shall govern.

**N. LATE PROPOSALS**

Proposals received after the time and date of the proposal opening will be considered late proposals. Late proposals will be returned unopened, if requested by the Bidder and at bidder's expense. The State is not responsible for proposals that are late or lost regardless of cause or fault.

**O. PROPOSAL OPENING**

The opening of proposals will be public and the bidders will be announced. Proposals **WILL NOT** be available for viewing by those present at the proposal opening. Proposals will be posted to the State Purchasing Bureau website once an Intent to Award has been posted to the website. Once proposals are opened, they become the property of the State of Nebraska and will not be returned.

**P. REQUEST FOR PROPOSAL/PROPOSAL REQUIREMENTS**

The proposals will first be examined to determine if all requirements listed below have been addressed and whether further evaluation is warranted. Proposals not meeting the requirements may be rejected as non-responsive. The requirements are:

1. Original Request for Proposal for Contractual Services form signed using an indelible method;
2. Clarity and responsiveness of the proposal;
3. Completed Corporate Overview;
4. Completed Sections II through VI;
5. Completed Technical Approach;
6. Requirement Traceability Matrix; and
7. Completed State Cost Proposal Template.

**Q. EVALUATION COMMITTEE**

Proposals are evaluated by members of an Evaluation Committee(s). The Evaluation Committee(s) will consist of individuals selected at the discretion of the State. Names of the members of the Evaluation Committee(s) will not be published prior to the intent to award.

Any contact, attempted contact, or attempt to influence an evaluator that is involved with this RFP may result in the rejection of this proposal and further administrative actions.

**R. EVALUATION OF PROPOSALS**

All proposals that are responsive to the RFP will be evaluated. Each evaluation category will have a maximum point potential. The State will conduct a fair, impartial, and comprehensive evaluation of all proposals in accordance with the criteria set forth below. Areas that will be addressed and scored during the evaluation include:

1. Corporate Overview should include but is not limited to:
  - a. the ability, capacity, and skill of the Bidder to deliver and implement the system or project that meets the requirements of the RFP;
  - b. the character, integrity, reputation, judgment, experience, and efficiency of the Bidder;
  - c. whether the Bidder can perform the contract within the specified time frame;
  - d. the quality of vendor performance on prior contracts;
  - e. such other information that may be secured and that has a bearing on the decision to award the contract;
2. Technical Proposal; and,
3. Cost Proposal.

**Neb. Rev. Stat. §81-161 allows the quality of performance of previous contracts to be considered when evaluating responses to competitively bid RFPs in determining the lowest responsible Bidder.** Information obtained from any Vendor Performance Report (See Terms & Conditions, Section H) may be used in evaluating responses to RFPs for goods and services to determine the best value for the State.

**Neb. Rev. Stat. §73-107 allows for a preference for a resident disabled veteran or business located in a designated enterprise zone.** When a state contract is to be awarded to the lowest responsible Bidder, a resident disabled veteran or a business located in a designated enterprise zone under the Enterprise Zone Act shall be allowed a preference over any other resident or nonresident Bidder, if all other factors are equal.

**Resident disabled veterans means any person (a) who resides in the State of Nebraska, who served in the United States Armed Forces, including any reserve component or the National Guard, who was discharged or otherwise separated with a characterization of honorable or general (under honorable conditions), and who possesses a disability rating letter issued by the United States Department of Veterans Affairs establishing a service-connected disability or a disability determination from the United States Department of Defense and (b)(i) who owns and controls a business or, in the case of a publicly owned business, more than fifty percent of the stock is owned by one or more persons described in subdivision (a) of this subsection and (ii) the management and daily business operations of the business are controlled by one or more persons described in subdivision(a) of this subsection. Any contract entered into without compliance with this section shall be null and void.**

Therefore, if a resident disabled veteran or business located in a designated enterprise zone submits a proposal in accordance with Neb. Rev. Stat. §73-107 and has so indicated on the RFP cover page under “Bidder must complete the following” requesting priority/preference to be considered in the award of this contract, the following will need to be submitted by the vendor within ten (10) business days of request:

1. Documentation from the United States Armed Forces confirming service;
2. Documentation of discharge or otherwise separated characterization of honorable or general (under honorable conditions);
3. Disability rating letter issued by the United States Department of Veterans Affairs establishing a service-connected disability or a disability determination from the United States Department of Defense; and
4. Documentation which shows ownership and control of a business or, in the case of a publicly owned business, more than fifty percent of the stock is owned by one or more persons described in subdivision (a) of this subsection; and the management and daily business operations of the business are controlled by one or more persons described in subdivision (a) of this subsection.

Failure to submit the requested documentation within ten (10) business days of notice will disqualify the Bidder from consideration of the preference.

Evaluation criteria weighting will be released with the RFP.

**S. ORAL INTERVIEWS/PRESENTATIONS AND/OR DEMONSTRATIONS**

The State may determine after the completion of the Technical and Cost Proposal evaluation that oral interviews/presentations and/or demonstrations are required. Every Bidder may not be given an opportunity to interview/present and/or give demonstrations; the State reserves the right, in its discretion, to select only the top scoring bidders to present/give oral interviews. The scores from the oral interviews/presentations and/or demonstrations will be added to the scores from the Technical and Cost Proposals. The presentation process will allow the bidders to demonstrate their proposal offering, explaining and/or clarifying any unusual or significant elements related to their proposals. Bidders’ key personnel, identified in their proposal, may be requested to

participate in a structured interview to determine their understanding of the requirements of this proposal, their authority and reporting relationships within their firm, and their management style and philosophy. Only representatives of the State and the presenting Bidder will be permitted to attend the oral interviews/presentations and/or demonstrations. A written copy or summary of the presentation, and demonstrative information (such as briefing charts, et cetera) may be offered by the Bidder, but the State reserves the right to refuse or not consider the offered materials. Bidders shall not be allowed to alter or amend their proposals.

Once the oral interviews/presentations and/or demonstrations have been completed, the State reserves the right to make an award without any further discussion with the bidders regarding the proposals received.

Any cost incidental to the oral interviews/presentations and/or demonstrations shall be borne entirely by the Bidder and will not be compensated by the State.

**T. BEST AND FINAL OFFER**

Each bidder should provide its best offer with their original proposal response and should not expect the State to request a best and final offer (BAFO).

The State reserves the right to conduct more than one BAFO or to not offer every bidder an opportunity to submit a BAFO. If requested by the State, the BAFO must be submitted on the BAFO Cost Proposal form and in accordance with the State's instructions. Failure to submit a requested BAFO or failure to submit a BAFO in accordance with the State's instructions may result in rejection of the bidder's entire proposal response. BAFOs may be scored and ranked by the Evaluation Committee.

**U. REFERENCE AND CREDIT CHECKS**

The State reserves the right to conduct and consider reference and credit checks. The State reserves the right to use third parties to conduct reference and credit checks. By submitting a proposal in response to this RFP, the Bidder grants to the State the right to contact or arrange a visit in person with any or all of the bidder's clients. Reference and credit checks may be grounds to reject a proposal, withdraw an intent to award, or rescind the award of a contract.

**V. AWARD**

The State reserves the right to evaluate proposals and award contracts in a manner utilizing criteria selected at the State's discretion and in the State's best interest. After evaluation of the proposals, or at any point in the RFP process, the State of Nebraska may take one or more of the following actions:

1. Amend the RFP;
2. Extend the time of or establish a new proposal opening time;
3. Waive deviations or errors in the State's RFP process and in Bidder proposals that are not material, do not compromise the RFP process or a bidder's proposal, and do not improve a bidder's competitive position;
4. Accept or reject a portion of or all of a proposal;
5. Accept or reject all proposals;
6. Withdraw the RFP;
7. Elect to rebid the RFP;
8. Award single lines or multiple lines to one or more Bidder; or,
9. Award one or more all-inclusive contracts.

The RFP does not commit the State to award a contract. Once intent to award decision has been determined, it will be posted to the Internet at: <https://das.nebraska.gov/materiel/bidopps.html>

Any protests must be filed by a Bidder within ten (10) business days after the intent to award decision is posted to the Internet. Grievance and protest procedure is available on the Internet at: <http://das.nebraska.gov/materiel/purchasing.html>

**W. RESIDENT BIDDER**

Pursuant to Neb. Rev. Stat. §§ 73-101.01 through 73-101.02, a Resident Bidder shall be allowed a preference against a Non-resident Bidder from a state which gives or requires a preference to bidders from that state. The preference shall be equal to the preference given or required by the state of the Nonresident Bidder. Where the lowest responsible bid from a resident Bidder is equal in all respects to one from a nonresident Bidder from a state which has no preference law, the resident Bidder shall be awarded the contract. The provision of this preference shall not apply to any contract for any project upon which federal funds would be withheld because of the provisions of this preference.

## II. TERMS AND CONDITIONS

**Bidders should complete Sections II through VI as part of their proposal.** Bidder is expected to read the Terms and Conditions and should initial either accept, reject, or reject and provide alternative language for each clause. The Bidder should also provide an explanation of why the Bidder rejected the clause or rejected the clause and provided alternate language. By signing the RFP, Bidder is agreeing to be legally bound by all the accepted terms and conditions, and any proposed alternative terms and conditions submitted with the proposal. The State reserves the right to negotiate rejected or proposed alternative language. If the State and Bidder fail to agree on the final Terms and Conditions, the State reserves the right to reject the proposal. The State of Nebraska is soliciting proposals in response to this RFP. The State of Nebraska reserves the right to reject proposals that attempt to substitute the bidder's commercial contracts and/or documents for this RFP.

The Bidders should submit with their proposal any license, user agreement, service level agreement, or similar documents that the Bidder wants incorporated in the Contract. The State will not consider incorporation of any document not submitted with the bidder's proposal as the document will not have been included in the evaluation process. These documents shall be subject to negotiation and will be incorporated as addendums if agreed to by the Parties.

If a conflict or ambiguity arises after the Addendum to Contract Award have been negotiated and agreed to, the Addendum to Contract Award shall be interpreted as follows:

1. If only one Party has a particular clause then that clause shall control;
2. If both Parties have a similar clause, but the clauses do not conflict, the clauses shall be read together;
3. If both Parties have a similar clause, but the clauses conflict, the State's clause shall control.

### A. GENERAL

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

The contract resulting from this RFP shall incorporate the following documents:

1. Request for Proposal and Addenda;
2. Amendments to the RFP;
3. Questions and Answers;
4. Contractor's proposal (RFP and properly submitted documents);
5. The executed Contract and Addendum One to Contract, if applicable; and,
6. Amendments/Addendums to the Contract.

These documents constitute the entirety of the contract.

Unless otherwise specifically stated in a future contract amendment, in case of any conflict between the incorporated documents, the documents shall govern in the following order of preference with number one (1) receiving preference over all other documents and with each lower numbered document having preference over any higher numbered document: 1) Amendment to the executed Contract with the most recent dated amendment having the highest priority, 2) executed Contract and any attached Addenda, 3) Amendments to RFP and any Questions and Answers, 4) the original RFP document and any Addenda, and 5) the bidder's submitted Proposal.

Any ambiguity or conflict in the contract discovered after its execution, not otherwise addressed herein, shall be resolved in accordance with the rules of contract interpretation as established in the State of Nebraska.

**B. NOTIFICATION**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

Contractor and State shall identify the contract manager who shall serve as the point of contact for the executed contract.

**C. GOVERNING LAW (Statutory)**

Notwithstanding any other provision of this contract, or any amendment or addendum(s) entered into contemporaneously or at a later time, the parties understand and agree that, (1) the State of Nebraska is a sovereign state and its authority to contract is therefore subject to limitation by the State's Constitution, statutes, common law, and regulation; (2) this contract will be interpreted and enforced under the laws of the State of Nebraska; (3) any action to enforce the provisions of this agreement must be brought in the State of Nebraska per state law; (4) the person signing this contract on behalf of the State of Nebraska does not have the authority to waive the State's sovereign immunity, statutes, common law, or regulations; (5) the indemnity, limitation of liability, remedy, and other similar provisions of the final contract, if any, are entered into subject to the State's Constitution, statutes, common law, regulations, and sovereign immunity; and, (6) all terms and conditions of the final contract, including but not limited to the clauses concerning third party use, licenses, warranties, limitations of liability, governing law and venue, usage verification, indemnity, liability, remedy or other similar provisions of the final contract are entered into specifically subject to the State's Constitution, statutes, common law, regulations, and sovereign immunity.

The Parties must comply with all applicable local, state and federal laws, ordinances, rules, orders, and regulations.

**D. BEGINNING OF WORK**

The Bidder shall not commence any billable work until a valid contract has been fully executed by the State and the successful Bidder. The Contractor will be notified in writing when work may begin.

**E. CHANGE ORDERS**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

The State and the Contractor, upon the written agreement, may make changes to the contract within the general scope of the RFP. Changes may involve specifications, the quantity of work, or such other items as the State may find necessary or desirable. Corrections of any deliverable, service, or work required pursuant to the contract shall not be deemed a change. The Contractor may not claim forfeiture of the contract by reasons of such changes.

The Contractor shall prepare a written description of the work required due to the change and an itemized cost sheet for the change. Changes in work and the amount of compensation to be paid to the Contractor shall be determined in accordance with applicable unit prices if any, a pro-rated value, or through negotiations. The State shall not incur a price increase for changes that should have been included in the Contractor's proposal, were foreseeable, or result from difficulties with or failure of the Contractor's proposal or performance.

No change shall be implemented by the Contractor until approved by the State, and the Contract is amended to reflect the change and associated costs, if any. If there is a dispute regarding the cost, but both parties agree that immediate implementation is necessary, the change may be implemented, and cost negotiations may continue with both Parties retaining all remedies under the contract and law.

**F. VENDOR PERFORMANCE REPORT(S)**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

The State may document any instance(s) of products or services delivered or performed which exceed or fail to meet the terms of the purchase order, contract, and/or RFP specifications. The State Purchasing Bureau may contact the Vendor regarding any such report. Vendor performance report(s) will become a part of the permanent record of the Vendor.

**G. NOTICE OF POTENTIAL CONTRACTOR BREACH**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

If Contractor breaches the contract or anticipates breaching the contract, the Contractor shall immediately give written notice to the State. The notice shall explain the breach or potential breach, a proposed cure, and may include a request for a waiver of the breach if so desired. The State may, in its discretion, temporarily or permanently waive the breach. By granting a waiver, the State does not forfeit any rights or remedies to which the State is entitled by law or equity, or pursuant to the provisions of the contract. Failure to give immediate notice, however, may be grounds for denial of any request for a waiver of a breach.

**H. BREACH**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

Either Party may terminate the contract, in whole or in part, if the other Party breaches its duty to perform its obligations under the contract in a timely and proper manner. Termination requires written notice of default and a thirty (30) calendar day (or longer at the non-breaching Party's discretion considering the gravity and nature of the default) cure period. Said notice shall be delivered by Certified Mail, Return Receipt Requested, or in person with proof of delivery. Allowing time to cure a failure or breach of contract does not waive the right to immediately terminate the contract for the same or different contract breach which may occur at a different time. In case of default of the Contractor, the State may contract the service from other sources and hold the Contractor responsible for any excess cost occasioned thereby.

The State's failure to make payment shall not be a breach, and the Contractor shall retain all available statutory remedies and protections.

**I. NON-WAIVER OF BREACH**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

The acceptance of late performance with or without objection or reservation by a Party shall not waive any rights of the Party nor constitute a waiver of the requirement of timely performance of any obligations remaining to be performed.

**J. SEVERABILITY**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

If any term or condition of the contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and conditions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the contract did not contain the provision held to be invalid or illegal.

**K. INDEMNIFICATION**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

**1. GENERAL**

The Contractor agrees to defend, indemnify, and hold harmless the State and its employees, volunteers, agents, and its elected and appointed officials (“the indemnified parties”) from and against any and all third party claims, liens, demands, damages, liability, actions, causes of action, losses, judgments, costs, and expenses of every nature, including investigation costs and expenses, settlement costs, and attorney fees and expenses (“the claims”), sustained or asserted against the State for personal injury, death, or property loss or damage, arising out of, resulting from, or attributable to the willful misconduct, negligence, error, or omission of the Contractor, its employees, Subcontractors, consultants, representatives, and agents, resulting from this contract, except to the extent such Contractor liability is attenuated by any action of the State which directly and proximately contributed to the claims.

**2. INTELLECTUAL PROPERTY (Optional)**

The Contractor agrees it will, at its sole cost and expense, defend, indemnify, and hold harmless the indemnified parties from and against any and all claims, to the extent such claims arise out of, result from, or are attributable to, the actual or alleged infringement or misappropriation of any patent, copyright, trade secret, trademark, or confidential information of any third party by the Contractor or its employees, Subcontractors, consultants, representatives, and agents; provided, however, the State gives the Contractor prompt notice in writing of the claim. The Contractor may not settle any infringement claim that will affect the State’s use of the Licensed Software without the State’s prior written consent, which consent may be withheld for any reason.

If a judgment or settlement is obtained or reasonably anticipated against the State’s use of any intellectual property for which the Contractor has indemnified the State, the Contractor shall, at the Contractor’s sole cost and expense, promptly modify the item or items which were determined to be infringing, acquire a license or licenses on the State’s behalf to provide the necessary rights to the State to eliminate the

infringement, or provide the State with a non-infringing substitute that provides the State the same functionality. At the State's election, the actual or anticipated judgment may be treated as a breach of warranty by the Contractor, and the State may receive the remedies provided under this RFP.

**3. PERSONNEL**

The Contractor shall, at its expense, indemnify and hold harmless the indemnified parties from and against any claim with respect to withholding taxes, worker's compensation, employee benefits, or any other claim, demand, liability, damage, or loss of any nature relating to any of the personnel, including subcontractor's and their employees, provided by the Contractor.

**4. SELF-INSURANCE**

The State of Nebraska is self-insured for any loss and purchases excess insurance coverage pursuant to Neb. Rev. Stat. § 81-8,239.01 (Reissue 2008). If there is a presumed loss under the provisions of this agreement, Contractor may file a claim with the Office of Risk Management pursuant to Neb. Rev. Stat. §§ 81-8,829 – 81-8,306 for review by the State Claims Board. The State retains all rights and immunities under the State Miscellaneous (Section 81-8,294), Tort (Section 81-8,209), and Contract Claim Acts (Section 81-8,302), as outlined in Neb. Rev. Stat. § 81-8,209 et seq. and under any other provisions of law and accepts liability under this agreement to the extent provided by law.

The Parties acknowledge that Attorney General for the State of Nebraska is required by statute to represent the legal interests of the State, and that any provision of this indemnity clause is subject to the statutory authority of the Attorney General.

