MINNESOTA
DEPARTMENT OF HUMAN SERVICES
Health Services and Medical Management Division

REQUEST FOR PROPOSALS

FOR
A QUALIFIED CONTRACTOR TO PERFORM MEDICAL SERVICES AUTHORIZATIONS FOR
THE MINNESOTA HEALTH CARE PROGRAMS

For communication assistance, contact Minnesota Relay Service at 7-1-1 or 1-800-627-3529. If you ask, we will give you this information in another form, such as Braille, large print, or audiotape.

MARCH 14, 2011
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RFP Summary

Important Dates:

RFP Published: March 14, 2011
Questions Due: March 25, 2011
Responder’s Conference: March 31, 2011
Answers to Questions Posted on DHS Web Site: April 4, 2011
Proposals Due: April 7, 2011 (12:00 noon CDT)
Anticipated Selection of Successful Responder: April 14, 2011
Contract executed (anticipated): May 11, 2011
Medical Review Responsibilities Begin (go-live date): July 1, 2011
Anticipated Termination Date of Contract: June 30, 2013

Contract Extensions: One two-year extension.

Qualified Responders: Responses will accepted only from Responders who are certified (or would be certified by April 15, 2011) by the Centers for Medicare and Medicaid Services (CMS) as a Quality Improvement Organization (QIO) or “QIO-Like Entity” as established under the Peer Review Improvement Act of 1982 (Title I, subtitle C of Public Law 97-248).

Number of copies of Proposal to submit: One original and 9 hard copies, plus an electronic copy.

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I. INTRODUCTION

A. PURPOSE OF REQUEST

The Minnesota Department of Human Services, through its Health Services and Medical Management Division (STATE), is seeking Proposals from qualified Responders to provide professional and technical services as a Medical Review Agent (AGENT) for the Medical Assistance and the MinnesotaCare programs, known collectively as Minnesota Health Care Programs\(^1\) (MHCP). If, during the term of any resultant contract, the STATE implements a new health care program, the contract may be extended to include that program so long as the skill sets required to complete the services for a new, i.e., additional, program are identical or similar to those required to complete work under this contract.

The AGENT will recommend to the STATE a determination of the medical necessity of services and eligibility for payment under the fee-for-service portion of MHCP. The services to be reviewed for possible authorizations include:

1. Various medical procedures, treatments and health services (including children’s mental health services and adult mental health services);
2. Inpatient hospital admissions (IHAs) to long term care hospitals and Medicare rehabilitation distinct parts or units, out-of-state inpatient admissions, concurrent and retrospective medical record reviews of other inpatient admissions and STATE-contracted community based extended psychiatric hospital beds;
3. Screening and authorization of psychiatric and neurobehavioral services at Minnesota’s state-owned psychiatric hospitals and non-state-owned hospitals;
4. Screening and authorization of inpatient psychiatric services provided to persons under age 21 in an Institution for Mental Disease (IMD), and
5. Skilled nurse and home care services.

The services needed for eligibility of payment reviews include:

1. Concurrent and retrospective medical record review of inpatient admissions and readmissions, short stays, long stays and STATE-contracted community based extended psychiatric hospital beds, including determination of medical necessity of the service, and determination of whether all medically necessary services were rendered, and
2. Diagnosis validation of IHAs.

In addition, the AGENT will:

1. Conduct medical record reviews on an as-needed basis to the STATE’s Surveillance and Integrity Review Section (SIRS) and the Inpatient Hospital Payment Policy Unit to determine medical necessity of services, the adequacy of documentation to support billings and the appropriateness of services rendered.
2. Provide to the STATE periodic reports about the tasks conducted pursuant to this contract.

Pharmacy authorization review services are NOT included in this solicitation. The STATE contracts for those services separately.

Qualified Responder. A qualified Responder must be certified by the Centers for Medicare and Medicaid Services (CMS) as a Quality Improvement Organization (QIO) or “QIO-Like Entity” as established under the

\(^1\) The former MHCP program General Assistance Medical Care, phased out on March 1, 2011, is not a part of this procurement.
Peer Review Improvement Act of 1982 (Title I, subtitle C of Public Law 97-248). Sections 1152 and 1153 of the Act define the types of organizations eligible to become QIOs, and establish certain limitations and priorities regarding QIO contracting. For additional information, prospective Responders may refer to: http://www.cms.hhs.gov/QualityImprovementOrgs/03_HowtoBecomeaQIO.asp

B. OBJECTIVE OF THIS RFP

The objective of this RFP is to contract with a qualified Responder to perform the necessary tasks and services. The term of any resulting contract is anticipated to be two years, from July 1, 2011 to June 30, 2013. (Additional lead time may be built into the first year of the contract form implementation.) Price will be a factor in the evaluation of the Proposals.

Proposals must be received by the STATE by 12:00 noon, Central Daylight Time, April 7, 2011. This RFP does not obligate the STATE to award a contract or complete the project, and the STATE reserves the right to cancel the solicitation if it is considered to be in its best interest. All costs incurred in responding to this RFP will be borne by the Responder.

This RFP provides background information and describes the services desired by the STATE. It delineates the requirements for this procurement and specifies the contractual conditions required by the STATE. Although this RFP establishes the basis for Responder Proposals, the detailed obligations and additional measures of performance will be defined in the final negotiated contract.

C. BACKGROUND

Authorization of services. As a condition of receiving payment for providing certain health services to MHCP recipients, participating health care providers must obtain approval from the STATE to provide the service. This requirement is one of the system safeguards against inappropriate and unnecessary use of health services and is governed by both state and federal law regulations. (See Title XIX of the Social Security Act; 42 CFR section 440.230 and section 456, subparts A and B; Minnesota Statutes, sections 256B.04, subd. 12; 256B.0625, subd. 25; 256D.03, subd. 7 (b) and Minnesota Rules, parts 9505.5000 to 9505.5105.)

The objectives of the medical authorization program are:

1. to eliminate medically unnecessary services, minimize unnecessary inpatient hospitalizations, perform retrospective reviews to determine the medical necessity of the hospitalization, assure that all medically necessary services were provided, and verify that the billing of inpatient services follows the STATE’s requirements;
2. to provide a mechanism for authorizing specific procedures for medical appropriateness in a cost-effective manner, and
3. to provide data, information and expertise to the STATE within the scope of services requested.

A number of factors continue to prompt the STATE to contract with an outside medical review agent to perform authorization of health services. Changes in the provision of publicly supported health care are occurring on both the federal and state level, along with an increasing emphasis on cost effectiveness and efficiency.

Except for services provided outside the state of Minnesota, providers may obtain authorization either before or after providing the service, but before billing for the service. The STATE notifies providers of the specific
health services for which authorization is required per Minnesota Statutes, Section 256B.0625, Subd. 25: “The commissioner shall publish in the Minnesota health care programs provider manual and on the department’s Web site a list of health services that require prior authorization, as well as the criteria and standards used to select health services on the list.” Providers of children’s therapeutic services and supports are notified per Minnesota Statutes, Section 256B.0943, Subd. 10: “The commissioner shall publish in the State Register a list of health services that require prior authorization, as well as the criteria and standards used to select health services on the list.”

Providers submit to the AGENT a request for authorization, as well as documentation supporting the medical necessity of the service. If the service meets authorization criteria listed in Minnesota Rules 9505.5030, the AGENT issues an authorization number through the Minnesota Medicaid Information System (MMIS II) to the provider.

**Authorization Criteria.** MHCP requires authorization as a condition of MHCP payment if a health service meets one of the following:

- The health service could be considered, under some circumstances, to be of questionable medical necessity.
- Use of the health service requires monitoring to control the expenditure of MHCP funds.
- A less costly, appropriate alternative health service is available.
- The health service is investigatory or experimental.
- The health service is newly developed or modified.
- The health service is of a continuing nature and requires monitoring to prevent its continuation when it ceases to be beneficial.
- The health service is comparable to a service provided in a skilled nursing facility or hospital but is provided in a recipient's home.
- The health service could be considered cosmetic.

**Criteria for approval.** The criteria which a listed service must meet in order to be approved are:

1. The service recipient must be eligible for MHCP at the time the service is provided;
2. Pursuant to Minnesota Rules, Part 9505.5030, the service must be:
   a. medically necessary, as determined by prevailing medical community standards or customary practice and usage;
   b. appropriate and effective to the medical needs of the service recipient;
   c. timely, considering the nature of the present medical condition of the service recipient;
   d. furnished by a provider with appropriate credentials;
   e. the least expensive appropriate alternative service available, and
   f. an effective and appropriate use of program funds.

If the requested service is denied, or a reduced level of service is authorized as an alternative to the requested service, the MHCP recipient may appeal the decision and receive a hearing before a referee from the STATE. Providers do not have the right to appeal an authorization determination under the STATE’s hearing process and are liable for the cost of providing any services for which they fail to obtain needed authorization.

Revised 10/2010
Services subject to authorization.

1. Medical, dental and children’s mental health services that currently require authorization can be accessed from the MHCP Provider Home Page at the Minnesota Department of Human Services website: http://www.dhs.state.mn.us/main/id_000221. Note that authorization requirements are categorized under each Provider Type.

2. Adult mental health services currently requiring authorization are listed in Appendix A.

3. Authorization requirements for home care services can be accessed from the Disability Services Program Manual at the Minnesota Department of Human Services website: http://www.dhs.state.mn.us/id_000823.
   a. Note that the STATE retains the duty to receive and authorize requests that are solely personal care attendant services.

4. Authorization of in-patient hospital admissions (IHA) include:
   a. Certificate of need for admission to non-State-owned hospitals;
   b. Certificate of need for admission to State-owned hospitals or Institutions for Mental Disease (IMD);
   c. Hospital re-admission reviews;
   d. Concurrent reviews of inpatient mental health placements, and
   e. Admissions to State-contracted community-based extended psychiatric beds.

Additional safeguards. In addition to the authorization of medical services, equipment and procedures, the STATE’s system of safeguards against inappropriate and unnecessary use of health services includes medical record reviews and diagnosis validation.

II. SCOPE OF WORK

A. OVERVIEW

1. Services required. The successful Responder, serving as the STATE’s AGENT, shall provide the following professional and technical services:
   a. Review requests for specified health care services and inpatient hospitalizations for medical necessity.
   b. Perform retrospective reviews of hospitalization records.
   c. Provide an internal procedure for providers to obtain reconsideration prior to the MHCP recipient’s right to the statutory appeal process.
   d. Consult with STATE staff on issues related to the authorization of services.

2. Anticipated volume. The STATE anticipates the following volume of work to be required during the first year of the contract. These numbers are based on past volumes and projections of new work not presently assigned to the existing contractor.

<table>
<thead>
<tr>
<th>Authorizations</th>
<th>Number</th>
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<tr>
<td><strong>Type</strong></td>
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<td>20,250</td>
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<tr>
<td>complex [2]</td>
<td>4,950</td>
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<tr>
<td>multi-line [3]</td>
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<tr>
<td>administrative review denials [4]</td>
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### Dental authorizations – HIV/AIDS [5]

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<td>Complex [2]</td>
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### Dental authorizations – MHCP

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### Adult Mental health authorizations

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### Children’s mental health authorizations

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### Home care authorizations

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<td>Typical [6]</td>
<td>4,560</td>
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<tr>
<td>Complex [7]</td>
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### Inpatient hospital

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<td>Non-state-owned hospital admissions [8]</td>
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<td>Hospital readmission reviews</td>
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<tr>
<td>Hospital in-patient diagnosis validation</td>
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<td>State owned hospital or IMD Certificate of Need</td>
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<tr>
<td>Concurrent reviews</td>
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<tr>
<td>Community based extended psychiatric hospital beds</td>
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**NOTES:**

[1] “Typical” medical, dental, children’s mental health and adult mental health authorizations are those requiring an average amount of effort to determine.

[2] “Complex” medical, dental, children’s mental health and adult mental health authorizations are those requiring unusual effort, such as added expertise, additional time required to complete the review due to complexity of the need or complexity of the treatment type.

[3] “Multi-line” authorizations are those involving services that require the review of multiple parts of a whole, e.g., wheelchairs, prosthetics, certain surgeries.

[4] “Administrative review denials” are those which are submitted to the Agent that should not be reviewed for medical necessity. Reasons for non-review include:
1. The provider is not enrolled as an MHCP provider.
2. The provider’s patient is not enrolled in MHCP.
3. The service is not covered by the recipient’s MHCP program.
4. The service is not included in the scope of the AGENT’s contract (e.g., drugs)
5. The service does not require authorization.
6. The recipient has not yet exhausted a service threshold.
7. The authorization request is a duplicate.
8. The recipient is in managed care, not fee for service.
9. The supporting documentation is missing or incomplete.
10. The service was provided more than 12 months ago
11. The authorization request was otherwise submitted incorrectly.

For these denials, the AGENT will communicate the action to the provider and the reason for it.

[5] Some dental services requiring authorization are managed by the STATE’s HIV/AIDS unit. They are funded separately from MHCP and have different authorization requirements than...
MHCP dental services. Generally, these authorizations are more complex than the typical MHCP dental authorizations.


[7] “Complex” home care authorizations are those involving the authorization of combinations of services, such as private duty nurse and personal care attendant, or skilled nurse visit and home health aide and personal care attendant.

[8] These include: 1) identification of readmission cases that may be one admission and not 2 separate admissions and 2 DRG payments, with referral to the STATE’s Payment Policy unit for validation. 2) Cases of questionable need for inpatient hospitalization that would not be triggered by the STATE’s SIRS unit. 3) Reviews for recipients transferred to rehabilitation units after certain procedures. (The figure includes approximately 60 authorizations for admissions to rehab units.)

Professional consultation services (II.A.1.d, above) will be provided to STATE staff on an as-requested basis.

B. TASKS AND DELIVERABLES

The AGENT’s responsibilities under this contract are:

1 Recommend to the STATE a determination of the medical necessity of services and eligibility for payment of various medical procedures, treatments and health services (including children’s mental health services and adult mental health services, dental services, and skilled nurse and home care services).
   a. Receive provider requests for authorization of services.
      i. Accept written, telephonic, or electronic requests from either the provider or their authorized representative.
         a) Accept initial provider requests for authorization between the hours of 8:00 a.m. and 6:00 p.m. Central Time, Monday through Friday.
         b) Online electronic submission of authorization requests must be available to providers 24 hours a day, seven days a week.
         c) The STATE anticipates that an electronic interface will be in place beginning April 1, 2012. If this is implemented, the AGENT will be required to establish connectivity, and providers will be required to submit all requests electronically.
         d) Provider requests for authorization of home care services are delivered to the AGENT by the STATE. (Note: The STATE retains the duty to determine all requests which are solely for personal care services.)
         e) Toll free phone lines shall be provided 24 hours a day, 7 days a week with an automated voice message system to record calls after hours. Toll-free fax lines shall be provided 24 hours a day, seven days a week.
      ii. Maintain a provider help desk available to 8 am-7 pm Central Time, Monday through Friday.
   b. Screen the authorization requests.
      i. Determine whether the patient is eligible for MA or MinnesotaCare at the time the request for authorization is reviewed.
      ii. Determine whether the requested service meets the criteria according to Minnesota Rules, Part 9505.5030, Minnesota Statutes, Section 256B.0625, subd. 6a, or Section 256B.0651, subdivision 12.
iii. For services with no STATE-established criteria the AGENT must establish criteria, subject to STATE’s approval

c. **Review the patient’s relevant medical history** for the purposes of responding to a request or validating the information provided.
   i. The initial review may include the medical record and any supporting documentation.
   ii. For home care services (skilled nursing, home health aide visits, private duty nursing and combinations with private duty nursing or personal care services), the review must include the patient’s Plan of Care.
   iii. Build a mechanism to review the claims history in the Department’s Medicaid Management Information System (MMIS) or by accessing the STATE’s existing Minnesota Information Transfer System (MN-ITS) Health Information Request web-based provider portal.
   iv. Request additional information from the provider as needed.

d. **Recommend** whether to approve the request.
   i. AGENT shall ensure that review criteria are applied in a uniform manner to all requests.
   ii. If AGENT has general questions regarding criteria, clarification should be requested from the STATE.

e. **Enter the status of the request** in the MMIS authorization subsystem.
   i. The status must be one of these:
      a) Approved: request meets authorization criteria.
      b) Denied: request does not meet authorization criteria.
      c) Suspended: provider has not given sufficient information to approve or deny request.
   ii. Final decisions on authorizations must be entered within 10 business days after all information needed to make a decision is received.
      a) Final decisions on treatments which require additional information beyond the initial request for information must be entered within 24 hours after all information needed to make a decision is received from the provider.
      b) For authorization of medical services, procedures and equipment, a decision is considered final if a provider fails to request reconsideration within 20 days after receiving the notice of denial or reduction or the decision is the peer review panel’s decision.
      c) For IHAs, a decision is considered final if a provider fails to request reconsideration within 30 days after receiving the notice of denial or reduction or the decision is the peer review panel’s decision.
   iii. Written notice of a final decision must be sent to the provider and to the MHCP recipient through the MMIS authorization subsystem or the service agreement subsystem.
      a) Notices in which the final decision is to deny or reduce the requested service must include information about: the MHCP recipient’s right to appeal the decision to the STATE under Minnesota Statutes, Section 256.045 and Minnesota Rules, Part 9505.5105; the reason for denial or reduction, including applicable denial code; and an address and telephone number for the MHCP recipient to use to contact the STATE’s Appeals and Regulations Unit.
   iv. The appropriate authorization approval or denial reason code must be entered into the authorization subsystem using the codes specified by the STATE.
   v. Comments about specific requests must be entered on the comments pages of the authorization subsystem.

f. **For denied requests, provide STATE with written justification.**
i. If an appeal hearing is requested, provide the STATE all material submitted by the provider to document the request and a written statement from the AGENT’s professional peer reviewer explaining basis for the medical decision within the timelines specified by the STATE.
   a) The AGENT must assist the STATE as needed in responding to the appeal, including appearance at the appeal hearing (in person or by phone conference), if necessary. If required by law, the professional peer reviewer’s name and credentials shall be available for public disclosure as part of the appeals procedure.

ii. The written justification must be sufficient for STATE to use in appeals and subject to alteration as needed by the STATE.

iii. The reason for denial must be specific to the documentation submitted in the individual request, not general.
   a) AGENT must respond promptly to STATE’s requests for elaboration or additional information necessary for appeals.

g. For suspended requests, make a good faith effort to obtain missing information. This effort may be accomplished through system inquiry, calling, or faxing a form to the provider.
   i. Use an electronic document management system to allow the tracking of all supporting documentation.
      a) Respond promptly to STATE’s requests for the status of AGENT’s requests to providers for additional documentation.
      b) Implement a protocol to deter persistent fruitless attempts to obtain documentation from the provider.

h. For out-of-state cases, build an authorization record.
   i. Maintain a record of all authorization and denial information entered into the MMIS authorization subsystem, including the date of entry.

