

**State of Nebraska State Purchasing Bureau
REVISED REQUEST FOR PROPOSAL FOR CONTRACTUAL SERVICES**

SOLICITATION NUMBER	RELEASE DATE
RFP 6325 Z1	July 10, 2020
OPENING DATE AND TIME	PROCUREMENT CONTACT
September 15, 2020 2:00 p.m. Central Time	Julie Schiltz/ Nancy Storant

**PLEASE READ CAREFULLY!
SCOPE OF SERVICE**

The State of Nebraska (State), Department of Administrative Services (DAS), Materiel Division, State Purchasing Bureau (SPB), is issuing this Request for Proposal (RFP) Number 6325 Z1 for the purpose of selecting a qualified Bidder to provide Medicaid Reimbursement Services. 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 will be five (5) years commencing upon execution of the contract by the State and the Contractor (Parties)/notice to proceed. 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:
<http://das.nebraska.gov/materiel/purchasing.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 solicitation, 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 solicitation will be posted to the State Purchasing Bureau public website.

These postings will include the entire proposal or response. Bidder 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" or if submitting the proposal or response electronically, as a separate electronic file that is named "PROPRIETARY INFORMATION". The contractor 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 determine, in its sole discretion, if the disclosure of the information designated by the Bidder as proprietary would 1) give advantage to business competitors and 2) serve no public purpose. The Bidder will be notified of the State's decision. Absent a determination by the State that the information may be withheld pursuant to Neb. Rev. Stat. § 84-712.05, the State will consider all information a public record subject to disclosure.

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 solicitation 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 solicitation, specifically waives any copyright or other protection the contract, proposal, or response to the solicitation 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 solicitation, and award of a contract. Failure to agree to the reservation and waiver will result in the proposal or response to the solicitation being found non-responsive and rejected.

Any entity awarded a contract or submitting a proposal or response to the solicitation 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 solicitation, awards, and other documents.

TABLE OF CONTENTS

REQUEST FOR PROPOSAL FOR CONTRACTUAL SERVICES.....	i
TABLE OF CONTENTS	ii
GLOSSARY OF TERMS	iv
ACRONYM LIST	ix
I. PROCUREMENT PROCEDURE	1
A. GENERAL INFORMATION	1
B. PROCURING OFFICE AND COMMUNICATION WITH STATE STAFF AND EVALUATORS.....	1
C. SCHEDULE OF EVENTS	2
D. WRITTEN QUESTIONS AND ANSWERS	3
E. SECRETARY OF STATE/TAX COMMISSIONER REGISTRATION REQUIREMENTS (Statutory)	3
F. ETHICS IN PUBLIC CONTRACTING	3
G. DEVIATIONS FROM THE REQUEST FOR PROPOSAL.....	3
H. SUBMISSION OF PROPOSALS.....	4
I. PROPOSAL PREPARATION COSTS	5
J. FAILURE TO COMPLY WITH REQUEST FOR PROPOSAL	5
K. PROPOSAL CORRECTIONS	6
L. LATE PROPOSALS	6
M. PROPOSAL OPENING	6
N. REQUEST FOR PROPOSAL/PROPOSAL REQUIREMENTS	6
O. EVALUATION COMMITTEE	6
P. EVALUATION OF PROPOSALS	6
Q. ORAL INTERVIEWS/PRESENTATIONS AND/OR DEMONSTRATIONS	7
R. BEST AND FINAL OFFER (BAFO).....	7
S. REFERENCE AND CREDIT CHECKS	8
T. AWARD.....	8
U. ALTERNATE/EQUIVALENT PROPOSALS.....	8
V. LUMP SUM OR "ALL OR NONE" PROPOSALS	8
W. ELECTRONIC SUBMISSIONS	8
X. REJECTION OF PROPOSALS	8
Y. RESIDENT BIDDER	8
II. TERMS AND CONDITIONS.....	10
A. GENERAL.....	10
B. NOTIFICATION	11
C. NOTICE (Buyer's Representative)	11
D. GOVERNING LAW (Statutory)	11
E. BEGINNING OF WORK.....	11
F. AMENDMENT.....	11
G. CHANGE ORDERS OR SUBSTITUTIONS.....	11
H. VENDOR PERFORMANCE REPORT(S).....	12
I. NOTICE OF POTENTIAL CONTRACTOR BREACH	12
J. BREACH.....	13
K. NON-WAIVER OF BREACH	13
L. SEVERABILITY	13
M. INDEMNIFICATION	14
N. ATTORNEY'S FEES	15
O. PERFORMANCE BOND.....	15
P. ASSIGNMENT, SALE, OR MERGER	15
Q. CONTRACTING WITH OTHER NEBRASKA POLITICAL SUB-DIVISIONS OF THE STATE OR ANOTHER STATE.....	16
R. FORCE MAJEURE.....	16
S. CONFIDENTIALITY	16

T.	OFFICE OF PUBLIC COUNSEL (Statutory)	17
U.	LONG-TERM CARE OMBUDSMAN (Statutory)	17
V.	EARLY TERMINATION	17
W.	CONTRACT CLOSEOUT	17
III.	CONTRACTOR DUTIES	19
A.	INDEPENDENT CONTRACTOR / OBLIGATIONS	19
B.	EMPLOYEE WORK ELIGIBILITY STATUS	20
C.	COMPLIANCE WITH CIVIL RIGHTS LAWS AND EQUAL OPPORTUNITY EMPLOYMENT / NONDISCRIMINATION (Statutory)	20
D.	COOPERATION WITH OTHER CONTRACTORS	20
E.	DISCOUNTS	21
F.	PRICES	21
G.	COST CLARIFICATION	21
H.	PERMITS, REGULATIONS, LA WS	21
I.	OWNERSHIP OF INFORMATION AND DA TA / DELIV ERA BLES	21
J.	INSURA NCE REQUIREMENTS	22
K.	ANTITRUST	24
L.	CONFLICT OF INTEREST	24
M.	STATE PROPERTY	24
N.	SITE RULES AND REGULATIONS	25
O.	ADVERTISING	25
P.	NEBRASKA TECHNOLOGY ACCESS STA NDARDS (Statutory)	25
Q.	DISASTER RECOVERY/BA CK UP PLAN	25
R.	DRUG POLICY	25
S.	WARRANTY	26
IV.	PAYMENT	27
A.	PROHIBITION A GAINST ADVA NCE PAY MENT (Statutory)	27
B.	TAXES (Statutory)	27
C.	INV OICES	27
D.	INSPECTION AND A PPROVAL	27
E.	PAY MENT (Statutory)	27
F.	LATE PAY MENT (Statutory)	27
G.	SUBJECT TO FUNDING / FUNDING OUT CLA USE FOR LOSS OF APPROPRIATIONS (Statutory)	28
H.	RIGHT TO AUDIT (First Paragraph is Statutory)	28
V.	PROJECT DESCRIPTION AND SCOPE OF WORK	29
A.	OPTION 1: LONG TERM CARE REIMBURSEMENT	29
B.	OPTION 2: DISPROPORTIONATE SHARE HOSPITAL (DSH) PAYMENT CALCULATION AND UPPER PAYMENT LIMIT (UPL) DEMONSTRATION	32
C.	OPTION 3: DSH AUDIT	35
D.	OPTION 4: STATE UNIT ON AGING – FUNDING FORMULAS	37
E.	OPTION 5: SUPPLEMENTAL/DIRECTED PAYMENTS CALCULATION	40
F.	OPTION 6: HOSPITAL INPATIENT REIMBURSEMENT	41
G.	DELIV ERABLES	43
VI.	PROPOSAL INSTRUCTIONS	44
A.	PROPOSAL SUBMISSION	44
	Form A Contractor Proposal Point of Contact	47
	REQUEST FOR PROPOSAL FOR CONTRACTUAL SERVICES FORM	48

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.

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

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.

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

Automated Clearing House: (ACH) Electronic network for financial transactions in the United States

Award: All purchases, leases, or contracts which are based on competitive proposals will be awarded according to the provisions in the solicitation.

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

Bid Bond: An insurance agreement, accompanied by a monetary commitment, by which a third party (the surety) accepts liability and guarantees that the contractor will not withdraw the bid.

Bidder: A bidder who submits a proposal in response to a written solicitation.

Breach: Violation of a contractual obligation by failing to perform or repudiation of one's own promise.

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

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.

Casemix: A system/process that classifies people into groups that are homogeneous in their use of resources. A casemix system also provides clinical descriptions of these individuals.

Central Processing Unit (CPU): Any computer or computer system that is used by the State to store, process, or retrieve data or perform other functions using Operating Systems and applications software.

Change Order: Document that provides addendums/amendments to an executed purchase order or contract.

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

Commodities: Any equipment, material, supply or goods; anything movable or tangible that is provided or sold.

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

Cooperative Purchasing: The combining of requirements of two or more political entities to obtain advantages of volume purchases, reduction in administrative expenses or other public benefits.

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.

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 solicitation or contract.

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

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

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".

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

Installation Date: The date when the procedures described in "Installation by Contractor", and "Installation by State", as found in the solicitation, 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.

Invalid Proposal: A proposal that does not meet the requirements of the solicitation or cannot be evaluated against the other proposals.

Late 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.

Mandatory/Must: Required, compulsory, or obligatory.

May: Discretionary, permitted; used to express possibility.

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 Institute for Governmental Purchasing (NIGP): National Institute of Governmental Purchasing – Source used for assignment of universal commodity codes to goods and 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 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.

Payroll & Financial Center (PFC): Electronic procurement system of record.

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.

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-Proposal Conference: A meeting scheduled for the purpose of clarifying a written solicitation and related expectations.

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 solicitation, 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.

Proposal: An offer, bid, or quote submitted by a contractor/vendor in a response to a written solicitation

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 solicitation or resultant contract, brought by a bidder who has submitted a 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.

Provider: A provider is any individual or entity which furnishes Medicaid goods or services under an approved Service Provider Agreement with the Department.

Public Proposal Opening: The process of opening correctly submitted offers at the time and place specified in the written solicitation 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.