**L. ATTORNEY'S FEES**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

In the event of any litigation, appeal, or other legal action to enforce any provision of the contract, the Parties agree to pay all expenses of such action, as permitted by law and if ordered by the court, including attorney's fees and costs, if the other Party prevails.

**M. PERFORMANCE BOND**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

The Contractor will be required to supply a bond executed by a corporation authorized to contract surety in the State of Nebraska, payable to the State of Nebraska, which shall be valid until CMS certification is received retroactive to the start of operations. The amount of the bond must be an established dollar amount of \$2,000,000. The bond will guarantee that the Contractor will faithfully perform all requirements, terms and conditions of the contract. Failure to comply shall be grounds for forfeiture of the check or bond as liquidated damages. Amount of forfeiture will be determined by the agency based on loss to the State. The bond will be returned when the contract has been satisfactorily completed as solely determined by the State, after CMS certification is received.



**N. PERFORMANCE GUARANTEES**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

Performance Guarantees are detailed in Attachments E through H – Performance Guarantees.

Contractor must collaborate with DHHS on an ongoing basis to adjust service levels as programs and services mature within the scope of the contract. DHHS shall have the right to modify, add or delete Performance Standards throughout the term of the contract should DHHS determine it is in its best interest to do so. Any changes or additions to Performance Standards will be made in good faith following acceptable industry standards and will include the input of the Contractor so as to establish standards that are reasonably achievable.

All changes to the Performance Standards and/or Guarantees shall become an official part of the contract and shall continue throughout the term of the contract.

Failure to meet the minimum Performance Standards as specified may result in the assessment of damages as per the then-current Performance Guarantees’ defined damages. Contractor will be notified in writing when liquidated damages are applied. In the event a Performance Standard is not met, the Contractor will have the opportunity to defend or respond to the insufficiency. DHHS shall have the right to waive damages if it determines that there were extenuating factors beyond the control of the Contractor that hindered the performance of services. In these instances, DHHS shall have the final determination of performance acceptability.

Should any compensation be owed to DHHS due to the assessment of damages, Contractor shall follow the direction of DHHS regarding the required compensation process.

**REMEDIES FOR UNACCEPTABLE PERFORMANCE:** Compliance with all provisions, service criteria, and standards for acceptable performance in this contract shall be determined at sole discretion of DHHS. In addition to other remedies identified herein, one or more of the following remedies may be imposed for failure to comply with the service performance-based standards described herein:

1. Contractor shall be required to submit and implement a reasonably acceptable corrective action plan.
2. Payment may be withheld or reduced pending satisfactory implementation of the plan.
3. The Contract may be terminated per the provisions of the Contract, including sections II. I. and II. V.

The remedies listed above are in addition to all others specifically set forth herein, or any other remedies available at law or equity.

**O. ASSIGNMENT, SALE, OR MERGER**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

Either Party may assign the contract upon mutual written agreement of the other Party. Such agreement shall not be unreasonably withheld.

The Contractor retains the right to enter into a sale, merger, acquisition, internal reorganization, or similar transaction involving Contractor’s business. Contractor agrees to cooperate with the State in executing amendments to the contract to allow for the transaction. If a third party or entity is involved in the transaction, the Contractor will remain responsible for performance of the contract until such time as the person or entity involved in the transaction agrees in writing to be contractually bound by this contract and perform all obligations of the contract.

**P. CONTRACTING WITH OTHER NEBRASKA POLITICAL SUB-DIVISIONS OF THE STATE OR ANOTHER STATE**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

The Contractor may, but shall not be required to, allow agencies, as defined in Neb. Rev. Stat. §81-145, to use this contract. The terms and conditions, including price, of the contract may not be amended. The State shall not be contractually obligated or liable for any contract entered into pursuant to this clause. A listing of Nebraska political subdivisions may be found at the website of the Nebraska Auditor of Public Accounts.

The Contractor may, but shall not be required to, allow other states, agencies or divisions of other states, or political subdivisions of other states to use this contract. The terms and conditions, including price, of this contract shall apply to any such contract, but may be amended upon mutual consent of the Parties. The State of Nebraska shall not be contractually or otherwise obligated or liable under any contract entered into pursuant to this clause. The State shall be notified if a contract is executed based upon this contract.

**Q. FORCE MAJEURE**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

Neither Party shall be liable for any costs or damages, or for default resulting from its inability to perform any of its obligations under the contract due to a natural or manmade event outside the control and not the fault of the affected Party ("Force Majeure Event"). The Party so affected shall immediately make a written request for relief to the other Party and shall have the burden of proof to justify the request. The other Party may grant the relief requested; relief may not be unreasonably withheld. Labor disputes with the impacted Party's own employees will not be considered a Force Majeure Event.

**R. CONFIDENTIALITY**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

All materials and information provided by the Parties or acquired by a Party on behalf of the other Party shall be regarded as confidential information. All materials and information provided or acquired shall be handled in accordance with federal and state law, and ethical standards. Should said confidentiality be breached by a Party, the Party shall notify the other Party immediately of said breach and take immediate corrective action.

It is incumbent upon the Parties to inform their officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a (i)(1), which is made applicable by 5 U.S.C. 552a (m)(1), provides that any officer or employee, who by virtue of his/her employment or official position has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

**S. OFFICE OF PUBLIC COUNSEL (Statutory)**

If it provides, under the terms of this contract and on behalf of the State of Nebraska, health and human services to individuals; service delivery; service coordination; or case management, Contractor shall submit to the jurisdiction of the Office of Public Counsel, pursuant to Neb. Rev. Stat. §§ 81-8,240 et seq. This section shall survive the termination of this contract.

**T. LONG-TERM CARE OMBUDSMAN (Statutory)**

Contractor must comply with the Long-Term Care Ombudsman Act, per Neb. Rev. Stat. §§ 81-2237 et seq. This section shall survive the termination of this contract.

**U. EARLY TERMINATION**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

The contract may be terminated as follows:

1. The State and the Contractor, by mutual written agreement, may terminate the contract at any time.
2. The State, in its sole discretion, may terminate the contract for any reason upon thirty (30) calendar day's written notice to the Contractor. Such termination shall not relieve the Contractor of warranty or other service obligations incurred under the terms of the contract. In the event of termination the Contractor shall be entitled to payment, determined on a pro rata basis, for products or services satisfactorily performed or provided. The State can suspend continuation of work product at the point of termination notice at its discretion.
3. The State may terminate the contract immediately for the following reasons:
  - a. if directed to do so by statute;
  - b. Contractor has made an assignment for the benefit of creditors, has admitted in writing its inability to pay debts as they mature, or has ceased operating in the normal course of business;
  - c. a trustee or receiver of the Contractor or of any substantial part of the Contractor's assets has been appointed by a court;
  - d. fraud, misappropriation, embezzlement, malfeasance, misfeasance, or illegal conduct pertaining to performance under the contract by its Contractor, its employees, officers, directors, or shareholders;
  - e. an involuntary proceeding has been commenced by any Party against the Contractor under any one of the chapters of Title 11 of the United States Code and (i) the proceeding has been pending for at least sixty (60) calendar days; or (ii) the Contractor has consented, either expressly or by operation of law, to the entry of an order for relief; or (iii) the Contractor has been decreed or adjudged a debtor;
  - f. a voluntary petition has been filed by the Contractor under any of the chapters of Title 11 of the United States Code;
  - g. Contractor intentionally discloses confidential information;
  - h. Lack of adequate progress on the project including missed critical milestones or lack of progress toward milestones without a documented plan for recovery;
  - i. Contractor has or announces it will discontinue support of the deliverable; and,
  - j. In the event funding is no longer available.

**V. CONTRACT CLOSEOUT**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

Contractor will provide, six (6) months prior to the end of the base contract period or any extension thereof, an Agency-approved Turnover Plan covering the possible turnover of contract requirements to DHHS, its designee, or a successor vendor. The Turnover Plan must be a comprehensive document detailing the proposed schedule,

activities, and resource requirements associated with the turnover tasks. Bidder must describe their experience in transition activities of a similar project.

DHHS reserves the right to have Contractor submit an additional updated Turnover Plan one (1) month prior to the end of the base contract or any extension thereof. The plan must describe Contractor's approach and schedule for transfer of activities and operational support information. The information must be supplied on media specified by and according to the schedule approved by DHHS. All items in this section must be covered and reflect appropriate timing. The timing and data requirements are illustrative only and do not limit or restrict DHHS's ability to require additional information from the selected Contractor or modify the turnover schedule as necessary.

Contractor must have a process for updating and managing the Turnover Plan, and delivering to DHHS, no later than three (3) working days before the expiration of the contract, copies of all relevant non-proprietary data, all documentation, including but not limited to the following:

1. Copies of working papers, including procedures, programs, and schedules;
2. Status of current projects;
3. Copies of correspondence (internal and external);
4. Listings of third-party software used by the contractor(s), including availability of the software for transfer or purchase by Medicaid or successor vendor(s);
5. Description of functional business process flows;
6. Operational and system information concerning sub-Contractors;
7. Documentation of ongoing outstanding issues;
8. Other documentation necessary to support contract operations; and
9. Other pertinent information necessary to take over and operate the project or to assume the operational activities successfully.
10. This information shall be provided to DHHS in paper form, or in electronic form via email, secure file transfer or electronic means as directed by DHHS.

**W. DATA RETENTION**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

Contractor's solution must retain all data, documentation and associated media related to this contract to meet DHHS retention requirements throughout the life of the contract, and return all data to DHHS upon termination for any reason.

**III. CONTRACTOR DUTIES**

**A. INDEPENDENT CONTRACTOR / OBLIGATIONS**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

It is agreed that the Contractor is an independent contractor and that nothing contained herein is intended or should be construed as creating or establishing a relationship of employment, agency, or a partnership.

The Contractor is solely responsible for fulfilling the contract. The Contractor or the Contractor's representative shall be the sole point of contact regarding all contractual matters.

The Contractor shall secure, at its own expense, all personnel required to perform the services under the contract. The personnel the Contractor uses to fulfill the contract shall have no contractual or other legal relationship with the State; they shall not be considered employees of the State and shall not be entitled to any compensation, rights or benefits from the State, including but not limited to, tenure rights, medical and hospital care, sick and vacation leave, severance pay, or retirement benefits.

Any information technology work must be done in United States or its territories unless preapproved by DHHS Chief Information Officer.

By-name personnel commitments made in the Contractor's proposal shall not be changed without the prior written approval of the State. Replacement of these personnel, if approved by the State, shall be with personnel of equal or greater ability and qualifications.

All personnel assigned by the Contractor to the contract shall be employees of the Contractor or a subcontractor and shall be fully qualified to perform the work required herein. Personnel employed by the Contractor or a subcontractor to fulfill the terms of the contract shall remain under the sole direction and control of the Contractor or the subcontractor respectively.

With respect to its employees, the Contractor agrees to be solely responsible for the following:

1. Any and all pay, benefits, and employment taxes and/or other payroll withholding;
2. Any and all vehicles used by the Contractor's employees, including all insurance required by state law;
3. Damages incurred by Contractor's employees within the scope of their duties under the contract;
4. Maintaining Workers' Compensation and health insurance that complies with state and federal law and submitting any reports on such insurance to the extent required by governing law;
5. Determining the hours to be worked and the duties to be performed by the Contractor's employees; and,
6. All claims on behalf of any person arising out of employment or alleged employment (including without limit claims of discrimination alleged against the Contractor, its officers, agents, or subcontractors or subcontractor's employees)

If the Contractor intends to utilize any subcontractor, the subcontractor's level of effort, tasks, and time allocation should be clearly defined in the bidder's proposal. The Contractor shall agree that it will not utilize any subcontractors not specifically included in its proposal in the performance of the contract without the prior written authorization of the State.

The State reserves the right to require the Contractor to reassign or remove from the project any Contractor or subcontractor employee.

Contractor shall insure that the terms and conditions contained in any contract with a subcontractor does not conflict with the terms and conditions of this contract.

The Contractor shall include a similar provision, for the protection of the State, in the contract with any subcontractor engaged to perform work on this contract.

**B. EMPLOYEE WORK ELIGIBILITY STATUS**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

The Contractor is required and hereby agrees to use a federal immigration verification system to determine the work eligibility status of employees physically performing services within the State of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. 1324a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of an employee.

If the Contractor is an individual or sole proprietorship, the following applies:

1. The Contractor must complete the United States Citizenship Attestation Form, available on the Department of Administrative Services website at <http://das.nebraska.gov/materiel/purchasing.html>
2. The completed United States Attestation Form should be submitted with the RFP response.
3. If the Contractor indicates on such attestation form that he or she is a qualified alien, the Contractor agrees to provide the US Citizenship and Immigration Services documentation required to verify the Contractor's lawful presence in the United States using the Systematic Alien Verification for Entitlements (SAVE) Program.
4. The Contractor understands and agrees that lawful presence in the United States is required, and the Contractor may be disqualified or the contract terminated if such lawful presence cannot be verified as required by Neb. Rev. Stat. §4-108.

**C. COMPLIANCE WITH CIVIL RIGHTS LAWS AND EQUAL OPPORTUNITY EMPLOYMENT / NONDISCRIMINATION (Statutory)**

The Contractor shall comply with all applicable local, state, and federal statutes and regulations regarding civil rights laws and equal opportunity employment. The Nebraska Fair Employment Practice Act prohibits Contractors of the State of Nebraska, and their subcontractors, from discriminating against any employee or applicant for employment, with respect to hire, tenure, terms, conditions, compensation, or privileges of employment because of race, color, religion, sex, disability, marital status, or national origin (Neb. Rev. Stat. §48-1101 to 48-1125). The Contractor guarantees compliance with the Nebraska Fair Employment Practice Act, and breach of this provision shall be regarded as a material breach of contract. The Contractor shall insert a similar provision in all Subcontracts for goods and services to be covered by any contract resulting from this RFP.

**D. COOPERATION WITH OTHER CONTRACTORS**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

Contractor may be required to work with or in close proximity to other contractors or individuals that may be working on same or different projects. The Contractor shall agree to cooperate with such other contractors or individuals and shall not commit or permit any act which may interfere with the performance of work by any other contractor or individual. Contractor is not required to compromise Contractor's intellectual property or proprietary information unless expressly required to do so by this contract.

**E. DISCOUNTS**

Prices quoted shall be inclusive of ALL trade discounts. Cash discount terms of less than thirty (30) days will not be considered as part of the proposal. Cash discount periods will be computed from the date of receipt of a properly

executed claim voucher or the date of completion of delivery of all items in a satisfactory condition, whichever is later.

**F. PRICES**

Prices submitted on the cost proposal form, once accepted by the State, shall remain fixed for the first three (3) years of the contract. Any request for a price increase subsequent to the third (3<sup>rd</sup>) year of the contract shall not exceed five (5%) of the price proposed for the period. Increases shall not be cumulative and will only apply to that period of the contract. The request for a price increase must be submitted in writing to the State Purchasing Bureau a minimum of 120 days prior to the end of the current contract period. Documentation may be required by the State to support the price increase.

**The State reserves the right to deny any requested price increase. No price increases are to be billed to any State Agencies prior to written amendment of the contract by the parties.**

**The State will be given full proportionate benefit of any decreases for the term of the contract.**

**G. COST CLARIFICATION**

The State reserves the right to review all aspects of cost for reasonableness and to request clarification of any proposal where the cost component shows significant and unsupported deviation from industry standards or in areas where detailed pricing is required.

**H. PERMITS, REGULATIONS, LAWS**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

The contract price shall include the cost of all royalties, licenses, permits, and approvals, whether arising from patents, trademarks, copyrights or otherwise, that are in any way involved in the contract. The Contractor shall obtain and pay for all royalties, licenses, and permits, and approvals necessary for the execution of the contract. The Contractor must guarantee that it has the full legal right to the materials, supplies, equipment, software, and other items used to execute this contract.

**I. OWNERSHIP OF INFORMATION AND DATA / DELIVERABLES**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

The State shall have the unlimited right to publish, duplicate, use, and disclose all information and data developed or obtained by the Contractor on behalf of the State pursuant to this contract.

The State shall own and hold exclusive title to any deliverable and all intellectual property designed or developed as a result of this contract. Contractor shall have no ownership interest or title, and shall not patent, license, or copyright, duplicate, transfer, sell, or exchange, the design, specifications, concept, or deliverable.

All data gathered from this contract and contracts with DHHS-contracted entities is considered property of DHHS. Nothing in this Section should be construed to require the Contractor to surrender intellectual property, real or personal property, or information or data owned by the Contractor for which the State has no legal claim.

**J. INSURANCE REQUIREMENTS**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

The Contractor shall throughout the term of the contract maintain insurance as specified herein and provide the State a current Certificate of Insurance/Acord Form (COI) verifying the coverage. The Contractor shall not commence work on the contract until the insurance is in place. If Contractor subcontracts any portion of the Contract the Contractor must, throughout the term of the contract, either:

1. Provide equivalent insurance for each subcontractor and provide a COI verifying the coverage for the subcontractor;
2. Require each subcontractor to have equivalent insurance and provide written notice to the State that the Contractor has verified that each subcontractor has the required coverage; or,
3. Provide the State with copies of each subcontractor's Certificate of Insurance evidencing the required coverage.

The Contractor shall not allow any subcontractor to commence work until the subcontractor has equivalent insurance. The failure of the State to require a COI, or the failure of the Contractor to provide a COI or require subcontractor insurance shall not limit, relieve, or decrease the liability of the Contractor hereunder.

In the event that any policy written on a claims-made basis terminates or is canceled during the term of the contract or within five (5) years of termination or expiration of the contract, the Contractor shall obtain an extended discovery or reporting period, or a new insurance policy, providing coverage required by this contract for the term of the contract and five (5) years following termination or expiration of the contract.

If by the terms of any insurance a mandatory deductible is required, or if the Contractor elects to increase the mandatory deductible amount, the Contractor shall be responsible for payment of the amount of the deductible in the event of a paid claim.

Notwithstanding any other clause in this Contract, the State may recover up to the liability limits of the insurance policies required herein.

**1. WORKERS' COMPENSATION INSURANCE**

The Contractor shall take out and maintain during the life of this contract the statutory Workers' Compensation and Employer's Liability Insurance for all of the contractors' employees to be engaged in work on the project under this contract and, in case any such work is sublet, the Contractor shall require the subcontractor similarly to provide Worker's Compensation and Employer's Liability Insurance for all of the subcontractor's employees to be engaged in such work. This policy shall be written to meet the statutory requirements for the state in which the work is to be performed, including Occupational Disease. **The policy shall include a waiver of subrogation in favor of the State. The COI shall contain the mandatory COI subrogation waiver language found hereinafter.** The amounts of such insurance shall not be less than the limits stated hereinafter. For employees working in the State of Nebraska, the policy must be written by an entity authorized by the State of Nebraska Department of Insurance to write Workers' Compensation and Employer's Liability Insurance for Nebraska employees.