2. Perform the following tasks in accordance with Minnesota Rules, Parts 9505.0501 to 9505.0545, regarding inpatient hospital authorizations (IHA) in non-State-owned hospitals.
   a. Screen requests for IHA for MHCP recipients in accordance with Minnesota Rules, Part 9505.0520, and issue inpatient hospital authorizations using medical necessity criteria in accordance with Minnesota Rules, Part 9505.0530.
      1) For psychiatric treatment, comply specifically with subp. 3 of Minnesota Rules, Part 9505.0530 as updated, utilizing national standards as described in the current version of Mihalik Group Medical Necessity Manual for Behavioral Health.
      2) Exclude admissions identified in Minnesota Rules, Part 9505.0520 and other exclusions as determined by the STATE, to be published with a 30 day notice in the State Register. Exclusions are subject to change.
      3) Establish and maintain effective lines of communication with physicians and hospitals including maintaining a toll-free telephone number.

   b. Perform concurrent and retrospective medical record reviews and utilize physician advisors when appropriate, as set forth in Minnesota Rules, Part 9505.0520 and in accordance with criteria set forth in Minnesota Rules, Parts 9505.0530 to 9505.0540.
      1) The services for inpatient retrospective review include determination of medical necessity of the admission, diagnosis validation, and determination of whether all medically necessary services were rendered. Inpatient services subject to retrospective review include both general acute care and psychiatric acute stays, including readmissions, short stays, and long stays.
2) Clinical evaluators shall review the medical record and all supporting documentation pertaining to an admission and may request additional information from the admitting physician or the hospital as necessary to clarify the medical record.

3) The reviews shall be determined by the STATE, and shall include cases exempt from inpatient hospital authorization (IHA), and may include the following:
   a) transfers and readmissions within 5 days utilizing readmission criteria pursuant to Minnesota Rules, Part 9505.0530,
   b) admissions to psychiatric units,
   c) obstetric admissions which do not result in a delivery and the length of stay is less than 3 days,
   d) admissions outside of Minnesota’s local trade area²,
   e) 100% review of long stay admissions (>59 days) for all patients on Medical Assistance, in accordance with the Code of Federal Regulations,
   f) other additions determined by the STATE to meet the required number of reviews specified in the contract.

Cases excluded from review shall be determined by the STATE.

4) Reviews shall examine the medical record in its entirety, verify the information provided on the authorization request, verify the presence of an individual plan of care, and identify cases in which:
   a) the admission, or some portion of the admission, was not medically necessary;
   b) not all medically necessary inpatient hospital services were provided;
   c) some or all of the inpatient hospital services were not medically necessary;
   d) the claim for inpatient hospital services submitted to the STATE does not reflect the actual services rendered or applicable diagnosis and procedure descriptions as documented in the medical record.

c. Validate diagnosis codes based on medical record review by certified medical records technicians.

d. Implement a reconsideration process as defined in Minnesota Rules, Part 9505.0520.

e. Provide additional clinical and administrative information to support the STATE on cases which are appealed beyond the reconsideration process.

3. Perform the following tasks regarding admissions of **persons under age 21 to inpatient psychiatric services at state-owned psychiatric hospitals or Institutions for Mental Disease (IMD)**.

   a. Identify an independent medical review team to include a physician and other personnel who meet the qualifications of 1905 (a)(16) and (h) of the Social Security Act and 42 C.F.R. 441.153.
   b. Screen all non-emergency admissions prior to the patient’s admission, according to admission criteria provided by the STATE. Screening shall be based on patient information, with documentation to follow within 24 hours.
   c. Issue an authorization document labeled as “Authorization of Certification” when an admission is approved as meeting the requirements of 42 CFR 441, subpart D.

4 Recommend to the STATE a determination of the medical necessity of **STATE-contracted Community Based Extended Psychiatric Hospital Beds** (see Appendix B).

   a. The determinations must be based on the STATE’s **Guidelines for Determination of Continued Stay** (Appendix C).

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² “Local trade area” means the geographic area surrounding the person’s residence, including portions of states other than Minnesota, which is commonly used by other persons in the same area to obtain similar necessary goods and services.
5 **Conduct medical record reviews** on an as-needed basis for the STATE’s Surveillance and Integrity Review Section (SIRS), to determine the medical necessity of services, the adequacy of documentation to support billings, or the appropriateness of services rendered.

6 **Retain qualified professionals** to perform the duties of this contract.
   a **Health services authorizations:**
      i. Authorization approvals must be reviewed by a Registered Nurse or by a professional licensed at a comparable level in the area of service requested (such as occupational therapist or physical therapist or psychologist or neurophysiologist), or by a licensed physician.
   b. **Inpatient hospital authorizations:**
      i. Physicians who perform inpatient hospital reviews must be licensed in Minnesota and practicing in his/her specialty.
      ii. Physicians who make Authorization of Certification decisions shall not be employed by the hospital to which the patient is admitted.
      iii. Physicians who make initial inpatient hospital authorization decisions may have active staff privileges in the hospital to which the patient is admitted;
      iv. Physicians who participate in reconsideration review shall not have active staff privileges in the hospitals to which the patient is admitted.
      v. Physicians who are ineligible to determine the medical necessity of a hospital admission pursuant to Minnesota Rules, Part 9505.0520, subpart 7 shall not be used.
      vi. An independent medical review team including physician advisors from non-metropolitan statistical area (MSA) hospitals who conduct reconsiderations for non-MSA providers, including but not limited to psychiatric reviews. At least one physician advisor from the non-MSA group shall be utilized for reconsiderations initiated by providers located in non-MSA facilities.
      vii. Non-Physician personnel involved in the review team shall consist of registered nurses licensed in Minnesota unless specifically agreed upon by the STATE.
   c. **State-owned psychiatric hospital authorizations:**
      i. Authorization requests must be reviewed by an independent medical review team which includes a physician and other personnel who meet the requirements of 1906(a)(16) and (h) of the Social Security Act and 42 CFR 441.153.
      ii. The physician leader of the review team must be a psychiatrist who has competence in the diagnosis and treatment of children and adolescents, as evidenced by Board certification or experience.

7 **Establish a process for reconsideration of denied authorization requests** (including requests which are approved at a level of service that is less than requested).
   a. The provider must have the opportunity to submit additional information if necessary to substantiate the need for the service.
   b. Two levels of reconsideration must be available:
      i. Reconsideration by a physician licensed in the State of Minnesota specializing in the area of service being requested.
      ii. Reconsideration by a peer review panel of physicians licensed in the State of Minnesota specializing in the service being requested if the physician on reconsideration denies or reduces the level of service.
   c. For IHAs, implement a reconsideration process as defined in Minnesota Rules, Part 9505.0520, Subpart 9.
8 Establish and maintain databases.
   a. For authorization requests, data shall include, but is not limited to, date and time of receipt; ID of MHCP recipient; and time of authorization approval or denial; HCPC code, and ordering NPI number.
   b. For retrospective reviews, data shall include medical record reviews conducted according to section II. B. 2. b. 3), including the breakdown of the cases reviewed.

9 Establish and maintain a computer system and communications interface with the STATE’s MMIS computer system in order to submit information on all authorization requests.
   a. Develop a communications linkage using a dial up modem or a Value Added Network connection, or telnet 3270 terminal emulation (TN3270) via a TCP/IP connection to the STATE’s MMIS authorization subsystem
   b. Establish security needs and clearances with the assistance of the STATE to assure access to all required online screens
   c. Ensure system stability for the transmission of data that meets the applicable Privacy and Security Standards of the Health Insurance Portability and Accountability Act (HIPAA)
   d. Supply all necessary and compatible hardware and software at the AGENT’s site in order to permit connectivity and real-time communication with the MMIS.
   e. Enter all required data elements into appropriate screens in the authorization subsystem in order to generate an authorization number
   f. Maintain compatible secure internet electronic mail capability.

10 Meet or exceed authorization performance standards.
   a. Respond to 100% of complete authorization requests within 10 days of receipt.
   b. Respond to a minimum of 50% of total complete authorization requests within 8 hours of receipt.

11 Establish and maintain a quality assurance process for ongoing evaluation of authorization responsibilities.
   a. The process must address issues such as training and competence of reviewers, timeliness of response to authorization requests, data validation and accuracy, compliance with applicable time frames, and consistency of determinations among individual reviewers.
   b. Issue reports on results to STATE on a regular basis.
   c. The process must be capable of accommodating joint audits of a random sample of files.

12 Provide monthly reporting to STATE that includes:
   a. number and percentage of requests, approvals, denials, by service category;
   b. number of requests by fax, phone, mail, and electronic submission, by service category;
   c. number of requests that are suspended, pending the provider’s submission of additional information, by service category;
   d. dollars saved and clinical outcome cost savings associated with authorization requirements;
   e. effectiveness tracking of IHA retrospective reviews including trends identified in the reviews; and
   f. average length of time between receipt of request and final disposition.

13 Establish and maintain ongoing two-way communication with the STATE during the term of the contract.
a. This mutual communication may concern issues such as the STATE’s criteria for authorizations, recommendations for improved performance, or any matters that arise relating to the contract.

b. At a minimum of once every six months, confer with STATE staff to:
   i. Make recommendations about changes to services that may currently require or no longer need authorization.
   ii. Make recommendations of new services that need to be authorized, based on changes to HCPC codes or the AGENT’s investigation of new technology.
   iii. Provide input and expertise to STATE staff regarding payment and coverage issues.
   iv. Identify areas of concern or issues requiring STATE analysis, including but not limited to MHCP recipient safety and access issues, and policy revisions.

C. APPLICABLE STATUTES AND RULES

Responders should familiarize themselves with the applicable provisions of federal and state laws and rules governing the authorization of health services.

- Title XIX of the Social Security Act; 42CFR sections 430.00 to 489.57 (Medicaid)
- Minnesota Statutes, Section 256.B.0625 (MA Program)
- Minnesota Statutes, Section 256B.0943 (Children’s Therapeutic Services and Supports)
- Minnesota Statutes, Section 256L.01 – 256L.12 (MinnesotaCare Program)
- Minnesota Statutes, Section 256.L.03 (Covered health services)
- Minnesota Statutes, Sections 256B.9353, 256B.991, 256B.04, 256B.503, 256D.03 (Hospital admissions certification)
- Minnesota Rules, Parts 9505.0501 to 9505.0545 (Hospital admissions certification)
- Minnesota Rules: Parts 9505.0170 to 9505.0475 (MA administration)
- Minnesota Rules, Parts 9505.5000 to 9505.5105 (Prior authorization of health services)
- Minnesota Rules, Parts 9505.2160 to 9505.2245 (Survey Integrity and Review).

D. LOCATION OF SERVICES

All services under this contract shall be performed within the borders of the United States, except as may be otherwise required by the World Trade Organization Government Procurement Agreement of 1996. This includes all storage and processing or information and work performed by subcontractors at all tiers.

E. READINESS

The STATE’s current contract for these functions terminates at midnight, June 30, 2011. The successful Responder must be ready to “go live” at 12:01 a.m. Central Daylight Time on July 1, 2011.

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3 The World Trade Organization Government Procurement Agreement of 1996 (WTO-GPA), signed by the United States and 27 other countries, is designed to open up as much business as possible to international competition. To that end, the member nations have agreed that they and their sub-central governments (states, provinces, prefectures, departments) will not discriminate against foreign products or suppliers of services when those products or services exceed an agreed upon threshold amount, which is currently $554,000. In the case of this RFP, a contract would have to exceed the threshold amount ($554,000) in order to be subject to the WTO-GPA requirement.
III. PROPOSAL FORMAT

Proposals must conform to all instructions, conditions, and requirements included in the RFP. Responders are expected to examine all documentation and other requirements. Failure to observe the terms and conditions in completion of the Proposal are at the Responder’s risk and may, at the discretion of the STATE, result in disqualification of the Proposal for non-responsiveness. Acceptable Proposals must offer all services identified in Section II - Scope of Work and agree to the contract conditions specified throughout the RFP.

A. REQUIRED PROPOSAL CONTENTS

Responses to this RFP must consist of all of the following components (See following sections for more detail on each component). Each of these components must be separate from the others and uniquely identified with labeled tabs.

1. Table of Contents

2. Technical Requirements Proposal
   a. Statement of Understanding
   b. Proposed Work Plan
   c. Relevant Responder Experience/Resumes of Lead Responder Staff
   d. Financial Stability and Professional Responsibility of Responder

3. Innovative Concepts (Optional: For this component, Responder may propose alternate ways of accomplishing any of the basic functions identified in Section I.A, Purpose of Request)

4. Required Statements:
   a. Responder Information and Declarations (Appendix D)
   b. Exceptions to Terms and Conditions (Appendix E)
   c. Affidavit of Noncollusion (Appendix F)
   d. Trade Secret/Confidential Data Notification (Appendix G)
   e. Location of Service Disclosure and Certification (Appendix H)
   f. Proof of Targeted Group Small Business/Economically Disadvantaged Small Business Certification (if applicable)
   g. Affirmative Action (Human Rights) Data Page (Appendix I)
   h. Certification and Restriction on Lobbying (Appendix J)
   i. State of Minnesota-Immigration Status Certification (Appendix K)
   j. Veteran-owned/Service Disabled Veteran-Owned Preference Form (Appendix L if applicable)
   k. Conflict of Interest Affidavit

5. Appendix (If Applicable). Any additional information thought to be relevant, but not applicable to the prescribed format, may be included in the Appendix of your Proposal.

The Proposal must also include a separate Cost Proposal as described in Section III.E, below.
B. TECHNICAL REQUIREMENTS PROPOSAL

The following will be considered minimum requirements of the Technical part of the Proposal. Emphasis should be on completeness and clarity of content.

1. **Statement of Understanding.** This component of the Proposal should demonstrate the Responder's understanding of the services requested in this RFP, the nature of the contract, and any problems anticipated in accomplishing the work. Specifically, the Proposal should demonstrate the Responder's familiarity with the project elements, a summary of its solution(s) to the problems presented and knowledge of the requested services and/or deliverables.

2. **Proposed Work Plan.** Responders must provide a detailed work plan. The work plan must incorporate and explain each of the tasks and deliverables listed in Section II.B (above) that are necessary for the successful implementation and maintenance of the authorization program. The work plan should provide sufficient information to be used as a scheduling and managing tool.

   The work plan should include:

   a. the Responder’s overall design of the project in response to achieving the deliverables as defined in this RFP;
   b. proposed staffing for the project;
   c. proposed computer systems plan including the type, number, and location of computer equipment, and
   d. anticipated timeline for entering authorization request data in the authorization subsystem for the first time (i.e., go-live date of 7/1/11).

3. **Relevant Responder Experience, Resumes of Lead Responder Staff.** The Responder should demonstrate the length, depth, and applicability of prior experience in providing the requested services. This component of the Proposal must include previous experiences that will demonstrate the Responder's ability to deliver the services requested in this RFP.

   This section should include:

   a. A brief overview and history of the Responder entity including any similar or related experience as a Medical Review Agent.
      1) Identification of entities for which Responder has supplied similar services to those requested in the RFP include should include contact information for at least three (3) entities with which Responder has contracted for the service(s) included in the Proposal. Include each identified organization’s name and address, and the name, title and telephone number of a contact of each organization.
      2) Letters of reference may be included.
      3) A narrative description of the actual services provided to the entity(ies), including the role, if any, staff proposed for this project had in the referenced service.
   b. Identification of the personnel who will be working on this Project and description of their qualifications, experience and skills. Include:
      1) the contract manager;
      2) the professional staff responsible for performing the authorization and review services; and
3) the technical staff responsible for computer systems.

c. Demonstration of the skill and experience of the proposed lead staff. At a minimum, resumes must be provided for employees who would be assigned lead responsibilities on this Project. Resumes should describe the education, professional affiliations, and other relevant background of the lead staff to be assigned to this project. (No change in the AGENT’s personnel assigned to this project will be permitted without the prior approval of the STATE Program Manager.)

d. A copy of Responder’s application for certification as a QIO-like Entity submitted to Centers for Medicare and Medicaid Services, Office of Clinical Standards and Quality (CMS); a copy of CMS’s three-year certification notification, and the Responder’s latest annual assurance statement filed with CMS.

e. A statement of the Responder’s familiarity, knowledge of and experience in evidence based medical services and procedures.

f. A statement of the Responder’s familiarity, knowledge and experience with Dialectical Behavior Therapy.

4. Financial Stability and Professional Responsibility of the Responder. It is crucial that the STATE locate reliable vendors to serve our clients. The Successful Responder must be both fiscally and professionally responsible. Therefore, Responders must include in their Proposals both sufficient financial documentation to establish their financial stability and satisfactory information regarding their professional responsibility.

Financial information may include a current Financial Statement, a copy of an independent audit conducted within the last year, documentations of cash reserves to carry you through shortages or delays in receipt of revenue, and/or other documents sufficient to substantiate responsible fiscal management. In the event a Responder is either substantially or wholly owned by another corporate entity, the Proposal must also include the most recent detailed financial report of the parent organization, and a written guarantee by the parent organization that it will unconditionally guarantee performance by the Responder in each and every term, covenant, and condition of such contract as may be executed by the parties. Please also include information about any pending major accusations that could affect your financial stability.

Professional responsibility information includes providing information concerning any complaints filed with or by professional and/or state or federal licensing/regulatory organizations within the past six years against your organization or its employees relating to the provision of services. If such complaints exist, please include the date of the complaint(s), the nature of the complaint(s), and the resolution/status of the complaint(s), including any disciplinary actions taken.

All Proposals must also include information about pending litigation and/or litigation resolved within the past two years that relates to the provision of services by your organization and/or its employees. If such litigation exists, please include the date of the lawsuit, nature of the lawsuit, and the dollar amount being requested as damages, and if resolved, what the resolution was (e.g. settled, dismissed, withdrawn by plaintiff, verdict for plaintiff with $x damages awarded, verdict for Responder, etc.).