Release Date: The date of public release of the written solicitation 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 solicitation utilized for obtaining competitive offers.

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 solicitation 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.

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

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 contractor 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.

Vendor Performance Report: A report completed by the using agency and submitted to State Purchasing Bureau documenting products or services delivered or performed which exceed or fail to meet the terms of the purchase order, contract, and/or solicitation specifications.

Vendor: Inclusive term for any Bidder or Contractor

Will: See Mandatory/Shall/Will/Must.

Work Day: See Business Day.

ACRONYM LIST

AAA – Area Agency on Aging

ACA – Affordable Care Act

ADRC - Aging & Disability Resource Center

APR-DRG – All Patient Refined Diagnosis-Related Group

ARO – After Receipt of Order

ACH – Automated Clearing House

ASC – Ambulatory Surgical Centers

BAFO – Best and Final Offer

CASA – Community Aging Services Act

CMS – Centers for Medicare and Medicaid Services

COI – Certificate of Insurance

CPA – Certified Public Accountant

CPU – Central Processing Unit

CY – Calendar Year

DAS – Department of Administrative Services

DBM – Dental Benefit Manager

DHHS – Department of Health and Human Services

DSH – Disproportionate Hospital Share

EAPG – Enhanced Ambulatory Patient Group

FAPA – Financial & Program Analysis

FFP – Federal Financial Participation

FFS – Fee For Service

FFY – Federal Fiscal Year

F.O.B. – Free on Board

GA – General Assistance

HCBS – Home and Community Based Services

HHS – United States Department of Health and Human Services

HRC – Hastings Regional Center

ICF/DD – Intermediate care facilities for individuals with developmental disabilities

IFF – Intrastate Funding Formula

IMD – Institutions for Mental Disease

IP – Inpatient

LRC – Lincoln Regional Center

LTC – Long Term Care Facility

MCO – Managed Care Organization

MDS – Minimum Data Set

MIUR – Medicaid Inpatient Utilization Rate

MLTC – Medicaid and Long Term Care

MSA – Metropolitan Statistical Area

MMA – Medicare Prescription Drug, Improvement and Modernization Act

NeHCA - Nebraska Health Care Association

NIGP – National Institute for Governmental Purchasing

NOA – Notice of Award

OAA – Older Americans Act

OBRA – Omnibus Budget

OP – Outpatient

PA – Participating Addendum

PRTF – Psychiatric Residential Treatment Facility

RFP – Request for Proposal

RUG – Resource Utilization Group

SFTP – Secure File Transfer Protocol

SFY – State Fiscal Year

SPB – State Purchasing Bureau

TNF – Tribal Nursing Facility

UNMC – University of Nebraska Medical Center

UPL – Upper Payment Limit

I. PROCUREMENT PROCEDURE

A. GENERAL INFORMATION

The solicitation is designed to solicit proposals from qualified Bidder who will be responsible for providing Medicaid Reimbursement Services at a competitive and reasonable cost. Terms and Conditions, Project Description and Scope of Work and Proposal instructions may be found in Sections II through VI.

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

B. PROCURING OFFICE AND COMMUNICATION WITH STATE STAFF AND EVALUATORS

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

Name: Julie Schiltz/ Nancy Storant
RFP # 6325 Z1
Agency: State Purchasing Bureau
Address: 1526 K Street, Suite 130
Lincoln, NE 68508

Telephone: 402-471-6500

E-Mail: as.materielpurchasing@nebraska.gov

From the date the solicitation is issued until the Intent to Award is issued, communication from the Bidder is limited to the POC listed above. After the Intent to Award is issued, the Bidder 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 solicitation. The POC will issue any answers, clarifications or amendments regarding this solicitation 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 solicitation.

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 solicitation 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 Solicitation	July 10, 2020
2.	Last day to submit first (1 st) round written questions	July 26, 2020
3.	State responds to first (1 st) round written questions through Solicitation "Addendum" and/or "Amendment" to be posted to the Internet at: http://das.nebraska.gov/materiel/purchasing.html	August 10, 2020
4.	Last day to submit second (2 nd) round written questions	August 17, 2020
5.	State responds to second (2 nd) round written questions through Solicitation "Addendum" and/or "Amendment" to be posted to the Internet at: http://das.nebraska.gov/materiel/purchasing.html	August 24, 2020
6.	Proposal Opening State Purchasing Bureau 1526 K Street, Suite 130 Lincoln, NE 68508	September 15, 2020 2:00 PM Central Time
7.	Review for conformance to solicitation requirements	September 16, 2020
8.	Evaluation period	September 17, 2020 through October 16, 2020
9.	"Oral Interviews/Presentations and/or Demonstrations" (if required)	TBD
10.	Post "Notification of Intent to Award" to Internet at: http://das.nebraska.gov/materiel/purchasing.html	October 20, 2020
11.	Contract finalization period	October 21, 2020 through November 14, 2020
12.	Contract award	November 16, 2020
13.	Contractor start date	December 1, 2020

D. WRITTEN QUESTIONS AND ANSWERS

Questions regarding the meaning or interpretation of any solicitation provision must be submitted in writing to State Purchasing Bureau and clearly marked "RFP Number 6325 Z1; Medicaid Reimbursement Services 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 contractor. The contract will not incorporate any known or unknown assumptions of a contractor.

It is preferred that questions be uploaded via ShareFile.

First round of questions must be submitted using the following link via ShareFile <https://nebraska.sharefile.com/r-rf5b851e4a3f43439>.

Second round of questions must be submitted using the following link via ShareFile <https://nebraska.sharefile.com/r-r080dad2166d44a1a>.

It is recommended that Bidders submit questions using the following format.

Solicitation Section Reference	Solicitation Page Number	Question

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

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

All contractors must be authorized to transact business in the State of Nebraska and comply with all Nebraska Secretary of State Registration requirements. The contractor 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.

F. 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 contractor 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 Contractor shall include this clause in any subcontract entered into for the exclusive purpose of performing this contract.

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

G. DEVIATIONS FROM THE REQUEST FOR PROPOSAL

The requirements contained in the solicitation (Sections II thru VI) become a part of the terms and conditions of the contract resulting from this solicitation. Any deviations from the solicitation in Sections II through VI must be clearly defined by the contractor 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 solicitation, requirements, or applicable state or federal laws or statutes. "Deviation", for the purposes of this solicitation, means any proposed changes or alterations to either the contractual language or deliverables within the scope of this solicitation. The State discourages deviations and reserves the right to reject proposed deviations.

H. SUBMISSION OF PROPOSALS

The State is accepting either electronically submitted responses or paper responses for this RFP. It is the responsibility of the bidder to check the website for all information relevant to this Request for Proposal to include addenda and/or amendments issued prior to the opening date. Website address is as follows: <http://das.nebraska.gov/materiel/purchasing.html>.

The Request for Proposal form must be manually signed in an indelible manner or DocuSign and returned by the proposal opening date and time along with the bidder's Request for Proposal along with any other requirements as stated in the Request for Proposal document in order for the contractor's Request for Proposal response to be evaluated.

By signing the "Request for Proposal for Contractual Services" form, the bidder guarantees compliance with the provisions stated in this solicitation.

Emphasis should be concentrated on conformance to the solicitation 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.

This RFP provides seven (7) options for bidding. Bidders may bid on any or all options. In order for a bidder to be considered for more than one option, a complete, separate proposal (Corporate Overview, Technical Approach, and Cost Proposal) must be submitted for EACH option being bid. Each proposal submitted must clearly identify which option (Option 1, 2, 3, 4, 5, 6 and/or 7) is being bid.

- Option 1:** Long Term Care (LTC) Reimbursement
- Option 2:** Disproportionate Share Hospital Payment Calculation (DSH) and UPL Demonstration
- Option 3:** DSH Audit
- Option 4:** State Unit on Aging Funding Formula
- Option 5:** Supplemental/Directed payment Calculations
- Option 6:** Hospital Inpatient Reimbursement
- Option 7:** Includes all options (Long Term Care Reimbursement, Disproportionate Share Hospital Payment Calculation (DSH) and UPL Demonstration, DSH Audit, State Unit on Aging Funding Formula, Supplemental/Directed payment Calculations and Hospital Inpatient Reimbursement)

A bidder who bids on Option 7 and wants to be considered for Options 1-6 separately (if awarded to multiple bidders), the bidder must provide a proposal for every option being bid.

E.g. Bidder provides a response to Option 7 however wants to ensure they are in the silo for option 1,2 and 4 the bidder must provide a full proposal (Corporate Overview, Technical Approach, and Cost Proposal) for each Option 1,2,4 and 7.

If bidding Option 7, bidder should submit a response to V.I.A.1.h. and V.I.A.1.i for each Option (Long Term Care Reimbursement, Disproportionate Share Hospital Payment Calculation (DSH) and UPL Demonstration, DSH Audit, State Unit on Aging Funding Formula, Supplemental/Directed payment Calculations and Hospital Inpatient Reimbursement)

1. Bidders submitting electronic responses must submit responses via ShareFile using the specific option links below.

Note to bidders: Not all browsers are compatible with ShareFile. Currently Chrome, Internet Explorer and Firefox are compatible. After the bidder clicks the links below, 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.