**2. COMMERCIAL GENERAL LIABILITY INSURANCE AND COMMERCIAL AUTOMOBILE LIABILITY INSURANCE**

The Contractor shall take out and maintain during the life of this contract such Commercial General Liability Insurance and Commercial Automobile Liability Insurance as shall protect Contractor and any subcontractor performing work covered by this contract from claims for damages for bodily injury, including death, as well as from claims for property damage, which may arise from operations under this contract, whether such operation be by the Contractor or by any Subcontractor or by anyone directly or indirectly employed by either of them, and the amounts of such insurance shall not be less than limits stated hereinafter.

The Commercial General Liability Insurance shall be written on an **occurrence basis**, and provide Premises/Operations, Products/Completed Operations, Independent Contractors, Personal Injury, and Contractual Liability coverage. **The policy shall include the State, and others as required by the contract documents, as Additional Insured(s). This policy shall be primary, and any insurance or**



self-insurance carried by the State shall be considered secondary and non-contributory. The COI shall contain the mandatory COI liability waiver language found hereinafter. The Commercial Automobile Liability Insurance shall be written to cover all Owned, Non-owned, and Hired vehicles.

<b>REQUIRED INSURANCE COVERAGE</b>	
<b>COMMERCIAL GENERAL LIABILITY</b>	
General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$2,000,000
Personal/Advertising Injury	\$1,000,000 per occurrence
Bodily Injury/Property Damage	\$1,000,000 per occurrence
Medical Payments	\$10,000 any one person
Damage to Rented Premises (Fire)	\$300,000 each occurrence
Contractual	Included
XCU Liability (Explosion, Collapse, and Underground Damage)	Included
Independent Contractors	Included
<i>If higher limits are required, the Umbrella/Excess Liability limits are allowed to satisfy the higher limit.</i>	
<b>WORKER'S COMPENSATION</b>	
Employers Liability Limits	\$500K/\$500K/\$500K
Statutory Limits- All States	Statutory - State of Nebraska
Voluntary Compensation	Statutory
<b>COMMERCIAL AUTOMOBILE LIABILITY</b>	
Bodily Injury/Property Damage	\$1,000,000 combined single limit
Include All Owned, Hired & Non-Owned Automobile liability	Included
Motor Carrier Act Endorsement	Where Applicable
<b>UMBRELLA/EXCESS LIABILITY</b>	
Over Primary Insurance	\$5,000,000 per occurrence
<b>PROFESSIONAL LIABILITY</b>	
IT Professional Liability (Errors & Omissions)	\$5,000,000 Per Claim / Aggregate
All Other Professional Liability (Errors & Omissions)	\$1,000,000 Per Claim / Aggregate
<b>COMMERCIAL CRIME</b>	
Crime/Employee Dishonesty Including 3rd Party Fidelity	\$1,000,000
<b>CYBER LIABILITY</b>	
Breach of Privacy, Security Breach, Denial of Service, Remediation, Fines and Penalties	\$20,000,000
<b>MANDATORY COI SUBROGATION WAIVER LANGUAGE</b>	
"Workers' Compensation policy shall include a waiver of subrogation in favor of the State of Nebraska."	
<b>MANDATORY COI LIABILITY WAIVER LANGUAGE</b>	
"Commercial General Liability & Commercial Automobile Liability policies shall name the State of Nebraska as an Additional Insured and the policies shall be primary and any insurance or self-insurance carried by the State shall be considered secondary and non-contributory as additionally insured."	

If the mandatory COI subrogation waiver language or mandatory COI liability waiver language on the COI states that the waiver is subject to, conditioned upon, or otherwise limited by the insurance policy, a copy of the relevant sections of the policy must be submitted with the COI so the State can review the limitations imposed by the insurance policy.

### 3. EVIDENCE OF COVERAGE

The Contractor shall furnish the Contract Manager, via email, with a certificate of insurance coverage complying with the above requirements prior to beginning work to [dhhs.rfpquestions@nebraska.gov](mailto:dhhs.rfpquestions@nebraska.gov)

These certificates or the cover sheet shall reference the RFP number, and the certificates shall include the name of the company, policy numbers, effective dates, dates of expiration, and amounts and types of

coverage afforded. If the State is damaged by the failure of the Contractor to maintain such insurance, then the Contractor shall be responsible for all reasonable costs properly attributable thereto.

Reasonable notice of cancellation of any required insurance policy must be submitted to the contract manager as listed above when issued and a new coverage binder shall be submitted immediately to ensure no break in coverage.

**4. DEVIATIONS**

The insurance requirements are subject to limited negotiation. Negotiation typically includes, but is not necessarily limited to, the correct type of coverage, necessity for Workers' Compensation, and the type of automobile coverage carried by the Contractor.

**K. NOTICE OF POTENTIAL CONTRACTOR BREACH**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

If Contractor breaches the contract or anticipates breaching the contract the Contractor shall immediately give written notice to the State. The notice shall explain the breach or potential breach and may include a request for a waiver of the breach if so desired. The State may, at its discretion, temporarily or permanently waive the breach. By granting a temporary waiver, the State does not forfeit any rights or remedies to which the State is entitled by law or equity, or pursuant to the provisions of the contract. Failure to give immediate notice, however, may be grounds for denial of any request for a waiver of a breach.

**L. ANTITRUST**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

The Contractor hereby assigns to the State any and all claims for overcharges as to goods and/or services provided in connection with this contract resulting from antitrust violations which arise under antitrust laws of the United States and the antitrust laws of the State.

**M. CONFLICT OF INTEREST**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

By submitting a proposal, Bidder certifies that no relationship exists between the Bidder and any person or entity which either is, or gives the appearance of, a conflict of interest related to this Request for Proposal or project.

Bidder certifies it shall not take any action or acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of its service hereunder or which creates an actual or appearance of conflict of interest.

The Bidder certifies that it will not knowingly employ any individual known by Bidder to have a conflict of interest.

The Parties shall not knowingly, for a period of two years after execution of the contract, recruit or employ any employee or agent of the other Party who has worked on the RFP or project, or who had any influence on decisions affecting the RFP or project.

**N. STATE PROPERTY**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

The Contractor shall be responsible for the proper care and custody of any State-owned property which is furnished for the Contractor's use during the performance of the contract. The Contractor shall reimburse the State for any loss or damage of such property; normal wear and tear is expected.

**O. SITE RULES AND REGULATIONS**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

The Contractor shall use its best efforts to ensure that its employees, agents, and Subcontractors comply with site rules and regulations while on State premises. If the Contractor must perform on-site work outside of the daily operational hours set forth by the State, it must make arrangements with the State to ensure access to the facility and the equipment has been arranged. No additional payment will be made by the State on the basis of lack of access, unless the State fails to provide access as agreed to in writing between the State and the Contractor.

**P. ADVERTISING**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

The Contractor agrees not to refer to the contract award in advertising in such a manner as to state or imply that the company or its goods or services are endorsed or preferred by the State. Any publicity releases pertaining to the project shall not be issued without prior written approval from the State.

**Q. NEBRASKA TECHNOLOGY ACCESS STANDARDS (Statutory)**

1. The State of Nebraska is committed to ensuring that all information and communication technology (ICT), developed, leased, or owned by the State of Nebraska, affords equivalent access to employees, program participants and members of the public with disabilities, as it affords to employees, program participants and members of the public who are not persons with disabilities.
2. By entering into this Contract, Contractor understands and agrees that if the Contractor is providing a product or service that contains ICT, as defined in subsection P.3. (below) and such ICT is intended to be directly interacted with by the user or is public-facing, such ICT must provide equivalent access, or be modified during implementation to afford equivalent access, to employees, program participants, and members of the public who have and who do not have disabilities. The Contractor may comply with this section by complying with Section 508 of the Rehabilitation Act of 1973, as amended, and its implementing standards adopted and promulgated by the U.S. Access Board.
3. ICT means information technology and other equipment, systems, technologies, or processes, for which the principal function is the creation, manipulation, storage, display, receipt, or transmission of electronic data and information, as well as any associated content. Contractor hereby agrees ICT includes computers and peripheral equipment, information kiosks and transaction machines, telecommunications

equipment, customer premises equipment, multifunction office machines, software, applications, web sites, videos, and electronic documents. For the purposes of these assurances, ICT does not include ICT that is used exclusively by a contractor.

**R. DISASTER RECOVERY/BACK UP PLAN**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

The Contractor shall have a disaster recovery and back-up plan, of which a copy should be provided upon request to the State, which includes, but is not limited to equipment, personnel, facilities, and transportation, in order to continue delivery of goods and services as specified under the specifications in the contract in the event of a disaster.

**S. DRUG POLICY**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

Contractor certifies it maintains a drug free workplace environment to ensure worker safety and workplace integrity. Contractor agrees to provide a copy of its drug free workplace policy at any time upon request by the State.

**T. WARRANTY**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

Despite any clause to the contrary, the Contractor represents and warrants that its services hereunder shall be performed by competent personnel and shall be of professional quality consistent with generally accepted industry standards for the performance of such services and shall comply in all respects with the requirements of this Agreement. For any breach of this warranty, the Contractor shall, for a period of ninety (90) days from performance of the service, perform the services again, at no cost to Customer, or if Contractor is unable to perform the services as warranted, Contractor shall reimburse Customer the fees paid to Contractor for the unsatisfactory services. The rights and remedies of the parties under this warranty are in addition to any other rights and remedies of the parties provided by law or equity, including, without limitation actual damages, and, as applicable and awarded under the law, to a prevailing party, reasonable attorneys' fees and costs.

**U. LOBBYING**

1. No federal or state funds paid under this RFQ shall be paid for any lobbying costs as set forth herein.
2. Lobbying Prohibited by 31 U.S.C. § 1352 and 45 CFR §§ 93 et seq, and Required Disclosures.
  - a. Contractor certifies that no federal or state appropriated funds shall be paid, by or on behalf of Contractor, 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 award for: (a) the awarding of any federal agreement; (b) the making of any federal grant; (c) the entering into of any cooperative agreement; and (d) the extension, continuation, renewal, amendment, or modification of any federal agreement, grant, loan, or cooperative agreement.
  - b. 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 Contractor,

Contractor shall complete and submit Federal Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

3. Lobbying Activities Prohibited under Federal Appropriations Bills.
  - a. No paid under this RFQ shall be used, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, for the preparation, distribution, or use of any kit, pamphlet, booklet, publication, electronic communication, radio, television, or video presentation designed to support or defeat the enactment of legislation before the Congress or any State or local legislature or legislative body, except in presentation of the Congress or any State or local legislature itself, or designed to support or defeat any proposed or pending regulation, administrative action, or order issued by the executive branch of any state or local government itself.
  - b. No funds paid under this RFQ shall be used to pay the salary or expenses of any grant or contract recipient, or agent acting for such recipient, related to any activity designed to influence the enactment of legislation, appropriations, regulation, administrative action, or Executive order proposed or pending before the Congress or any State government, State legislature or local legislature or legislative body, other than normal and recognized executive legislative relationships or participation by an agency or officer of an State, local or tribal government in policymaking and administrative processes within the executive branch of that government.
  - c. The prohibitions in the two sections immediately above shall include any activity to advocate or promote any proposed, pending or future federal, state or local tax increase, or any proposed, pending, or future requirement or restriction on any legal consumer product, including its sale or marketing, including but not limited to the advocacy or promotion of gun control.
4. Lobbying Costs Unallowable Under the Cost Principles. In addition to the above, no funds shall be paid for executive lobbying costs as set forth in 45 CFR § 75.450(b). If Contractor is a nonprofit organization or an Institute of Higher Education, other costs of lobbying are also unallowable as set forth in 45 CFR § 75.450(c).

V. **AMERICANS WITH DISABILITIES ACT**

Contractor shall comply with all applicable provisions of the Americans with Disabilities Act of 1990 (42 U.S.C. 12131–12134), as amended by the ADA Amendments Act of 2008 (ADA Amendments Act) (Pub.L. 110–325, 122 Stat. 3553 (2008)), which prohibits discrimination on the basis of disability by public entities.

**IV. PAYMENT**

**A. PROHIBITION AGAINST ADVANCE PAYMENT (Statutory)**

Payments shall not be made until contractual deliverable(s) are received and accepted.

Neb. Rev. Stat. §§81-2403 states, “[n]o goods or services shall be deemed to be received by an agency until all such goods or services are completely delivered and finally accepted by the agency.”

**B. TAXES (Statutory)**

The State is not required to pay taxes and assumes no such liability as a result of this Request for Proposal. The Contractor may request a copy of the Nebraska Department of Revenue, Nebraska Resale or Exempt Sale Certificate for Sales Tax Exemption, Form 13 for their records. Any property tax payable on the Contractor's equipment which may be installed in a state-owned facility is the responsibility of the Contractor.

**C. INVOICES**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

Invoices for payments must be submitted by the Contractor to the agency requesting the services with a detailed report of the services, deliverables and/or staff hours during the month; and full calculations for invoiced amount to support payment. Invoices should be submitted to: DHHS PDRS Vendor Management, 301 Centennial Mall, NSOB5, Lincoln, NE, 68509. The terms and conditions included in the Contractor's invoice shall be deemed to be solely for the convenience of the parties. No terms or conditions of any such invoice shall be binding upon the State, and no action by the State, including without limitation the payment of any such invoice in whole or in part, shall be construed as binding or estopping the State with respect to any such term or condition, unless the invoice term or condition has been previously agreed to by the State as an amendment to the contract.

**D. INSPECTION AND APPROVAL**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

Final inspection and approval of all work required under the contract shall be performed by the designated State officials.

The State and/or its authorized representatives shall have the right to enter any premises where the Contractor or Subcontractor duties under the contract are being performed, and to inspect, monitor or otherwise evaluate the work being performed. All inspections and evaluations shall be at reasonable times and in a manner that will not unreasonably delay work.

**E. PAYMENT (Statutory)**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within RFP Response (Initial)	NOTES/COMMENTS:

State will render payment to Contractor when the terms and conditions of the contract and specifications have been satisfactorily completed on the part of the Contractor as solely determined by the State. (Neb. Rev. Stat. Section 73-506(1)) Payment will be made by the responsible agency in compliance with the State of Nebraska Prompt

Payment Act (See Neb. Rev. Stat. §81-2403). The State may require the Contractor to accept payment by electronic means such as ACH deposit. In no event shall the State be responsible or liable to pay for any goods and services provided by the Contractor prior to the Effective Date of the contract, and the Contractor hereby waives any claim or cause of action for any such services.

**F. LATE PAYMENT (Statutory)**

The Contractor may charge the responsible agency interest for late payment in compliance with the State of Nebraska Prompt Payment Act (See Neb. Rev. Stat. §81-2401 through 81-2408).

**G. SUBJECT TO FUNDING / FUNDING OUT CLAUSE FOR LOSS OF APPROPRIATIONS (Statutory)**

The State’s obligation to pay amounts due on the Contract for any fiscal years following the current fiscal year is contingent upon legislative appropriation of funds. Should said funds not be appropriated, the State may terminate the contract with respect to those payments for the fiscal year(s) for which such funds are not appropriated. The State will give the Contractor written notice thirty (30) calendar days prior to the effective date of termination. All obligations of the State to make payments after the termination date will cease. The Contractor shall be entitled to receive just and equitable compensation for any authorized work which has been satisfactorily completed as of the termination date. In no event shall the Contractor be paid for a loss of anticipated profit.

**H. RIGHT TO AUDIT (First Paragraph is Statutory)**

The State shall have the right to audit the Contractor’s performance of this contract upon a thirty (30) days’ written notice. Contractor shall utilize generally accepted accounting principles, and shall maintain the accounting records, and other records and information relevant to the contract (Information) to enable the State to audit the contract. (Neb. Rev. Stat. §84-304 et seq.) The State may audit and the Contractor shall maintain, the Information during the term of the contract and for a period of five (5) years after the completion of this contract or until all issues or litigation are resolved, whichever is later. The Contractor shall make the Information available to the State at Contractor’s place of business or a location acceptable to both Parties during normal business hours. If this is not practical or the Contractor so elects, the Contractor may provide electronic or paper copies of the Information. The State reserves the right to examine, make copies of, and take notes on any Information relevant to this contract, regardless of the form or the Information, how it is stored, or who possesses the Information. Under no circumstance will the Contractor be required to create or maintain documents not kept in the ordinary course of Contractor’s business operations, nor will Contractor be required to disclose any information, including but not limited to product cost data, which is confidential or proprietary to Contractor.

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation Response (Initial)	NOTES/COMMENTS:

The Parties shall pay their own costs of the audit unless the audit finds a previously undisclosed overpayment by the State. If a previously undisclosed overpayment exceeds one-half (0.5%) of one percent of the total contract billings, or if fraud, material misrepresentations, or non-performance is discovered on the part of the Contractor, the Contractor shall reimburse the State for the total costs of the audit. Overpayments and audit costs owed to the State shall be paid within ninety (90) days of written notice of the claim. The Contractor agrees to correct any material weaknesses or condition found as a result of the audit.

## V. PROJECT DESCRIPTION AND SCOPE OF WORK

The Nebraska Department of Health and Human Services (DHHS), through its Division of Medicaid and Long-Term Care (MLTC), the single state agency established to administer Nebraska’s Medicaid Plan under Title XIX of the Social Security Act, initiated this project to solicit and implement a contract(s) with qualified vendors for Pharmacy and Drug Rebate Services (PDRS) solutions.

The section below provides an overview and requirements for the Pharmacy and Drug Rebate Services (PDRS) Implementation project and ongoing operations. The PDRS project and ongoing operations are composed of the following four (4) scopes of work:

- Medicaid Drug Rebate (MDR)
- Pharmacy Benefit Manager (PBM)
- Preferred Drug List (PDL) and Supplemental Rebate
- Drug Utilization Review (DUR) Board Administration

**Bidders may submit Technical and Cost Proposals for one or more of the scopes of work. Please reference Section VI for more information on instructions for submitting proposals.**

The detailed requirements for each scope of work are itemized in the following attachments:

- Attachment A – Medicaid Drug Rebate (MDR) Requirements Traceability Matrix (RTM)
- Attachment B – PBM Requirements Traceability Matrix (RTM)
- Attachment C – PDL Requirements Traceability Matrix (RTM)
- Attachment D – DUR Board Administration Requirements Traceability Matrix (RTM)
- Attachment E – Drug Rebate Performance Guarantees
- Attachment F – PBM Performance Guarantees
- Attachment G – PDL Performance Guarantees
- Attachment H – DUR Board Performance Guarantees
- Attachment I – Business Associate Agreement (BAA)
- Attachment J – Data Use Agreement (DUA)
- Attachment K – System Security Plan
- Attachment L – PDRS Interfaces and Data Exchanges

Bidders should respond to the specific requirements in each RTM.