Responder should also submit information which demonstrates recognition of their professional responsibility. This may include awards, certifications, and/or professional memberships.
The information collected from these inquiries will be used in the STATE’s determination of the award of the contract. It may be shared with other persons within DHS who may be involved in the decision-making process, and/or with other persons as authorized by law. You are not required to provide any of the above information. However, if you choose not to provide the requested information, your organization’s Proposal may be found nonresponsive and given no further consideration. The STATE reserves the right to request any additional information to assure itself of a Responder's financial and professional status.

C. INNOVATIVE CONCEPTS

The detailed needs and requirements for Responders in this RFP are not intended to limit the Responder’s creativity in preparing a Proposal. Responders may submit innovative ideas, new concepts, partnership arrangements, and optional features in response to this RFP. However, Responder must still address the needs and requirements stated in this RFP. Submitting only a different idea instead of addressing the needs and requirements stated in the RFP will result in the Responder’s Proposal being found nonresponsive and receiving no further consideration.

The STATE is particularly interested in innovations that make the authorization system more efficient, such as using existing information to make determinations in ways that reduce the administrative burden on participating health care professionals. An example would be electronic authorization systems or other algorithm-based systems that automatically approve selected services if predetermined criteria were met, such as:

1) Systems which would approve authorizations automatically based on relevant clinical data, using pharmacy and medical claims history to determine if authorization requirements are met at the time a claim is submitted. If criteria are met, the request would be approved automatically and no manual authorization request would be required.

2) A document retention system that would allow the use of existing information from a previous request rather than requesting the information from the provider who submitted the request. Such information might include that which would never change over time, and information submitted within a month for a previous request.

Responders should note that any proposed system would have to be compatible with the STATE’s systems.

Any additional innovative concept submitted by a Responder will only be reviewed after the required needs stated in the RFP have been addressed. The STATE will review such additional features to determine whether or not, in the STATE’s sole discretion, the features enhance the rest of the Responder’s Proposal. If, at the STATE’s sole discretion, it is determined that the additional innovative concepts would enhance the rest of the Responder’s Proposal, the STATE may award bonus points to the Responder’s Proposal in accordance with the evaluation process of this RFP.

D. REQUIRED STATEMENTS

The following are required statements that must be included with your Proposal in order for the Proposal to be given consideration. Complete the correlating forms found in the RFP Appendix and submit them as the “Required Statements” section of your Proposal.

1. Responder Information and Declarations. Complete and submit the attached “Responder Information and Declarations” form (Appendix D). If you are required to submit additional information as a result of the declarations, include the additional information as part of this form.
2. **Exceptions to RFP Terms.** The contents of this RFP and the Proposal(s) of the Successful Responder(s) may become part of the final contract if a contract is awarded. Each Responder's Proposal must include a statement of acceptance of all terms and conditions stated within this RFP or provide a detailed statement of exception for each item excepted by the Responder. Responders who object to any condition of this RFP must note the objection on the attached “Exceptions to RFP Terms” form (Appendix E). If a Responder has no objections to any terms or conditions, the Responder should write “None” on the form.

   Responder should be aware of the STATE’s standard contract terms and conditions in preparing its response. A sample State of Minnesota, Department of Human Services, Contract is attached for your reference. Much of the language reflected in the contract is required by statute. If you take exception to any of the terms, conditions or language in the contract, you must indicate those exceptions in your response to the RFP. Only those exceptions indicated in your response to the RFP will be available for discussion or negotiation.

   Responders are cautioned that any exceptions to the terms of the standard STATE contract which give the Responder a material advantage over other Responders may result in the Responder’s Proposal being declared nonresponsive. Proposals being declared nonresponsive will receive no further consideration for award of the Contract. Also, Proposals that take blanket exception to all or substantially all boilerplate contract provisions will be considered nonresponsive Proposals and rejected from further consideration for contract award.

3. **Affidavit of Noncollusion.** Each Responder must complete and submit the attached “Affidavit of Noncollusion” form (Appendix F).

4. **Trade Secret/Confidential Data Notification.** All materials submitted in response to this RFP will become property of the STATE and will become public record in accordance with Minnesota Statutes, section 13.591, after the evaluation process is completed. Pursuant to the statute, completion of the evaluation process occurs when the STATE has completed negotiating the contract with the Successful Responder. If a contract is awarded to the Responder, the STATE must have the right to use or disclose the trade secret data to the extent otherwise provided in the Contract or by law.

   If the Responder submits information in response to this RFP that it believes to be trade secret/confidential materials, as defined by the Minnesota Government Data Practices Act, Minn. Stat. §13.37, and the Responder does not want such data used or disclosed for any purpose other than the evaluation of this Proposal, the Responder must:

   a. clearly mark every page of trade secret materials in its Proposal at the time the Proposal is submitted with the words “TRADE SECRET” or “CONFIDENTIAL” in capitalized, underlined and bolded type that is at least 20 pt.; the STATE does not assume liability for the use or disclosure of unmarked or unclearly marked trade secret/confidential data;

   b. fill out and submit the attached “Trade Secret/Confidential Information Notification Form” (Appendix G), specifying the pages of the Proposal which are to be restricted and justifying the trade secret designation for each item. If no material is being designated as protected, a statement of “None” should be listed on the form;
c. satisfy the burden to justify any claim of trade secret/confidential information. Use of generic trade secret/confidential language encompassing substantial portions of the Proposal or simple assertions of trade secret interest without substantive explanation of the basis therefore will be regarded as nonresponsive requests for trade secret/confidential exception and will not be considered by the STATE in the event of a data request is received for Proposal information; and

d. defend any action seeking release of the materials it believes to be trade secret and/or confidential, and indemnify and hold harmless the STATE, its agents and employees, from any judgments awarded against the STATE in favor of the party requesting the materials, and any and all costs connected with that defense. This indemnification survives the STATE’s award of a contract. In submitting a response to this RFP, the Responder agrees that this indemnification survives as long as the trade secret materials are in the possession of the STATE. The STATE is required to keep all the basic documents related to its contracts, including selected responses to RFPs, for a minimum of six years after the end of the contract. Non-selected RFP Proposals will be kept by the STATE for a minimum of one year after the award of a contract, and could potentially be kept for much longer.

The STATE reserves the right to reject a claim if it determines Responder has not met the burden of establishing that the information constitutes a trade secret or is confidential. **The STATE will not consider prices or costs submitted by the Responder to be trade secret materials.** Any decision by the STATE to disclose information designated by the Responder as trade secret/confidential will be made consistent with the Minnesota Government Data Practices Act and other relevant laws and regulations. If certain information is found to constitute a trade secret/confidential, the remainder of the Proposal will become public; only the trade secret/confidential information will be removed and remain nonpublic.

The STATE also retains the right to use any or all system ideas presented in any Proposal received in response to this RFP unless the Responder presents a positive statement of objection in the Proposal. Exceptions to such Responder objections include: (1) public data, (2) ideas which were known to the STATE before submission of such Proposal, or (3) ideas which properly became known to the STATE thereafter through other sources or through acceptance of the Responder's Proposal.

5. **Location of Service Disclosure and Certification.** In accordance with Minnesota Executive Order 04-02 and Minn. Stat. §16C.03, subd. 8, all Responders must complete and submit the attached “Location of Service Disclosure and Certification” form (Appendix H).

6. **Preference to Targeted Group and Economically Disadvantaged Business and Individuals.** In accordance with Minnesota Rules, part 1230.1810, subpart B and Minnesota Rules, part 1230.1830, certified Targeted Group Businesses and individuals submitting proposals as prime contractors will receive a six percent preference in the evaluation of their proposal, and certified Economically Disadvantaged Businesses and individuals submitting proposals as prime contractors will receive a six percent preference in the evaluation of their proposal. Eligible TG businesses must be currently certified by the Materials Management Division prior to the solicitation opening date and time. For information regarding certification, contact the Materials Management Helpline at 651.296.2600, or you may reach the Helpline by email at mmdhelp.line@state.mn.us. For TTY/TDD communications, contact the Helpline through the
7. **Human Rights Compliance.** For all contracts estimated to be in excess of $100,000, Responders are required to complete and submit the attached “Affirmative Action Data” page (Appendix I). As required by Minn. R. 5000.3600, “It is hereby agreed between the parties that Minn. Stat. § 363A.36 and Minn. R.5000.3400 - 5000.3600 are incorporated into any contract between these parties based upon this specification or any modification of it. A copy of Minn. Stat. § 363A.36 and Minn. R.5000.3400 - 5000.3600 are available upon request from the contracting agency.”

8. **Certification Regarding Lobbying.** Federal money will be used or may potentially be used to pay for all or part of the work under the contract, therefore the Responder must complete and submit the attached “Certification Regarding Lobbying” form (Appendix J).

9. **State of Minnesota- Immigration Status Certification.** By order of the Governor’s Executive Order 08-01, all Contractors and all the Contractor’s subcontractors who will participate in the performance of the contract MUST certify compliance with the Immigration Reform and Control Act of 1986 (8 U.S.C.1101et seq.) and certify use of the E-Verify system established by the Department of Homeland Security.

   E-Verify program information can be found at http://www.dhs.gov/ximgtn/programs.

   Therefore, the Responder must complete and submit the attached “State of Minnesota- Immigration Status Certification” form (Appendix K).

10. **Veteran-Owned Preference.** In accordance with Minnesota Statute §16C.16, subd. 6a, veteran-owned businesses with their principal place of business in Minnesota and verified as eligible by the United States Department of Veterans Affairs’ Center for Veteran Enterprises (CVE Verified) will receive up to a 6 percent preference in the evaluation of its proposal.

   Eligible veteran-owned small businesses include CVE verified small businesses that are majority-owned and operated by either recently separated veterans, veterans with service-connected disabilities, and any other veteran-owned small businesses (pursuant to Minnesota Statute §16C.16, subd. 6a).

   Information regarding CVE verification may be found at http://www.vetbiz.gov.

   Eligible veteran-owned small businesses should complete and sign the Veteran-Owned Preference Form (Appendix L). Only eligible, CVE verified, veteran-owned small businesses that provide the required documentation, per the form, will be given the preference.

11. **Conflict of Interest.** Include a Conflict of Interest affidavit certifying that Responder will not review authorizations from physicians or hospitals in which Responder has financial interest and is able to remain independent and use impartial judgment in the performance of all tasks related to the contract.

**E. COST PROPOSAL**

Responders must use the attached “Cost Proposal Sheet” form (Appendix M) and “Cost Proposal Detail” form (Appendix M-1) to submit their Cost Proposal. The Cost Proposal must be submitted as a separate and sealed part of the Proposal and clearly identified as the Cost Proposal. **Do not include any cost**
information in the Technical Requirements part of the Proposal. The Technical and Cost Proposals must be open for acceptance until a contract is approved, the RFP is cancelled, or 180 days after the submission deadline for the RFP, whichever comes first.

The rates identified in the Cost Proposal must reflect all costs, including but not limited to: mass mailings, fees, commissions, compensation, equipment and other charges by the Responder for the service and/or deliverable. For purposes of completing the Cost Proposal, Responder should know that the STATE does not make regular payments based solely upon the passage of time; it only pays for services performed or work delivered after it is accomplished. The contract will contain no cost-of-living adjustment provision.

To assure acceptance, the Responder must follow all instructions in Appendix M and Appendix M.1 when preparing their Cost Proposal.

IV. RFP PROCESS

A. RESPONDERS’ CONFERENCE

A Responders’ Conference will be held on March 31, 2011, at 10:30 a.m., Central Daylight Time via Teleconference. The Conference will serve as an opportunity for Responders to ask specific questions of STATE staff concerning the project. Oral answers given at the Conference will be non-binding. Attendance at the Responders’ Conference is not mandatory but is recommended.

To participate in the Responders’ Conference, potential Responders may dial 651-431-7200 at the time of the Conference. The meeting ID number is 3797. The meeting URL is http://conference.dhs.state.mn.us

B. RESPONDERS’ QUESTIONS

Responders’ initial questions regarding this RFP must be submitted in writing prior to 4:00 p.m. Central Standard Time on March 25, 2011.

All questions submitted prior to, and during the Responders’ Conference will be addressed in writing and posted at the Department of Human Services’ web site RFP page. Every attempt will be made to provide answers in a timely fashion, with the intent that they are posted by April 4, 2011.

All questions must be addressed to:

Camille Miller
Minnesota Department of Human Services
Health Services and Medical Management Division
P.O. Box 64984
St. Paul, MN  55164-0984
Fax: 651.431.7420; E-mail: camille.miller@state.mn.us

Other personnel are NOT authorized to discuss this RFP with Responders before the proposal submission deadline. Contact regarding this RFP with any STATE personnel not listed above could result in disqualification. The STATE will not be held responsible for oral responses to Responders.
C. PROPOSAL SUBMISSION

Proposals must be physically received (not postmarked) by April 7, 2011, 12:00 noon Central Daylight Time, to be considered. Late Proposals will not be considered and will be returned unopened to the submitting party.

Proposals should be submitted in three-ring binders or spiral bound binders with each section indexed with label tabs. The main body of the Proposal pages must be numbered and submitted in 12-point font on 8 ½ X 11 inch paper, single spaced. The size and/or style of pictures, graphics, tabs, attachments, margin notes/highlights, etc. are not restricted by this RFP and their use and style are at the Responder’s discretion.

All Proposals must contain the following:

1. **One (1) original and nine (9) copies of the Technical Proposal** (which includes everything except for cost information). Clearly label the original "Technical Proposal – Original". The Technical Proposal must not contain any cost information.

2. **One (1) original and nine (9) copies of the Cost Proposal.** Clearly label the original "Cost Proposal – Original". Place the Cost Proposal original and copies in a sealed envelope separate from the Technical Proposal. Write “Cost Proposal” and the Responder’s name and address clearly on the outside of the envelope.

The two Sections, including required copies, must be submitted in a single package or container. Insert the sealed Cost Proposal envelope within the Proposal package or container, making sure that no cost information is included with the Technical Proposal. The above-referenced packages and all correspondence related to this RFP must be delivered to this address:

Minnesota Department of Human Services
Health Services and Medical Management Division
Attention: Thomas Fields
444 Lafayette Rd. N.
St. Paul, MN 55155
Telephone: 651.431.2487

3. In addition to the hard copy original and copies, Responders must e-mail an electronic copy of their Proposal to Tom Fields at tom.fields@state.mn.us.

Faxed or e-mailed Proposals (with the exception of the aforementioned electronic copy) will not be accepted.

It is solely the responsibility of each Responder to assure that their Proposal is delivered at the specific place, in the specific format, and prior to the deadline for submission. **Failure to abide by these instructions for submitting Proposals will result in the disqualification of any non-complying Proposal.**
V. PROPOSAL EVALUATION AND SELECTION

A. OVERVIEW OF EVALUATION METHODOLOGY

1. All responsive Proposals received by the deadline will be evaluated by the STATE. Proposals will be evaluated on “best value” as specified below, using a 100 point scale (70 possible technical points plus 30 possible cost points). The evaluation will be conducted in four phases:

   a. Phase I  Required Statements Review
   b. Phase II  Evaluation of Technical Proposal
   c. Phase III Evaluation of Cost Proposals
   d. Phase IV  Selection of the Successful Responder

2. During the evaluation process, all information concerning the Proposals submitted, except identity of Responders, will remain non-public.

3. Non-selection of any Proposals will mean that either another Proposal(s) was determined to be more advantageous to the STATE or that the STATE exercised its right to reject any or all Proposals. At its discretion, the STATE may perform an appropriate cost and pricing analysis of a Responder's Proposal, including an audit of the reasonableness of any Proposal.

B. EVALUATION TEAM

1. An evaluation team will be selected to evaluate Responder Proposals.

2. STATE and professional staff, other than the evaluation team, may also assist in the evaluation process. This assistance could include, but is not limited to, the initial mandatory requirements review, contacting of references, or answering technical questions from evaluators.

C. EVALUATION PHASES

At any time during the evaluation phases, the STATE may, at the STATE’s discretion, contact a Responder to: (1) provide further or missing information or clarification of their Proposal, (2) provide an oral presentation of their Proposal, or (3) obtain the opportunity to interview the proposed key personnel. Reference checks may also be made at this time. However, there is no guarantee that the STATE will look for information or clarification outside of the submitted written Proposal. Therefore, it is important that the Responder ensure that all sections of the Proposal have been completed to avoid the possibility of failing an evaluation phase or having their score reduced for lack of information.

1. Phase I – Required Statements Review

   The Required Statements will be evaluated on a pass or fail basis. Responders must "pass" each of the requirements identified in these sections to move to Phase II. The Required Statements will also be reviewed for submission by the Responder of the optional Preference to Targeted Group and Economically Disadvantaged Business and Individuals or the Veteran-Owned Preference Form. If proper proof of these certifications are submitted, the eligible preference points will be awarded to the Responder at this time.

2. Phase II - Evaluation of Technical Proposals
a. Points have been assigned to the non-cost component areas. The total possible points for the non-cost component areas are as follows:

<table>
<thead>
<tr>
<th>Component</th>
<th>Total Possible Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Statement of Understanding</td>
<td>15</td>
</tr>
<tr>
<td>ii. Proposed Work Plan</td>
<td>20</td>
</tr>
<tr>
<td>iii. Relevant Responder Experience</td>
<td>20</td>
</tr>
<tr>
<td>iv. Financial Stability and Professional Responsibility</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>70</strong></td>
</tr>
</tbody>
</table>

b. The evaluation team will review the components of each responsive Proposal submitted. Each component will be evaluated on the team’s evaluation of the Responder's understanding and the quality and completeness of the Responder's approach and solution to the problems or issues presented.

c. After reviewing the Proposals, the members of the evaluation team will rate each Proposal component using the following formula:

<table>
<thead>
<tr>
<th>Component Rating</th>
<th>Point Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent</td>
<td>1.0</td>
</tr>
<tr>
<td>Very Good</td>
<td>0.75</td>
</tr>
<tr>
<td>Satisfactory</td>
<td>0.5</td>
</tr>
<tr>
<td>Poor</td>
<td>0.25</td>
</tr>
<tr>
<td>Unacceptable</td>
<td>0.0</td>
</tr>
</tbody>
</table>

Upon determining which of the above Ratings best describes the component being rated, the total possible points available for the component (previous paragraph) will be multiplied by the corresponding point factor.