Option 1: Long Term Care (LTC) Reimbursement <https://nebraska.sharefile.com/r-rfb41558a7ca4b1b9>

Option 2: Disproportionate Share Hospital Payment Calculation (DSH) and UPL Demonstration <https://nebraska.sharefile.com/r-re23152f9c33482b8>

Option 3: DSH Audit <https://nebraska.sharefile.com/r-r20c732bacef4dcc8>

Option 4: State Unit on Aging Funding Formula <https://nebraska.sharefile.com/r-r516789760134af7b>

Option 5: Supplemental/Directed payment Calculations <https://nebraska.sharefile.com/r-rfa759bb3f6c4abea>

Option 6: Hospital Inpatient Reimbursement <https://nebraska.sharefile.com/r-r1588939ab42467c9>

Option 7: Includes all options (Long Term Care Reimbursement, Disproportionate Share Hospital Payment Calculation (DSH) and UPL Demonstration, DSH Audit, State Unit on Aging Funding Formula, Supplemental/Directed payment Calculations and Hospital Inpatient Reimbursement) <https://nebraska.sharefile.com/r-r468b80360ce4b8cb>

- a. Technical, Cost Proposals, and Proprietary information should be uploaded as multiple separate and distinct files. If multiple proposals are submitted, the State will retain only the most recently submitted response. It is the bidder's responsibility to submit the proposal by the date and time indicated in the Schedule of Events. Electronic proposals must be received by SPB by the date and time of the proposal opening per the Schedule of Events. No late proposals will be accepted
 - i. **ELECTRONIC PROPOSAL FILE NAMES**
The bidder should clearly identify the uploaded RFP proposal files. Once uploaded, files are only available for 30 days after submitted. Please do not submit more than 30 days prior to bid opening. To assist in identification please use the following naming convention:
 - a) RFP 6325 Z1, Company Name Option (1, 2, 3, 4, 5, 6 and/or 7) (what option is being bid).
 - b) If multiple files are submitted for one RFP proposal, add number of files to file names: RFP 6325 Z1 Company Name Option (1, 2, 3, 4, 5, 6 and/or 7) File 1 of 2.
 - c) If multiple RFP proposals are submitted for the same RFP, add the proposal number to the file names: RFP 6325 Z1 Company Name Proposal 1 Option (1, 2, 3, 4, 5, 6 and/or 7) File 1 of 2.

2. Bidders submitting paper responses:

Bidders should submit one proposal marked on the first page: "ORIGINAL". If multiple proposals are submitted, the State will retain one copy marked "ORIGINAL" and destroy the other copies. The Contractor is solely responsible for any variance between the copies submitted. Proposal responses should include the completed Form A, "Contractor Proposal Point of Contact". Proposals must reference the RFP number and be sent to the specified address. Please note that the address label should appear as specified in Section I B. on the face of each container or contractor's proposal response packet. If a recipient phone number is required for delivery purposes, 402-471-6500 should be used. The RFP number should be included in all correspondence.

The State will not furnish packaging and sealing materials. It is the contractor's responsibility to ensure the solicitation is received in a sealed envelope or container and submitted by the date and time indicated in the Schedule of Events. Sealed proposals must be received in the State Purchasing Bureau by the date and time of the proposal opening per the Schedule of Events. No late proposals will be accepted.

The Technical and Cost Proposals should be packaged separately (loose-leaf binders are preferred) on standard 8 ½" by 11" paper, except that charts, diagrams and the like may be on fold-outs which, when folded, fit into the 8 ½" by 11" format. 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 contractor's understanding of the scope of work may be evaluated. The Technical Proposal shall disclose the contractor's technical approach in as much detail as possible, including, but not limited to, the information required by the Technical Proposal instructions.

I. 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.

J. 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 contractor'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 contractor 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.

K. PROPOSAL CORRECTIONS

A contractor may correct a mistake in a proposal prior to the time of opening by giving written notice to the State of intent to withdraw the proposal for modification or to withdraw the proposal completely. 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.

L. 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.

M. 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. Information identified as proprietary by the submitting bidder, in accordance with the solicitation and state statute, will not be posted. If the state determines submitted information should not be withheld, in accordance with the [Public Records Act](#), or if ordered to release any withheld information, said information may then be released. The submitting contractor will be notified of the release and it shall be the obligation of the submitting contractor to take further action, if it believes the information should not be released. Bidders may contact the State to schedule an appointment for viewing proposals after the 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.

N. 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 Attachment A (Option 1, 2, 3, 4, 5, 6 and/or 7) and,
6. Completed State Cost Proposal Template (Option 1, 2, 3, 4, 5, 6 and/or 7).

O. 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 solicitation may result in the rejection of this proposal and further administrative actions.

P. EVALUATION OF PROPOSALS

All proposals that are responsive to the solicitation 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 (Option 1, 2, 3, 4, 5, 6 and/or 7) 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 solicitation;
 - 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 Approach Attachment A (1, 2, 3, 4, 5, 6 and/or 7) and,
3. Cost Proposal (Option 1, 2, 3, 4, 5, 6 and/or 7).

Neb. Rev. Stat. §81-161 allows the quality of performance of previous contracts to be considered when evaluating responses to competitively bid solicitations 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 solicitations 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 solicitation 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 bidder 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 solicitation.

Q. 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 bidder 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 bidder 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 bidder 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.

R. BEST AND FINAL OFFER (BAFO)

If BAFO's are requested by the State and submitted by the bidder, they will be evaluated (using the stated BAFO criteria), scored, and ranked by the Evaluation Committee. The State reserves the right to conduct more than one

Best and Final Offer. The award will then be granted to the highest scoring bidder. However, a bidder should provide its best offer in its original proposal. Bidders should not expect that the State will request a BAFO.

S. 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 solicitation, 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.

T. 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 solicitation process, the State of Nebraska may take one or more of the following actions:

1. Amend the solicitation;
2. Extend the time of or establish a new proposal opening time;
3. Waive deviations or errors in the State's solicitation process and in bidder proposals that are not material, do not compromise the solicitation 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 solicitation;
7. Elect to rebid the solicitation;
8. Award single lines or multiple lines to one or more bidders; or,
9. Award one or more all-inclusive contracts.

The solicitation 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:

<http://das.nebraska.gov/materiel/purchasing.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>

U. ALTERNATE/EQUIVALENT PROPOSALS

Bidder may offer proposals which are at variance from the express specifications of the solicitation. The State reserves the right to consider and accept such proposals if, in the judgment of the Materiel Administrator, the proposal will result in goods and/or services equivalent to or better than those which would be supplied in the original proposal specifications. Bidder must indicate on the solicitation the manufacturer's name, number and shall submit with their proposal, sketches, descriptive literature and/or complete specifications. Reference to literature submitted with a previous proposal will not satisfy this provision. Proposals which do not comply with these requirements are subject to rejection. In the absence of any stated deviation or exception, the proposal will be accepted as in strict compliance with all terms, conditions and specification, and the Bidder shall be held liable therefore.

V. LUMP SUM OR "ALL OR NONE" PROPOSALS

The State reserves the right to purchase item-by-item, by groups or as a total when the State may benefit by so doing. Bidders may submit a proposal on an "all or none" or "lump sum" basis, but should also submit a proposal on an item-by-item basis. The term "all or none" means a conditional proposal which requires the purchase of all items on which proposals are offered and Bidder declines to accept award on individual items; a "lump sum" proposal is one in which the Bidder offers a lower price than the sum of the individual proposals if all items are purchased, but agrees to deliver individual items at the prices quoted.

W. ELECTRONIC SUBMISSIONS

SPB will not accept proposals by email, voice, or telephone proposals except for one-time purchases under \$50,000.00.

X. REJECTION OF PROPOSALS

The State reserves the right to reject any or all proposals, wholly or in part, in the best interest of the State.

Y. 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 Bidders. 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 the 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 solicitation, 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 contractor 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 solicitation. The State of Nebraska reserves the right to reject proposals that attempt to substitute the bidder's commercial contracts and/or documents for this solicitation.

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 Solicitation Response (Initial)	NOTES/COMMENTS:

The Contract resulting from this solicitation shall incorporate the following documents:

1. Request for Proposal and Addenda;
2. Amendments to the solicitation;
3. Questions and Answers;
4. Bidder's proposal (Solicitation and properly submitted documents);
5. The executed Contract signature page(s), which may include contract deliverables and contracted pricing, 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/Addenda to the executed Contract with the most recent dated amendment/amendment having the highest priority, 2) Addendum One to Contract 3) the executed Contract signature page(s) and any attached documents, 4) Amendments to solicitation and any Questions and Answers, 5) the original solicitation document and any Addenda, and 6) the Contractor'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 Solicitation Response (Initial)	NOTES/COMMENTS:

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

Communications regarding the executed contract shall be in writing and shall be deemed to have been given if delivered personally or mailed, by U.S. Mail, postage prepaid, return receipt requested, to the parties at their respective addresses set forth below, or at such other addresses as may be specified in writing by either of the parties. All notices, requests, or communications shall be deemed effective upon personal delivery or five (5) calendar days following deposit in the mail.

Either party may change its address for notification purposes by giving notice of the change, and setting forth the new address and an effective date.

C. NOTICE (Buyer's Representative)

The State reserves the right to appoint a Buyer's Representative to manage [or assist the Buyer in managing] the contract on behalf of the State. The Buyer's Representative will be appointed in writing, and the appointment document will specify the extent of the Buyer's Representative authority and responsibilities. If a Buyer's Representative is appointed, the Contractor will be provided a copy of the appointment document, and is expected to cooperate accordingly with the Buyer's Representative. The Buyer's Representative has no authority to bind the State to a contract, amendment, addendum, or other change or addition to the contract.

D. 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.

E. BEGINNING OF WORK

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

F. AMENDMENT

This Contract may be amended in writing, within scope, upon the agreement of both parties.

G. CHANGE ORDERS OR SUBSTITUTIONS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation 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 solicitation. 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.

In the event any product is discontinued or replaced upon mutual consent during the contract period or prior to delivery, the State reserves the right to amend the contract or purchase order to include the alternate product at the same price.

*****Contractor will not substitute any item that has been awarded without prior written approval of SPB*****

H. VENDOR PERFORMANCE REPORT(S)

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation 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 solicitation 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.

I. NOTICE OF POTENTIAL CONTRACTOR BREACH

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation 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.

J. BREACH

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation 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. OR In case of breach by the Contractor, the State may, without unreasonable delay, make a good faith effort to make a reasonable purchase or contract to purchased goods in substitution of those due from the contractor. The State may recover from the Contractor as damages the difference between the costs of covering the breach. Notwithstanding any clause to the contrary, the State may also recover the contract price together with any incidental or consequential damages defined in UCC Section 2-715, but less expenses saved in consequence of Contractor's breach.

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

K. NON-WAIVER OF BREACH

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation 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.

L. SEVERABILITY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation 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.

M. **INDEMNIFICATION**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation 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 solicitation.

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.

5. 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.

N. ATTORNEY'S FEES

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation 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.