### A. GOALS AND OBJECTIVES

MLTC currently uses multiple vendor contracts and DHHS maintained Information Technology (IT) assets to manage the administrative work associated with its pharmacy and drug rebate programs and solutions. Multiple contracts are nearing expiration and need to be replaced. Additionally, many of the original contracts were in place when the majority of the Medicaid population were fee for service (FFS) and require changes to reflect the shift in care delivery to managed care.

Through replacement of the current pharmacy and drug rebate systems and enhancement to operations DHHS looks to streamline several processes that will result in greater efficiency and reduced operational costs for DHHS personnel, providers, and drug manufacturers. Following are the MLTC’s goals, outcomes, and metrics for the PDRS project:

Program Goal	PDRS Project Objective	Proposed Outcome	Proposed Metric(s)
Improve operational efficiency and accuracy	Implement modernized MDR solution	Improve drug rebate collections	Collection rate
	Implement a single drug reference format for FFS and Encounter claims	Reduce manual effort to review multiple pharmacy utilization	Number of drug references to evaluate pharmacy utilization patterns



Program Goal	PDRS Project Objective	Proposed Outcome	Proposed Metric(s)
Improve the provider and operational partner experience	Implement web-based prior authorization functionality	Decrease time to process and adjudicate prior authorizations	Processing days
	Implement real-time web-based PDL search tool at the National Drug Code (NDC) level	Reduce the number of pharmacy claim denials	Pharmacy claim denial rate (for PDL claims)
	Implement redesigned Pharmacy website	Improved provider satisfaction	Survey
	Implement MDR web portal for drug manufacturers	Improve drug rebate invoice processing	System availability
Improve the quality of care provided to Medicaid beneficiaries	Implement comprehensive Drug Utilization Review	Improve medication patient safety through point-of-sale (POS) safety edits and retrospective review	Prospective safety edits and retrospective dispensing reports to meet federal DUR and Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment (SUPPORT) Act DUR requirements

**B. BACKGROUND**

For calendar year 2021, Nebraska Medicaid covered Medicaid services for approximately 330,950 individuals, at an annual cost of approximately \$3.5 billion. Currently, the program operates with over 99.7 percent enrolled with three Managed Care Organizations (MCOs), and the remainder being served by a Program of All-inclusive Care for the Elderly (PACE) organization or under traditional FFS. In November 2018, Nebraska voters passed an initiative to expand Medicaid under the Affordable Care Act and beginning in October 2020, has added over 57,000 members to managed care.

Average monthly MCO and FFS enrollment information (as of November 2021) is as follows:

- Nebraska Total Care: 111,666
- UnitedHealthcare Community Plan of Nebraska: 111,480
- HealthyBlue: 106,820
- FFS: 778

DHHS has undertaken a strategic transformation journey with its vision of a new Medicaid enterprise. Medicaid managed care in Nebraska has steadily evolved since 1995, from an initial program that provided physical health benefits in three out of 93 counties and a separate capitated behavioral health program statewide to today's program that combines physical health, behavioral health, and pharmacy benefits into a single comprehensive and coordinated program. Today, over 99.7 percent of Nebraska Medicaid/CHIP eligibles are enrolled in managed care. The health plans are responsible for managing the pharmacy benefit and network for the members assigned to them. The plans are required to provide all the prescription drug benefits and services included in the Nebraska Medicaid State Plan and follow the state's preferred drug list (PDL).

Additional information regarding the Nebraska Medicaid programs is available online at <http://dhhs.ne.gov/Pages/medicaid-and-long-term-care.aspx>.

Pharmacy Services, within the Division of Medicaid and Long-Term Care (MLTC), manages the Nebraska Pharmacy Program with a relatively small DHHS staff consisting of four full time employees. The core purpose of the Nebraska Medicaid Pharmacy Program is to monitor and provide payment for cost effective and clinically sound outpatient medications dispensed to Medicaid enrollees and to encourage safe prescribing habits by Medicaid providers. Nebraska Medicaid covers most prescription drugs and specific over-the-counter drugs.

**Preferred Drug List (PDL)**

Under direction from Pharmacy Services, the PDL vendor is contracted to supply and deliver services to support the Medicaid Pharmacy Program in managing and maintaining a statewide Preferred Drug List and prior authorization criteria; manage and maintain NDC files; maintain Durable Medical Equipment (DME) files; coordinate drug file management with State's Medicaid Management Information System (MMIS), State POS vendor, and MCOs as necessary; participate in a multi-state purchasing pool; administer and oversee the Pharmacy and Therapeutics Committee; manage the State Maximum Allowable Costs program; and obtain supplemental rebates for the State of Nebraska. Contractor will assist the Department in drafting any necessary State Plan Amendments and provide the resources necessary to gain Centers for Medicare and Medicaid Services (CMS) approval, as applicable. For more information please reference the Nebraska Medicaid program pharmacy webpage <https://nebraska.fhsc.com/>.

### **Drug Utilization Review (DUR)**

The Pharmacy Program currently oversees the Drug Utilization Review (DUR) Program which promotes the appropriate use of medications in Medicaid clients as mandated by the Omnibus Budget Reconciliation Act of 1990 (OBRA 1990). The program strives to maximize cost savings for the State through manufacturer drug rebates, the preferred drug list and sound reimbursement methodology along with clinical management strategies and any related SUPPORT Act requirements and applicable federal regulations.

### **Pharmacy Benefit Manager (PBM)**

Under direction from Pharmacy Services, the PBM vendor is contracted to manage the day-to-day operations of DHHS's FFS prescription drug benefit program and assists the State in supporting all obligations and responsibilities that accompany the provision of a State Medicaid pharmacy benefit. Contractor will assist the Department in drafting any necessary State Plan Amendments and provide the resources necessary to gain CMS approval, as applicable. Services include but not limited to:

- Adjudicates FFS pharmacy POS claims
- Operations Support of the POS System
- Pharmacy Prior Authorizations
- Drug file management with State's MMIS
- Call Center Operations for Providers
- Clinical Consultation Services
- Pharmacy Reports
- Pharmacy Website

Following are the estimated monthly and annual operational statistics:

- Number of National Council for Prescription Drugs Program (NCPDP) claims transactions (Calendar Year 2021)
  - Total transactions: 78,143
  - Paid claims: 1,899
  - Reversed claims: 183
  - Denied claims: 39,826
  - Rejected claims: 36,196
- Number of Pharmacy Prior Authorizations
  - Monthly average: approximately 60 calls
  - Annual: 727 pharmacy calls in 2021
- Number of Provider phone calls/contacts
  - Monthly average: approximately 15 calls
  - Annual: 160 provider calls in 2021

### **Medicaid Drug Rebate (MDR)**

The Federal Drug Rebate program administration is performed by DHHS and includes identification of rebatable drugs, creation and tracking of drug manufacturer (labeler) invoices, dispute resolution and processing drug rebate payments. Administration of the Federal Drug rebate program is currently performed by two Drug Rebate Accountants and one Pharmacy Services Unit staff using the State's Medicaid Drug Rebate (MDR) system. For State Fiscal Year (SFY) 2021, Medicaid collected a total of \$152,656,387 from the federal and supplemental drug rebate programs. Following are the estimated quarterly operational statistics:

- Number of labeler disputes processed – 300
- Number of invoice adjustments processed – 3,000
- Number of checks processed and deposited – 900
- Number of customer support contacts – 500

The State's MDR application is a standalone system implemented in 1991 with the last major upgrade in February, 2012. The MDR uses separate quarterly data feeds of paid FFS and managed care encounter claims. FFS claims

data is supplied from the legacy MMIS system. Managed care encounter claims data is supplied by the encounter processing system in the Data Management and Analytics (DMA). DHHS has a contract with RJ Health to supply reference data files used by MMIS and DMA for processing of physician administered drugs to ensure accurate drug rebate invoicing.

MMIS and DMA technical staff are responsible for implementing the query criteria used in the selection of claims containing services which are eligible for rebate. Both technical teams work with the MMIS business analyst team and the MLTC Pharmacy team to ensure rebate extract criteria are kept accurate and up to date.

A small subset of claim selection logic is maintained in the MDR. The DMA and MMIS send the MDR encounter extract files which identify the drug-rebatable encounters based on rebate criteria and rules. The DMA and MMIS systems use an identical file format and specification for the extract files. Processing of FFS and encounter claims in separate systems requires the claim extract logic to be maintained in two systems.

## C. PROJECT ENVIRONMENT

The technical environment for DHHS is developed, managed and maintained by two organizations:

1. **Information Systems and Technology (IS&T):** IS&T is an organizational unit of DHHS administering DHHS's computer resources. This unit provides support for feasibility studies; system design and development; system maintenance; computer hardware acquisition, installation, and maintenance; network acquisition, coordination, installation, and maintenance; and system project management.

IS&T maintains authority over department-specific activities and functions such as:

- a. Department-specific help desk support
- b. Department-specific application development and support
- c. Department-specific enterprise architecture, enterprise integration strategy and shared technical services
- d. Department IT procurement reviews and standards
- e. Department IT strategy and planning.

2. **Nebraska Department of Administrative Services (DAS), Office of the Chief Information Officer (OCIO):** OCIO provides a consolidated source for a wide range of technology services to state agencies, boards and commissions. OCIO administers DHHS's data center. IS&T purchases staffing and computing resources from the OCIO and collaborates with the OCIO to manage, operate, and maintain multiple DHHS systems. IS&T and OCIO work closely together in a hybrid IT model.

OCIO performs centralized IT functions such as:

- a. Consolidated data center management
- b. Network and infrastructure operations management
- c. IT procurement reviews and standards
- d. State enterprise help desk and desktop support
- e. State enterprise application support.

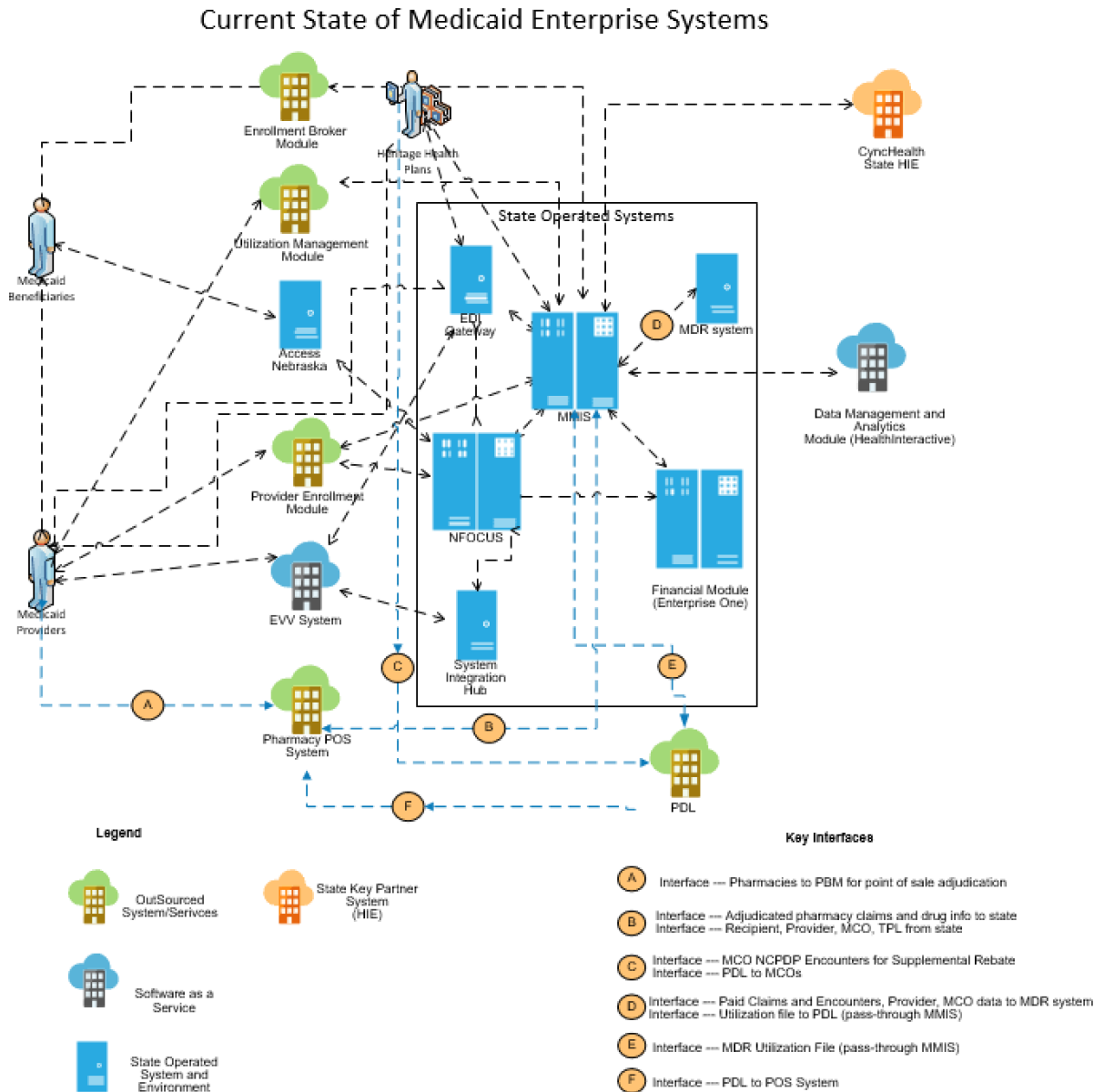
## D. TECHNICAL ENVIRONMENT

DHHS is currently executing a multi-phased plan for modernizing its aging Medicaid Management Information System (MMIS). The MMIS system implementations and operations are funded by the federal government with enhanced funding as defined in 42 CFR Part 433 Subpart C.

The vision for Nebraska is to procure solutions and services that incorporates modular, interoperable services, and implement technology that will provide the flexibility for application components to provide services to other components using industry standard communication protocols. DHHS will seek to minimize dependence on traditional IT infrastructure, with the ability to procure cloud based or customizable solutions as the procurement driver. This includes Commercial Off-the-Shelf (COTS) and Software as a Service (SaaS) solutions that may be tailored to provide the required system functionality.

The approach is to implement solutions to meet the business needs through functional or technical modules that can be plugged in or replaced quickly, which will enhance the business agility and provide faster delivery of new functionality. Functional applications should be easily added, changed, or removed as business needs evolve, with minimal impact to the business. The following diagram shows the current state of the Medicaid Enterprise Systems.

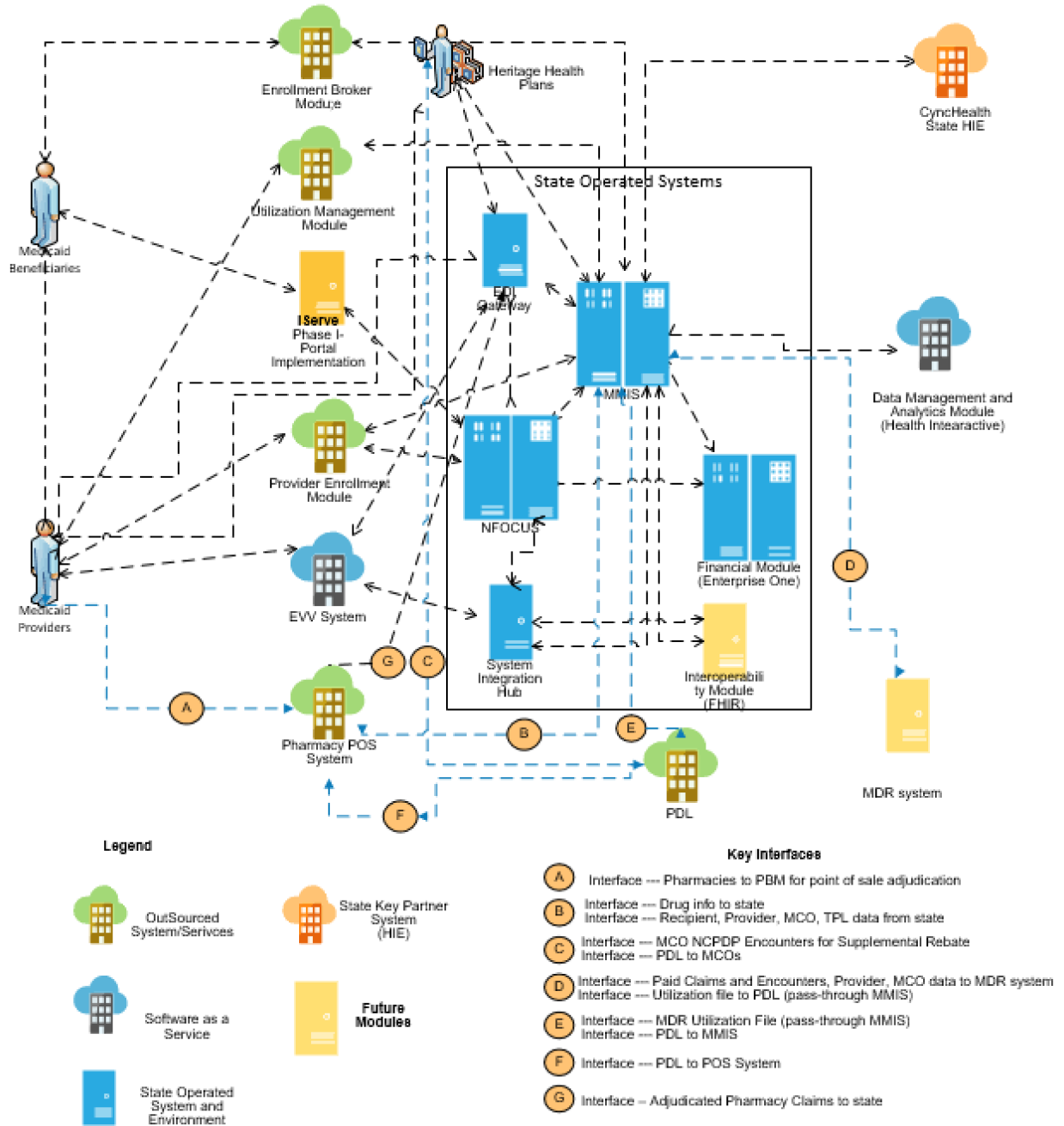
Figure 1- Current State of Medicaid Enterprise Systems



The following diagram shows the target state of the Medicaid Enterprise Systems.