EXAMPLE: A “Very Good” rating (0.75) of the Component “Relevant Responder Experience” (worth a maximum of 20 points) would receive a score of 15 (20 x 0.75 = 15).

d. **Innovative Concepts.** Only after the Technical Proposals have been ranked, and it has been determined that the Responder’s Proposal has passed Phase II, will any innovative concepts submitted by Responder be reviewed. If a Proposal is found not to have passed Phase II, any innovative concepts submitted will not receive consideration. The amount of bonus points to be given a Proposal for innovative concepts is at the sole discretion of the STATE, depending on how much the STATE determines the ideas enhance the rest of the Proposal. The amount given, if any, will be by consensus of the evaluation team. The STATE is under no obligation to give a Proposal any bonus points in any situation. The maximum possible bonus points are **10**.

3. **Phase III - Evaluation of Cost Proposals**

   a. **Prior to evaluation in Phase III, no Cost Proposal will be reviewed and all will remain sealed.**
   
   b. Only the Proposals found to be responsive under Phases I and II will be considered in Phase III.
c. The Cost Proposals will be examined to determine if they are complete, in compliance with the requirements of this RFP, accurate in their calculation, and consistent with their technical counterpart. Any Cost Proposal that does not meet these criteria may be considered nonresponsive and rejected.

d. Cost will be of significant importance in selecting a Responder deemed qualified to provide all the requested services, but will not be the sole determining factor.

e. Points for Cost Proposals will be awarded as follows:

   Lowest cost will be determined by the Cost Proposal rate submitted by the Responders. The Proposal with the lowest cost will receive 100% of the available points. The other Proposals will receive points using the following formula:

   \[
   \text{Lowest Proposal Rate} \times \text{Max. Pts.} = 30 \text{ Points.}
   \]

   Rate of Other Proposal

   EXAMPLE: If Responder A submitted the lowest rate of $11,500, and Responder B submitted a rate of $12,000, Responder A would receive 30 points and Responder B would receive 28.75 points \((11,500 \div 12,000 \times 25 = 28.75)\).

   f. The evaluation team reserves the right to reject unreasonable costs proposed by Responders. Specifically, the evaluation team will not consider any proposed costs that are, at the sole discretion of the STATE, not rational or are not competitively priced. Such Proposals will be regarded as nonresponsive and receive no further consideration.

4. Phase IV - Selection of the Successful Responder

   a. Only the Proposals found to be responsive under Phases I, II, and III will be considered in Phase IV.

   b. The evaluation team will review the Proposal scores in making its recommendations of the Successful Responder. A Responder's total score will be the sum of the scores received for the Technical Proposal and the Cost Proposal, along with any points awarded as bonus and/or for being a Targeted Group and Economically Disadvantaged Business and Individuals, an eligible veteran-owned businesses.

   c. The STATE may submit a list of detailed comments, questions, and concerns to one or more Responders after the initial evaluation. The STATE may require said response to be written, oral, or both. The STATE will only use written responses for evaluation purposes. This may include requesting one or more Responders’ “Best and Final” offers on price or technical requirements, or both. The total scores for those Responders selected to submit additional information may be revised as a result of the new information.

   d. The evaluation team will make its recommendation based on the above-described evaluation process. It is the goal of the evaluation team to select the Successful Responder approximately one week after Proposal submission date.

   e. The final award decision will be made by the Commissioner of the Minnesota Department of Human Services or his or her authorized designee (“Commissioner”). The Commissioner may accept or reject the recommendation of the evaluation team.
D. CONTRACT NEGOTIATIONS AND UNSUCCESSFUL RESPONDER NOTICE

If a Responder is selected, the STATE will notify the Successful Responder in writing of their selection and the STATE’s desire to enter into contract negotiations. Until the STATE successfully completes negotiations with the selected Responder, all submitted Proposals remain eligible for selection by the STATE.

In the event contract negotiations are unsuccessful with the selected Responder(s), the evaluation team may recommend another Responder(s). The final award decision will be made by the Commissioner. The Commissioner may accept or reject any subsequent recommendation of the evaluation team.

After the STATE and chosen Responder(s) have successfully negotiated a contract, the STATE will notify the unsuccessful Responders in writing that their Proposals have not been accepted. All public information within Proposals will then be available for Responders to review, upon request.

VI. REQUIRED TERMS AND CONDITIONS

A. Requirements. All Responders must be willing to comply with all STATE and federal legal requirements regarding the performance of the Contract. The requirements are set forth throughout this RFP and are contained in the attached Draft Contract.

B. Governing Law/Venue. This RFP and any subsequent contract must be governed by the laws of the State of Minnesota. Any and all legal proceedings arising from this RFP or any resulting contract in which the STATE is made a party must be brought in the State of Minnesota, District Court of Ramsey County. The venue of any federal action or proceeding arising here from in which the STATE is a party must be the United States District Court for the State of Minnesota.

C. Travel. Reimbursement for travel and subsistence expenses actually and necessarily incurred by the contractor as a result of the contract will be in no greater amount than provided in the current "Commissioner’s Plan” promulgated by the commissioner of Minnesota Management and Budget. Reimbursements will not be made for travel and subsistence expenses incurred outside Minnesota unless it has received the STATE’s prior written approval for out of state travel. Minnesota will be considered the home state for determining whether travel is out of state.

D. Preparation Costs. The STATE is not liable for any cost incurred by Responders in the preparation and production of a Proposal. Any work performed prior to the issuance of a fully executed contract will be done only to the extent the Responder voluntarily assumes risk of non-payment.

E. Contingency Fees Prohibited. Pursuant to Minn. Stat. §10A.06, no person may act as or employ a lobbyist for compensation that is dependent upon the result or outcome of any legislation or administrative action.

F. Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion. Federal money will be used or may potentially be used to pay for all or part of the work under the contract, therefore the Proposer must certify the following, as required by the regulations implementing Executive Order 12549.
**Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Covered Transactions**

Instructions for Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.

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

3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.

4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverages sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.

5. The prospective lower tier participant agrees by submitting this response that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled “Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transaction,” without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Non-procurement Programs.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 C.F.R. 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

G. Insurance Requirements

1. Contractor shall not commence work under the contract until they have obtained all the insurance described below and the State of Minnesota has approved such insurance. All policies and certificates shall provide that the policies shall remain in force and effect throughout the term of the contract.

2. Contractor is required to maintain and furnish satisfactory evidence of the following insurance policies:

   a. **Workers’ Compensation Insurance**: Except as provided below, Contractor must provide Workers’ Compensation insurance for all its employees and, in case any work is subcontracted, Contractor will require the subcontractor to provide Workers’ Compensation insurance in accordance with the statutory requirements of the State of Minnesota, including Coverage B, Employer’s Liability. Insurance **minimum** amounts are as follows:

   $100,000 – Bodily Injury by Disease per employee  
   $500,000 – Bodily Injury by Disease aggregate  
   $100,000 – Bodily Injury by Accident

   If Minnesota Statute exempts Contractor from Workers’ Compensation insurance or if the Contractor has no employees in the State of Minnesota, Contractor must provide a written statement, signed by an authorized representative, indicating the qualifying exemption that excludes Contractor from the Minnesota Workers’ Compensation requirements.

   b. **Commercial General Liability**: Contractor is required to maintain insurance protecting it from claims for damages for bodily injury, including sickness or disease, death, and for care and loss of services as well as from claims for property damage, including loss of use which may arise from operations under the contract whether the operations are by the Contractor or by a subcontractor or by anyone directly or indirectly employed by the Contractor under the contract. Insurance **minimum** amounts are as follows:

   Revised 10/2010
$2,000,000 – per occurrence
$2,000,000 – annual aggregate
$2,000,000 – annual aggregate – Products/Completed Operations

The following coverages shall be included:

Premises and Operations Bodily Injury and Property Damage
Personal and Advertising Injury
Blanket Contractual Liability
Products and Completed Operations Liability
State of Minnesota named as an Additional Insured

c. **Commercial Automobile Liability:** Contractor is required to maintain insurance protecting the Contractor from claims for damages for bodily injury as well as from claims for property damage resulting from ownership, operation, maintenance or use of all owned, hired, and non-owned autos which may arise from operations under this contract, and in case any work is subcontracted the Contractor will require the subcontractor to provide Commercial Automobile Liability. Insurance **minimum** amounts are as follows:

$2,000,000 – per occurrence Combined Single limit for Bodily Injury and Property Damage

In addition, the following coverages should be included:

Owned, Hired, and Non-owned Automobile

d. **Professional/Technical, Errors and Omissions, and/or Miscellaneous Liability Insurance (if applicable)**

This policy will provide coverage for all claims the Contractor may become legally obligated to pay resulting from any actual or alleged negligent act, error, or omission related to Contractor’s professional services required under the contract.

Contractor is required to carry the following **minimum** amounts:

$2,000,000 – per claim or event
$2,000,000 – annual aggregate

Any deductible will be the sole responsibility of the Contractor and may not exceed $50,000 without the written approval of the STATE. If the Contractor desires authority from the STATE to have a deductible in a higher amount, the Contractor shall so request in writing, specifying the amount of the desired deductible and providing financial documentation by submitting the most current audited financial statements so that the STATE can ascertain the ability of the Contractor to cover the deductible from its own resources.

The retroactive or prior acts date of such coverage shall not be after the effective date of this contract and Contractor shall maintain such insurance for a period of at least three (3) years, following completion of the work. If Contractor discontinues such insurance, then extended reporting period coverage must be purchased to fulfill this requirement.
3. Additional Insurance Conditions:

- Contractor’s policy(ies) shall be primary insurance to any other valid and collectible insurance available to the State of Minnesota with respect to any claim arising out of Contractor’s performance under this contract;

- Contractor’s policy(ies) and Certificates of Insurance shall contain a provision that coverage afforded under the policies shall not be cancelled or non-renewed without at least thirty (30) days advanced written notice to the State of Minnesota;

- Contractor is responsible for payment of contract related insurance premiums and deductibles;

- If Contractor is self-insured, a Certificate of Self-Insurance must be attached;

- Include legal defense fees in addition to its liability policy limits, with the exception of G.2.d above; and

- Obtain insurance policies from an insurance company having an “AM BEST” rating of A-(minus); Financial Size Category (FSC) VII or better and must be authorized to do business in the State of Minnesota.

4. The STATE will reserve the right to immediately terminate the contract if the Contractor is not in compliance with the insurance requirements and retains all rights to pursue any legal remedies against the Contractor. All insurance policies must be open to inspection by the STATE, and copies of policies must be submitted to the STATE’s authorized representative upon written request.

5. The successful responder is required to submit acceptable evidence of insurance coverage requirements prior to commencing work under the contract.

H. Continuity of Operations Planning Requirement. Functions identified under this request for proposal have been designated as Priority 1 or Priority 2 services under the Minnesota Department of Human Service’s Continuity of Operations Plan. Due to this designation, the successful responder will, within sixty (60) days of contract execution, be required to develop and submit for approval a continuity of operations plan to be implemented in the event of a gubernatorial or commissioner of the Minnesota Department of Health declared health emergency. The successful responder will be expected to have a continuity of operations plan available for inspection by the STATE upon request. The continuity of operations plan shall do the following:

(a) ensure fulfillment of Priority 1 or Priority 2 obligations under the contract;

(b) outline procedures for the activation of the contingency plan upon the occurrence of a governor or commissioner of the Minnesota Department of Health declared health emergency;

(c) identify an individual as its Emergency Preparedness Response Coordinator (EPRC), the EPRC shall serve as the contact for the STATE with regard to emergency preparedness and response issues, the EPRC shall provide updates to the STATE as the health emergency unfolds;
(d) outline roles, command structure, decision making processes, and emergency action procedures that will be implemented upon the occurrence of a health emergency;

(e) provide alternative operating plans for Priority 1 or Priority 2 functions;

(f) include a procedure for returning to normal operations; and

(g) be available for inspection upon request.

J. State of Minnesota- Immigration Status Certification

By order of the Governor’s Executive Order 08-01, all Contractors and all the Contractor’s subcontractors who will participate in the performance of the contract MUST certify compliance with the Immigration Reform and Control Act of 1986 (8 U.S.C.1101et seq.) and certify use of the E-Verify system established by the Department of Homeland Security.

E-Verify program information can be found at http://www.dhs.gov/ximtgtn/programs.

Contractors and subcontractors must certify compliance with items 1 and 2 identified in the State of Minnesota-Immigration Status Certification form. In addition, prior to the delivery of the product or initiation of services, Contractor MUST obtain this certification from all subcontractors who will participate in the performance of the contract. All subcontractor certifications must be kept on file with the Contractor and made available to the STATE upon request.

VII. STATE'S RIGHTS RESERVED

Notwithstanding anything to the contrary, the STATE reserves the right to:

A. Reject any and all Proposals received in response to this RFP;

B. Disqualify any Responder whose conduct or Proposal fails to conform to the requirements of this RFP;

C. Have unlimited rights to duplicate all materials submitted for purposes of RFP evaluation, and duplicate all public information in response to data requests regarding the Proposal;

D. Select for contract or for negotiations a Proposal other than that with the lowest cost or the highest evaluation score;

E. At its sole discretion, reserve the right to waive any non-material deviations from the requirements and procedures of this RFP;

F. Negotiate as to any aspect of the Proposal with any Responder and negotiate with more than one Responder at the same time, including asking for Responders’ “Best and Final” offers as to price, technical provisions, or both;
G. Extend the contract, in increments determined by the STATE, not to exceed a total contract term of five years; and

H. Cancel the Request for Proposal at any time and for any reason with no cost or penalty to the STATE.

I. Correct or amend the RFP at any time with no cost or penalty to the STATE. If the STATE should correct or amend any segment of the RFP after submission of Proposals and prior to announcement of the Successful Responder, all Responders will be afforded ample opportunity to revise their Proposal to accommodate the RFP amendment and the dates for submission of revised Proposals announced at that time. The STATE will not be liable for any errors in the RFP or other responses related to the RFP.

J. Alter the composition of the evaluation team and their specific responsibilities.

VIII. STATE’S RESPONSIBILITIES

The STATE will have the responsibilities specified below in connection with this Project:

A. Continue to process medical services claims.
B. Identify services subject to authorization and develop clinical criteria for authorization approval.
C. Communicate with the AGENT regarding new services subject to authorization and new authorization criteria.
D. Maintain a web listing of services subject to authorization and applicable criteria.
E. Continue to administer the MHCP recipient appeal process.
F. Create and distribute public notice of services requiring authorization, including website updates and State Register updates, as required.

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APPENDICES FOLLOW
IX. APPENDICES
<table>
<thead>
<tr>
<th>Service or Program Type</th>
<th>Fee for Service Prior Authorization (PA) Required?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Prior to Service Rendered</td>
</tr>
<tr>
<td>Intensive Residential Treatment Services (IRTS)</td>
<td>N</td>
</tr>
<tr>
<td>Partial Hospitalization (Hospital Based)</td>
<td>N</td>
</tr>
<tr>
<td>Partial Hospitalization (Community Mental Health Clinic (CMHC))</td>
<td>N</td>
</tr>
<tr>
<td>Assertive Community Treatment (ACT)</td>
<td>N</td>
</tr>
<tr>
<td>Adult Rehabilitative Mental Health Services (ARMHS)</td>
<td>N</td>
</tr>
<tr>
<td>Adult Day Treatment</td>
<td>N</td>
</tr>
<tr>
<td>Intensive Community Recovery Services (ICRS)</td>
<td>N</td>
</tr>
<tr>
<td>MH-Targeted Case Management</td>
<td>N</td>
</tr>
<tr>
<td>Dialectical Behavior Therapy (DBT)</td>
<td>Y</td>
</tr>
<tr>
<td>Crisis Housing Assistance Program</td>
<td>N</td>
</tr>
<tr>
<td>Crisis Services</td>
<td>N</td>
</tr>
<tr>
<td>Certified Peer Specialist (CPS)</td>
<td>N</td>
</tr>
<tr>
<td>Inpatient (Contract Beds)</td>
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</tr>
<tr>
<td>Inpatient Hospital</td>
<td>N</td>
</tr>
<tr>
<td>Medication Management</td>
<td>N</td>
</tr>
<tr>
<td>Individual Psychotherapy</td>
<td>N</td>
</tr>
<tr>
<td>Group Psychotherapy</td>
<td>N</td>
</tr>
<tr>
<td>Diagnostic Assessments</td>
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</tr>
<tr>
<td>Neuropsych</td>
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</tr>
<tr>
<td>Psychological Testing</td>
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</tr>
<tr>
<td>MH Courts</td>
<td>N</td>
</tr>
<tr>
<td>MH Clinics/Centers (R29)</td>
<td>N</td>
</tr>
<tr>
<td>-------------------------</td>
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<tr>
<td>MH Centers</td>
<td>N</td>
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<tr>
<td>Permanent Supportive Housing (HSASMI)</td>
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</tr>
<tr>
<td>Gambling</td>
<td>Y</td>
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<tr>
<td>CSP’s/Drop-Ins</td>
<td>N</td>
</tr>
<tr>
<td>Projects for Assistance in Transition from Homelessness (PATH)</td>
<td>N</td>
</tr>
<tr>
<td>Bridges</td>
<td>N</td>
</tr>
</tbody>
</table>

Descriptions of these services can be found at the DHS web site listed under MHCP Mental Health Services Overview.

http://www.dhs.state.mn.us/id_003494

NOTES:  
Y = Yes  
N = No  
MH = Mental health  
* The STATE began covering Dialectical Behavioral Therapy effective March 1, 2011. The AGENT’s responsibility will be to determine medical appropriateness for the patient, and to determine whether the provider is certified to provide this service. See Appendix A.1 for the draft Supplemental Authorization Form for Dialectical Behavior Therapy.
APPENDIX A.1. DRAFT SUPPLEMENTAL AUTHORIZATION FORM FOR DIALECTICAL BEHAVIOR THERAPY

Supplemental Authorization Form for Dialectical Behavior Therapy IOP

Name of Certified DBT Program

Location NPI Number

Program Contact Phone Number

Recipient Information

RECIPIENT’S LAST NAME FIRST NAME MI MHCP RECIPIENT ID NUMBER (PMI) DATE OF BIRTH

Diagnosis Eligibility

To be eligible to receive the service of DBT IOP a recipient must be 18 years of age or within 3 months of becoming age 18 and have a diagnosis of Borderline Personality Disorder AND/OR the recipient must have multiple mental health diagnoses and exhibits behaviors characterized by impulsivity, intentional self-harm, and is at significant risk of death, significant morbidity, disability and/or severe dysfunction across multiple domains.