O. PERFORMANCE BOND

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation 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 for the life of the contract to include any renewal and/or extension periods. The amount of the bond must be five percent (5%) of the contract amount. 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 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 termination or expiration of the contract.

P. ASSIGNMENT, SALE, OR MERGER

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation 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.

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

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation 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.

R. FORCE MAJEURE

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation 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.

S. CONFIDENTIALITY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation 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.

T. 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.

U. 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.

V. EARLY TERMINATION

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation 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.
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. Contractor has or announces it will discontinue support of the deliverable; and,
 - i. In the event funding is no longer available.

W. CONTRACT CLOSEOUT

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

Upon contract closeout for any reason the Contractor shall within 30 days, unless stated otherwise herein:

1. Transfer all completed or partially completed deliverables to the State;
2. Transfer ownership and title to all completed or partially completed deliverables to the State;
3. Return to the State all information and data, unless the Contractor is permitted to keep the information or data by contract or rule of law. Contractor may retain one copy of any information or data as required to comply with applicable work product documentation standards or as are automatically retained in the course of Contractor's routine back up procedures;
4. Cooperate with any successor Contractor, person or entity in the assumption of any or all of the obligations of this contract;
5. Cooperate with any successor Contractor, person or entity with the transfer of information or data related to this contract;
6. Return or vacate any state owned real or personal property; and,
7. Return all data in a mutually acceptable format and manner.

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.

III. CONTRACTOR DUTIES

A. INDEPENDENT CONTRACTOR / OBLIGATIONS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation 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.

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 contractor'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 Solicitation 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/material/purchasing.html>
2. The completed United States Attestation Form should be submitted with the solicitation 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 solicitation.

D. COOPERATION WITH OTHER CONTRACTORS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation 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 quoted shall be net, including transportation and delivery charges fully prepaid by the contractor, F.O.B. destination named in the solicitation. 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.

All prices, costs, and terms and conditions submitted in the proposal shall remain fixed and valid commencing on the opening date of the proposal until the contract terminates or expires.

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 Solicitation 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 Solicitation 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 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.

J. **INSURANCE REQUIREMENTS**

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation 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/Record 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; or
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.

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 two (2) 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 two (2) 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.

REQUIRED INSURANCE COVERAGE	
COMMERCIAL GENERAL LIABILITY	
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>	
WORKER'S COMPENSATION	
Employers Liability Limits	\$500K/\$500K/\$500K
Statutory Limits- All States	Statutory - State of Nebraska
USL&H Endorsement	Statutory
Voluntary Compensation	Statutory
COMMERCIAL AUTOMOBILE LIABILITY	
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
UMBRELLA/EXCESS LIABILITY	
Over Primary Insurance	\$5,000,000 per occurrence
PROFESSIONAL LIABILITY	
All Other Professional Liability (Errors & Omissions)	\$1,000,000 Per Claim / Aggregate
CYBER LIABILITY	
Breach of Privacy, Security Breach, Denial of Service, Remediation, Fines and Penalties	\$10,000,000
MANDATORY COI SUBROGATION WAIVER LANGUAGE	
"Workers' Compensation policy shall include a waiver of subrogation in favor of the State of Nebraska."	
MANDATORY COI LIABILITY WAIVER LANGUAGE	
"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."	

3. EVIDENCE OF COVERAGE

The Contractor shall furnish the Contract Manager, with a certificate of insurance coverage complying with the above requirements prior to beginning work at:

State Purchasing Bureau
 1526 K Street Ste. 130
 Lincoln, NE 68508

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. ANTITRUST

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation 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.

L. CONFLICT OF INTEREST

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation 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 further certifies that bidder will not employ any individual known by bidder to have a conflict of interest nor shall bidder take any action or acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of its contractual obligations hereunder or which creates an actual or appearance of conflict of interest.

If there is an actual or perceived conflict of interest, bidder shall provide with its proposal a full disclosure of the facts describing such actual or perceived conflict of interest and a proposed mitigation plan for consideration. The State will then consider such disclosure and proposed mitigation plan and either approve or reject as part of the overall bid evaluation.

M. STATE PROPERTY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation 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.

N. SITE RULES AND REGULATIONS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation 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.

O. ADVERTISING

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation 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.

P. NEBRASKA TECHNOLOGY ACCESS STANDARDS (Statutory)

Contractor shall review the Nebraska Technology Access Standards, found at <http://nitc.nebraska.gov/standards/2-201.html> and ensure that products and/or services provided under the contract are in compliance or will comply with the applicable standards to the greatest degree possible. In the event such standards change during the Contractor's performance, the State may create an amendment to the contract to request the contract comply with the changed standard at a cost mutually acceptable to the parties.

Q. DISASTER RECOVERY/BACK UP PLAN

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation 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.

R. DRUG POLICY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation 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.

S. WARRANTY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative within Solicitation 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 the State, or if Contractor is unable to perform the services as warranted, Contractor shall reimburse the State 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.

IV. PAYMENT

A. PROHIBITION AGAINST ADVANCE PAYMENT (Statutory)

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 solicitation. 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 Solicitation Response (Initial)	NOTES/COMMENTS:

Invoices for payments must be submitted by the Contractor to the agency requesting the services with sufficient detail to support payment. Upon deliverable approval, contractor must submit detailed invoice. 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 Solicitation 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)

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 a 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 of one percent (0.5%) 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 Bidder should provide the following information in response to this solicitation.

Contractor must comply with HIPAA Compliance – Business Associate Agreement Provisions, located in Attachment B.

Contractor must comply with Data Use Agreement (DUA), located in Attachment C.

A. **OPTION 1: LONG TERM CARE REIMBURSEMENT**

1. **PROJECT OVERVIEW**

The purpose of the project is to (a) plan, develop and implement the most state-of-the-art, cost effective, and sustainable nursing facility and Home and Community Based Services (HCBS) casemix reimbursement methodology, and (b) assist the State in implementing reform initiatives related to the inclusion of nursing facility services in a managed care arrangement and methods to incorporate quality incentives into the reimbursement systems. In addition, the Contractor will perform field and desk audits for Long Term Care Facilities (LTCs), Intermediate Care Facilities for Individuals with Developmental Disabilities (ICF/DDs), Lincoln Regional Center (LRC), Hastings Regional Center (HRC), and Tribal Nursing Facilities (TNFs)

2. **PROJECT ENVIRONMENT**

The Minimum Data Set (MDS) is part of the U.S. federally mandated process for clinical assessment of all residents in Medicare or Medicaid-certified nursing facilities. This process provides a comprehensive assessment of each resident's functional capabilities and assists nursing facility staff to identify health problems. MDS assessments are required for residents on admission to the nursing facility and then periodically, within specific timelines and time frames. MDS information is transmitted electronically by nursing facilities to the national MDS database at the Centers for Medicare and Medicaid Services (CMS) which is then sent to the MDS database in their respective states.

The casemix system currently used in nursing facilities is the Resource Utilization Groups (RUG-III). The algorithm for RUG-III was developed to provide a patient-specific means of allocating health care resources based on the variable costs of caring for individuals with different needs. Refer to 471 NAC 12 for specific requirements.

Currently, Department of Health and Human Services (DHHS) has 220 facilities, including three (3) special needs facilities. An average of fifteen (15) nursing facility and six (6) ICF/DD high risk field audits are completed per year.

The facility information can be found at <http://dhhs.ne.gov/licensure/documents/LTCroster.pdf>

The rules and regulations for the Nursing Facility program can be found in 471 NAC 12: https://www.nebraska.gov/rules-and-regs/regsearch/Rules/Health_and_Human_Services_System/Title-471/Chapter-12.pdf

The rules and regulations for ICF/DDs can be found in 471 NAC 31: https://www.nebraska.gov/rules-and-regs/regsearch/Rules/Health_and_Human_Services_System/Title-471/Chapter-31.pdf

3. **TECHNICAL REQUIREMENTS**

As provided in 471 NAC 12-013, the State assigns level of care based on the Center for Medicare and Medicaid Services (CMS) RUG III 5.20 version. The Contractor shall have the capability to perform services using the current level of care RUG III and any other levels of care system as mandated by the State and CMS in the future. It is the responsibility of the Contractor to access the State's system for obtaining any necessary data for determining the level of care, in order to establish rates.

4. **SCOPE OF WORK**

- a. All finalized rates must be submitted to DHHS through email in an excel file.
- b. Desk Audit/Rate Computation: LTCs, ICF/DDs, LRC, HRC, and TNFs
 - i. Perform desk audits of annual FYE 6/30/XX Medicaid cost reports per 471 NAC 12 and 471 NAC 31;
 - ii. Perform rate setting functions per 471 NAC 12 and 471 NAC 31;
 - iii. Prepare and issue audit adjustments;
 - iv. Explain/defend audit adjustments in any appeal;
 - v. Annually compute and issue rates for each provider;
 - a) Provide written communication of annual rates to providers a minimum of thirty (30) days prior to effective date

- k. Provide required information related to Public Records Requests (PRR) within three (3) business days or the timeframe required by DHHS
 - l. Audit annual cost reports and calculate retro payments for State-operated providers, LRC and HRC
 - m. Casemix and other cost-based rate setting for long-term care providers, including HCBS
 - n. Access and retrieve the MDS data from the Nebraska Medicaid Casemix system
 - o. Review and utilize the MDS data in the rate setting process
 - p. Provide electronic delivery services for transmitting documents securely to and from providers, via Secure File Transfer Protocol (SFTP)
 - q. Provide Intergovernmental transfers/provider tax payment consultation/expertise to DHHS, to include but not limited to:
 - i. Review current DHHS processes
 - ii. Provide recommendations for improvement
 - r. Provide expertise, analysis and/or recommendations with LTC rebalancing initiatives
 - s. Ad hoc reporting within five (5) business days of request or a date as determined by DHHS
5. Optional Services for Field Audit: LTCs, ICF/DDs and TNFs
- i. Development of other program monitoring tools. Example below:
 - a) to identify fiscally vulnerable facilities susceptible to receivership

B. OPTION 2: DISPROPORTIONATE SHARE HOSPITAL (DSH) PAYMENT CALCULATION AND UPPER PAYMENT LIMIT (UPL) DEMONSTRATION

1. PROJECT OVERVIEW:

Federal law requires that state Medicaid programs make DSH payments to qualifying hospitals that serve a large number of Medicaid and uninsured individuals. Federal law establishes an annual DSH allotment for each state that limits Federal Financial Participation (FFP) for total statewide DSH payments made to hospitals.