Figure 2 - Target State of Medicaid Enterprise Systems

## Target State of Medicaid Enterprise Systems



Currently, the DHHS applications portfolio includes many applications that have been in production for a long period of time resulting in a disparate applications environment. The portfolio ranges from small applications to large, mission-critical, enterprise-scale applications. It also includes commercial off-the-shelf (COTS) (some customized), solutions developed and maintained in-house, Software as a Service (SaaS), as well as Business Process as a Service (BPaaS) solutions. Some of the applications relevant to the scope of work are listed below. Please note the list below is not intended to be comprehensive.

### 1. Medicaid Management Information System (MMIS)

MMIS is a legacy IBM mainframe-based system. The core component of MMIS is the IBM mainframe host at the state data center, which is accessed by state users via a terminal client running on their workstation. The mainframe host is the main repository for Medicaid FFS claims, authorizations, Medicaid provider data, code tables and reference data. The mainframe host provides database and transaction services, as

well batch processing. The MMIS is built on an IBM Db2 database. All MMIS data are stored in a series of database tables and accessed through Customer Information Control System (CICS) transactions generated from the workstation's MMIS application. The transactions processed by the CICS transaction monitor as well as MMIS batch processes are programmed using the COBOL language.

The primary functional components of MMIS are the batch processing cycles and jobs. The system executes scheduled daily, weekly, monthly, quarterly, and annual processing cycles, in addition to batch processing jobs executed upon request. The MMIS daily batch processing cycle includes claims adjudication, managed care enrollment, provider, and recipient and authorization data maintenance. Adjudicated pharmacy claims are accepted into the system in this cycle. The weekly batch processing cycle finalizes payments including FFS claims and pending capitation payments. Payments are sent to the accounting system and remittance data routed to providers. The monthly batch processing cycle determines prospective managed care enrollment and capitation payments and provides reporting services. The quarterly and annual cycles produce reporting and maintain reference and code data within the system.

- 2. Nebraska Family Online Client User System (N-FOCUS)**  
N-FOCUS is an integrated system that automates benefit/service delivery and case management for more than 30 DHHS programs, including Aid to Dependent Children (ADC), Supplemental Nutrition Assistance Program (SNAP), Child Welfare and Medicaid. N-FOCUS functions include client/case intake, eligibility determination, case management, service authorization, benefit payments, claims processing and payments, provider contract management, interfacing with other private, state and federal organizations, and management and government reporting. N-FOCUS's role in Medicaid is significant as the system that determines beneficiary eligibility and updates MMIS via a nightly interface. N-FOCUS also adjudicates and pays Medicaid claims for some Home and Community based services.
- 3. EDI Gateway**  
EDI Gateway services are provided by the Edifecs system operated by the state. This system accepts standard X12 healthcare transactions from approved state trading partners, applies SNIP level format editing to the transactions, translates the data to a fixed format specified by a receiving system, and forwards the transactions to the appropriate system for processing. It also routes X12 healthcare transactions generated by these systems to the appropriate trading partner. The MMIS system processes a full range of 270, 271, 276, 277, 277CA, 820, 834, 835, 837I/P/D transactions via the EDI gateway. N-FOCUS receives 837P claims and supports the 835 and 277CA transactions. The HealthInteractive system receives encounter claims in the 837I/P/D and NCPDP 4.2 post-adjudication formats and supports 277CA and proprietary pharmacy responses.
- 4. ACCESS Nebraska**  
ACCESS Nebraska is the current portal that provides Nebraskans an online mechanism to interact with DHHS to receive assistance through federal and state benefit programs.
- 5. Enrollment Broker Module**  
The Enrollment Broker Module services for Nebraska Medicaid are currently provided by Automated Health Solutions (AHS). AHS manages client plan and primary care provider (PCP) selection, allowing enrolled Heritage Health members to modify their plan or PCP selection via a web or phone interface. The enrollment broker provides auto-enrollment services to support immediate enrollment into Heritage Health managed care upon eligibility determination. The enrollment broker publishes plan and provider information to support these selections.
- 6. Utilization Management Module**  
Utilization Management services for Nebraska Medicaid are provided by eQHealth Solutions. Utilization Management includes FFS prior authorization reviews and retrospective reviews for selected Medicaid services. Prior authorizations are transmitted to MMIS via a daily interface for consideration in claims adjudication.
- 7. Provider Screening and Enrollment Module**  
Provider screening and enrollment for Nebraska Medicaid is provided by Maximus. An electronic portal allows providers to enroll in Medicaid and maintain their enrollment information. Necessary screenings and checks are performed prior to new providers being added. New and updated provider information is interfaced separately to MMIS and N-FOCUS (for Home and Community Based Services (HCBS) providers paid through N-FOCUS) daily.
- 8. Pharmacy Module**  
The pharmacy module includes functions related to adjudication of pharmacy claims at the point of sale, as well as PDL/supplemental rebate services and provision of drug information. MMIS provides daily updates

of eligible Medicaid clients (including managed care and other status affecting pharmacy adjudication) and Medicaid providers, primarily pharmacy and prescriber data. The pharmacy module interfaces with pharmacies via standard NCPDP interfaces to provide POS adjudication of pharmacy claims according to defined state business rules. Claims are submitted to MMIS on a daily proprietary adjudicated pharmacy claims interface. Claims are subject to some editing rules and then forwarded by the MMIS system to the state's financial module in the weekly processing cycle.

In addition, the module maintains the state's preferred drug list and collection of supplemental rebates related to this, including intake of adjudicated pharmacy claims from Heritage Health managed care plans in an NCPDP 4.2 post adjudicated format. The Pharmacy Module provides a weekly NDC-level drug information file to the MMIS. This file is used in FFS provider-administered drug processing, rebate processing, and for manual reference by state users via MMIS screens.

**9. Financial Module**

The enterprise one financial module is the state's accounting system and generates all Medicaid payments. Payment, funding, and provider information files are received from MMIS and NFOCUS systems.

**10. MDR System**

The current MDR is used to manage quarterly Medicaid drug rebate invoicing and accounts receivable services. The system receives FFS pharmacy and provider administered drug claims from MMIS, and encounter claims from HealthInteractive (HIA), in proprietary formats. MMIS also provides provider and managed care data to the system. The MDR stores quarterly rebate information from Center for Medicare and Medicaid Services (CMS) and sends rebate summary files to CMS.

**11. Data Management and Analytics (DMA) Module**

The HealthInteractive (HIA) system supports the decision support system / data warehouse function for Nebraska MMIS. The system provides ad-hoc and predefined schedule reporting capabilities, including supporting federal Medicaid financial reporting. HIA includes an investigative case management system for program integrity.

HIA is the system of record for encounter processing. Encounters are submitted to the state's EDI gateway in 837I/P/D and NCPDP 4.2 post-adjudicated format by Managed Care Entities (MCE). The 837 I/P/D are processed through format validation and SNIP editing and forwarded to HIA to apply encounter business rules and accept or reject the encounter data. Pharmacy encounters are not checked at the gateway level; format compliance is checked by the HIA system in addition to business rules. A 277CA response file is provided for 837 I/P/D encounters and a proprietary-format response file for pharmacy encounters.

HIA supplies data to downstream applications or business functions, including performing federal Transformed Medicaid Statistical Information System (T-MSIS) reporting, supplying all encounter data to the MDR system, and providing utilization for managed care rate development.

**12. Electronic Visit Verification (EVV) System**

The EVV system is responsible for collecting electronic visit data for applicable personal assistance services. The system interfaces with the state's system integration hub to obtain required eligibility, provider, and authorization data. The system interfaces with in-home providers to collect required validation information for authorized in-home services. The EVV system also allows electronic submission of personal assistance service claims to the NFOCUS system in 837P format.

**13. iServe (Phase 1 – Portal Implementation)**

DHHS has embarked on the iServe Nebraska Program to improve access, outcomes, cost, accountability and quality of DHHS services through an integrated, consumer- centric model of practice, across all programs. DHHS intends the iServe Nebraska Program to be adaptive and incrementally deliver new business capabilities, enabling the state to move from a siloed and program-based business model to an integrated service delivery model that is family and person-centered, focused on improving the overall health and well-being of all family members. iServe Nebraska Portal is to deploy one of the foundational technology components of the iServe Nebraska Platform along with key functionality related to screening and application for benefits. DHHS envisions the iServe Nebraska Portal to provide Nebraskans with a consistent and streamlined experience to interact with DHHS to receive assistance through federal and state benefit programs.

**14. System Integration Hub**

The system Integration Hub provides the integration infrastructure for DHHS to support the data and technical integration between modules.

The infrastructure provides:

- An integration bus that decouples different modules and avoids point-to-point integration.
- Support for Representational State Transfer (REST) and Simple Object Access Protocol (SOAP)-based Application Programming Interface (API) and web services development and implementation.
- API gateway services for unlocking data from systems, composing data into processes, or delivering a unified user experience.
- Well Documented Integration methods and processes.
- Enterprise architecture runway necessary to support new capabilities, drive repeatable assets, and enable impact analysis for business processes and systems.

**15. Interoperability Module**

The State is in the process of implementing a Fast Healthcare Interoperability Resource (FHIR) server to support Medicaid client inquiry of paid claims and provider data per the patient access final rule. The FHIR server will be populated with FFS claims data and providers from MMIS and use those to facilitate responses to authorized client inquiries via the state's patient access API via the system integration hub.

**E. BUSINESS DELIVERY APPROACH**

DHHS' mission is "Helping people live better lives". The work of DHHS touches the lives of Nebraskans every day, and the team works diligently to be responsive in serving Nebraska's most vulnerable citizens.

Although DHHS is composed of five Divisions plus Operations, these divisions and operational areas are expected to be seamless to its participants. The Contractor must be aligned with DHHS' vision of efficient and effective service delivery. This includes flexibility to partner with DHHS to achieve the goals of the project and assist DHHS to overcome the challenges of providing project resources while maintaining day-to-day business operations.

Service integration and the promotion of simplified and cohesive processes is a key priority for DHHS. Integrated systems and processes provide an opportunity to create greater value for the State's taxpayers and deliver better outcomes to those served by the network of State human services programs.

The integrated approach is intended to:

1. Improve customer service to participants, authorized representatives and providers.
  - a. Providing clear and concise communications regarding enrollment, renewals, and new or changed processes. This includes promoting communications intra-agency, inter-agency, and externally with providers and consumers.
  - b. Ensure a positive participant experience with enhanced customer service and coordinated outcomes across multiple programs and improve customer portals.
2. Improve efficiency and effectiveness of program operations:
  - a. Streamline business processes, including reduced entry and process times for service delivery, claims processing and payments.
  - b. Ability to serve more participants by only paying for authorized services actually delivered.
  - c. Enhance the current reporting structure with PDRS data from both the State PDRS solution transactions but also the data aggregated from MCOs pharmacy solutions.
  - d. Expand current service delivery data mining to capture trends using PDRS captured data.
3. Identify efficiencies for Information Technology systems and resources:
  - a. Combine technology components while meeting federal and state compliance requirements, and increase operational efficiencies across multiple programs, including Affordable Care Act (ACA), Medicaid Information Technology Architecture (MITA), and the Center for Medicare and Medicaid Services (CMS) Standards and Conditions.
  - b. Leverage the same technical platform among multiple divisions and programs and expand the opportunity to increase cost efficiencies. By sharing a platform, costs for implementation, upgrades, and ongoing maintenance can be apportioned across programs.
  - c. Implement solutions consistent with DHHS' enterprise technology vision.
4. Meet security and privacy requirements to protect critical systems and sensitive data
5. Implement approved devices and technology that provide real-time access to PDRS related data.
6. Provide intuitive device software that requires limited or no training.
7. Provide PDRS system training for State users.
8. Ensure that the PDRS solution provides technology that permits future expansion and functionality.
9. Ensure that the PDRS solution will integrate with existing and future interfaces, systems, and external partners.
10. Monitor and improve health care outcomes for Medicaid members.



- a. Enable case managers, providers, and other involved partners to coordinate care and collaborate with each other and with the participant for improved health, safety and self-sufficiency.
- b. Expand and strengthen consumer-directed programs.

## F. BUSINESS FUNCTIONAL REQUIREMENTS

The PDRS solution must address the requirements specified in the RTM attachments. All individual requirements, Bidder instructions and criteria for meeting the full requirement (via the Ability Code) are included in the RTM. Bidder must provide inline responses to the RTM to simplify bidder's response and Evaluator's review.

Below are high level descriptions of the 'categories' of requirements specific to each scope of work.

### 1. Drug Rebate Requirements

The Omnibus Budget Reconciliation Act (OBRA) of 1990 established the Drug Rebate Program. Congress created the Medicaid drug rebate program to reduce state and federal Medicaid expenditures for prescription drugs. Manufacturers of covered outpatient drugs (i.e., rebate-eligible drugs) are generally required to enter into rebate agreements with the Secretary of Health and Human Services and pay quarterly rebates to States. Most drugs covered under Medicaid are self-administered products (e.g., tablets) dispensed by pharmacies. However, Medicaid also covers physician-administered drugs, which include both injectable and non-injectable drugs that are typically administered by medical professionals in physicians' offices, clinics, or in-patient out-patient hospitals.

Rebates are calculated using two sources of data: (1) pricing data submitted by manufacturers and (2) utilization data (i.e., the total number of rebate-eligible units for each drug) compiled by States. Each quarter, manufacturers send pricing data to the Centers for Medicare & Medicaid Services (CMS), which then calculates an unofficial unit rebate amount (URA). CMS makes a URA for each national drug code (NDC) available to States in the Drug Data Reporting (DDR) system for Medicaid. Each State determines the rebate amount that a manufacturer owes by multiplying the URA for each of the manufacturer's NDCs by the corresponding number of rebate-eligible units. Manufacturers are ultimately responsible for calculating an official URA and paying rebates to States.

Please see Attachment A – Drug Rebate Requirements Traceability Matrix (RTM).

### 2. PBM Requirements

The PBM requirements include the functions necessary to receive and adjudicate all pharmacy claims, regardless of input media. The PBM supports the on-line processing of pharmacy claims submitted in real-time by pharmacies through networks provided by contracted switch vendors.

Using a POS device or POS software, the pharmacist can check member eligibility, submit claims, respond to DUR alerts, determine PA status for a drug or service, and submit a PA request, if needed. The PBM shall have a prospective DUR (Pro-DUR) system for prepayment review before prescriptions are filled. Pro-DUR is supported by user control of drug and alert status. Pro-DUR prevents inappropriate dispensing of drugs by using alerts to warn pharmacists of potentially inappropriate utilization, triggering clinical review. The pharmacist can override some alerts after review, others require they obtain Prior Authorization. Prior Authorization and determination of coverage may be based on properties of the prescriber, pharmacy, and/or member. The PBM Contractor must have the ability to accommodate State-specific changes to the POS system.

Please see Attachment B – PBM Requirements Traceability Matrix (RTM).

### 3. PDL Requirements

The Medicaid Reform Act in 2005 and legislation passed in 2008, a Preferred Drug List was created for Nebraska Medicaid. Nebraska Revised Statute 68-950 to 68-956 (<http://uniweb.legislature.ne.gov>) is known as the Prescription Drug Act. The purpose of the Act is to provide appropriate pharmaceutical care to recipients in a cost-effective manner by establishing a Preferred Drug List (PDL). All therapeutic classes may be considered for inclusion on the PDL except those specifically excluded under Nebraska Statute. This service is currently provided by the PBM Contractor under a separate contract. Nebraska Medicaid and Long-Term Care currently participates in TOP\$ (The Optimal PDL Solution), the multi-state Medicaid pharmaceutical purchasing pool, and obtaining supplemental drug rebates.

Please see Attachment C – PDL Requirements Traceability Matrix (RTM).

### 4. DUR Board Administration Requirements

The purpose of the Nebraska Drug Utilization Review (DUR) Board is to serve in an advisory capacity to Nebraska Medicaid with regard to prescribing and dispensing of drugs by Nebraska enrolled providers and

the use of drugs by Nebraska Medicaid members. The DUR Board Administration Contractor will be responsible for supporting the DUR Board.

Please see Attachment D – DUR Board Administration Requirements Traceability Matrix (RTM).

Below are high level descriptions of the 'categories' of requirements that may apply to multiple PDRS scopes of work. The individual RTM attachments include specific requirements as applicable.

**1. Privacy and Security Requirements**

Because the PDRS solutions will contain sensitive information such as PII and PHI, privacy and security are critical. Each user must have individual access credentials and be allowed access to only the data and functions required to do that user's specific task responsibilities. The environment and the sensitive data must be secured in transit and at rest from a logical and physical basis.

The solution must comply with all applicable laws and regulations regarding privacy, including but not limited to the Health Insurance Portability and Accountability Act (HIPAA), [DHHS IT Security Policy](#), [NITC Standards and Guidelines](#), and the provisions contained in the Business Associate Agreement Provisions – Attachment I.

Where appropriate, the solution must integrate with and/or conform to the DHHS B2C implementation, Interoperability, cloud environment and the OCIO security policies.

In the provision of any service under this contract, the Contractor must comply with all applicable laws, including but not limited to federal and state: statutes, rules and regulations, and guidance documents. Compliance includes, but is not limited to: The Health Information Protection and Portability Act (HIPAA), as set forth in Attachment K and the Medicaid-specific, above-and-beyond-HIPAA privacy protections found at 42 CFR Part 431, Subpart F. The Contractor acknowledges that they are subject to the Privacy and Security Rules (45 C.F.R. Parts 160 and 164) promulgated by the United States of Health and Human Services pursuant to the HIPAA of 1996, Public Law 104-191.

**2. Reporting Requirements**

DHHS must meet all federal reporting requirements, as well as those imposed by Nebraska regulations and policies. The PDRS solutions must have the flexibility to provide reporting for multiple perspectives: e.g. state staff, providers, labelers, participants, etc. Sample reports must be provided with the proposal and will be finalized after reviews with DHHS to determine what additional reporting may be required to meet DHHS needs. Reporting capabilities need to be flexible enough for printing, transfer via multiple output formats and methods, and be customizable by the end user to meet that user's individual needs.

DHHS reserves the right to add additional reports, change reporting requirements and request on demand reports as deemed necessary. Preferred reporting visualization and reporting should use Tableau. All reporting must be available in a format that easily allows the data to be imported into state data warehouses and decision support systems.