DATE OF CURRENT DIAGNOSTIC ASSESSMENT OR DIAGNOSTIC UPDATE

/ / (mm/dd/yyyy)

DATE OF CURRENT FUNCTIONAL ASSESSMENT

/ / (mm/dd/yyyy)

☐ Check here if individual has three or more areas of functional impairment

Mental health service history (past 12 months)

<table>
<thead>
<tr>
<th>Dates of Service</th>
<th>Mental Health Service</th>
<th>Past 12 months</th>
<th>Current service</th>
<th>Mental Health Service</th>
</tr>
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<tbody>
<tr>
<td>/ / to / /</td>
<td>Individual Psychotherapy</td>
<td>/ / to / /</td>
<td>Family Psychotherapy</td>
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<tr>
<td>(mm/dd/yyyy)</td>
<td></td>
<td>(mm/dd/yyyy)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>/ / to / /</td>
<td>Partial Hospitalization</td>
<td>/ / to / /</td>
<td>Inpatient Hospitalization</td>
<td></td>
</tr>
<tr>
<td>(mm/dd/yyyy)</td>
<td></td>
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<tr>
<td>/ / to / /</td>
<td>ACT</td>
<td>/ / to / /</td>
<td>Day Treatment</td>
<td></td>
</tr>
<tr>
<td>(mm/dd/yyyy)</td>
<td></td>
<td>(mm/dd/yyyy)</td>
<td></td>
<td></td>
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<tr>
<td>/ / to / /</td>
<td>Group Psychotherapy</td>
<td>/ / to / /</td>
<td>IRTS</td>
<td></td>
</tr>
<tr>
<td>(mm/dd/yyyy)</td>
<td></td>
<td>(mm/dd/yyyy)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>/ / to / /</td>
<td>Emergency Services</td>
<td>/ / to / /</td>
<td>ARMHS</td>
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<tr>
<td>(mm/dd/yyyy)</td>
<td></td>
<td>(mm/dd/yyyy)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>/ / to / /</td>
<td>Medication Management</td>
<td>/ / to / /</td>
<td>Other DBT(describe)</td>
<td></td>
</tr>
<tr>
<td>(mm/dd/yyyy)</td>
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<td>(mm/dd/yyyy)</td>
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<tr>
<td>/ / to / /</td>
<td>Crisis Response Services</td>
<td>/ / to / /</td>
<td>Other (describe)</td>
<td></td>
</tr>
<tr>
<td>(mm/dd/yyyy)</td>
<td></td>
<td>(mm/dd/yyyy)</td>
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</tbody>
</table>

☐ Check here if you are coordinating care with current service providers. Reason for this request This service requires
authorization for up to 6 months of service provision. If continued treatment is necessary beyond the initial six months of authorized treatment, re-authorization based on continued stay criteria will be necessary. All services authorized must be provided by a DBT program certified by the Minnesota Department of Human Services (DHS).

- Initial Authorization (Form A)
- Re-Authorization (Form B)

Check all that apply
- The allowed maximum units for this service have been used or are expected to be used within 10 business days
- DHS requires this service to be authorized because it is being provided concurrently with an exclusionary service (Partial Hospitalization, Outpatient Psychotherapy and Day Treatment).

<table>
<thead>
<tr>
<th>Individual DBT Procedure Code H2019 HK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of 15 minute units _________ (to be provided over a time span of up to six months)</td>
</tr>
<tr>
<td>Treatment Provider for Primary Individual DBT Therapy</td>
</tr>
<tr>
<td>Name ____________________________ NPI # __________ (must be affiliated with a certified DBT program)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Group Skills Training Procedure Code H2019 HK HQ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of 15 minute units _________ (to be provided over a time span of up to six months)</td>
</tr>
<tr>
<td>Treatment Provider for Group skills trainer(s)</td>
</tr>
<tr>
<td>Name ____________________________ NPI# __________ (must be affiliated with a certified DBT program)</td>
</tr>
<tr>
<td>Name ____________________________ NPI# __________ (must be affiliated with a certified DBT program).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expected duration of treatment:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treatment Start Date  / /</td>
</tr>
<tr>
<td>Treatment Re-Authorization Date  / /</td>
</tr>
<tr>
<td>Treatment End Date  / /</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Discharge criteria if discharge is anticipated in this authorization period (within 6 months).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected Discharge Date  / /</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expected changes in function from DBT involvement:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>For Individuals currently in DBT treatment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rationale for additional units of service (attach additional documentation if needed):</td>
</tr>
<tr>
<td>DESCRIBE MEDICAL NECESSITY FOR CONTINUED SERVICE; including transitioning client to another level of care.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rationale for concurrent exclusionary service (Partial Hospitalization, In-patient Psychiatric Hospitalization, Outpatient Psychotherapy, Day Treatment)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DESCRIBE MEDICAL NECESSITY FOR PROVIDING CONCURRENT DBT AND PARTIAL HOSPITALIZATION, DAY TREATMENT, OUTPATIENT PSYCHOTHERAPY, PSYCHOTHERAPY GROUP OR IN-PATIENT HOSPITAL</td>
</tr>
</tbody>
</table>
**Initial Eligibility - Form A**

After review of all assessment information please indicate with a check mark which criterion is met. The review of information and completion of this form needs to be completed by a member of the certified DBT program, generally by the mental health professional or a supervised clinical trainee completing or updating the diagnostic assessment. The mental health professional needs to review all documentation submitted by any supervisee completing the assessments and authorization form.

**All of the following criteria must be met for initial authorization of DBT treatment.** Please indicate evidence of meeting behavioral admission criterion in each of the criteria areas 1, 2 and 3.

<table>
<thead>
<tr>
<th>Criteria 1: Client has had one or more crisis services or hospital services within the past six months. Include dates of each known hospitalization, emergency event and crisis service within the previous six months. In addition to psychiatric hospitalizations, please include medical-related hospitalizations and emergency room admissions that result from intentional self-harm or impulsive risky behaviors.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Criteria 2: Client is at risk of decompensation to the degree that the service of DBT IOP is indicated. Describe in the applicable areas evidence that client is at risk of decompensation resulting in the need for a higher level of care (i.e. hospitalization or partial hospitalization). Evidence of decompensation must be present in at least one of the following categories. Check all that apply and describe.</td>
</tr>
<tr>
<td>Client’s safety is at risk due to currently engaging in intentional self-harm (suicidal and non-suicidal) or risky impulsive behavior or client is currently having chronic self-harm thoughts or self-harm urges (suicidal or non-suicidal) although client has managed to not act on them. Client with chronic self-harm thoughts and urges are at a greater risk of decompensation.</td>
</tr>
<tr>
<td>Although the LOCUS score is not required, if available please include current LOCUS score and a previous LOCUS score from the past six months (if available) to demonstrate need for this level of care. The LOCUS score is helpful in determining changing treatment needs over time. Current LOCUS score ______ Date of current LOCUS score (within 30 days) / / (mm/dd/yyyy) Previous LOCUS score____ Date of previous LOCUS score (prior to past 30 days) / / (mm/dd/yyyy)</td>
</tr>
<tr>
<td>Please indicate inventions to ensure individual’s safety if the LOCUS score is 4 or higher.</td>
</tr>
<tr>
<td>Criteria 3: client understands and is cognitively capable of participating in DBT as an intensive therapy program. If an individual has a low IQ, a diagnosed TBI or other cognitive disability, please describe how you will adapt your teaching style and behavioral interventions to be able to provide them with DBT IOP.</td>
</tr>
</tbody>
</table>

**Statement of Attestation:** I attest that all required criteria are met and that evidence of such is maintained in the client record and subject to period review by DHS. 
Signature______________

**Supporting Documentation for Initial Authorization:**
Attach a copy of the following:
- The client’s most recent diagnostic assessment (DA) or Diagnostic update, conducted by a Mental Health Professional or a supervisee and reviewed by the DBT program.
- The client’s most recent functional assessment (FA). It is acceptable to use a FA completed by another service provider within the last six months as long as the information it contains reflects current functioning. The functional assessment must address 14 domains of life areas (mental health symptoms, mental health service needs, use of drugs/alcohol, vocational functioning, educational functioning, social functioning, interpersonal functioning, self-care and independent livening skills, medical health, dental health, maintaining financial, obtaining and maintaining housing). The functional assessment should not be based on historical or predicted functions.
- The client’s personal commitment/contract to enter the DBT program. To be eligible to receive the service of DBT IOP the recipient must agree to the extended time period needed to address life threatening and therapy interfering behaviors and to acquire necessary

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skills to improve quality of life. DBT IOP requires that an individual acquire related skills in a group setting. If skills teaching cannot occur in a group setting, please include within the agreement or treatment plan the alternative arrangement for client acquiring DBT skills. The client must be able and willing to follow all program policies and rules assuring safety of self and others within all components of DBT IOP.

☐ The client treatment plan that includes goals for stage one DBT treatment. In DBT a Case Formulation is used to identify the client’s level of disorder; and identifies, prioritizes and sequences the target behaviors to be addressed on the treatment plan.
Re-Authorization of continued DBT Service – Form B

Use this form if DBT treatment is currently in progress

Provide a narrative under each criterion as evidence that all continued stay criteria are met. The conclusion of the summary determines an individual is likely to benefit from continued DBT treatment and that progress is being made towards discharge or a lower level of care service.

Criteria 1: The client is actively participating and engaged in the DBT program, its treatment components and guidelines in accordance with the treatment team expectations. Describe client’s participation and engagement in treatment:

Criteria 2: There is demonstrable progress as measured against client’s baseline level of functioning prior to the DBT intervention. Examples of demonstrable progress may include:
- Decreased self-destructive behaviors
- Decrease in acute psychiatric symptoms with increased functioning in activities of daily living
- Showing objective signs of increased engagement
- Reduction in the number of acute care services, i.e. ED visits, crisis services, hospital admissions
- Applying skills learned in DBT to life situations

Describe client progress:

Criteria 3: The client continues to make progress toward goals but has not fully demonstrated an internalized ability to self-manage and use learned skills effectively. Describe evidence of continued need for skill acquisition and practice.

Criteria 4: The client is actively working towards discharge. Describe concrete planning for transition and discharge.

Criteria 5: The continued need for treatment as indicated in the above criterion has ongoing documented evidence in the client record. Check box and attach treatment plan.

Supporting Documentation:

For re-authorizations attach a copy of the following items:

- [ ] Only if there have been significant changes since the initial authorization include the client’s most recent diagnostic assessment (DA) or Diagnostic update, conducted by a Mental Health Professional or a supervisee and reviewed by the DBT program

- [ ] The client’s most recent functional assessment (FA). It is acceptable to use a FA completed by another service provider within the last six months as long as the information it contains reflects current functioning. The functional assessment must address 14 domains of life areas (mental health symptoms, mental health service needs, use of drugs/alcohol, vocational functioning, educational functioning, social functioning, interpersonal functioning, self-care and independent living skills, medical health, dental health, maintaining financial, obtaining and maintaining housing). The functional assessment should not be based on historical or predicted functions.

- [ ] The updated treatment plan that notes progress made and ongoing goals for DBT treatment. In DBT a Case Formulation is used to identify the client’s level of disorder; and identifies, prioritizes and sequences the target behaviors to be addressed on the treatment plan.
APPENDIX B

Community Based Extended Psychiatric Hospital Beds

There are two types of contracts; both having a goal of providing statewide availability of extended psychiatric inpatient services for recipients of MA, individuals dually eligible under MA and Medicare, and uninsured individuals.

Definition of Medical Assistance (MA) Contracts:
The MA contract covers MA fee for service recipients. Funding under the MA contract is for MA eligible adults meeting all of the criteria in # 1 - 6 and one of the criteria in #7:
1. age 18 years or older, or attaining 18 years within 45 days of admission, or upon notice of the State during the medically necessary length of stay covered under the contracts, which ever standard is in effect at the time of the patient episode;
2. not under a 72-hour or court ordered hold;
3. not in a prepaid health plan;
4. not dually eligible for MA and Medicare, unless the patient has exhausted Medicare inpatient psychiatric benefits;
5. persons whose county of financial responsibility is in Minnesota, unless otherwise approved by DHS;
6. persons who need psychiatric inpatient services beyond what is normally available under the MA diagnostic-related (DRG) payment; and
7. the need for psychiatric inpatient services must be documented in at least one of the following ways:
   a. a judicial commitment under Minnesota Statutes, Chapter 253B as mentally ill;
   b. a revocation of a provisional discharge;
   c. a stayed commitment; or
   d. a voluntary hospitalization: there must be clear documentation by the attending physician in the patient’s hospital record that continued psychiatric inpatient hospitalization is needed for treatment completion, and the patient is capable of giving informed consent for voluntary treatment or has a substitute decision maker who will consent to the treatment. The attending physician must determine if a voluntary hospitalization is appropriate, and that it is consistent with the definition of medically necessary care in Minnesota Statutes 62Q.53, Subd.2. the hospital must work in consultation with the county, to the extent that the patient consents, to determine if there are less restrictive alternatives available.
   e. a continuance of a commitment proceeding, with inpatient services stipulated as part of the condition of the continuance.

Definition of Subsidy Grant Contract Bed Hospitals:
The subsidy grant contract covers uninsured and underinsured individuals who do not qualify under the MA contract. The criteria for coverage under the subsidy grant contract is the same as above, except:
   a. Recipient cannot be covered under the MA contract; and
   b. Recipient county of financial responsibility is any Minnesota County, except the 7-county metro area (Anoka, Hennepin, Carver, Scott, Ramsey, Washington, and Dakota Counties).

Reservations in Minnesota:

1. Red Lake
2. White Earth
3. Leech Lake
4. Bois Forte / Nett Lake
5. Grand Portage
6. Fond du Lac
7. Mille Lacs
8. Shakopee Mdewakanton Sioux
9. Prairie Island
10. Upper Sioux
11. Lower Sioux
## APPENDIX C

### Extended Psychiatric Inpatient Contract

#### Guidelines for Determination of Continued Stay

The purpose of the utilization review process is to determine the appropriateness of continued stays for both voluntary and committed patients for psychiatric inpatient treatment served under the Medical Assistance contract bed program. The provider must submit the information needed to determine medical necessity for continued stay. Inpatient medical records may be reviewed retrospectively to determine validity of information provided. Hospital days are counted from the first day the patient is eligible under contract funding, not from the day of admission to the hospital. Note: for FY 2005 ALOS= approximately 23 days.

<table>
<thead>
<tr>
<th>Day</th>
<th>Event</th>
</tr>
</thead>
</table>
| 1    | Initial Contract Bed Review Form (including legal status) submitted to Medical Review Agent (AGENT) by fax, as well as MH-TCM, or ACT team.  
Note: If patient consents/signs release, MH-TCM or ACT team may be notified. |
| 14   | Weekly Contract Bed Review Form submitted to AGENT, by fax.  
Update given to MH-TCM or ACT team – see above.  
Documented need for continued inpatient treatment provided.  
Previous treatment history and problems related to reason for admission (including substance abuse) have been integrated into the treatment plan.  
Treatment plan contains specific goals and measurable progress toward meeting goals is documented.  
Patient medications are monitored/or evaluated daily.  
Patient is cooperating with key elements of treatment plan and showing positive response to treatment Preliminary discharge options have been identified with the MH-TCM or ACT team and other community providers.  
If patient is not responding positively to treatment, medications and treatment plan are adjusted. |
| 21   | Weekly Contract Bed Review Form submitted to AGENT, by fax.  
Update given to MH-TCM or ACT team – see above.  
Treatment plan contains specific goals and measurable progress toward meeting goals is documented.  
Patient’s improvement is notable, treatment goals are being met.  
A formal/well-defined discharge plan developed with the MH-TCM or ACT team is in place (including provisional discharge criteria) and achievable within 45 days. A definitive discharge date is set.  
If patient is not responding positively to treatment, on-going adjustments to medications and treatment plan are continuing to be made  
If it appears that despite aggressive treatment efforts, longer term stabilization is needed, continued care options (including extension of 45-day limit) are considered. |
Update given to MH-TCM or ACT team – see above.  
Patient has made sufficient progress toward completion of treatment goals indicating that discharge will occur prior to the 45th day.  
A formal/well-defined discharge plan developed with the MH-TCM or ACT team is in place (includes the provisional discharge criteria). A discharge date has been set.  
If patient is not responding positively to treatment despite adjustments to medications and treatment plan and longer term stabilization is needed, DHS Mental Health Division will be notified by AGENT and efforts will be initiated conjointly (with hospital) to establish appropriate continuation of care. Consideration of discharge to another facility, or extension of 45-day limit, will be made. |
| 35   | Weekly Contract Bed Review Form submitted to AGENT, by fax.  
Update given to MH-TCM or ACT team – see above.  
Patient is ready for discharge and the discharge plan (including the provisional discharge) is being implemented -passes may be granted, etc.  
A definitive discharge date has been set.  
If patient is not responding positively to treatment despite continued adjustments to medications and treatment plan, and longer term stabilization is needed, a definitive discharge date is set and documented in the medical record, if determined to be necessary.  
If discharge is not considered, patient may be assessed for prospective eligibility of extension of services past 45 days based on medical necessity and review/approval from AGENT; approval of extension of services beyond 45 days will be prospective (not retrospective). |
| 42   | Treatment is expected to be completed and the patient discharged to the community by day 45. Eligibility of extension of services beyond 45 days (based on medical necessity) will have been made by AGENT—see above. Discharge (and transfer of care) to another facility arranged and executed, if necessary. |

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If, at any time during hospitalization, patient meets the following criteria, discharge should be arranged:
Patient has no suicidal/homicidal ideations or intent; treatment goals have been met and psychiatric symptoms have decreased to degree where less acute level of care is indicated; there are no further plans for medication adjustment and medication can be monitored safely in less acute setting; symptoms no longer interfere with ADL’s or patient can be monitored/assisted in completion of ADL’s; definitive living situation and outpatient treatment plan has been established (including scheduled appointments and aftercare for CD) and there is reasonable willingness of patient to comply with discharge plan. A completed Discharge Summary Form should be faxed to CDMI, as well SOS, MH-TCM, ACT team, or other facility when appropriate.

In compliance with Federal Regulation (CFR456.160), a physician must initially certify for each Medicaid applicant or recipient that inpatient services are needed, and must complete recertification at least every 60 days thereafter. A photocopy of DHS Inpatient Hospital Extension & Physician Recertification form (DHS-1931) must be faxed to AGENT no later than day 60 of an inpatient hospitalization, and the original must be kept in the patient’s hospital medical record.
Appendix D – Responder Information/Declarations

The above-named Responder submits the attached Proposal in response to the following Minnesota Department of Human Services Request for Proposals (state which RFP you are responding to):

______________________________________________________________________________

By submission of this Proposal, Responder warrants that:

1. The information provided is true, correct and reliable for purposes of evaluation for potential contract award. Responder understands that the submission of inaccurate or misleading information may be grounds for disqualification from the award as well as subject the Responder to suspension or debarment proceedings as well as other remedies available by law.