The regulations at 42 CFR § 431.16(a) require the state Medicaid agency to submit UPL demonstrations by the Health & Human Services (HHS) Secretary (the Secretary). CMS requires states to submit UPL demonstrations using the Office of Management and Budget (OMB)-approved reporting templates for the following services: Inpatient Hospital Services, Outpatient Hospital Services, Nursing Facility Services, Institutions for Mental Disease (IMD), Clinic Services, Intermediate Care facility for the Individuals with Intellectual Disabilities (ICF/IID), Psychiatric Residential Treatment Facility (PRTF) and the Qualified Practitioner Services.

2. PROJECT ENVIRONMENT: DSH CALCULATION

Contractor must calculate the annual DSH payments through the hospital-specific DSH limit and in accordance with 42 CFR Part 447 Subpart E and 471 NAC 10.

There currently are approximately 104 hospitals in Nebraska. Of those, approximately 35 facilities are deemed to be DSH eligible by having:

- a. A Medicaid inpatient utilization rate equal to or above the mean Medicaid inpatient utilization rate for hospitals receiving Medicaid payment in Nebraska; or
- b. A low-income utilization rate of 25 percent or more.

Nebraska hospitals are listed at:

<http://dhhs.ne.gov/licensure/Documents/Hospital%20Roster.pdf#search=hospital%20roster>

Nebraska Medicaid makes a DSH payment to hospitals which qualify for such a payment under one of the following pool distribution methods:

- a. Pool 1: Pool 1 consists of eligible hospitals in Peer Groups 2, 3, and 6 that are not eligible under Pool 6.
- b. Pool 2: Pool 2 consists of eligible hospitals in Peer Groups 1, 2, and 3 that are also eligible under Pool 6.
- c. Pool 3: Pool 3 consists of the hospital that both primarily serves children age 20 and under and has the greatest number of Medicaid days.
- d. Pool 4: Pool 4 consists of state-owned institutions for mental disease hospitals and other eligible hospitals in Peer Group 4.
- e. Pool 5: Pool 5 consists of the non-profit acute care teaching hospital, subsequently referred to as the state teaching hospital that has an affiliation with the University Medical College owned by the State of Nebraska.
- f. Pool 6: Pool 6 consists of hospitals that provide services to low income persons covered by a county administered general assistance (GA) program; or hospitals that provide services to low-income persons covered by the state administered public behavioral health system.

Nebraska Annual DSH Calculation Summary by Pool and Allotment.

DSH Pool	Definition	FFY 2018 Number of Hospitals	FFY 2018 Base Allotment
1	Pool 1 consists of eligible hospitals in Peer Groups 2, 3, and 6 that are not eligible under Pool 6. Pool 1 consists of mostly Critical Access Hospitals.	10	\$1,220,205.31
2	Pool 2 consists of eligible hospitals in Peer Groups 1, 2, and 3 that are also eligible under Pool 6. Pool 2 consists of mostly urban hospitals.	12	\$3,100,644.64
3	Pool 3 consists of the hospital that primarily serves children age 20 and	1	\$4,250,243.10

	under. Only 2 hospitals may be eligible for Pool 3.		
4	Pool 4 consists of State-owned institution for mental disease hospitals and other eligible hospitals in Peer Group 4.	6	\$1,811,337.00
5	Pool 5 consists of the teaching hospital, subsequently referred to as the State teaching hospital that has an affiliation with University Medical College owned/operated by the State of Nebraska.	1	\$18,303,079.80
6	Pool 6 Consists of hospitals that provide services to low income persons covered by a county administered general assistance (GA) program; or hospitals that provide services to low-income persons covered by the state administered public behavioral health system. Total funding for Pool 6 will be the remaining balance of the total (Federal and State) DSH funding minus the funding of Pools 1, 2, 3, 4, and 5.	13	\$13,359,220.08
		Total: 43	Total: \$42,044,729.93

3. SCOPE OF WORK: DSH CALCULATION

- a. Unless otherwise noted, all of the items in this scope of work are due to DHHS no later than December 31 of each calendar year.
- b. Confirm with DHHS on which calendar year the scope of work is to be completed. Typically, this scope of work is completed two (2) years retro.
- c. Create and administer the annual DSH survey to Nebraska hospitals, providing an electronic worksheet for survey completion. Provide a return by date and follow-up with the hospitals to ensure timely and accurate responses.
- d. Obtain and store, at a minimum of at least two years, hospitals' cost reports from all Nebraska reporting hospitals. Shall maintain cost information to be utilized in calculations in an electronic format, approved by DHHS.
- e. Obtain claims summary reports from DHHS Financial & Program Analysis (FAPA) to be used in the DSH eligibility worksheets.
- f. Collect the necessary data to perform the DSH calculation, including but not limited to:
 - i. Medicare Cost reports
 - ii. DSH Survey
 - iii. Medicaid Fee-For-Service and Managed Care Days, Charges, Costs, and Payments
 - iv. Out-Of-state Medicaid Data
- g. Review and determine the hospital DSH eligibility status.
- h. Calculate the components of the DSH payment methodology, including:
 - i. Medicaid Inpatient Utilization Rate (MIUR)
 - ii. Estimate the current year hospital specific DSH Upper Payment Limit
 - iii. Payments for Pool 1 through Pool 5
- i. Prepare preliminary DSH payment calculations for the State's review and approval.
- j. Perform data management and analysis services comparing DSH payments received to hospital-specific DSH limits.
- k. Review of DSH payment calculations and methodologies for compliance with approved State Plan.
- l. Provide an individual DSH payment notification letter for each hospital eligible for a DSH payment to the DHHS based on a template approved by the DHHS. The template must be provided to DHHS for approval by DHHS 90 days prior to the final submittal of the notification letters.
 - i. If an error is found after DSH payment notification letters are sent, contractor will make appropriate revisions, as approved by DHHS, and resubmitted to DHHS.
- m. Provide a final worksheet to DHHS, reflecting DSH payments by hospital and by Pool.
- n. Report any requested DSH information to DHHS for audit and reporting purposes.
- o. Provide technical support and participate in state fair hearings, as a result of hospital appeals.

- p. Assist the State, if needed, in modifying DSH payment methodology and responding to CMS inquiries of the DSH methodology.
- q. Contractor should have the ability to monitor and track payments for Pool 6, Intergovernmental Transfer (IGT) DSH payments. Monitoring and tracking payments for Pool 6 shall be designed to identify when a facility reached the Upper Limit and prevent an overpayment.

4. PROJECT ENVIRONMENT: UPL DEMONSTRATION

The regulations at 42 CFR § 431.16(a) require the state Medicaid agency to submit all reports required by the Health & Human Services Secretary. In addition, the regulations at 42 CFR § 431.16(b) specify that the state Medicaid agency must follow the Secretary's instruction with regard to the form and the content of those reports. The Contractor must submit UPL demonstrations using the OMB-approved templates and complete the UPL Guidance forms. The current UPL demonstration requirements only apply to fee-for-service Medicaid services. About 95% of Nebraska Medicaid services are currently provided through the Managed Care Entities. Only about 5% or less of Medicaid services are fee-for-service. The last few years, Nebraska Medicaid has not had any PRFT and/or IMD fee-for-service claims, therefore has not submitted a UPL demonstration for PRFT and IMD services. Should the regulations change to require UPL demonstration that include Managed Care services, the Contractor will be required to meet that obligation, based on a proposed cost approved by DHHS.

5. SCOPE OF WORK: UPL DEMONSTRATION

Develop and submit by June 1 of each calendar year, the annual UPL Demonstrations using the OMB-approved templates for the following services:

- a. Inpatient Hospital Services
- b. Outpatient Hospital Services
- c. Nursing Facility Services
- d. Clinic Services
- e. Qualified Practitioner Services
- f. Intermediate Care Facility for the Individuals with Intellectual Disabilities (ICF/IID)
- g. Psychiatric Residential Treatment Facility (PRTF)
- h. Institutions for Mental Disease (IMD)

C. **OPTION 3: DSH AUDIT**

1. **PROJECT ENVIRONMENT**

The Nebraska Department of Health and Human Services, Division of Medicaid & Long-Term Care (referred to hereinafter as "Department") is responsible for administering the Nebraska Medicaid Program. Title XIX of the Social Security Act (the "Act") authorizes federal grants to Medicaid programs that provide medical assistance to low income families, elderly and persons with disabilities. Section 1902 (a) (13) (A) (iv) of the Act requires that States make Medicaid payment adjustments for hospitals that serve a disproportionate share of low-income patients with special needs. Section 1923 of the Act contains more specific requirements related to such Disproportionate Share Hospital (DSH) payments, including aggregate annual state-specific limits on Federal financial participation under section 1923 (f), and hospital specific limits on DSH payments under section 1923 (g). Under those hospital specific limits, a hospital's DSH payments may not exceed the costs incurred by that hospital in furnishing services during the year to Medicaid patients and the uninsured, less other Medicaid payments made to the hospital, and payments made by uninsured patients ("uncompensated care costs"). Moreover, federal law addresses the hospital-specific limitation on DSH payments under the Act. Under this limitation, DSH payments to a hospital cannot exceed the uncompensated care costs of furnishing hospital services by the hospital to individuals who are Medicaid-eligible or "have no health insurance (or other source of third party coverage) for the services furnished during the year." Federal law provides that, in auditing DSH payments, the quoted test will be applied on a service-specific basis; so that the calculation of uncompensated care costs for purposes of the hospital-specific DSH limit will include the cost of each service furnished to an individual by that hospital for which the individual had no health insurance or other source of third party coverage. In addition, section 1923 (a) (2) (D) of the Act requires States to provide an annual report to the Secretary describing the payment adjustments made to each Disproportionate Share Hospital. The statute, as amended by the Affordable Care Act (ACA), required annual aggregate reductions in federal DSH funding from FY2014 through FY2020.