**3. System Requirements**

The PDRS PBM, PDL, and Drug Rebate solutions must have the capacity, scalability and flexibility to meet current and future needs of the DHHS participant population and their associated services. The PDRS solution must have cadenced, controlled enhancement processes to maintain currency from an architectural and industry perspective. Appropriate levels of logging and audit controls must be in place to support all audit and contingency requirements. The PDRS solution should be designed and maintained with current Medicaid Information Technology Architecture (MITA) guidelines. See <https://www.medicaid.gov/medicaid/data-and-systems/mita/index.html>.

**4. Hosting and Environment Requirements**

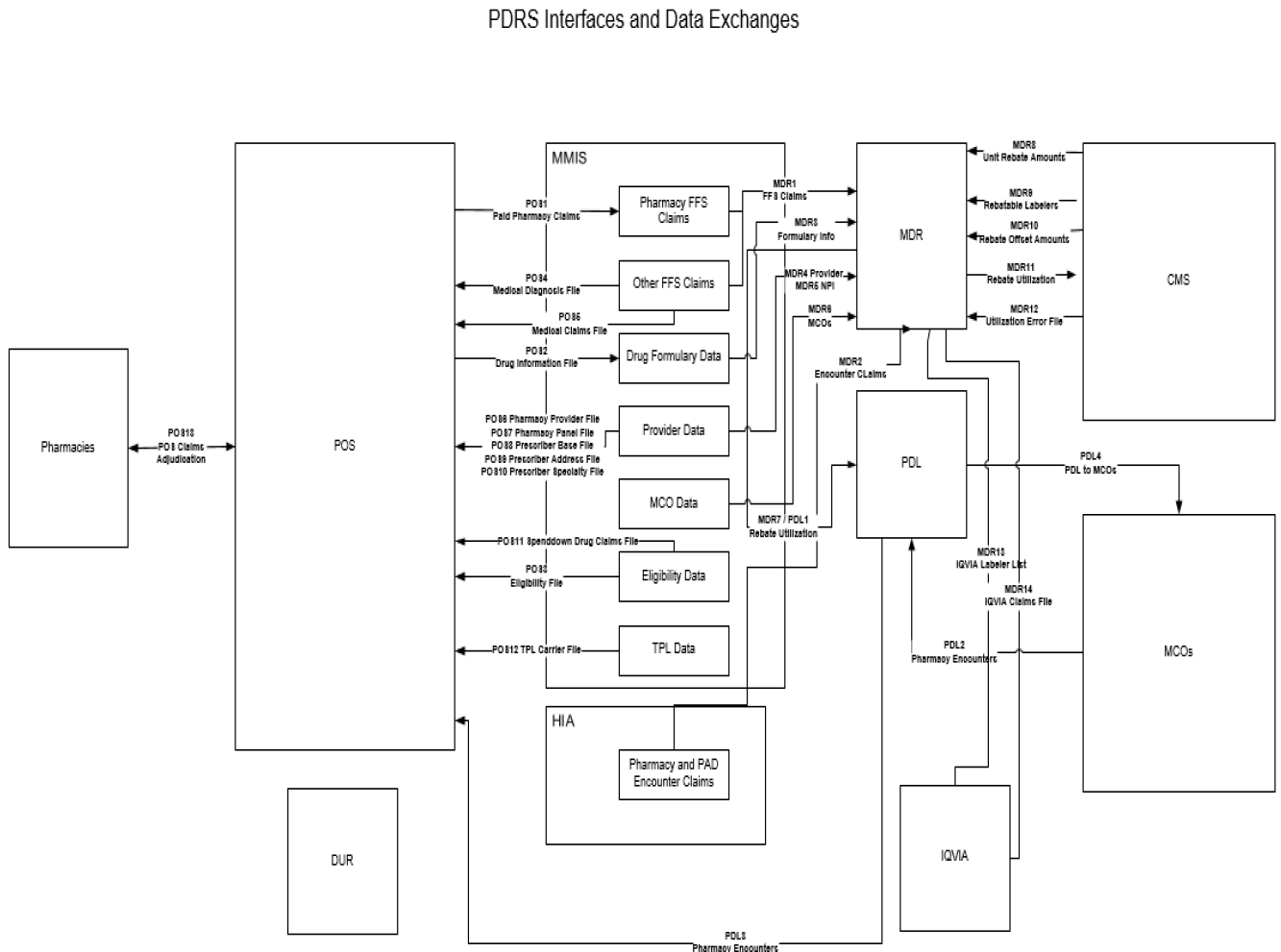
DHHS prefers any proposed cloud solution to be hosted on Azure government cloud platforms. Bidders should propose the solution hosting model that they are able to fully support. The delivery of the solution should be seamless with the hosting solution providing the flexibility to integrate other solutions for security and regulatory purposes in the future and be cost-effective and scalable. The hosting environment for all solution components must have a Federal Risk and Authorization Management Program (FedRAMP) Certification, a FedRAMP Risk Assessment that indicates compliance, or has a documented National Institute of Standards and Technology (NIST) 800-53 rev 4 at a "moderate" system risk assessment designation. In addition, the Contractor is required to demonstrate that their hosting solution is Statement on Standards for Attestation Engagements (SSAE-16) Systems and Organization Controls (SOC) 1 Type 2 and SOC 2 Type 2 compliant.

In the response, the Bidder must describe their approach to hosting solutions and services that meets state and federal regulations, security and performance requirements detailed in the RTM attachments.

**5. Data Management Requirements**

The PDRS solutions must exchange, maintain, and protect data in a manner that ensures accuracy, allows ease of use while meeting requirements for security, privacy and retention, and integrates well with data from other DHHS systems. See Attachment L – PDRS Interfaces and Data Exchanges for a detailed listing of the current files supporting the PDRS solutions. The following diagram shows the current PDRS interfaces and data exchanges.

Figure 3 – PDRS Interfaces and Data Exchanges



**6. Integration and Interoperability Requirements**

CMS views the MMIS through the lens of the Medicaid Information Technology Architecture (MITA) framework. In 2010, Congress passed the Affordable Care Act (ACA). Part of the ACA included the legal foundation for CMS to implement new requirements for MMIS enhanced funding. The view of an MMIS as a singular system that performs all the necessary functionality has transitioned to modular solutions where components are connected in an interoperable architecture. This vision enables the replacement of a component module with a new one with less impact on the overall enterprise system. DHHS has undertaken a strategic transformation journey with its vision of a new Medicaid enterprise.

The driving force behind this journey for DHHS enterprise transformation is to result in improvements to member’s health and quality of life through streamlining business processes, taking effective program

decisions via a data driven mindset and reducing the overall administrative cost of operations through a modular approach.

DHHS' approach to modularity is focused on business capabilities and process realization instead of seeing it as system modules. This business focused approach to modularity provides the state greater flexibility to modernize its processes and realize the goal to increase quality and speed of services while also reducing costs.

The PDRS solutions must fit within the overall DHHS Concept of Operations and participate fully in Integration activities as the rest of the DHHS environment continues to evolve. Please reference Figure 2 Target State of Medicaid Enterprise Systems above.

**7. Business Continuity and Disaster Recovery Requirements**

The PDRS solutions must have an established Business Continuity and Disaster Recovery (BCDR) plan that is maintained, updated, and tested as enhancements or changes are made to the systems. The BCDR plan must include contingency planning for operational and system updates as programs evolve. This BCDR plan must be tested and updated annually. After each annual test of BCDR plan, the Contractor shall provide an after-action report (AAR). The report must detail what was a success, what did not succeed, and what can be improved, and a plan to address those items.

The BCDR plan must be approved by DHHS and implemented prior to the start of operations. The BCDR approach must integrate with DHHS's overall Disaster Recovery Plan and describe in detail the procedures necessary to recover the operational system according to each PDRS solution's return to operations and recovery point requirements, as applicable, included in the RTM attachments.

**8. Project Management and Implementation Requirements**

DHHS is seeking PDRS partners that have a demonstrated track record of successfully managing and implementing complex operational and system projects of similar size and scope.

The Design, Development, and Implementation (DDI) phase covers the time period from project start-up until the required functionality is implemented and operational. During the DDI phase, Contractor is required to install a PDRS solution that meet the requirements of the Maintenance and Operations (M&O) phase of the contract.

The State prefers the use of Microsoft Project or Workfront for a project management tool and Jira for requirements, as well as the use of the agile process for development approach while adhering to fixed scope and price bids. Bidders are allowed to propose their preferred project management, requirements management, and systems development, approaches for implementing the PDRS solutions while realizing that the State may not accept those alternative systems and methodologies.

DHHS anticipates that the requirements described in this document and RTM attachments can be met by a bidder's standard practices and methods for solution implementation. DHHS requires Bidders to describe "how" the requirements will be met. DHHS is not attempting to specify every possible activity, deliverable, or the content of deliverables necessary to achieve success on this contract. Bidders should not infer that the absence of detailed requirements means that DHHS does not consider a specific area or activity important or unnecessary. DHHS requires Bidders to propose solutions that meet requirements. DHHS requires Bidders to include all details in its proposal necessary to achieve or exceed requirements. This includes plans, requirements and deliverables necessary to meet the M&O phase requirements. DHHS considers the DDI phase very important and will closely evaluate the completeness of Bidder responses and adherence to the desired requirements.

Following contract award, Contractor will be required to provide an updated detail work plan and schedule, which DHHS will review, provide input into, and approve when accepted. The work plan must cover all aspects of due diligence, planning, configuration, development or customization, testing, training, deployment and post-implementation operational support. All affected stakeholders must receive ongoing communication as approved by DHHS, and training provided for all impacted stakeholders.

Following successful implementation of the initial solution and operations, Contractor will be required to continue to apply and meet the project management requirements included in the RTMs for any subsequent changes or modifications made to the solution and operations.

**a. Project Governance**

DHHS and PDRS Contractor will establish the governance necessary to manage the implementation of the PDRS project. The governance will be made up of senior management personnel from DHHS and senior management personnel from the PDRS Contractor. As needed,

the DHHS project management team will be supported by other state personnel including contract management, technology, procurement and finance. Governance will include committees and work groups that will facilitate the appropriate level of decision-making and escalation processes to support the PDRS project scope.

**b. Change Control Management**

DHHS and the Contractor will follow an agreed upon change control process before any change or amendment may be completed to add or modify a requirement of the awarded contracts. As part of PDRS project governance, DHHS and the Contractor will establish a Change Control Board (CCB) to manage the change control process.

**c. Deliverable and Performance Standard Management**

The Contractor will be required to monitor and report on the status of all deliverables and applicable performance standards required during the DDI and M&O phases of the contracts.

**9. Communication and Training Requirements**

**a. Communication**

Implementation of projects of this complexity requires daily collaboration and communication among all project stakeholders. Time is critical in communicating issues, solutions and decisions among the Contractor, the DHHS's programmatic, technical and management staff, and other stakeholders. Effective communication among DHHS, Contractor, and other impacted stakeholders is essential to effective adoption of the new PDRS solutions. Regular meetings with the project team are expected and at least monthly meetings with senior leadership are required. More frequent meetings will be added if necessary.

**b. Training**

Training for the PDRS solutions will take considerable planning, focus and commitment. A key differentiator to a successful implementation will be the ability to provide multiple types and levels of training, with multiple delivery modes to meet various implementation and operational settings. Contractors must provide appropriate options to keep communication and training available to all users. State staff and state contractors are located in multiple cities and towns across the United States. The Contractor is responsible for working with DHHS to deliver appropriate targeted information to each stakeholder group in ways that allow stakeholders to participate.

User Training involves more than delivery and establishes a foundation for all details relating to scope, methodology, business process changes, curriculum, development, delivery, and project tracking. Training includes required knowledge incorporated into its overall organizational environment, development and on-going support of innovative training materials. The results of early and ongoing staff education needs assessment via readiness assessments and stakeholder discussion allows training to be targeted to the user needs of the PDRS solutions. Delivery of role-based education materials such as skill competency lists, job role descriptions, job evaluation criteria and ample time to practice using the PDRS solutions ensures that users will institutionalize the competencies necessary to perform their jobs.

DHHS views training and knowledge management as a vital means to assuring that users adopt and fully embrace the PDRS solutions, thereby mitigating risk.

Bidders should assume that DHHS users are qualified and capable of performing their assigned duties; therefore, the training requirements are specific to the PDRS solutions, impacts, features and benefits for their programs and impacted business processes. The courseware and curriculum must be competency-based and assess the knowledge and skills learned. Contractors must continually assess the training materials, and the training delivery staff, to ensure a minimum of 95% competency rate for each course. Courseware, whether in the format of quick reference, user guides, training modules, or a combination of all services, should include a combination of training tools and types.

In order to successfully accomplish training goals and specific objectives, DHHS will work with the Contractor to identify the different training audiences within DHHS and impacted stakeholders. The identification of training audiences will be incorporated in the Training Plan. It will include each targeted audience's roles and responsibilities with regard to the operation and/or support of the PDRS solutions as well as each audience's unique training requirements.

**10. Pre-Operational Transition Requirements**

In order to provide for a seamless transition from the current PDRS solution operations and systems to the Contractor's PDRS solution operations and systems, DHHS will require Contractor to complete an Implementation Assessment that includes an analysis of DHHS current PDRS operations and processes that results in a detailed Pre-Operational Transition Plan for transitioning DHHS current operations and data to the Contractor's PDRS solution.

**11. Operations Requirements**

The M&O Phase begins immediately after implementation of the PDRS solutions, when production is underway and all PDRS business functions are operational. Contractors must provide full operational support from Go-Live through completion of the contract.

Operational planning is an essential mechanism for managing the M&O phase of the contracts. The operational planning process needs to be established early in the DDI Phase in order to guide the right configuration and implementation strategy for the system. Operational planning needs to take into account some important considerations such as:

- a. Maximizing system availability to meet the operational requirements. This leads to a focus on designing-in reliability and maintainability of the system and resources in use.
- b. Preserving system operating potential through proper planning of system scheduled maintenance. This warrants a reliability-centered maintenance strategy that incorporates preventive maintenance in order to preempt failures and address security issues, thereby extending the mean time between corrective maintenance, as well as enhancing the availability of the system.
- c. Harnessing IT technology for maintenance management. This requires systematic capturing and tracking of operating and maintenance data to facilitate analysis planning and forecasting.

DHHS requires that all agreed maintenance planning artifacts be developed early in the DDI Phase to ensure that the operational needs are clearly understood and are incorporated into the decisions and choices in the final specifications of the PDRS solutions. Similarly plans such as transition plans need to be documented during the DDI phase to ensure a measurable way to monitor and manage operational readiness.

**a. Operations, Maintenance, and Configuration**

Contractors shall provide Operations support, Maintenance, and ongoing Configuration of the PDRS solution throughout the life of the contract. This includes providing Operations support as well as providing Maintenance and Enhancements to the provided solutions. Contractors will follow project management, requirements management, and system development processes throughout the life of the contracts.

**b. Maintenance and System Enhancements**

There are two distinct classifications of work that Contractor will perform: maintenance and system enhancements.

**i. Maintenance**

DHHS defines maintenance for each module as follows:

- a.) Making configuration updates as requested by DHHS. Configuration includes but is not limited to changes to table values, parameters, codes, and business logic, including hardcoded business logic.
- b.) Correcting deficiencies (defects) found in the solutions based on detailed requirements described in the RTM attachments, Configuration documents and published design specifications.
- c.) Correcting deficiencies (defects) found in the solutions based on a failure to meet the detailed requirements in completed enhancement, configuration or maintenance requests.
- d.) Conducting research requested by DHHS or required to support the Department. For example:
  - 1) System behavior and results
  - 2) New healthcare initiatives
  - 3) Best practices research across states and industry
  - 4) Impacts of new state and federal legislation

- e.) Performing regular maintenance as needed by DHHS required to support DHHS Programs. Examples of maintenance include but are not limited to:
  - 1) Performance optimization.
  - 2) Database management.
  - 3) Software, hardware, and tools (e.g., patches, upgrades, and replacement).
  - 4) Interface, report, and correspondence changes.
  - 5) Making corrections or changes to maintain the integrity of the system or the data within it (e.g., backing out changes, correcting duplicate records, cleansing corrupt data, adding security measures, adding redundancy).
- f.) Using appropriate testing, configuration, and change control procedures.
- g.) Updating system, user, and training documentation and online help to reflect changes that have been made to a solution.
- h.) Performing the activities above to maintain customizations implemented as part of an approved enhancement.
- i.) Perform incremental integration services via configuration. Incremental integration services required during the DDI phase should be included in the DDI costs.

If incremental changes are included in existing requirements, are the result of bugs, operational support, user maintenance, batch cycles, and support of existing code or can be completed with the maintenance resources within the scope and schedule of the maintenance team, the change will fall under the definition of maintenance. If the change requires system development and testing efforts beyond the capacity or skill level of the maintenance team and are not part of the original requirements, the change will fall under the definition of enhancement.

All maintenance activities will be performed at no additional cost to the state in the Bidder's response. Contractors will be required, at no additional cost, to add resources necessary to complete all activities by the required due date.

**ii. System Enhancements**

DHHS defines systems enhancements as follows:

- a.) System enhancements exclude any activities defined in "Maintenance" above.
- b.) New features or functionality that fall outside the scope of all RFP requirements, bidder's RFP response, the contracts, or agreements of any supplemental negotiations.

DHHS must approve both the design and level of effort prior to the start of development or configuration for system enhancements via the change control process. DHHS must approve any changes to the design or level of effort that occur after the original approval. The level of effort billed cannot exceed the level of effort approved by DHHS and must comply with the rates defined in the Cost Proposal.

Contractors must provide an estimate of any impact to annual operations cost, for the enhancement during the M&O phase of the contracts if applicable. Reimbursements for any additional operations costs must be addressed in a contract amendment.

**12. Customer Support Requirements**

During the M&O Phase Contractor must provide full operational support to DHHS and other impacted stakeholders.

Contractors shall establish and maintain a PDRS Solution Customer Support Plan that addresses all aspects of customer care services, including a help desk function for the PDRS solution. The draft version of the PDRS Solution Customer Support Plan shall be submitted with the proposal, and must be reviewed and accepted by DHHS after contract signing.

Contractor's support must also include a current PDRS Solution User Manual, which is maintained and updated each time there are releases or changes to the solution, or additional services or users are added. Contractor must provide a monthly status report, which provides all agreed metrics to ensure that Contractor is meeting all expected service levels, providing appropriate levels of customer service and addressing complaints in a timely manner.