2. It is competent to provide all the services set forth in its Proposal.

3. Each person signing a section of this Proposal is authorized to make decisions as to the prices quoted and/or duties proposed and is legally authorized to bind the company to those decisions.

4. If it has relationships that create, or appear to create, a conflict of interest with the work that is contemplated in this request for proposals, Responder will provide, along with this form, a list containing the names of the entities, the relationship, and a discussion of the conflict.

5. To the best of its knowledge and belief, and except as otherwise disclosed, there are no relevant facts or circumstances which could give rise to organizational conflicts of interest. An organizational conflict of interest exists when, because of existing or planned activities or because of relationships with other persons, a vendor is unable or potentially unable to render impartial assistance or advice to the State, or the vendor’s objectivity in performing the contract work is or might be otherwise impaired, or the vendor has an unfair competitive advantage. Responder agrees that, if after award, an organizational conflict of interest is discovered, an immediate and full disclosure in writing will be made to the Assistant Director of the Department of Administration’s Materials Management Division (“MMD”) which will include a description of the action which Responder has taken or proposes to take to avoid or mitigate such conflicts. If an organization conflict of interest is determined to exist, the State may, at its discretion, cancel the contract. In

### RESPONDER INFORMATION

<table>
<thead>
<tr>
<th>Responder Name:</th>
<th>Contact Name:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Website:</td>
<td>Title:</td>
</tr>
<tr>
<td>Address:</td>
<td>Telephone Number:</td>
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<td>Telephone Number:</td>
<td>Fax Number:</td>
</tr>
<tr>
<td></td>
<td>E-mail:</td>
</tr>
</tbody>
</table>

### CONTACT INFORMATION

Name(s) of individuals involved with the preparation of this Proposal (to assist in determining potential conflict of interest):

The above-named Responder submits the attached Proposal in response to the following Minnesota Department of Human Services Request for Proposals (state which RFP you are responding to):

By submission of this Proposal, Responder warrants that:

1. The information provided is true, correct and reliable for purposes of evaluation for potential contract award. Responder understands that the submission of inaccurate or misleading information may be grounds for disqualification from the award as well as subject the Responder to suspension or debarment proceedings as well as other remedies available by law.

2. It is competent to provide all the services set forth in its Proposal.

3. Each person signing a section of this Proposal is authorized to make decisions as to the prices quoted and/or duties proposed and is legally authorized to bind the company to those decisions.

4. If it has relationships that create, or appear to create, a conflict of interest with the work that is contemplated in this request for proposals, Responder will provide, along with this form, a list containing the names of the entities, the relationship, and a discussion of the conflict.

5. To the best of its knowledge and belief, and except as otherwise disclosed, there are no relevant facts or circumstances which could give rise to organizational conflicts of interest. An organizational conflict of interest exists when, because of existing or planned activities or because of relationships with other persons, a vendor is unable or potentially unable to render impartial assistance or advice to the State, or the vendor’s objectivity in performing the contract work is or might be otherwise impaired, or the vendor has an unfair competitive advantage. Responder agrees that, if after award, an organizational conflict of interest is discovered, an immediate and full disclosure in writing will be made to the Assistant Director of the Department of Administration’s Materials Management Division (“MMD”) which will include a description of the action which Responder has taken or proposes to take to avoid or mitigate such conflicts. If an organization conflict of interest is determined to exist, the State may, at its discretion, cancel the contract. In
the event the Responder was aware of an organizational conflict of interest prior to the award of the contract and did not disclose the conflict to MMD, the State may terminate the contract for default. The provisions of this clause must be included in all subcontracts for work to be performed similar to the service provided by the prime contractor, and the terms “contract,” “contractor,” and “contracting officer” modified appropriately to preserve the State’s rights.

6. No attempt has been made or will be made by Responder to induce any other person or firm to submit or not to submit a Proposal.

7. In connection with this procurement, the prices proposed have been arrived at independently, without consultation, communication, or agreement, for the purpose of restriction of competition, as to any other Responder or with any competitor; and that unless otherwise required by law, the prices quoted have not been knowingly disclosed by Responder prior to award, either directly or indirectly, to any other Responder or competitor.

8. The services and prices stated in this Proposal (both Technical and Cost Proposals) will remain open for acceptance by the State until a contract is awarded, the RFP is cancelled, or 180 days after the deadline for Proposal submission, whichever comes first.

9. Any proposed subcontractors will be identified in the RFP and the percentage of work under the contract to be performed by the prime contractor and each subcontractor will be indicated.

10. If there is a reasonable expectation that the Responder is or would be associated with any parent, affiliate, or subsidiary organization in order to supply any service, supplies or equipment to comply with the performance requirements under the resulting contract of the RFP, Responder must include with this form written authorization from the parent, affiliate, or subsidiary organization granting the right to examine directly, pertinent books, documents, papers, and records involving such transactions that are related to the resulting contract. This right will be given to the Minnesota Department of Human Services, U.S. Department of Health and Human Services, and Comptroller General of the United States.

11. If, at any time after a Proposal is submitted and a contract has been awarded, such an association arises as described in the paragraph above, Responder will obtain a similar certification and authorization from the parent, affiliate, or subsidiary organization within ten (10) working days after forming the relationship.

By signing this statement, you certify that the information provided is accurate and that you are authorized to sign on behalf of, and legally bind, the Responder.

Authorized Signature:______________________________________________

Printed Name:_____________________________________________________________________

Title:____________________________________________________________________________

Date:__________________________ Telephone Number:__________________________________

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APPENDIX E

EXCEPTIONS TO TERMS AND CONDITIONS

A Responder shall be presumed to be in agreement with the terms and conditions of the RFP unless the Responder takes specific exception to one or more of the conditions on this form.

RESPONDERS ARE CAUTIONED THAT BY TAKING ANY EXCEPTION THEY MAY BE MATERIALLY DEVIATING FROM THE RFP SPECIFICATIONS. IF A RESPONDER MATERIALLY DEVIATES FROM A RFP SPECIFICATION, ITS PROPOSAL MAY BE REJECTED.

A material deviation is an exception to a specification which 1) affords the Responder taking the exception a competitive advantage over other Responders, or 2) gives the State something significantly different than the State requested.

INSTRUCTIONS: Responders must explicitly list all exceptions to State terms and conditions (including those found in the attached sample contract, if any. Reference the actual number of the State's term and condition and page number for which an exception(s) is being taken. If no exceptions exist, state "NONE" specifically on the form below. Whether or not exceptions are taken, the Responder must sign and date this form and submit it as part of their Proposal. (Add additional pages if necessary.)

<table>
<thead>
<tr>
<th>Responder Name:</th>
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<table>
<thead>
<tr>
<th>Term &amp; Condition Number/Provision</th>
<th>Explanation of Exception</th>
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</table>

By signing this form, I acknowledge that the above named Responder accepts, without qualification, all terms and conditions stated in this RFP (including the sample contract) except those clearly outlined as exceptions above.

________________________  __________________________  ________________
Signature               Title                  Date

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Appendix F

STATE OF MINNESOTA
AFFIDAVIT OF NONCOLLUSION

I swear (or affirm) under the penalty of perjury:

1. That I am the Responder (if the Responder is an individual), a partner in the company (if the Responder is a partnership), or an officer or employee of the responding corporation having authority to sign on its behalf (if the Responder is a corporation);

2. That the attached Proposal submitted in response to the ______________________ Request for Proposals has been arrived at by the Responder independently and has been submitted without collusion with and without any agreement, understanding or planned common course of action with, any other Responder of materials, supplies, equipment or services described in the Request for Proposal, designed to limit fair and open competition;

3. That the contents of the Proposal have not been communicated by the Responder or its employees or agents to any person not an employee or agent of the Responder and will not be communicated to any such persons prior to the official opening of the Proposals; and

4. That I am fully informed regarding the accuracy of the statements made in this affidavit.

Responder’s Firm Name: ___________________________________________

Authorized Signature: _____________________________________________

Date: __________________

Subscribed and sworn to me this _______ day of __________

____________________________________________
Notary Public

My commission expires: ___________
Appendix G -- Trade Secret/Confidential Data Notice

Responder/Company Name: _______________________________

It is the position of the above-named Responder that certain data contained in the following page(s) of the attached Proposal have been submitted in confidence and contain trade secrets and/or privileged or confidential information (list pages -- If no protected information has been submitted, state “NONE”):

__________________________________________________________________________________

The justification for the Trade Secret/Confidential data designation is (be specific, do not make general statements of confidentiality. Include reference to specific facts, licenses, trademarks, etc., and any relevant statutes or other law, such as how the data meets the requirements of Minn. Stat. §13.37, subd. 1(b). Add additional pages if necessary):

__________________________________________________________________________________

__________________________________________________________________________________

The Responder acknowledges that, in accordance with Minn. Stat. §§ 13.591 and 16C.06, Subd. 3, upon completion of contract negotiations, all materials submitted in response to this RFP will become the property of the STATE and will become public record, with the exception of any portion(s) of an RFP or supporting data that are determined to be nonpublic “trade secret information.”

The Responder asserts that it has clearly marked every page of trade secret or confidential materials in the attached Proposal at the time the Proposal was submitted with the words “TRADE SECRET” or “CONFIDENTIAL” in capitalized, underlined and bolded type that is at least 20 pt. Responder acknowledges that the State is not liable for the use or disclosure of trade secret data or confidential data that Responder has failed to clearly mark as such.

Responder agrees to defend any action seeking release of the materials it believes to be trade secret or confidential, and indemnify and hold harmless the STATE, its agents and employees, from any judgments awarded against the STATE in favor of the party requesting the materials, and any and all reasonable costs connected with that defense. This indemnification survives the STATE’s award of a contract and remains as long as the trade secret and/or confidential materials are in the possession of the STATE.

Responder acknowledges that the STATE is required to keep all the basic documents related to its contracts, including selected responses to RFPs, for a minimum of six years after the end of the contract. Non-selected RFP Proposals will be kept by the STATE for a minimum of one year after the award of a contract, and may be kept for much longer. **Responder acknowledges that prices submitted by the Responder will not be considered trade secret materials.**

The Responder acknowledges that the STATE reserves the right to reject Responder’s claim of trade secret/confidential data if the STATE determines that the Responder has not met the legal burden of establishing that the information constitutes a trade secret or is confidential. The Responder also acknowledges that if certain information is found to constitute a trade secret or is confidential, the remainder of the Proposal will become public; only the protected information will be removed and remain nonpublic.

__________________________________________________________________________________

* Whether or not protected information is provided, the Responder must sign and date this form and submit it with the “Required Statements”.

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STATE OF MINNESOTA
LOCATION OF SERVICE DISCLOSURE AND CERTIFICATION

LOCATION OF SERVICE DISCLOSURE

Check all that apply:

☑ The services to be performed under the anticipated contract as specified in our Proposal will be performed ENTIRELY within the State of Minnesota.

☑ The services to be performed under the anticipated contract as specified in our Proposal entail work ENTIRELY within another state within the United States.

☑ The services to be performed under the anticipated contract as specified in our Proposal will be performed in part within Minnesota and in part within another state within the United States.

☑ The services to be performed under the anticipated contract as specified in our Proposal DO involve work outside the United States. Below (or attached) is a description of
  
  (1) the identity of the company (identify if subcontractor) performing services outside the United States;
  
  (2) the location where services under the contract will be performed; and

  (3) the percentage of work (in dollars) as compared to the whole that will be conducted in each identified foreign location.

CERTIFICATION

By signing this statement, I certify that the information provided above is accurate and that the location where services have been indicated to be performed will not change during the course of the contract without prior, written approval from the State of Minnesota.

Name of Company: __________________________________________________

Authorized Signature: __________________________________________________________________________

Printed Name: ___________________________________________________________________________________

Title: _________________________________________________________________________________________

Date: __________________________ Telephone Number:______________________________________________
If your response to this solicitation is in excess of $100,000, complete the information requested below to determine whether you are subject to the Minnesota Human Rights Act (Minnesota Statutes 363A.36) certification requirement, and to provide documentation of compliance if necessary. It is your sole responsibility to provide this information and—if required—to apply for Human Rights certification prior to execution of the contract. The State of Minnesota is under no obligation to delay proceeding with a contract until a company receives Human Rights certification.

**BOX A** – For companies which have employed more than 40 full-time employees within Minnesota on any single working day during the previous 12 months. All other companies proceed to **BOX B**.

Your response will be rejected unless your business:

- has a current Certificate of Compliance issued by the Minnesota Department of Human Rights (MDHR)  
- or-  
- has submitted an affirmative action plan to the MDHR, which the Department received prior to the date and time the responses are due.

Check one of the following statements if you have employed more than 40 full-time employees in Minnesota on any single working day during the previous 12 months:

- [ ] We have a current Certificate of Compliance issued by the MDHR. **Proceed to Box C. Include a copy of your certificate with your response.**
- [ ] We do not have a current Certificate of Compliance. However, we submitted an Affirmative Action Plan to the MDHR for approval, which the Department received on ____________ (date). [If the date is the same as the response due date, indicate the time your plan was received: ____________(time)]. **Proceed to Box C.**
- [ ] We do not have a Certificate of Compliance, nor has the MDHR received an Affirmative Action Plan from our company. **We acknowledge that our response will be rejected. Proceed to Box C. Contact the Minnesota Department of Human Rights for assistance.** (See below for contact information.)

**Please note:** Certificates of Compliance must be issued by the Minnesota Department of Human Rights. Affirmative Action Plans approved by the Federal government, a county, or a municipality must still be received, reviewed, and approved by the Minnesota Department of Human Rights before a certificate can be issued.

**BOX B** – For those companies not described in **BOX A** Check below.

- [ ] We have not employed more than 40 full-time employees on any single working day in Minnesota within the previous 12 months. **Proceed to BOX C.**

**BOX C** – For all companies

By signing this statement, you certify that the information provided is accurate and that you are authorized to sign on behalf of the responder. You also certify that you are in compliance with federal affirmative action requirements that may apply to your company. (These requirements are generally triggered only by participating as a prime or subcontractor on federal projects or contract. Contractors are alerted to these requirements by the federal government.)

Name of Company: ___________________________ Date: ___________________________

Authorized Signature: ___________________________ Telephone number: ___________________________

Printed Name: ___________________________ Title: ___________________________

For assistance with this form, contact:

Minnesota Department of Human Rights, Compliance Services Section

Mail: 190 East 5th St., Suite 700 St. Paul, MN 55101  
TC Metro: (651) 296-5663  
Toll Free: 800-657-3704  
Website: [http://www.humanrights.state.mn.us](http://www.humanrights.state.mn.us)  
Fax: (651) 296-9042  
TTY: (651) 296-1283  
Email: employerinfo@therightsplace.net
CERTIFICATION REGARDING LOBBYING
For State of Minnesota Contracts and Grants over $100,000

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

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

__________________________________________
Organization Name

__________________________________________
Name and Title of Official Signing for Organization

By: _______________________________________
Signature of Official

__________________________________________
Date
Appendix K

State of Minnesota — Immigration Status Certification


E-Verify program information can be found at http://www.dhs.gov/ximgtn/programs.

If any response to a solicitation is or could be in excess of $50,000, vendors and subcontractors must certify compliance with items 1 and 2 below. In addition, prior to the delivery of the product or initiation of services, vendors MUST obtain this certification from all subcontractors who will participate in the performance of the contract. All subcontractor certifications must be kept on file with the contract vendor and made available to the state upon request.

1. The company shown below is in compliance with the Immigration Reform and Control Act of 1986 in relation to all employees performing work in the United States and does not knowingly employ persons in violation of the United States immigration laws. The company shown below will obtain this certification from all subcontractors who will participate in the performance of this contract and maintain subcontractor certifications for inspection by the state if such inspection is requested; and

2. By the date of the delivery of the product and/or performance of services, the company shown below will have implemented or will be in the process of implementing the E-Verify program for all newly hired employees in the United States who will perform work on behalf of the State of Minnesota.

I certify that the company shown below is in compliance with items 1 and 2 above and that I am authorized to sign on its behalf.

Name of Company: ________________________________ Date: ________________________________

Authorized Signature: ________________________________ Telephone Number: ________________________________

Printed Name: ________________________________ Title: ________________________________

If the contract vendor and/or the subcontractors are not in compliance with the Immigration Reform and Control Act, or knowingly employ persons in violation of the United States immigration laws, or have not begun or implemented the E-Verify program for all newly hired employees in support of the contract, the state reserves the right to determine what action it may take. This action could include, but would not be limited to cancellation of the contract, and/or suspending or debarring the contract vendor from state purchasing.

For assistance with the E-Verify Program
Contact the National Customer Service Center (NCSC) at 1-800-375-5283 (TTY 1-800-767-1833).

For assistance with this form, contact:
Mail: 112 Administration Bldg. 50 Sherburne Ave. St. Paul, MN 55155
E-mail: MMDHelp.Line@state.mn.us
Telephone: 651.296.2600
Persons with a hearing or speech disability may contact us by dialing 711 or 1.800.627.3529
APPENDIX L
STATE OF MINNESOTA
VETERAN-OWNED PREFERENCE FORM

In accordance with Laws of Minnesota, 2010, Chapter 333, Article 2, Sections 3 and 4, veteran-owned businesses with their principal place of business in Minnesota and verified as eligible by the United States Department of Veterans Affairs’ Center for Veteran Enterprises (CVE Verified) will receive up to a 6 percent preference in the evaluation of its response.

If responding to a Request for Bid (RFB), the preference is applied only to the first $500,000 of the response. If responding to a Request for Proposal (RFP), the preference is applied as detailed in the RFP.

Eligible veteran-owned small businesses must be CVE Verified (in accordance with Public Law 109-471 and Code of Federal Regulations, Title 38, Part 74) at the solicitation opening date and time to receive the preference.

Information regarding CVE Verification may be found at http://www.vetbiz.gov

Eligible veteran-owned small businesses should complete and sign this form. Only eligible, CVE Verified, veteran-owned small businesses that provide this completed and signed form will be given the preference.