On December 31, 2018, Centers for Medicare & Medicaid Services issued additional guidance (refer to <https://content.govdelivery.com/accounts/USCMSMEDICAID/bulletins/2258940>) indicating that it is withdrawing questions 33 and 34 from the Medicaid DSH guidance that was issued in January 2010, titled "Additional Information on the DSH Reporting and Audit Requirements," and is allowing states to submit revised DSH examination reports that cover hospital services furnished before June 2, 2017.

CMS in April 2017 issued a final rule clarifying how the agency takes third-party payments into account when calculating DSH payments. The agency in the final rule said it would deduct payments from Medicare and private insurers from DSH payments. CMS had said the policy would ensure DSH payments do not "double pay" hospitals "for costs that have already been compensated" by Medicare or private payers. Providers successfully fought the 2017 rule that limited hospitals' reimbursement. The U.S. Court of Appeals for the District of Columbia Circuit reversed a lower-court decision and reinstated a 2017 rule establishing that payments by Medicare and private insurers are to be included in calculating a hospital's DSH limit, ultimately lowering its maximum reimbursement.

2. **SCOPE OF WORK: DSH AUDIT**

- a. The report of findings as specified in 42 CFR 455.304 "Condition for Federal Financial Participation" shall be completed and provided to DHHS annually by September 30.
- b. "Independent" audits must be certified by a Certified Public Accountant (CPA) firm that operates independently from the Medicaid agency and the subject hospitals, per Section 1923 (j) (2) of the Act.
- c. Section 1001 (d) of the Medicare prescription drug, Improvement, and Modernization Act of 2003 (MMA) (Public Law 108-173) requires States to report additional information about their DSH programs. Section 1923 (j) (i) of the Act requires States to submit an annual report that includes the following:
 - i. Identification of each DSH facility that received a DSH payment under the State's Medicaid program in the preceding fiscal year and the amount of DSH payments paid to that hospital in the same year.
 - ii. Such other information as the Secretary of Health and Human Services determines necessary to ensure the appropriateness of the DSH payments.
- d. Contractor must follow the guidelines in the CMS requirements as specified in 42 CFR 455.304 "Condition for Federal Financial Participation".
- e. Review the State's DSH audit protocol to ensure consistency with the inpatient (IP)/ Outpatient (OP) Medicaid reimbursable services in the approved Medicaid State Plan. The contractor must

review DSH audit protocol to ensure that only costs eligible for DSH payments are included in the development of the hospital specific DSH limit.

- f. Compile hospital specific IP/OP cost report data and IP/OP revenue data to measure hospital-specific DSH limit in the auditable year.
- g. Compile total DSH payments made in the auditable year to each qualifying hospital (including DSH payments received by the hospitals from other States).
- h. Compare hospital-specific DSH cost limits against hospital specific total DSH payments in the audited Medicaid State Plan Rate Year.
- i. The certified independent audit must verify:
 - i. The extent to which hospitals in the State have reduced uncompensated care costs to reflect the total amount of claimed expenditures made under section 1923 of the Act.
 - ii. DSH payments to each hospital comply with the applicable hospital specific DSH payment limit.
 - iii. Only the uncompensated care costs of providing IP/OP hospital services to Medicaid eligible individuals and uninsured individuals as described in section 1923 (g) (1) (A) of the Act are included in the calculation of the hospital-specific limits.
 - iv. The State included all Medicaid payments, including supplemental payments, in the calculation of such hospital-specific limits. The State has separately documented and retained a record of all its costs under the Medicaid program, claimed expenditures under the Medicaid program, uninsured costs in determining payments adjustments under section 1923 of the Act, and any payments made on behalf of the uninsured from payment adjustments under section 1923 of the Act.
 - v. Federal law provides that, in auditing DSH payments, the quoted test will be applied on a service-specific basis; so that the calculation of uncompensated care costs for purposes of the hospital-specific DSH limit will include the cost of each service furnished to an individual by that hospital for which the individual had no health insurance or other source of third party coverage.
- j. Within two (2) years after contract award: review, provide a written summary, and written recommendations for improving the State's methodology for estimating hospital specific DSH limit and the State's DSH payment methodologies.

D. OPTION 4: STATE UNIT ON AGING – FUNDING FORMULAS

1. PROJECT OVERVIEW

Automating the funding formula for the aging network would replace the State's existing set of excel spreadsheets and manual entry to calculate the funding split with each federal Notice of Award (NOA) or State grant. Balancing the funding formula for the aging network is an effort to evaluate and amend, when necessary, the existing funding formula used for Older Americans Act (OAA) and State funds to the aging network.

The intention of the State Unit on Aging scopes of work is that all of the State Unit on Aging funding formulas are encompassed within one customer solution.

2. PROJECT ENVIRONMENT

Nebraska funding mix for Community Aging Services Act (CASA) funds is outlined in Statute, with a maximum of 75% State and Federal, 25% in local funding, depending upon funds available. At a high level, funding is based on the population age 60 and over, age 75 and over, poverty, and minority population.

The funding formula was developed in the 1990s. Nebraska demographics has changed in the last 25+ years. The funding formula needs to be revisited, utilizing current census trends and migration of the population.

The Federal funding for Nebraska has remained flat for several years, and Nebraska is a “hold harmless” State for the federal funding.

Area Agencies on Aging (AAAs) are currently required to budget a minimum 15% of their Title III-B dollars for Access Services as well as 15% for In-Home Services, 2% for Legal Services. The AAAs are monitored, by DHHS, annually to ensure that the amounts budgeted are actually expended for these mandatory programs.

Additionally, AAAs make decisions on how to fund programs at the local level, across multiple counties within each service area. Each AAA is set up differently. Services Areas vary in the number of counties serviced, ranging from 8-22 counties in each service area <http://dhhs.ne.gov/Medicaid%20SUA/Current%20AAA%20and%20ADRC%20Map.pdf>. Some counties have multiple senior centers, meal sites, community centers, or other congregate settings <http://dhhs.ne.gov/Pages/Aging-Client-Information.aspx>.

3. STATE UNIT ON AGING FUNDING FORMULA REQUIREMENTS

Intrastate Funding Formula (IFF)

The State Unit on Aging grants State & Federal funds to the AAAs to support local programs and services. The State Unit on Aging administers Older Americans Act Title III, Title VII funds, as well as funds from the Nebraska CASA, Aging & Disability Resource Center (ADRC) Act, and Care Management Funds.

The IFF Federal Requirements can be found within the OAA, Section 305,

<https://legcounsel.house.gov/Comps/Older%20Americans%20Act%20Of%201965.pdf>.

For the purposes of the IFF, “best available data” is the most recent census data. More recent data of equivalent quality available in the State may be considered.

As required by Section 305(d) of the OAA, the IFF revision request from the State to the Administration for Community Living, Administration on Aging includes: a descriptive Statement; a numerical Statement; and a list of the data used (by planning and service area). The request also includes information on how the proposed formula will affect funding to each planning and service area. States may use a base amount in their IFFs to ensure viable funding across the entire state.

Refer to Nebraska State statutes §81-2201 -81-2226 for CASA and the State Plan on Aging at <http://dhhs.ne.gov/Medicaid%20SUA/Aging%20State%20Plan.pdf> for additional IFF information and requirements.

4. PROJECT REQUIREMENTS

The State issues Program Instructions to outline funding to the AAA's which may be found at: <http://dhhs.ne.gov/Pages/Aging-Grantee-Resources.aspx>.

5. SCOPE OF WORK

All of the below scopes of work, in this section, must be encompassed within one nonproprietary customer solution. The solution must be able to manage and compute all variables, to include, but not limited to:

- a. Funding source by agency, see example for reference <http://dhhs.ne.gov/Pages/Aging-Grantee-Resources.aspx#SectionLink3> (refer to "Reservation Table").
- b. Total funding by agency
- c. Project period per funding source.

6. SCOPE OF WORK: OAA AND CASA

The following Scope of Work applies to Title III/OAA and CASA. Refer to the following link for a description of the current IFF: <http://dhhs.ne.gov/Medicaid%20SUA/Aging%20State%20Plan.pdf> in Appendix H. See the OAA, OAA regulations, CASA, and CASA regulation links on: <http://dhhs.ne.gov/Pages/Aging-Grantee-Resources.aspx> for more information.

- a. Build an automated template to replace the current Excel workbook, for the state to allocate funds to each AAA on an ongoing basis.
- b. Retain historical data to track multiple NOAs throughout each Federal and State fiscal year.
- c. Geographic flexibility is required in the event service area boundaries change in the future.
- d. Evaluate the current Nebraska IFF.
- e. Provide recommended variables for consideration in creating a new IFF or updating the current IFF. Variables are subject to DHHS approval. Provide in Excel and Word format, to DHHS. Describe software options, such as Excel, Access, or other software options, and considerations for each option.
- f. Create one or more new Nebraska IFFs that could be updated by the State with new variables. Suggested variables include, but are not limited to:
 - i. Population age 60+
 - ii. Population age 75+
 - iii. Number of persons with a disability or self-care difficulty
 - iv. Number of persons with Alzheimer's Disease or other neurocognitive disorders
 - v. Number of persons with the greatest economic need
 - vi. Number of persons with the greatest social need
 - vii. Number low income individuals
 - viii. Number minority individuals
 - ix. Number of rural individuals
 - x. Number of persons with limited English proficiency
 - xi. Number of medically underserved
- g. Provide a written report of the assessment made, the options available and recommended data for the new IFF, including how it affects each of the service areas.
- h. Prepare the proposed IFF options for publication.
- i. Prepare recommendations for local funding considerations by the AAAs that could help the agencies analyze services and delivery methods.
- j. Provide a workplan for managing the variables.
- k. Conduct approximately one (1) on-site stakeholder meetings with DHHS and AAA representatives.
- l. Conduct approximately four (4) stakeholder meetings, via WebEx or virtual meeting, with DHHS and AAA representatives.
- m. Provide to DHHS a workplan for transitioning from one IFF version to the next available version, by June 30, 2021.
- n. Provide to DHHS the final automated template, options to retain historical data, and workplan for managing the variables by September 30, 2021
- o. Provide to DHHS maintenance and support of the automated template October 1, 2021 through March 30, 2022.