**13. Staffing and Resource Requirements**

DHHS recognizes that staffing of the DDI and M&O Phases of the PDRS contracts will be critical to success, and DHHS will closely evaluate proposals for the appropriate consideration and structure of the proposed implementation and operational staffing models. DHHS will also closely evaluate both the staffing that Bidders will propose, as well as the staffing that Bidders expect from DHHS. Staffing is constrained within DHHS. Bidders should propose a staffing approach that includes input of DHHS business and technology staff to obtain information and feedback necessary to produce quality work products and deliverables.

DHHS staffing for the PDRS project will include a mix of contractor staff and DHHS staff. Each will have defined roles and responsibilities, the sum of which must provide a comprehensive capacity of required capabilities. The Contractor will be responsible for all DDI work products and deliverables. DHHS requires the Contractor to provide the necessary skillsets required to complete a complex project and should not expect direct state or incumbent support resources to be available beyond what is described within this RFP. The Contractor's team must have ongoing resources dedicated to performing the activities during the M&O Phase. The Contractor must add and replace staff with deep knowledge of the implemented technology in a timely manner, as required.

Detailed project staffing requirements are listed in Corporate Overview. Please provide detailed responses to all requirements in that section of the document.

#### **14. Turnover and Contract Closeout Requirements**

Upon Contract closeout for any reason, the Contractor will work with DHHS, and any other organizations designated by DHHS to ensure an orderly transition of services and responsibilities under the contract and to ensure the continuity of those services required.

At least one hundred eighty (180) days before the end of the Contract, the Contractor must develop and implement a DHHS approved Turnover Plan. The Turnover Plan must be comprehensive detailing the proposed schedule, activities, and resource requirements associated with turnover tasks.

The Contractor must turnover all completed Contract deliverable work including all working documents, in accordance with the DHHS-approved Turnover Plan.

Activities include, but are not limited to maintenance of system files, software, and hardware; supporting data conversion and knowledge transfer to DHHS or any succeeding Contractor; correction of system problems and deficiencies, all toll-free numbers shall be transferrable to DHHS, or other entity designated by DHHS, upon the ending of the contract; and system modifications as necessary to accommodate DHHS' needs without additional cost to DHHS.

#### **15. Certification Support Requirements**

The PDRS solutions will be deployed in alignment with CMS certification requirements to achieve an effective, efficient MMIS modular environment, while leveraging Federal Medical Assistance Percentage for Medicaid (FMAP) through CMS certification. Contractors must provide support throughout the project to ensure that all requirements meet DHHS and CMS deliverables and artifacts, and traceability activities are completed in a quality manner and meet project schedule dates.

Contractors will produce accurate and timely transaction data, reports, and performance information that contribute to program evaluation, continuous improvement in business operations, and transparency and accountability. These data and reports will be used for DHHS to report on key metrics as a part of outcome-based certification CMS Regulatory Requirement. Please reference the CMS Certification Repository for more information <https://cmsgov.github.io/CMCS-DSG-DSS-Certification/>.

#### **16. Service Level Agreements Requirements**

Specific deliverables and services provided within the PDRS contracts will be required to meet performance standards and may be subject to liquidated damages when the performance standard is not met. Please see Attachments E through H – Performance Guarantees.

### **G. SCOPE OF WORK**

Bidders should understand and respond to the requirements herein and in the following attachments:

- Attachment A – Drug Rebate Requirements Traceability Matrix (RTM)
- Attachment B – PBM Requirements Traceability Matrix (RTM)
- Attachment C – PDL Requirements Traceability Matrix (RTM)
- Attachment D – DUR Board Administration Requirements Traceability Matrix (RTM)
- Attachment E – Drug Rebate Performance Guarantees
- Attachment F – PBM Performance Guarantees



- Attachment G – PDL Performance Guarantees
- Attachment H – DUR Board Performance Guarantees
- Attachment I – Business Associate Agreement (BAA)
- Attachment J – Data Use Agreement (DUA)
- Attachment K – System Security Plan
- Attachment L – PDRS Interfaces and Data Exchanges

After the contract award, the Contractor must review, validate and further define the requirements with DHHS. In addition, the Contractor is required to develop a requirements crosswalk to the RTM to validate and ensure that all requirements are met as defined.

Contractor should understand and provide the most effective and efficient approach to meet each requirement. Contractor is responsible for ensuring all configuration items are identified and defined, documented and implemented. Contractor will ensure thorough testing is supported and completed as per agreed project plan and schedule. All Operational preparation must be completed and requirements for CMS Certification must be completed in time for review before scheduled go live 'go/no-go' decision milestones. As part of the implementation and operational activities, Contractor will cooperate and collaborate with state staff and others as designated to ensure that deliverables and certification artifacts and evidence are comprehensively completed and documented.

Contractor should provide competent and experienced staff to meet all key personnel positions for both PDRS implementation and operations, and ensure full compliance with project requirements as the solution is implemented and deployed. Contractor's Account Executive and Project Manager must ensure all detail tasks are tracked, executed and reported accurately. Documented risk and issue processes will be followed, and escalations managed as agreed.

Regular reporting and status meetings will be completed as scheduled, with collaboration from the DHHS team to ensure a transparent, integrated set of activities are being reported accurately. Critical path and high-level risks and issues will be tracked and communicated clearly.

DHHS requires Contractor to bring best practices experience and leverage that in the DHHS deployment to ensure quality and improve efficiencies. All required documentation, training, artifacts and deliverables will be detailed on the project schedule, developed to agreed standards and reviewed by both Contractor and DHHS.

The Contractor should provide skilled resources to develop and deliver customized communication and training to meet DHHS needs for state staff, other contractors, and impacted stakeholders.

Once implementation is completed, ongoing operational tasks will be handled using approved, documented methodology, and reported in the Performance Standard Management Report with monthly reports identifying full-service level compliance and any gaps or failures.

**H. DELIVERABLES**

Percentages for Implementation Milestones would include below billing milestones, with specified deliverables tied to each milestone:

Requirement and Design Milestone:	20% of Implementation fees.
Development and Testing Milestone:	40% of Implementation fees.
Operational Readiness Milestone:	30% of Implementation fees
Certification Milestone:	10% of Implementation fees.

**1. Implementation Deliverables:**

For the MDR, PBM, and PDL scopes of work the implementation deliverables will be tracked within four milestones. There are no implementation deliverables for the DUR scope of work. As deliverables are completed, they will be provided to DHHS for review and approval. Approval authority will be defined by DHHS. All deliverables must be approved in writing. Once all deliverables are completed for that milestone, that milestone payment, based on the percent of the total implementation cost noted on the Cost Proposal, can be billed. The first milestone should be within the first few months after Contract Award, as several of the deliverables have specific requirements noted in the RTM attachments. Milestone 2 must be completed prior to Go Live, with all required deliverables completed, reviewed and approved by DHHS. Milestone 3 will occur after Go Live, when all Go Live activities are completed, and other Milestone 3 deliverables have been approved by DHHS. Milestone 4 will occur not less than 6 months after Go Live when all CMS certification activities are completed, and CMS has approved the solution and project.

Below are the specific deliverables for each milestone for the MDR, PBM, and PDL scopes of work:

- a. Milestone 1: Requirement and Design Milestone, includes creation, review and approval of the following:
  - i. Project Management Plan, to include but not limited to:
    - a) Work Breakdown Structure (WBS)
    - b) Communications Plan
    - c) Change Management Plan
    - d) Staffing Management Plan
    - e) Risk Management Plan
    - f) Issue Management Plan
    - g) Quality Management Plan
  - ii. Detailed Project Work Plan (PWP)
  - iii. Project Kickoff Meeting & Presentation
  - iv. Project Deliverable and Maintenance Process
  - v. Project Requirements and Design Deliverables
  - vi. Initial Security Review of Proposed Software
  - vii. Project Management, Requirements Management, and Testing Management Tool Selection and Implementation
  - viii. Environment Configuration, minimally for Development Implementation Assessment
  
- b. Milestone 2: Development and Testing Milestone, includes but not limited to creation, review and approval of the following:
  - i. Test Management Plan
  - ii. Integration Plan
  - iii. Implementation Plan
  - iv. Pre-Operational Transition Plan
  - v. Environment Configuration, for all remaining environments
  - vi. Code Migration and Deployment Processes
  - vii. Development, Testing, and Pre-Implementation Deliverables and Work Products
  - viii. Data Migration Plan and Execution
  - ix. Test Execution and Results
  - x. State Staff Training
  - xi. Delivery of production ready system & solution
  - xii. Business Continuity/Disaster Recovery Plan
  - xiii. Completion of all required Operational Readiness Review (ORR) certification artifacts
  - xiv. Successful completion and approval of Attachment K - System Security Plan
  
- c. Milestone 3: Operational Readiness Milestone, includes the following:
  - i. Go Live Deliverables and Work Products
  - ii. Fully operational production PDRS solution(s) providing all agreed functionality
  - iii. Online survey for end users feedback
  - iv. Begin gathering data to support required metrics
  - v. Fully functional customer support
  - vi. Transition to Account Management
  
- d. Milestone 4: Certification Milestone, includes the following:
  - i. Post-Implementation Deliverables and Work Products
  - ii. Submit required data to DHHS to support metric calculation and review with CMS of all required operational functionality and certification metrics

**1. Operational Deliverables:**

After Go Live, when the PDRS systems and services are in production mode, ongoing deliverables and support will include the following, as well as other services as agreed. Billing for the ongoing deliverables and support will be based on the Cost Proposal Operational Costs section. Ongoing deliverables and support include, but may not be limited to:

Medicaid Drug Rebate (MDR)

- (Required) Delivery of operational deliverables and services according to identified performance standards
- (Required) Operations support for the system and system maintenance
- (Optional) Management and staffing to support invoicing functions
- (Optional) Management and staffing to support dispute management functions

- (Optional) Management and staffing to support reporting functions
  - (Optional) Management and staffing to support accounting functions
  - (Optional) Management and staffing to support customer support functions
  - (Optional) Management and staffing to support ongoing training functions
- Pharmacy Benefit Manager (PBM)
- (Required) Delivery of operational deliverables and services according to identified performance standards
  - (Required) Operations support for the system and system maintenance
  - (Optional) Management and staffing to support claims processing and adjudication functions
  - (Optional) Management and staffing to support prior authorization functions
  - (Optional) Management and staffing to support reporting functions
  - (Optional) Management and staffing to support prospective and retrospective drug utilization review functions
  - (Optional) Management and staffing to support clinical consultation services functions
  - (Optional) Management and staffing to support customer support functions
- Preferred Drug List (PDL)
- (Required) Delivery of operational deliverables and services according to identified performance standards
  - (Required) Operations support for the system and system maintenance
  - (Optional) Management and staffing to support multi-state purchasing pool functions
  - (Optional) Management and staffing to support state plan amendments functions
  - (Optional) Management and staffing to support pharmacy and therapeutics committee functions
  - (Optional) Management and staffing to support preferred drug list functions
  - (Optional) Management and staffing to support supplemental rebate administration functions
  - (Optional) Management and staffing to support prior authorization functions
  - (Optional) Management and staffing to support medical supply program functions
  - (Optional) Management and staffing to support reporting functions
- Drug Utilization Review (DUR) Board
- (Required) Delivery of operational deliverables and services according to identified performance standards
  - (Optional) All other staffing and non-staffing resources to support DUR Board

## **VI. PROPOSAL INSTRUCTIONS**

This section documents the requirements that should be met by Bidders in preparing the PDRS Solution Requirements, as noted in the RTM attachments and Cost Proposals. Bidders should identify the subdivisions of "Project Description and Scope of Work" clearly in their proposals; failure to do so may result in disqualification. Bidders must respond to all requirements detailed in the RTM attachments. Failure to respond to a specific requirement within an RTM attachment may be the basis for elimination from consideration during the state's comparative evaluation.

Bidders must submit separate technical and cost proposals for each scope of work. Bidders that are bidding on more than one scope of work are requested to provide a discount factor percentage on each of the submitted cost proposals. The discount factor percentage represents the reduction in the bidder's implementation and operational costs if the bidder is awarded more than one scope of work. Bidders are not required to submit a discount factor percentage and the discount factor percentage is not included in the evaluation criteria.

Proposals are due by the date and time shown in the Schedule of Events. Content requirements for the Technical and Cost Proposal are presented separately in the following subdivisions; format and order:

### **A. PROPOSAL SUBMISSION**

#### **1. REQUEST FOR PROPOSAL FORM**

By signing the "RFP for Contractual Services" form, the Bidder guarantees compliance with the provisions stated in this RFP, agrees to the Terms and Conditions stated in this RFP unless otherwise agreed to, and certifies Bidder maintains a drug free workplace environment.

The RFP for Contractual Services form must be signed using an indelible method (not electronically) and returned per the Schedule of Events in order to be considered for an award.

Sealed proposals must be received in the State Purchasing Bureau (SPB) by the date and time of the proposal opening per the Schedule of Events. No late proposals will be accepted. No electronic, e-mail, fax, voice, or telephone proposals will be accepted.

It is the responsibility of the Bidder to check the website for all information relevant to this solicitation to include addenda and/or amendments issued prior to the opening date. Website address is as follows: <https://das.nebraska.gov/materiel/bidopps.html>.

Further, Sections II through IV must be completed and returned with the proposal response.

#### **2. CORPORATE OVERVIEW**

The Corporate Overview section of the Requirements Proposal should consist of the following subdivisions:

##### **a. BIDDER IDENTIFICATION AND INFORMATION**

The Bidder should provide the full company or corporate name, address of the company's headquarters, each principal location, and location(s) of primary systems, entity organization (corporation, partnership, proprietorship), state in which the Bidder is incorporated or otherwise organized to do business, year in which the Bidder first organized to do business, total number of employees, organizational chart displaying the overall business structure, and whether the name and form of organization has changed since first organized.

If not publicly traded company (or a subsidiary of a publicly traded company), the names, affiliations, and city and state of each individual or company that owns five percent (5%) or more of the company or partnership.

##### **b. FINANCIAL STATEMENTS**

The Bidder should provide financial statements applicable to the firm. If publicly held, the Bidder should provide a copy of the corporation's most recent audited financial reports and statements, and the name, address, and telephone number of the fiscally responsible representative of the bidder's financial or banking organization.

If the Bidder is not a publicly held corporation, either the reports and statements required of a publicly held corporation, or a description of the organization, including size, longevity, client base, areas of specialization and expertise, and any other pertinent information, should be submitted in such a manner that proposal evaluators may reasonably formulate a determination about the stability and financial strength of the organization. Additionally, a non-publicly held firm should provide a banking reference.

The Bidder must disclose any and all judgments, pending or expected litigation, or other real or potential financial reversals, which might materially affect the viability or stability of the organization, or state that no such condition is known to exist.

The state may elect to use a third party to conduct credit checks as part of the corporate overview evaluation.

**c. CHANGE OF OWNERSHIP**

If any change in ownership or control of the company is anticipated during the twelve (12) months following the proposal due date, the Bidder should describe the circumstances of such change and indicate when the change will likely occur. Any change of ownership to an awarded Contractor(s) will require notification to the state.

**d. OFFICE LOCATION**

The bidder's office location responsible for performance pursuant to an award of a contract with the State of Nebraska should be identified.

**e. RELATIONSHIPS WITH THE STATE**

The Bidder should describe any dealings with the state over the previous ten (10) years. If the organization, its predecessor, or any Party named in the bidder's proposal response has contracted with the state, the Bidder should identify the contract number(s) and/or any other information available to identify such contract(s). If no such contracts exist, so declare.

**f. BIDDER'S EMPLOYEE RELATIONS TO STATE**

If any Party named in the bidder's proposal response is or was an employee of the state within the past two (2) months, identify the individual(s) by name, state agency with whom employed, job title or position held with the state, and separation date. If no such relationship exists or has existed, so declare.

If any employee of any agency of the State of Nebraska is employed by the Bidder or is a Subcontractor to the Bidder, as of the due date for proposal submission, identify all such persons by name, position held with the Bidder, and position held with the state (including job title and agency). Describe the responsibilities of such persons within the proposing organization. If, after review of this information by the state, it is determined that a conflict of interest exists or may exist, the Bidder may be disqualified from further consideration in this proposal. If no such relationship exists, so declare.

**g. CONTRACT PERFORMANCE**

If the Bidder or any proposed Subcontractor has had a contract terminated, at any federal, state or governmental agency/entity and/or managed care organization, for default during the past five (5) years, all such instances must be described as required below. Termination for default is defined as a notice to stop performance delivery due to the bidder's non-performance or poor performance, and the issue was either not litigated due to inaction on the part of the Bidder, litigated and such litigation determined the Bidder to be in default, or pending litigation.

It is mandatory that the Bidder submit full details of all termination for default experienced during the past five (5) years, including the other Party's name, address, and telephone number. The response to this section must present the bidder's position on the matter. The state will evaluate the facts and will score the bidder's proposal accordingly. If no such termination for default has been experienced by the Bidder in the past five (5) years, so declare.

If at any time during the past five (5) years, the Bidder has had a contract terminated, with a state agency, for convenience, non-performance, non-allocation of funds, or any other reason, describe fully all circumstances surrounding such termination, including the name and address of the other contracting Party. Describe any kind of correction action plan imposed on the Bidder based on a previous MMIS or PDRS contract, any allegation of breach made against the Bidder on another MMIS or PDRS contract, or any type of significant contract management action taken against the Bidder in a current or previous MMIS or PDRS contract.

It is mandatory that the Bidder submit full details of any and all audits, corrective action plans, liquidated damages, sanctions, and any federal or state investigations in the last five (5) years, including pending, ongoing, disputed, or unresolved audits, corrective actions, liquidated damages, sanctions, or federal or state investigations.

**h. SUMMARY OF BIDDER'S CORPORATE EXPERIENCE**

The Bidder should provide a summary matrix listing the bidder's previous projects similar to this RFP in size, scope, and complexity. The state will use no more than three (3) narrative project descriptions submitted by the Bidder during its evaluation of the proposal.