I hereby certify that the company listed below:

1. Is an eligible veteran-owned small business, as defined by Laws of Minnesota, 2010, Chapter 333, Article 2, Sections 3 and 4; and

2. Has its principal place of business in the State of Minnesota; and

3. Is CVE Verified by the United States Department of Veterans Affairs’ Center for Veterans Enterprise.

Name of Company: _____________________________ Date:_____________________________

Authorized Signature:________________________ Telephone:________________________

Printed Name: ________________________________Title:_____________________________

IF YOU ARE CLAIMING THE VETERANS PREFERENCE, SIGN AND RETURN THIS FORM WITH YOUR RESPONSE TO THE SOLICITATION.
Appendix M - Cost Proposal: RFP for a Qualified Contractor to Perform Medical Services Authorizations for the Minnesota Health Care Programs – March 14, 2011

This form must be completed and submitted separately from the remainder of the Proposal. Do not include this form in the appendix or elsewhere in the Technical Proposal.

Attach bid and detailed cost breakdown (Appendix M.1) to this sheet.

Each bid must express:
1. The total cost of Authorizations and Inpatient Hospital activities.
2. The hourly cost of professional consultation with STATE staff.

The bid should list all assumptions, including all of the Responder’s administrative, technical and clerical costs.

The prices and terms of the contract must be valid for the length of the contract, unless amended by mutual agreement of the contractor and the State. The Responder may offer revisions and alternatives to these terms and the project tasks in the proposal as long as the cost and effect on the proposal are separately delineated. These revisions and alternatives must be in addition to the required responses in Section III.B of the RFP document.

The successful Responder will not receive any other compensation as a result of this RFP. Therefore, the Responder must consider all costs it will incur (including mass mailing costs, services, equipment, travel costs, fees, commissions, etc.) in determining the proposed rate. The rates proposed by the Responder will be the full consideration paid for that specified period of time covered by the contract. Any assumptions made regarding the impact of inflationary factors during the term of the agreement are the sole responsibility of the Responder. The contract will contain no cost-of-living adjustment provision.

This form must be signed by an individual authorized to legally bind the Responder. The title of the person signing and the date this form was signed must be entered. The cost Proposal must be open for acceptance until a contract is signed, the RFP is cancelled, or 180 days from the final submission date of the RFP, whichever is first.

Company Name and Address:

By signing this Cost Proposal, I do hereby certify the Responder named above wishes to enter a price for the services requested by the Minnesota Department of Human Services in the correlating RFP. This cost or price data submitted with this Proposal is accurate, complete and current as of the following date. This cost or pricing data shall remain current and is open for acceptance by the State until a Contract is approved, the RFP is cancelled, or for a period of 180 days from the Proposal closing date, whichever comes first. If awarded a contract, the costs quoted above will remain in effect through the term of the contract, unless a change to the costs is mutually agreed to by the parties.

___________________________    ________________________________     ___________________
Signature  Title  Date
APPENDIX M.1. COST PROPOSAL DETAIL

This sheet must be completed in full and attached to the signed Cost Proposal sheet (Appendix M). The bid should list all assumptions, including all of the Responder’s administrative, technical and clerical costs. Attach additional sheets as necessary.

**Part A. Cost calculation of authorizations and reviews.** In the table below, state the total contract cost of the authorization and reviews specified in Section II.A.2 of this document.

1. List a fixed unit cost in Col. B for each authorization type (Lines 1 – 24). Refer to the table in Section II.A.2 for additional information about the authorization types and inpatient hospital authorization tasks.
2. For each line, multiply Col. A times Col. B, entering the result in Col. C.
3. Sum the total of Lines 1 – 24 in Col. C and enter the result on Line 25.
4. Multiply Line 25 times 2 and enter the result on Line 26. This number represents the total bid for the 2 year term of the contract.

<table>
<thead>
<tr>
<th>Line</th>
<th>Type</th>
<th>Number of Units</th>
<th>Rate</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Medical authorizations</td>
<td>20,250</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Complex</td>
<td>4,950</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Multi-line</td>
<td>4,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Administrative review denials</td>
<td>3,300</td>
<td></td>
<td></td>
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<tr>
<td>5</td>
<td>Dental authorizations – HIV/AIDS</td>
<td>175</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Complex</td>
<td>525</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Dental authorizations – MHCP</td>
<td>7440</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Complex</td>
<td>4200</td>
<td></td>
<td></td>
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<td>9</td>
<td>Administrative review denials</td>
<td>360</td>
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<td></td>
</tr>
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<td>10</td>
<td>Adult Mental health authorizations</td>
<td>3,500</td>
<td></td>
<td></td>
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<tr>
<td>11</td>
<td>Complex</td>
<td>500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Administrative review denials</td>
<td>1,000</td>
<td></td>
<td></td>
</tr>
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<td>13</td>
<td>Children’s mental health authorizations</td>
<td>1,900</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Complex</td>
<td>600</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Administrative review denials</td>
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<td>16</td>
<td>Home care authorizations</td>
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<td>17</td>
<td>Complex</td>
<td>3,040</td>
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</table>

(continued next page)
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<thead>
<tr>
<th>Line</th>
<th>Task</th>
<th>A. Number of Units</th>
<th>B. Rate</th>
<th>C. Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>19</td>
<td>Non-state-owned hospital admissions</td>
<td>1,300</td>
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<tr>
<td>20</td>
<td>Hospital readmission reviews</td>
<td>1,000</td>
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</tr>
<tr>
<td>21</td>
<td>Hospital in-patient diagnosis</td>
<td>1,000</td>
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<td></td>
</tr>
<tr>
<td>22</td>
<td>State owned hospital or IMD Certificate of Need</td>
<td>300</td>
<td></td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>Concurrent reviews</td>
<td>1,300</td>
<td></td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>Community based extended psychiatric hospital beds</td>
<td>1,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>25</td>
<td><strong>Total annual cost:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>26</td>
<td><strong>TOTAL COST OF TWO YEAR CONTRACT:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Part B: Consultation services costs.** In the space below, state the proposed hourly costs of professional consultation time provided to State staff on an “on request” basis, per Section II.A.1.d. (For example, costs for appearances at State Fair Hearings on behalf of the State, or consultation on complex matters such as authorizations for out-of-state services.)
APPENDIX N

STATE OF MINNESOTA
PROFESSIONAL AND TECHNICAL SERVICES CONTRACT

THIS CONTRACT, and amendments and supplements thereto, is between the State of Minnesota, acting through its Department of Human Services, ____________ Division (the “STATE”), and ______________, an independent contractor, not an employee of the State of Minnesota, (the “CONTRACTOR”).

Under Minnesota Statutes §§ 15.061 and 256.01, subd. 2, the STATE is empowered to enter into contracts to provide services and engage such assistance as deemed necessary to carry out its mission.

STATE is permitted to share information with CONTRACTOR in accordance with Minnesota Statutes, section 13.46.

The STATE is in need of the following services: _______________________________.

The CONTRACTOR represents that it is duly qualified and agrees to perform all services described in this contract to the satisfaction of the STATE.

The parties therefore agree as follows:

1. **Term of Contract.**
   
   1.1 **Effective date.** The effective date of this contract is ___(DATE)____, or the date that the STATE obtains all required signatures under Minnesota Statutes, section 16C.05, subdivision 2, whichever is later. The CONTRACTOR must not begin work under this contract until this contract is fully executed and CONTRACTOR has been notified by the STATE’S Authorized Representative to begin work.
   
   1.2 **Expiration date.** The expiration date of this contract is ___(DATE)____, or until all obligations have been satisfactorily fulfilled, whichever occurs first.
   

2. **Contractor's Duties.** CONTRACTOR, who is not a state employee, will:

3. **Time.** CONTRACTOR will perform its duties within the time limits established in this contract unless prior approval is obtained from STATE. In performance of this contract, time is of the essence.
4. Consideration and Payment.

4.1. Consideration. The STATE will pay for all services performed by the CONTRACTOR under this contract as follows:

(a) **Compensation.** The CONTRACTOR will be paid as follows:

(b) **Reimbursement.** Reimbursement for travel and subsistence expenses actually and necessarily incurred by CONTRACTOR in performance of this contract in an amount not to exceed ________ dollars ($________.00); provided, that CONTRACTOR will be reimbursed for travel and subsistence expenses in the same manner and in no greater amount than is provided in the current Commissioner’s Plan (which is incorporated by reference) established by the Commissioner of Minnesota Management and Budget. CONTRACTOR will not be reimbursed for travel and subsistence expense incurred outside the State of Minnesota unless it has received prior written approval for such out of state travel from the STATE.

(c) **Total Obligation.** The total obligation of the STATE for all compensation and reimbursements to CONTRACTOR will not exceed ________ dollars ($________.00).

(d) (If applicable.) For compensation payable under this contract, which is subject to withholding under state or federal law, appropriate amounts will be deducted and withheld by STATE as required.

4.2. Payment.

(a) **Invoices.** The STATE will promptly pay the CONTRACTOR after the CONTRACTOR presents itemized invoices for services performed and the STATE’S authorized representative accepts the invoiced services. Invoices will be submitted timely, in a form prescribed by the STATE and according to ________

(b) **Retainage.** Under Minnesota Statutes, section 16C.08, subdivision 5(b), no more than ninety (90%) percent of the compensation due under this contract may be paid until the final product(s) of the contract has been reviewed by the STATE and it has been determined that the CONTRACTOR has satisfactorily fulfilled all the terms of the contract.

(c) **Federal funds.** Payments under this contract will be made from federal funds obtained by the STATE through Title ____________, Catalog of Federal Domestic Assistance (CFDA) Number ____________, of the ______ Act of (year)__________ (Public law ____________ and amendments thereto). The CONTRACTOR is responsible for compliance with all applicable federal requirements imposed on these funds and accepts full financial responsibility for any requirements imposed by CONTRACTOR’S failure to comply with federal requirements. If at any time such funds become unavailable, this contract will be terminated immediately upon written notice of such fact by the STATE to
the CONTRACTOR. In the event of such termination, CONTRACTOR will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.

4.3. **Payments to Subcontractors.** (If Applicable) As required by Minn. Stat. §16A.1245, the prime contractor must pay all subcontractors, less any retainage, within 10 calendar days of the prime contractor’s receipt of payment from the State for undisputed services provided by the subcontractor(s) and must pay interest at the rate of one and one-half percent per month or any part of a month to the subcontractor(s) or any undisputed amount not paid on time to the subcontractor(s).

5. **Conditions of Payment.** All services provided by CONTRACTOR under this contract must be performed to the STATE’S satisfaction, as determined by the STATE’S authorized representative, and in accordance with all applicable federal, state, and local laws, ordinances, rules and regulations including business registration requirements of the Office of the Secretary of State. CONTRACTOR will not receive payment for work found by the STATE to be unsatisfactory, or performed in violation of federal, state or local law, ordinance, rule or regulation.

6. **Authorized Representatives and Responsible Authority.**

6.1 **State.** The STATE'S authorized representative is ______________ or his/her successor, who has the responsibility to monitor the CONTRACTOR’S performance and the authority to accept the services provided under this contract. If the services are satisfactory, the STATE’S Authorized Representative will certify acceptance on each invoice submitted for payment, in accordance with Clause 4.2.

6.2 **Contractor.** The CONTRACTOR’S Authorized Representative is ____________ or his/her successor. If the CONTRACTOR’S Authorized Representative changes at any time during this contract, the CONTRACTOR must immediately notify STATE.

6.3 **Information Privacy and Security.** (If applicable) CONTRACTOR’S responsible authority for the purposes of complying with data privacy and security for this agreement is ______________ or his/her successor.

7. **Information Privacy and Security.**

For purposes of executing its responsibilities and to the extent set forth in this contract, the CONTRACTOR will be considered part of the “welfare system,” as defined in Minnesota Statutes, section 13.46, subdivision 1.

7.1 **Information Covered by this Provision.** In carrying out its duties, CONTRACTOR will be handling one or more types of private information, collectively referred to as “protected information,” concerning individual STATE clients. “Protected information,” for purposes of this agreement, includes any or all of the following:

(a) Private data (as defined in Minnesota Statutes §13.02, subd. 12), confidential data (as defined in Minn. Stat. §13.02, subd. 3), welfare data (as governed by Minn. Stat. §13.46), medical data (as governed by Minn. Stat. §13.384), and other non-public data governed elsewhere in Minnesota Government Data Practices Act (MGDPA), Minn. Stats. Chapter 13;
(b) *Health records* (as governed by the Minnesota Health Records Act [Minn. Stat. §§144.291-144.298]);

(c) *Chemical health records* (as governed by 42 U.S.C. § 290dd-2 and 42 CFR § 2.1 to § 2.67);

(d) *Protected health information* ("PHI") (as defined in and governed by the Health Insurance Portability Accountability Act ["HIPAA"], 45 CFR § 164.501); and

(e) Electronic Health Records (as governed by Health Information Technology for Economic and Clinical Health Act (HITECH), 42 USC 201 note, 42 USC 17931); and

(f) Other data subject to applicable state and federal statutes, rules, and regulations affecting the collection, storage, use, or dissemination of private or confidential information.

7.2 **Duties Relating to Protection of Information.**

(a) **Duty to ensure proper handling of information.** CONTRACTOR shall be responsible for ensuring proper handling and safeguarding by its employees, subcontractors, and authorized agents of protected information collected, created, used, maintained, or disclosed on behalf of STATE. This responsibility includes ensuring that employees and agents comply with and are properly trained regarding, as applicable, the laws listed above in paragraph 7.1.

(b) **Minimum necessary access to information.** CONTRACTOR shall comply with the "minimum necessary" access and disclosure rule set forth in the HIPAA and the MGDPA. The collection, creation, use, maintenance, and disclosure by CONTRACTOR shall be limited to “that necessary for the administration and management of programs specifically authorized by the legislature or local governing body or mandated by the federal government.” See, respectively, 45 CFR §§ 164.502(b) and 164.514(d), and Minn. Stat. § 13.05 subd. 3.

(c) **Information Requests.** Unless provided for otherwise in this Agreement, if CONTRACTOR receives a request to release the information referred to in this Clause, CONTRACTOR must immediately notify STATE. STATE will give CONTRACTOR instructions concerning the release of the data to the requesting party before the data is released.

7.3 **Contractor’s Use of Information.** CONTRACTOR shall:

(a) Not use or further disclose protected information created, collected, received, stored, used, maintained or disseminated in the course or performance of this Agreement other than as permitted or required by this Agreement or as required by law, either during the period of this agreement or hereafter.

(b) Use appropriate safeguards to prevent use or disclosure of the protected information by its employees, subcontractors and agents other than as provided for by this Agreement. This includes, but is not limited to, having implemented administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentially, integrity, and...
availability of any electronic protected health information that it creates, receives, maintains, or transmits on behalf of STATE.

(c) Report to STATE any privacy or security incident regarding the information of which it becomes aware. For purposes of this Agreement, “Security incident” means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system. “Privacy incident” means violation of the Minnesota Government Data Practices Act (MGDPA) and/or the HIPAA Privacy Rule (45 C.F.R. Part 164, Subpart E), including, but not limited to, improper and/or unauthorized use or disclosure of protected information, and incidents in which the confidentiality of the information maintained by it has been breached. This report must be in writing and sent to STATE not more than 7 days after learning of such non-permitted use or disclosure. Such a report will at least: (1) Identify the nature of the non-permitted use or disclosure; (2) Identify the PHI used or disclosed; (3) Identify who made the non-permitted use or disclosure and who received the non-permitted or violating disclosure; (4) Identify what corrective action was taken or will be taken to prevent further non-permitted uses or disclosures; (5) Identify what was done or will be done to mitigate any deleterious effect of the non-permitted use or disclosure; and (6) Provide such other information, including any written documentation, as STATE may reasonably request.

(d) Consistent with this Agreement, ensure that any agents (including Contractors and subcontractors), analysts, and others to whom it provides protected information, agree in writing to be bound by the same restrictions and conditions that apply to it with respect to such information.

(e) Document such disclosures of PHI and information related to such disclosures as would be required for STATE to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528.

(f) Mitigate, to the extent practicable, any harmful effects known to it of a use, disclosure, or breach of security with respect to protected information by it in violation of this Agreement.

7.4 State’s Duties. STATE shall:

(a) Only release information which it is authorized by law or regulation to share with CONTRACTOR.

(b) Obtain any required consents, authorizations or other permissions that may be necessary for it to share information with CONTRACTOR.

(c) Notify CONTRACTOR of limitation(s), restrictions, changes, or revocation of permission by an individual to use or disclose protected information, to the extent that such limitation(s), restrictions, changes or revocation may affect CONTRACTOR’s use or disclosure of protected information.

(d) Not request CONTRACTOR to use or disclose protected information in any manner that would not be permitted under law if done by STATE.
7.5 Disposition of Data upon Completion, Expiration, or Agreement Termination. Upon completion, expiration, or termination of this Agreement, CONTRACTOR will return to STATE or destroy all protected information received or created on behalf of STATE for purposes associated with this Agreement. A written certification of destruction or return to Authorized Representative listed in 6.1 is required. CONTRACTOR will retain no copies of such protected information, provided that if both parties agree that such return or destruction is not feasible, or if CONTRACTOR is required by the applicable regulation, rule or statutory retention schedule to retain beyond the life of this Agreement, CONTRACTOR will extend the protections of this Agreement to the protected information and refrain from further use or disclosure of such information, except for those purposes that make return or destruction infeasible, for as long as CONTRACTOR maintains the information. Additional information for destruction and handling is available in the DHS Information Security Policy, Policy numbers 3.7, and 2.19, found at http://edocs.dhs.state.mn.us/lfsrver/Legacy/DHS-4683-ENG.

7.6 Sanctions. In addition to acknowledging and accepting the terms set forth in Section 9 of this Agreement relating to indemnification, the parties acknowledge that violation of the laws and protections described above could result in limitations being placed on future access to protected information, in investigation and imposition of sanctions by the U.S. Department of Health and Human Services, Office for Civil Rights, and/or in civil and criminal penalties.

7.7 Additional Business Associate Duties. To the extent CONTRACTOR is handling protected health information in order to provide health care-related administrative services on behalf of STATE, CONTRACTOR is a “Business Associate” of STATE, as that term is defined in HIPPA. As a result, in addition to the duties already detailed in this section, CONTRACTOR shall:

(a) Make available protected health information in accordance with 45 CFR §164.524.

(b) Make available protected health information for amendment and incorporate any amendments to protected health information in accordance with 45 CFR §164.526.

(c) Make its internal practices, books, records, policies, procedures, and documentation relating to the use, disclosure, and/or security of protected health information available to the other Party and/or the Secretary of the United States Department of Health and Human Services (HHS) for purposes of determining compliance with the Privacy Rule and Security Standards, subject to attorney-client and other applicable legal privileges.