7. SCOPE OF WORK: ADRC

The following Scope of Work applies to ADRC. Refer to the following link for a description of the current funding formula:

<http://dhhs.ne.gov/Medicaid%20SUA/SFY%2021%20ADRC%20Funding%20Description.pdf>. See the Aging and Disability Resource Center Act link on: <http://dhhs.ne.gov/Pages/Aging-Grantee-Resources.aspx> for more information.

- a. Build an automated template to replace the current Excel workbook, for the state to allocate funds to each participating AAA and partner organizations on an ongoing basis.
- b. Service area boundaries may be geographically defined and/or defined by specific target populations. Service area boundaries may be revised in the future.
- c. Evaluate the current funding formula.

- d. Propose variables for consideration in creating a new funding formula or updating the current funding formula. Variables are subject to DHHS approval. Provide in Excel and Word format, to DHHS. Describe software options, such as Excel, Access, or other software options, and considerations for each option.
- e. Describe the process, variables, and other considerations. Provide in Excel and Word format, to DHHS.
- f. Create one or more new funding formulas that could be updated by the State with new variables. Suggested variables include, but are not limited to:
 - i. Population age 60+
 - ii. Persons with a disability or self-care difficulty
- g. Provide a written report of the assessment made, the options available and recommended data for the new funding formula, including how it affects each of the service areas.
- h. Prepare the proposed funding formula options for publication.
- i. Contractor shall provide a workplan for managing the variables.
- j. Conduct approximately four (4) stakeholder meetings, via WebEx or virtual meeting, with DHHS and AAA representatives and partner organizations.
- k. Provide to DHHS a workplan for transitioning from one funding formula version to the next available version, by June 30, 2021.
- l. Final automated template September 30, 2021.
- m. Provide maintenance and support of the automated template October 1, 2021 through March 30, 2022.

8. SCOPE OF WORK: CARE MANAGEMENT

The following Scope of Work applies to Care Management. Refer to the following link for the current funding allocation: <http://dhhs.ne.gov/Medicaid%20SUA/Aging%20State%20Plan.pdf> in Appendix H, page xciv. See the Care Management Act and Care management regulation links on: <http://dhhs.ne.gov/Pages/Aging-Grantee-Resources.aspx> for more information.

- a. Build an automated template to create a funding formula, for the state to allocate funds to each participating AAA on an ongoing basis.
- b. Geographic flexibility is required in the event service area boundaries change in the future.
- c. Propose variables for consideration in creating a new funding formula. Variables are subject to DHHS approval. Provide in Excel and Word format, to DHHS. Describe software options, such as Excel, Access, or other software options, and considerations for each option.
- d. Describe the process, variables, and other considerations in creating a new funding formula. Provide in Excel and Word format, to DHHS.
- e. Create one or more new funding formulas that could be updated by the State with new variables. Suggested variables may include:
 - i. Population age 60+
 - ii. Population age 75+
 - iii. Number of care management service units provided in the previous year/s
 - iv. Number of persons with the greatest psycho-social need
 - v. Number of low income individuals
- f. Provide a written report of the assessment made, the options available and recommended data for the new funding formula, including how it affects each of the service areas.
- g. Prepare the proposed funding formula options for publication.
- h. Contractor shall provide a workplan for managing the variables.
- i. Conduct approximately four (4) stakeholder meetings, via WebEx or virtual meeting, with DHHS and AAA representatives.
- j. Provide to DHHS a workplan for implementing the funding formula, by June 30, 2021.
- k. Final automated template September 30, 2021.
- l. Provide maintenance and support of the automated template October 1, 2021 through March 30, 2022.

E. OPTION 5: SUPPLEMENTAL/DIRECTED PAYMENTS CALCULATION

1. PROJECT OVERVIEW

To determine and calculate quarterly supplemental/state-directed payments to the University of Nebraska Medical Center (UNMC) Physicians, Nebraska Pediatric Practice, Inc., and to the UNMC College of Dentistry as authorized in the Nebraska State Plan, and pursuant to the payment authority under 42 CFR 438.6(c).

Pursuant to the authority granted under Title XIX of the Social Security Act, State of Nebraska Plan, Attachment 4.19-B, Item 5, MLTC makes supplemental payments on behalf of individual federal employee numbers (FEN) to UNMC for payment adjustments for practitioner and dental services.

In addition, pursuant to the payment authority under 42 CFR 438.6(c) and the contracts between the State of Nebraska, the Managed Care Organizations, and the Dental Benefits Manager (DBM), the MCOs and the DBM make Physician and dental directed payments to the University of Nebraska Medical Center (UNMC) and UNMC College of Dentistry for payment adjustments for practitioner and dental services.

2. SCOPE OF WORK

- a. Establish data transfers with DHHS or its designee.
- b. Establish data transfers with UNMC Physicians, Nebraska Pediatric Practice, Inc., and the UNMC College of Dentistry.
- c. Establish agreed upon data transfer protocols during the startup quarter.
 - i. Protocols must be approved by DHHS prior to data transfer.
- d. Utilize an average commercial payment per procedure code for all services paid to the eligible providers by commercial insurers using the provider's contracted rates with the commercial insurers for each procedure code from an actual year's data, utilizing the rate in effect in January for payments during the calendar year.
- e. Calculate the quarterly fee-for-service (FFS) supplemental payment amounts for UNMC Physicians, Nebraska Pediatric Practice, Inc., and the UNMC College of Dentistry.
- f. Calculate the quarterly directed payment amounts due by the Managed Care Organizations (MCOs) and the Dental Benefits Manager (DBM) to UNMC Physicians Nebraska Pediatric Practice, Inc., and to UNMC College of Dentistry.
- g. Establish the supplement/directed payment amounts for UNMC Physicians and Nebraska Pediatric Practice, Inc., by subtracting actual Medicaid and third party liability payments from the equivalent commercial payment amount in accordance with the aforementioned regulations and policy.
- h. Establish the supplemental payment amounts for UNMC College of Dentistry by subtracting actual Medicaid and third party liability payments from the equivalent commercial payment amount in accordance with the aforementioned regulations and policy.
- i. Analyze data to ensure data integrity and report back any irregularities.
- j. Provide analyses within 90 days of the end of each CY quarter.
 - i. Quarterly supplemental/directed payment calculation, completed quarterly, shall include:
 - a) FFS physician service supplemental payment calculation
 - b) MCO physician service directed payment calculation
 - c) FFS dental service supplemental payment calculation
 - d) DBM service directed payment calculation

F. OPTION 6: HOSPITAL ~~INPATIENT~~ REIMBURSEMENT

1. PROJECT ENVIRONMENT: APR-DRG REBASING

Nebraska Medicaid currently reimburses general acute non-critical hospital services based on the All-Patient Refined Diagnosis-Related Group (APR-DRG) software application that assigns patients into categories based on severity of illness and risk mortality. Nebraska Medicaid annually updates the APR-DRG grouper and national relative weights with the most currently available version, published by 3M. There are 29 in-state general acute non-critical hospitals enrolled with Nebraska Medicaid. These hospitals are classified into one (1) of three (3) peer groups:

- a. Metro Acute Care Hospitals: Hospitals located in Metropolitan Statistical Area (MSAs) as designated by Medicare.
- b. Other Urban Acute Care Hospitals: Hospitals that have been redesignated to an MSA by Medicare for FFY 1995 or 1996 and/or hospitals designated by Medicare as Regional Rural Referral Centers;
- c. Rural Acute Care Hospitals: All other acute care hospitals;

The list of Nebraska hospitals can be found at:

<http://dhhs.ne.gov/licensure/Documents/Hospital%20Roster.pdf#search=HOSPITAL%20ROSTER>

Nebraska Administrative Code Title 471, Chapter 10 addresses reimbursement for hospital services. The regulations can be found at: [https://www.nebraska.gov/rules-and-regs/regsearch/Rules/Health and Human Services System/Title-471/Chapter-10.pdf](https://www.nebraska.gov/rules-and-regs/regsearch/Rules/Health%20and%20Human%20Services%20System/Title-471/Chapter-10.pdf)

2. SCOPE OF WORK: APR-DRG REBASING

- a. Obtain Nebraska Medicaid inpatient FFS paid claims and managed care encounter data coded under ICD-10 for services provided by general non-critical access acute hospitals.
- b. Prepare Inpatient Claims Datasets:
 - i. Construct an inpatient analytical claims dataset. Use ICD-10 data for modeling
 - ii. "Scrub" the inpatient data, including but not limited to:
 - a) Test for and remove duplicate records and identify and remove aberrant records, if necessary
 - b) Remove denied claims and claims with \$0 charges
 - c) Identify and remove claims carved out of APR-DRGs
 - iii. Assign inpatient APR-DRG classifications and associated weights:
 - a) Format the inpatient analytical claims data for grouping
 - b) Review grouper error reports and claims with "ungroupable" APR-DRG assignments, make modifications to claims data to assign valid DRGs
 - c) Remove claims without a valid DRG assignment, after adjustments
 - iv. Measure casemix changes between the previous and current APR-DRG versions.
 - v. Create final base rate table and relative weight table
- c. Provide to DHHS a fiscal impact analysis for transitioning from one APR-DRG version to the next available version, by April 1 following the release of the most current available APR-DRG version.
- d. Provide to DHHS recommendations on how to maintain budget neutrality with the transition from the current APR-DRG version to the next, April 1 following the release of the most current available APR-DRG version.
 - i. Recommendations to include, but not limited to, adjusting base rates and/or adjusting weight and/or applying policy adjustor while maintaining budget neutrality.
- e. Conduct approximately three (3) on-site stakeholder meetings with the Nebraska Hospital Association and provider representatives.
- f. Conduct approximately three (3) stakeholder meetings, via WebEx or virtual meeting, with the Nebraska Hospital Association and provider representatives.
- g. Assist the Division in drafting the language for a State Plan Amendment and answering CMS questions.