The Bidder should address the following:

- i.** Provide narrative descriptions to highlight the similarities between the bidder's experience and this RFP. These descriptions should include:
  - a)** Bidder must submit a list of current and prior contracts and customers with a similar scope. If subcontractors are proposed, provide list of contracts and customers for each subcontractor.
  - b)** The time period of the project;
  - c)** The scheduled and actual project completion dates;
  - d)** The bidder's responsibilities;
  - e)** Evidence of the qualifications and credentials of the respondent in terms of proven successful experience through similar Medicaid PDRS systems to include:
    - 1).** The description of all recent Medicaid PDRS projects completed or ongoing;
    - 2).** A statement specifying the extent of bidder's responsibility and experience on each described project.
    - 3).** For reference purposes, a customer name (including the name of a contact person that can be reference for contract performance: individuals who can directly attest to the bidder's qualification relevant to the Medicaid PDRS scope of work, a current telephone number, a facsimile number, and e-mail address); DHHS reserves the right to contact the references submitted as well as any other references which may attest to the respondent's work experience.
  - f)** If the Bidder or subcontractor has no recent contract experience, the Bidder or subcontractor should have experience that is closely related to Medicaid PDRS; and
  - g)** Each project description should identify whether the work was performed as the prime Contractor or as a Subcontractor. If a Bidder performed as the prime Contractor, the description should provide the originally scheduled project completion date and budget, as well as the actual (or currently planned) project completion date and actual (or currently planned) budget.
- ii.** Contractor and Subcontractor(s) experience should be listed separately. Narrative descriptions submitted for Subcontractors should be specifically identified as Subcontractor projects.
- iii.** If the work was performed as a Subcontractor, the narrative description should identify the same information as requested for the Contractors above. In addition, if the Bidder was a Subcontractor, the Bidder should identify what share of contract costs, project responsibilities, and time period were performed as a Subcontractor.
- iv.** Qualifications
  - a)** The Bidder should include the following information:
    - 1).** Evidence of the qualifications and credentials of the Bidder in terms of proven successful experience through similar Medicaid PDRS projects of like size and scope;
    - 2).** Detailed description of all experience in the implementation, operation, and support of Medicaid PDRS systems; to include:
      - i.)** The description of all recent Medicaid PDRS projects completed or ongoing;
      - ii.)** A statement specifying the extent of bidder's responsibility and experience on each described project.

**i. SUMMARY OF BIDDER'S PROPOSED PERSONNEL/MANAGEMENT APPROACH**

The Bidder should present a detailed description of its proposed approach to the management of the project.

The Bidder should identify the specific professionals who will work on the PDRS project if their company is awarded the contract resulting from this RFP. The names and titles of the team proposed for assignment to DHHS's project should be identified in full, with a description of the team leadership, interface and support functions, and reporting relationships. The primary work assigned to each person should also be identified.

The Bidder should provide resumes for all personnel proposed by the Bidder to work on the project. DHHS will consider the resumes as a key indicator of the bidder's understanding of the skills required to carry out the requirements of the RFP in addition to assessing the experience of specific individuals. Resumes should not be longer than three (3) pages. Resumes should include, at a minimum, academic background and degrees, professional certifications, understanding of the process, and at least three (3) references (name, address, and telephone number) who can attest to the competence and skill level of the individual.

Key personnel should be employees of the Bidder and shall not hold more than one key role unless otherwise approved by DHHS. DHHS will review and approve all key personnel. Contractor must provide named staff for each key position and include background and experience on similar projects for both implementation and operations.

MDR Key Personnel

i. The following Contractor staff shall be considered key personnel during Implementation:

- (a) Account Executive
- (b) Project Manager

ii. Contractor must identify the key personnel during Operations, including but not limited to:

- (a) Account Executive
- (b) Operations Manager

PBM Key Personnel

i. The following Contractor staff shall be considered key personnel during Implementation:

- (a) Account Executive
- (b) Project Manager

ii. Contractor must identify the key personnel during Operations, including but not limited to:

- (a) Account Executive
- (b) Call Center Manager
- (c) Clinical Pharmacist
- (d) Operations Manager
- (e) Operations Specialist

PDL Key Personnel

i. The following Contractor staff shall be considered key personnel during Implementation:

- (a) Account Executive
- (b) Clinical Manager
- (c) Project Manager

ii. Contractor must identify the key personnel during Operations, including but not limited to:

- (a) Account Executive
- (b) Clinical Manager

- (c) Contract Manager
- (d) Data Analyst
- (e) Specialist

DUR Board Key Personnel

- i. Contractor must identify the key personnel during Operations, including but not limited to:
  - (a) Account Executive
  - (b) DUR Board Director

Contractor must maintain sufficient and qualified staffing levels to ensure successful implementation within the specified timeframes and for the ongoing operation of the PDRS system throughout the duration of the contract. Contractor must develop and manage project organization and staffing. Contractor shall submit with proposal project organization charts showing all proposed personnel by job title, lines of supervision, and indicating full or part-time employment on the DHHS contract. The charts shall include how the project fits into the respondent's overall organizational structure.

The organizational structure must be designed to carry out the responsibilities within the Scope of Work. Contractor must utilize a consistent approach to Project Leadership.

Contractor must provide specific descriptions of roles and responsibilities for all Contractor resources, time devoted to the PDRS project during DDI, and after implementation, and the proposed time the resources will work on-site both during DDI and after implementation. Include how personnel is to administer and execute required project activities during the PDRS DDI and Operations.

The Contractor's designated Account Executive must be the single point of contact for matters concerning the Contractor's performance under the Contract. This person shall have the authority to make decisions that are binding to the Contract, shall be responsible for timely completion of the project, and shall be responsible for meeting all contractual obligations. Include the approach to account management and describe how the account manager will meet this requirement.

For the MDR, PBM, PDL, and DUR scope of work the Contractor must provide an Account Executive with the following qualifications:

- i. A minimum of five (5) years' contract management experience managing related services with similar budgets, preferably in Medicaid or the healthcare industry and for a project similar in size and scope to this project.
- ii. Previous experience with activities for contract administration, correspondence between the state and Contractor, dispute resolution, personnel issues with Contractor staff, and status reporting to the state.
- iii. Previous experience with leading and coordinating the Contractor's implementation activities, including implementation evaluation, training, reporting, and recommendation activities.
- iv. Previous experience providing analysis and consultation of marketplace and impact changes.
- v. Previous experience providing consultation and coordinating changes for major initiatives.

The Contractor's designated Project Manager must represent and oversee the day-to-day activities of the project. This individual shall serve as DHHS's primary point of contact for matters relating to the project and serve as a liaison for project stakeholders. Include description of process used to manage day-to-day activities.

For the MDR, PBM, and PDL scope of work the Contractor must provide a Project Manager with the following qualifications:

- i. A minimum of five (5) years' project management experience managing projects of similar size and scope, preferably in Medicaid or the healthcare industry. This experience must include relevant experience within the last three (3) years from the release date of the RFP.
- ii. Project management experience should include each phase of the system development life cycle.



- iii. Project Management Professional (PMP) certification through the Project Management Institute (PMI) is preferred.
- iv. The Contractor's Project Manager shall have experience initiating and managing a PDRS system implementation, or comparable experience in a project of similar size and scope and be capable of overseeing all contracted activities for which the Contractor is responsible.

For the PBM scope of work the Contractor must provide a Call Center Manager with the following qualifications:

- i. A minimum of three (3) years of experience in managing a Call Center.
- ii. A minimum of three (3) years previous experience with a POS similar to the solution being bid.
- iii. Previous experience with the proposed Call Management System and workflow management.

For the PBM scope of work the Contractor must provide a Clinical Pharmacist with the following qualifications:

- i. A minimum of three (3) years of experience in supporting formulary, prior authorization, benefit design and clinical information.
- ii. Registered pharmacist with current active pharmacist license.
- iii. Knowledge of clinical pharmacy and drug product information to support plan benefit design in the proposed PBM solution.
- iv. Previous experience with a POS similar to the solution being bid.
- v. Previous experience with prospective and retrospective DUR.
- vi. Previous experience supporting Call Center prior authorization programs and development.

For the MDR, PBM, and PDL scopes of work the Contractor must provide an Operations Manager with the following qualifications:

- i. A minimum of at least three (3) years of experience with related service operations.
- ii. Previous experience with the proposed PDRS system being bid.
- iii. Knowledge of HIPAA regulations, including Transactions and Code Sets, Privacy and Security, and NPI.
- iv. PMI certification is preferred.

For the PBM scope of work the Contractor must provide an Operations Specialist with the following qualifications:

- i. A minimum of one (1) year previous experience with the proposed POS system being bid.
- ii. Previous experience conducting research and resolving issues related to state claim inquiries.
- iii. Previous experience coordinating documentation for weekly update status meetings (e.g., meeting agendas and meeting minutes).
- iv. Previous experience coordinating communication to state and internal staff regarding day-to-day operational issues and changes to ensure accurate efficient dissemination of information to support the program.

For the PDL scope of work the Contractor must provide a Clinical Manager with the following qualifications:

- i. Hold a valid pharmacist license in Nebraska. DHHS prefers a candidate with Doctor of Pharmacy (PharmD) credentials;
- ii. Have two (2) years of experience as a Clinical Manager with similar projects.

For the PDL scope of work the Contractor must provide a Contract Manager with the following qualifications:

- i. Have a minimum of five (5) years of experience in analyzing and managing complex government contracts, subcontracts, and related contractual documents;
- ii. Hold a Bachelor of Arts or Bachelor of Science (BA/BS) degree in Business Administration or related field;
- iii. Have two (2) years pharmacy program management experience.

For the PDL scope of work the Contractor must provide a Data Analyst with the following qualifications:

- i. Have a minimum of five (5) years professional experience in data analytics;
- ii. Have two (2) or more years working in health care services.

For the PDL scope of work the Contractor must provide a Specialist with the following qualifications:

- i. Hold a valid pharmacist license in Nebraska. DHHS prefers a candidate with Doctor of Pharmacy (PharmD) credentials;
- ii. Have a minimum of two (2) years professional experience in Medicaid, Medicare, or commercial plan.

For the DUR scope of work the Contractor must provide a DUR Board Director with the following qualifications:

- i. Extensive knowledge of Medicaid;
- ii. At least three (3) years of management experience with government or private sector health care payer;
- iii. Excellent communication and public speaking/presentation skills;
- iv. Practical knowledge and experience in project/account management;
- v. Pharm.D. degree (preferred);
- vi. Nebraska-licensed registered pharmacist in good standing (preferred).

Any changes in proposed personnel shall only be implemented after written approval from DHHS. Each resume should depict current experience for work completed no more than seven (7) years prior to the date of this RFP, and depict work related to PDRS implementations or similar projects.

Contractor must provide staff resources as necessary to support CMS modular certification activities.

Contractor shall not transfer or remove key personnel without prior approval from DHHS. If a vacancy occurs in a key role, the Contractor shall fill the position within ten (10) calendar days with a temporary replacement and a permanent replacement approved by DHHS should be within sixty (60) calendar days. The Contractor's key personnel and/or management replacement must meet the minimum qualifications for the position. The Bidder shall provide a detailed resume for a proposed key personnel and/or management replacement. Contractor must have a method to ensure transfer of knowledge and documentation occurs between exiting and incoming key personnel.

The Bidder should provide the number of full time equivalent (FTE) employees engaged in similar Medicaid PDRS contracts.

**j. SUBCONTRACTORS**

If the Bidder intends to Subcontract any part of its performance hereunder, the Bidder should provide:

- i. Name, address, and telephone number of the Subcontractor(s);
- ii. Specific tasks for each Subcontractor(s);
- iii. Percentage of performance hours intended for each Subcontract; and
- iv. Total percentage of Subcontractor(s) performance hours.
- v. Evidence of the qualifications and credentials of the subcontractor in terms of proven successful experience through similar Medicaid PDRS projects of like size and scope;
- vi. Detailed description of all experience in the implementation, operation, and support of Medicaid PDRS systems to include:
  - (a) The description of Medicaid PDRS projects completed in the last three to five (3-5) years or ongoing including time period of the project and scheduled and actual completion dates;
  - (b) A statement specifying the extent of subcontractor's responsibility and experience on each described project.

**3. TECHNICAL APPROACH**

The Technical Proposal section should consist of the following subsections:

- a. Understanding of the project requirements;
- b. Proposed project, system development, and requirements management approach;
- c. Technical considerations;
- d. Detailed project work plan;

- e.** Deliverables and due dates;
- f.** Provide complete responses to Sections II through VI of the RFP; and
- g.** For each section in the RTM attachments, provide a brief executive summary of the proposed approach to satisfy all requirements within the respective RTM section.
- h.** Respond to all requirements detailed in the RTM attachments, unless noted. Failure to respond to a specific requirement, unless noted, may be the basis for elimination from consideration during the State's comparative evaluation.

## **VII. COST PROPOSAL REQUIREMENTS**

This section describes the requirements to be addressed by Bidders in preparing the State's Cost Proposal. The Bidder must use the State's Cost Proposal form. The Bidder should submit the State's Cost Proposal in accordance with Section I.I Submission of Proposal.

**THE STATE'S COST PROPOSAL AND ANY OTHER COST DOCUMENT SUBMITTED WITH THE PROPOSAL SHALL NOT BE CONSIDERED CONFIDENTIAL OR PROPRIETARY AND IS CONSIDERED A PUBLIC RECORD IN THE STATE OF NEBRASKA AND WILL BE POSTED TO A PUBLIC WEBSITE.**

### **A. COST PROPOSAL**

This summary shall present the total proposed price to perform all of the requirements of the RFP. The Bidder must include details in the State's Cost Proposal supporting any and all costs.

The state reserves the right to review all aspects of cost for reasonableness and to request clarification of any proposal where the cost component shows significant and unsupported deviation from industry standards or in areas where detailed pricing is required.

Implementation costs will be submitted as fixed price. Implementation costs will be paid, based on 4 milestones, each with associated deliverables:

Requirement and Design Milestone:	20% of Implementation fees;
Development and Testing Milestone:	40% of Implementation fees;
Operational Readiness Milestone:	30% of Implementation fees;
Certification Milestone:	10% of Implementation fees.

Detailed milestone deliverables are defined in V.H.

Ongoing operational costs will be submitted as a monthly fixed priced as described in the Cost Proposal.

Ongoing operational costs proposed will be inclusive of:

1. All items in the RFP requirements;
2. Any updates required by federal and state regulatory or statutory requirements changes;
3. Any travel, training or any solution support requirements;
4. All staffing resources, equipment or software required to meet all requirements.

Bidders that are bidding on more than one scope of work are requested to provide a discount factor percentage on each of the submitted cost proposals. The discount factor percentage represents the reduction in the bidders implementation and operational costs if the bidder is awarded more than one scope of work. Bidders are not required to submit a discount factor percentage and the discount factor percentage is not included in the evaluation criteria.

Operational Costs to be billed monthly retrospectively upon agreed cadence. The month the solution goes into production mode, the costs will be pro-rated based on number of days in the month including and after Go Live.

The Cost Proposal includes optional costs associated with the Contractor's resource hourly rates to modify the solution during implementation and operations via the Change Control process. Bidders are required to complete the schedule as part of the Cost Proposal.

The Cost Proposal includes optional costs associated with enhancement scenarios that may be completed during operations. Bidders are required to provide a description of the tasks and activities and the estimated cost for each enhancement scenario based on the Bidder's actual experience enhancing the solution for other clients. DHHS will use this information for planning and budget purposes and will not use these costs as part of the comparative evaluation and these costs will not be included in the Contract.

### **B. PRICES**

Prices quoted shall be net, including transportation and delivery charges fully prepaid by the Bidder, F.O.B. destination named in the RFP. No additional charges will be allowed for packing, packages, or partial delivery costs. When an arithmetic error has been made in the extended total, the unit price will govern.

**Form A**  
**Bidder Contact Sheet**  
**Request for Proposal Number 115136 O3**

Form A should be completed and submitted with each response to this RFP. This is intended to provide the State with information on the Bidder's name and address, and the specific person(s) who are responsible for preparation of the Bidder's response.

Preparation of Response Contact Information	
Bidder Name:	
Bidder Address:	
Bidder Person & Title:	
E-mail Address:	
Telephone Number (Office):	
Telephone Number (Cellular):	
Fax Number:	

Each Bidder should also designate a specific contact person who will be responsible for responding to the State if any clarifications of the Bidder's response should become necessary. This will also be the person who the State contacts to set up a presentation/demonstration, if required.

Communication with the State Contact Information	
Bidder Name:	
Bidder Address:	
Bidder Person & Title:	
E-mail Address:	
Telephone Number (Office):	
Telephone Number (Cellular):	
Fax Number:	

**Form B**  
**Notification of Intent to Attend Pre-Proposal Conference**  
**Request for Proposal Number 115136 O3**

Bidder Name:	
Bidder Address:	
Contact Person:	
E-mail Address:	
Telephone Number:	
Fax Number:	
Number of Attendees:	

The "Notification of Intent to Attend Pre-Proposal Conference" form should be submitted to DHHS via e-mail ([dhhs.rfpquestions@nebraska.gov](mailto:dhhs.rfpquestions@nebraska.gov)), hand delivered or US Mail by the date shown in the Schedule of Events.

**Form C**  
**Notification of Intent to Submit Proposal**  
**Request for Proposal Number 115136 O3**

Bidder Name:	
Bidder Address:	
Contact Person:	
E-mail Address:	
Telephone Number:	
Fax Number:	

The "Notification of Intent to Submit Proposal" form should be submitted to DHHS via e-mail ([dhhs.rfpquestions@nebraska.gov](mailto:dhhs.rfpquestions@nebraska.gov)), hand delivered or US Mail by the date shown in the Schedule of Events.

## REQUEST FOR PROPOSAL FOR CONTRACTUAL SERVICES FORM

### BIDDER MUST COMPLETE THE FOLLOWING

By signing this Request for Proposal for Contractual Services form, the bidder guarantees compliance with the procedures stated in this Request for Proposal and agrees to the terms and conditions unless otherwise indicated in writing, certifies that contractor maintains a drug free workplace, and certifies that bidder is not owned by the Chinese Communist Party.

Per Nebraska's Transparency in Government Procurement Act, Neb. Rev Stat § 73-603 DAS is required to collect statistical information regarding the number of contracts awarded to Nebraska Contractors. This information is for statistical purposes only and will not be considered for contract award purposes.

\_\_\_\_ NEBRASKA CONTRACTOR AFFIDAVIT: Bidder hereby attests that bidder is a Nebraska Contractor. "Nebraska Contractor" shall mean any bidder who has maintained a bona fide place of business and at least one employee within this state for at least the six (6) months immediately preceding the posting date of this Solicitation.

\_\_\_\_ I hereby certify that I am a Resident disabled veteran or business located in a designated enterprise zone in accordance with Neb. Rev. Stat. § 73-107 and wish to have preference, if applicable, considered in the award of this contract.

\_\_\_\_ I hereby certify that I am a blind person licensed by the Commission for the Blind & Visually Impaired in accordance with Neb. Rev. Stat. § 71-8611 and wish to have preference considered in the award of this contract.

### FORM MUST BE SIGNED MANUALLY IN INK OR BY DOCUSIGN

BIDDER:	
COMPLETE ADDRESS:	
TELEPHONE NUMBER:	
FAX NUMBER:	
DATE:	
SIGNATURE:	
TYPED NAME & TITLE OF SIGNER:	