(d) Comply with any and all other applicable provisions of the HIPAA Privacy Rule and Security Standards, including future amendments thereto.

(e) Document such disclosures of protected health information and information related to such disclosures as would be required for STATE to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR §164.528.

(f) Provide to STATE information required to respond to a request by an individual for an accounting of disclosures of protected health information in accordance with 45 CFR §164.528.

8.1 Definitions. **Works** means all inventions, improvements, discoveries (whether or not patentable or copyrightable), databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, and disks conceived, reduced to practice, created or originated by the CONTRACTOR, its employees, agents, and subcontractors, either individually or jointly with others in the performance of this contract. **Works** includes “**Documents.**” **Documents** are the originals of any databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, disks, or other materials, whether in tangible or electronic forms, prepared by the CONTRACTOR, its employees, agents, or subcontractors, in the performance of this contract.

8.2 Ownership. The STATE owns all rights, title, and interest in all of the intellectual property, including copyrights, patents, trade secrets, trademarks, and service marks in the **Works** and **Documents created and paid for under this contract**. The Works and Documents will be the exclusive property of the STATE and all such Works and Documents must be immediately returned to the STATE by the CONTRACTOR upon completion or cancellation of this contract. To the extent possible, those Works eligible for copyright protection under the United States Copyright Act will be deemed to be “works made for hire.” If using STATE data, CONTRACTOR must cite the data, or make clear by referencing that STATE is the source.

8.3 Obligations.
(a) **Notification.** Whenever any Works or Documents (whether or not patentable) are made or conceived for the first time or actually or constructively reduced to practice by the CONTRACTOR, including its employees and subcontractors, and are created and paid for under this contract, the CONTRACTOR will immediately give the STATE’S Authorized Representative written notice thereof, and must promptly furnish the Authorized Representative with complete information and/or disclosure thereon. The CONTRACTOR will assign all right, title, and interest it may have in the Works and the Documents to the STATE.

(b) **Filing and recording of ownership interests.** The CONTRACTOR must, at the request of the STATE, execute all papers and perform all other acts necessary to transfer or record the STATE’S ownership interest in the Works and Documents created and paid for under this contract. The CONTRACTOR must perform all acts, and take all steps necessary to ensure that all intellectual property rights in these Works and Documents are the sole property of the STATE, and that neither CONTRACTOR nor its employees, agents, or subcontractors retain any interest in and to these Works and Documents.

(c) **Duty not to Infringe on intellectual property rights of others.** The CONTRACTOR represents and warrants that the Works and Documents created and paid for under this contract do not and will not infringe upon any intellectual property rights of other persons or entities. Notwithstanding Clause 10, the CONTRACTOR will indemnify; defend, to the extent permitted by the Attorney General; and hold harmless the STATE, at the CONTRACTOR’S expense, from any action or claim brought against the STATE to the extent that it is based on a claim that all or part of these Works or Documents infringe upon the intellectual property rights of others. The CONTRACTOR will be responsible for payment of any and all such claims, demands, obligations, liabilities, costs, and damages, including but not limited to, attorney fees. If such a claim or action arises, or in the
CONTRACTOR’S or the STATE’S opinion is likely to arise, the CONTRACTOR must, at the STATE’S discretion, either procure for the STATE the right or license to use the intellectual property rights at issue or replace or modify the allegedly infringing Works or Documents as necessary and appropriate to obviate the infringement claim. This remedy of the STATE will be in addition to and not exclusive of other remedies provided by law.

9. Workers' Compensation and Other Insurance.

9.1 Workers’ Compensation. The CONTRACTOR certifies that, if applicable, it is in compliance with Minn. Stat. §176.181, subd. 2, pertaining to workers’ compensation insurance coverage. If CONTRACTOR is required to comply with the above statute, CONTRACTOR must provide STATE with evidence of compliance. The CONTRACTOR’S employees and agents will not be considered employees of STATE. Any claims that may arise under the Minnesota Workers’ Compensation Act on behalf of these employees or agents and any claims made by any third party as a consequence of any act or omission on the part of these employees or agents are in no way the STATE’S obligation or responsibility.

9.2 Other Insurance. Contractor certifies that it is in compliance with any insurance requirements specified in the solicitation document relevant to this Contract.

9.2 Other Insurance. Contractor certifies that it is in compliance with the following insurance requirements:

10. Indemnification.
In the performance of this contract by CONTRACTOR, or CONTRACTOR’S agents or employees, the CONTRACTOR must indemnify, save, and hold harmless the STATE, its agents, and employees, from any claims or causes of action, including attorney’s fees incurred by the STATE, to the extent caused by CONTRACTOR’S:
1) Intentional, willful, or negligent acts or omissions; or
2) Actions that give rise to strict liability; or
3) Breach of contract or warranty.
The indemnification obligations of this clause do not apply in the event the claim or cause of action is the result of the STATE’S sole negligence. This clause will not be construed to bar any legal remedies the CONTRACTOR may have for the STATE’S failure to fulfill its obligation under this contract.


11.1 Affirmative Action requirements for Contractors with more than 40 full-time employees and contract in excess of $100,000. (If this contract, including all amendments, does not exceed $100,000, this provision does not apply). If the Contract exceeds $100,000 and the CONTRACTOR employed more than 40 full-time employees on a single working day during the previous 12 months in Minnesota or in the state where it has its principle place of business, then the CONTRACTOR must comply with the requirements of Minn. Stat. § 363A.36 and Minn. R. Parts 5000.3400-5000.3600. A contractor covered by Minn. Stat. § 363A.36 because it
employed more than 40 full-time employees in another state and does not have a certificate of compliance, must certify that it is in compliance with federal affirmative action requirements.

11.2 **Minn. Stat. § 363A.36.** Minn. Stat. § 363A.36 requires the CONTRACTOR to have an affirmative action plan for the employment of minority persons, women, and qualified disabled individuals approved by the Minnesota Commissioner of Human Rights (“Commissioner”) as indicated by a certificate of compliance. The law addresses suspension or revocation of a certificate of compliance and contract consequences in that event. A contract awarded without a certificate of compliance may be voided.

11.3 **Minn. R. 5000.3400-5000.3600.**

(a) **General.** Minn. R. 5000.3400-5000.3600 implement Minn. Stat. § 363A.36. These rules include, but are not limited to, criteria for contents, approval, and implementation of affirmative action plans; procedures for issuing certificates of compliance and criteria for determining a contractor’s compliance status; procedures for addressing deficiencies, sanctions, and notice and hearing; annual compliance reports; procedures for compliance review; and contract consequences for non-compliance. The specific criteria for approval or rejection of an affirmative action plan are contained in various provisions of Minn. R. 5000.3400-5000.3600 including, but not limited to, parts 5000.3420-5000.3500 and 5000.3552-5000.3559.

(b) **Disabled Workers.** The CONTRACTOR must comply with the following affirmative action requirements for disabled workers:

(1) The CONTRACTOR must not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The CONTRACTOR agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified disabled persons without discrimination based upon their physical or mental disability in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

(2) The CONTRACTOR agrees to comply with the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the Minnesota Human Rights Act.

(3) In the event of the CONTRACTOR’S noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with Minn. Stat. §363A.36, and the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the Minnesota Human Rights Act.

(4) The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the commissioner of the Minnesota Department of Human Rights. Such notices must state the CONTRACTOR’S obligation under the law to take affirmative action to employ and advance in employment qualified disabled employees and applicants for employment, and the rights of applicants and employees.
(5) The CONTRACTOR must notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the contractor is bound by the terms of Minn. Stat. §363A.36, of the Minnesota Human Rights Act and is committed to take affirmative action to employ and advance in employment physically and mentally disabled persons.

(c) Consequences. The consequences for the CONTRACTOR’s failure to implement its affirmative action plan or make a good faith effort to do so include, but are not limited to, suspension or revocation of a certificate of compliance by the Commissioner, refusal by the Commissioner to approve subsequent plans, and termination of all or part of this contract by the Commissioner or the STATE.

(d) Certification. The CONTRACTOR hereby certifies that it is in compliance with the requirements of Minn. Stat. § 363A.36 and Minn. R. 5000.3400-5000.3600 and is aware of the consequences for noncompliance.

11.4 Common or Skilled Labor. In accordance with Minn. Stat. § 181.59, if this contract is for materials, supplies, or construction, CONTRACTOR agrees:

(a) That, in the hiring of common or skilled labor for the performance of any work under any contract, or any subcontract, no contractor, material supplier, or vendor, shall, by reason of race, creed, or color, discriminate against the person or persons who are citizens of the United States or resident aliens who are qualified and available to perform the work to which the employment relates;

(b) That no contractor, material supplier, or vendor, shall, in any manner, discriminate against, or intimidate, or prevent the employment of any person or persons identified in clause (a) of this section, or on being hired, prevent, or conspire to prevent, the person or persons from the performance of work under any contract on account of race, creed, or color;

(c) That a violation of this section is a misdemeanor; and

(d) That this contract may be canceled or terminated, and all money due, or to become due under the contract, may be forfeited for a second or any subsequent violation of the terms or conditions of this contract.

12. Publicity and Endorsement.

12.1 Publicity. Any publicity regarding the subject matter of this contract must identify the STATE as the sponsoring agency and must not be released without prior written approval from the STATE’S authorized representative. For purposes of this provision, publicity includes, notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the CONTRACTOR or its employees individually or jointly with others or any subcontractors, with respect to the program, publications, or services provided resulting from this contract.
12.2 **Endorsement.** The CONTRACTOR must not claim that the STATE endorses its products or services.

13. **Voter Registration Requirement.** CONTRACTOR certifies that if it is a not-for-profit business or governmental agency it will comply with Minnesota Statutes, section 201.162 by providing voter registration services for CONTRACTOR’S employees and for the public served by the CONTRACTOR.

14. **Audit Requirements and Contractor Debarment Information.**

14.1 **State Audits.** Under Minn. Stat. §16C.05, subd. 5, the books, records, documents, and accounting procedures and practices of the CONTRACTOR and its employees, agents, or subcontractors relevant to this contract will be made available and subject to examination by the STATE, including the contracting Agency/Division, Legislative Auditor, and State Auditor for a minimum of six years from the end of this contract.

14.2 **Compliance with Single Audit Act.** All sub-recipients receiving $500,000 or more of federal assistance in a fiscal year will obtain a financial and compliance audit made in accordance with the Single Audit Act, OMB Circular A-133. CONTRACTOR certifies it will comply with the Single Audit Act, OMB Circular A-133, if applicable. Failure to comply with these requirements could result in forfeiture of federal funds.

14.3 **Debarment by State, its Departments, Commissions, Agencies or Political Subdivisions.** CONTRACTOR certifies that neither it nor its principles is presently debarred or suspended by the STATE, or any of its departments, commissions, agencies, or political subdivisions. CONTRACTOR’S certification is a material representation upon which the contract award was based. CONTRACTOR shall provide immediate written notice to the STATE’S authorized representative if at any time it learns that this certification was erroneous when submitted or becomes erroneous by reason of changed circumstances.

14.4 **Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion.** Federal money will be used or may potentially be used to pay for all or part of the work under the contract, therefore CONTRACTOR certifies that it is in compliance with federal requirements on debarment, suspension, ineligibility and voluntary exclusion specified in the solicitation document implementing Executive Order 12549. CONTRACTOR’S certification is a material representation upon which the contract award was based.

15. **Data Disclosure.** Under Minn. Stat. §270C.65, subd. 3, and other applicable law, the CONTRACTOR consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, to the STATE, to federal and state agencies and state personnel involved in the approval and payment of state obligations. These identification numbers may be used in the enforcement of federal and state laws which could result in action requiring the CONTRACTOR to file state tax returns, pay delinquent state tax liabilities, if any, or pay other state liabilities. **This contract will not be approved unless these numbers are provided.**

16. **Prohibition on Weapons.** CONTRACTOR agrees to comply with all terms of the Department of Human Services' policy prohibiting carrying or possessing weapons wherever and whenever the CONTRACTOR is performing services within the scope of this contract. This policy, which is located at the business location of the STATE and is available to CONTRACTOR upon request, is incorporated
by reference into this contract. Any violations of this policy by CONTRACTOR or CONTRACTOR’S employees may be grounds for immediate suspension or termination of the contract.

17. **Foreign Outsourcing.** (If applicable) CONTRACTOR agrees that the disclosures and certifications made in its Location of Service Disclosure and Certification Form submitted with its proposal are true, accurate and incorporated into this contract by reference.

18. **Severability.** If any provision of this Contract is held unenforceable, then such provision will be modified to reflect the parties’ intention. All remaining provisions of this Contract shall remain in full force and effect.

19. **Cancellation or Termination.**

19.1 **Cancellation.** This contract may be canceled by the STATE or the Minnesota Commissioner of Administration at any time, with or without cause, upon thirty (30) days written notice to the CONTRACTOR. In the event of such a cancellation, CONTRACTOR will be entitled to payment, determined on a pro rata basis, for work or services satisfactorily performed.

19.2 **Insufficient Funding.** Notwithstanding clause 19.1, the STATE may immediately terminate this contract if it does not obtain funding from the Minnesota Legislature, or other funding source; or if funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination will be by written or fax notice to the CONTRACTOR. The STATE is not obligated to pay for any services that are provided after notice and effective date of termination. However, the CONTRACTOR will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. The STATE will not be assessed any penalty if the contract is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. The STATE must provide the CONTRACTOR notice of the lack of funding within a reasonable time of the STATE’S receiving that notice.

19.3 **Breach.** Upon clause 19.1, upon STATE’s knowledge of a curable material breach of this Agreement by CONTRACTOR, STATE shall provide CONTRACTOR written notice of the breach and ten (10) days to cure the breach. If CONTRACTOR does not cure the breach within the time allowed, CONTRACTOR will be in default of this agreement and STATE may cancel the contract immediately thereafter. If CONTRACTOR has breached a material term of this Agreement and cure is not possible, STATE may immediately terminate this Agreement.

20. **Governing Law, Jurisdiction and Venue.** Minnesota law, without regard to its choice of law provisions, governs this contract, and amendments and supplements thereto. Venue for all legal proceedings arising out of this contract, or breach thereof, will be in the state or federal court with competent jurisdiction in Ramsey County, Minnesota.

21. **Assignment, Amendments, Waiver, and Contract Complete.**

21.1 **Assignment.** The CONTRACTOR may neither assign nor transfer any rights or obligations under this contract without the prior consent of the STATE and a fully executed Assignment Agreement, approved by the same parties who executed and approved this contract, or their successors in office.
21.2 **Amendments.** Any amendment to this contract must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original contract, or their successors in office.

21.3 **Waiver.** If the STATE fails to enforce any provision of this contract, that failure does not waive the provision or STATE’S right to enforce it.

21.4 **Contract Complete.** This contract contains all negotiations and agreements between the STATE and the CONTRACTOR. No other understanding regarding this contract, whether written or oral, may be used to bind either party.

22. **Other Provisions.**

22.1 **Contingency Planning.** Within 90 days of the execution of this contract, CONTRACTOR and any subcontractor will have a contingency plan. The contingency plan shall:

(a) ensure fulfillment of Priority 1 or Priority 2 obligations under this contract;

(b) outline procedures for the activation of the contingency plan upon the occurrence of a governor or commissioner of the Minnesota Department of Health declared health emergency;

(c) identify an individual as its Emergency Preparedness Response Coordinator (EPRC), the EPRC shall serve as the contact for the STATE with regard to emergency preparedness and response issues, the EPRC shall provide updates to the STATE as the health emergency unfolds;

(d) outline roles, command structure, decision making processes, and emergency action procedures that will be implemented upon the occurrence of a health emergency;

(e) provide alternative operating plans for Priority 1 or Priority 2 functions;

(f) include a procedure for returning to normal operations; and

(g) be available for inspection upon request.

22.2 **Criminal Background Check Required.** CONTRACTOR and employees of CONTRACTOR working on site at STATE’s Central Office and accessing STATE’s protected information (as defined in 7. Information Privacy and Security of this contract.) must submit to or provide evidence of a computerized criminal history system background check (hereinafter “CCH background check”) performed within the last 12 months before work can begin under this contract. “CCH background check” is defined as a background check including search of the computerized criminal history system of the Minnesota Department of Public Safety's Bureau of Criminal Apprehension.

22.3 **Employee Status.** By order of the Governor’s Executive Order 08-01, if this contract, including any extension options, is or could be in excess of $50,000, CONTRACTOR certifies that it and its subcontractors:
1. Comply with the Immigration Reform and Control Act of 1986 (U.S.C. 1101 et. seq.) in relation to all employees performing work in the United States and do not knowingly employ persons in violation of the United States’ immigrations laws; and

2. By the date of the performance of services under this contract, CONTRACTOR and all its subcontractors have implemented or are in the process of implementing the *E-Verify* program for all newly hired employees in the United States who will perform work on behalf of the State of Minnesota.

CONTRACTOR shall obtain certifications of compliance with this section from all subcontractors who will participate in the performance of this contract. Subcontractor certifications shall be maintained by CONTRACTOR and made available to the STATE upon request. If CONTRACTOR or its subcontractors are not in compliance with 1 or 2 above or have not begun or implemented the *E-Verify* program for all newly hired employees performing work under the contract, the STATE reserves the right to determine what action it may take including but not limited to, cancelling the contract and/or suspending or debarring the CONTRACTOR from state purchasing.
IN WITNESS WHEREOF, the parties have caused this contract to be duly executed intending to be bound thereby.

APPROVED:

1. **STATE ENCUMBRANCE VERIFICATION:**
   Individual certifies that funds have been encumbered as required by Minn. Stat. 16A.15 and 16C.05.

   - By: 
   - Date: 
   - CFMS Contract No.: 

2. **CONTRACTOR:**
   Contractor certifies that the appropriate person(s) have executed the contract on behalf of the CONTRACTOR as required by applicable articles, by-laws resolutions or ordinances.

   - By: 
   - Title: 
   - Date: 

3. **STATE AGENCY:**

   - By: 
   - Title: 
   - Date: 

4. **STATE AGENCY:** (if over $100,000)

   - By: 
   - Title: Assistant Commissioner 
   - Date: 

5. **COMMISSIONER OF ADMINISTRATION:**

   - By: 
   - Date: 

**Distribution (One fully executed original contract each):**
Dept. of Administration
Appeals & Regulations Division
Agency
Contractor
State Authorized Representative – (copy)