3. PROJECT ENVIRONMENT: NON-DRG HOSPITAL REBASING

Nebraska Medicaid reimburses inpatient acute critical access, psychiatric and rehabilitation hospital services based on a per diem amount. There are currently 66 in-state inpatient critical access hospitals, 10 inpatient rehabilitation hospitals, and 15 inpatient psychiatric hospitals enrolled with Nebraska Medicaid.

The list of Nebraska hospitals can be found at

<http://dhhs.ne.gov/licensure/Documents/Hospital%20Roster.pdf#search=HOSPITAL%20ROSTER>

Nebraska Administrative Code Title 471, Chapter 10 addresses reimbursement for hospital services. The regulations can be found at: https://www.nebraska.gov/rules-and-regs/regsearch/Rules/Health_and_Human_Services_System/Title-471/Chapter-10.pdf

4. SCOPE OF WORK: NON-DRG HOSPITAL REBASING

- a. Rebasing will be completed every 3-5 years.
- b. Preliminary Rebased rate is due no later than January 31, 2022, to DHHS. Future preliminary Rebased rate will be due no later than January 31 of the year, as identified by DHHS.
- c. Final approved Rebased rate is due no later than April 30, 2022, to DHHS. Future final approved Rebased rate will be due April 30 of the year, as identified by DHHS.
- d. Rebase inpatient hospital rates which will necessitate a complete recalculation of prospective per discharge and per diem rates for all acute, psychiatric and rehabilitation hospital providers reimbursed under the Fee-For-Service (FFS) system effective July 1, 2020. Future rebasing reimbursed under FFS system year will be identified by DHHS.
- e. Development of a computer based model database of hospital cost report data used for the modeling process.
- f. Develop a computer based model database of paid claims data with estimated cost of each claim for cost evaluation purposes in the modeling process.
- g. Develop a computer model database of paid claims data that simulates payments under the rebased payment system. Summarize model results for evaluation purposes.
- h. Evaluate fiscal impacts under the rebased system, including comparison of rebased payments to allowable costs and legacy system payment.
- i. Review of simulated rebased payments relative to estimated costs.
- j. Review and recommend an adjustment to the current reimbursement methodology adopted by the Division of Medicaid and Long-Term Care.
- k. Create final rate table and relative weight table

5. PROJECT ENVIRONMENT: ENHANCED AMBULATORY PATIENT GROUP (EAPG)

Nebraska Medicaid covers facility services provided by ambulatory surgical centers (ASC) in connection with certain surgical procedures. An ASC is a distinct entity that operates exclusively to provide outpatient surgical services to patients. An ASC may be either Independent (not part of a provider of services or any other facility); or Operated by a hospital (under the common ownership, licensure, or control of a hospital). There are currently 55 ASC in Nebraska. The list of Nebraska ASCs can be found at: http://dhhs.ne.gov/licensure/Documents/HC_ASC_ESRD%20Lic%20Roster.pdf

Nebraska Medicaid utilizes the 2006 Medicare ambulatory surgical center group rates to reimburse for an ambulatory surgical center service. Nebraska Administrative Code Title 471, Chapter 26 addresses reimbursement for ASC services. The regulations can be found at:

https://www.nebraska.gov/rules-and-regs/regsearch/Rules/Health_and_Human_Services_System/Title-471/Chapter-26.pdf

6. SCOPE OF WORK: ENHANCED AMBULATORY PATIENT GROUP (EAPG)

For the below requirements, contractor must provide a workplan, for approval, to DHHS, thirty (30) calendar days after contract start date.

a. ASC EAPG Implementation

- i. Preliminary rates and relative weight table are due no later than June 1, 2021, to DHHS.
- ii. Final rates and relative weight table are no later than then September 1, 2021, to DHHS.
- iii. Construct an analytical claims dataset using CY2018 and CY2019 ASC data for EAPG modeling purposes. This will include but not limited to the following steps:
 - a) Scrub the ASC data:
 - 1). Review frequency of reporting of key fields such as CPT codes
 - 2). Test for and remove duplicate records and identify and remove aberrant records, if necessary
 - 3). Combine same-day services billed as separate claims into a single claim, if necessary
 - 4). Remove denied claims and claims with \$0 Medicaid payment
 - 5). Identify and remove claims not subject to the new outpatient system
 - b) Assign outpatient grouper classifications:
 - 1). Format the outpatient analytical claims data for grouping
 - 2). Assign EAPGs using 3M's Core Grouping Software (under single version to be selected by DHHS)

- 3). Review grouper error reports and claims with “invalid” EAPG assignments, make reasonable modifications to claims data to assign valid EAPGs
 - 4). Remove claims without a single valid EAPG assignment, after adjustments
 - 5). Remove non-outpatient services that will be EAPG-exempt
 - 6). Create final rate table and relative weight table
- c) Develop an initial CY payment simulation model that will compare simulated payments under an EAPG model to payments under current methodology
 - d) Modify Model Records Based on Provider Review
 - e) Develop Alternative Outpatient Payment Simulation Models
 - f) Conduct approximately four (4) on-site stakeholder meetings with provider representatives.
 - g) Conduct approximately four (4) stakeholder meetings, via WebEx or virtual meeting, with provider representatives.
 - h) Finalize EAPG Model and Rate Calculations
 - i) Provide EAPG Calculator and Supporting Documentation
 - j) Assist the Division in drafting the language for a State Plan Amendment and answering CMS questions.
- b. **ASC EAPG Rebasing/Updates– Per DHHS request**
 - i. Provide fiscal impact analysis for transitioning from one EAPG version to the next available version.
 - ii. Measure casemix changes between the previous and current EAPG versions.
 - iii. Provide recommendations on how to maintain budget neutrality with the transition from the previous EAPG version to the next.
 - c. **EAPG Hospital Rebasing/Updates– Per DHHS request**
 - i. Provide fiscal impact analysis for transitioning from one EAPG version to the next available version.
 - ii. Measure casemix changes between the previous and current EAPG versions.
 - iii. Provide recommendations on how to maintain budget neutrality with the transition from the previous EAPG version to the next.

G. DELIVERABLES
See Cost Sheet.

VI. PROPOSAL INSTRUCTIONS

This section documents the requirements that should be met by bidders in preparing the Technical and Cost Proposal. Bidders should identify the subdivisions of "Project Description and Scope of Work" clearly in their proposals; failure to do so may result in disqualification. Failure to respond to a specific requirement may be the basis for elimination from consideration during the State's comparative evaluation.

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. CORPORATE OVERVIEW

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

a. CONTRACTOR IDENTIFICATION AND INFORMATION

The bidder should provide the full company or corporate name, address of the company's headquarters, 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 and whether the name and form of organization has changed since first organized.

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 bidder(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 five (5) 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 contractor's proposal response is or was an employee of the State within the past six (6) 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 contractor 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 contractor, 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 contractor 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 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 or litigated and such litigation determined the bidder to be in default.

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 contractor'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 contractor 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 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.

h. SUMMARY OF CONTRACTOR'S CORPORATE EXPERIENCE

To perform the scope of work under Section V.A (Long Term Care Reimbursement), the bidder should have five (5) years' experience providing accounting, auditing and consulting services for state agencies pertaining to healthcare reimbursement. The Bidder should have successful experience with CMS.

To provide any scope of work, the bidder should provide a summary matrix listing the bidder's previous projects similar to this solicitation in size; scope; complexity; experience providing each scope of work, which may include: rate setting, accounting, auditing and consulting services for state agencies pertaining to healthcare reimbursement, experience with CMS, etc. The State will use no more than three (3) narrative project descriptions submitted by the contractor 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 solicitation. These descriptions should include:
 - a) The time period of the project;
 - b) The scheduled and actual completion dates;
 - c) The Bidder's responsibilities;
 - d) For reference purposes, a customer name (including the name of a contact person, a current telephone number, a facsimile number, and e-mail address); and
 - e) Each project description should identify whether the work was performed as the prime Contractor or as a Subcontractor. If a contractor performed as the prime Contractor, the description should provide the originally scheduled completion date and budget, as well as the actual (or currently planned) completion date and actual (or currently planned) budget.
- ii. Bidder and Subcontractor(s) experience should be listed separately. Narrative descriptions submitted for Subcontractors should be specifically identified as Subcontractor projects.
- iii.
- iv. If the work was performed as a Subcontractor, the narrative description should identify the same information as requested for the Bidders above. In addition, Subcontractors should identify what share of contract costs, project responsibilities, and time period were performed as a Subcontractor.

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 State's project if their company is awarded the contract resulting from this solicitation. The names and titles of the team proposed for assignment to the State 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. The State will consider the resumes as a key indicator of the bidder's understanding of the skill mixes required to carry out the requirements of the solicitation 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. Any changes in proposed personnel shall only be implemented after written approval from the State.

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.

2. TECHNICAL APPROACH

The technical approach section of the Technical Proposal should consist of the following subsections:

- a.** Understanding of the project requirements;
- b.** Proposed development approach;
- c.** Technical requirements (Attachment A);
- d.** Detailed project workplan; and
- e.** Deliverables and due dates.

Form A
Contractor Proposal Point of Contact
Request for Proposal Number 6325 Z1

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

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

Each contractor should also designate a specific contact person who will be responsible for responding to the State if any clarifications of the contractor'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	
Contractor Name:	
Contractor Address:	
Contact Person & Title:	
E-mail Address:	
Telephone Number (Office):	
Telephone Number (Cellular):	
Fax Number:	

REQUEST FOR PROPOSAL FOR CONTRACTUAL SERVICES FORM

CONTRACTOR MUST COMPLETE THE FOLLOWING

By signing this Request for Proposal for Contractual Services form, the bidder guarantees compliance with the procedures stated in this Solicitation, and agrees to the terms and conditions unless otherwise indicated in writing and certifies that contractor maintains a drug free work place.

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

_____ 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 USING AN INDELIBLE METHOD OR DOCUSIGN

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