

STATE OF COLORADO CONTRACT

COVER PAGE

State Agency Department of Health Care Policy and Financing	Contract Number 24-187857
Contractor MedImpact Healthcare Systems, Inc.	Contract Performance Beginning Date The Effective Date Below
Contract Maximum Amount Initial Term State Fiscal Year 2024 \$1,500,000.00	Initial Contract Expiration Date June 30, 2028
Extension Terms State Fiscal Year 2025 \$4,500,000.00 State Fiscal Year 2026 \$7,404,453.00 State Fiscal Year 2027 \$8,500,000.00 State Fiscal Year 2028 \$8,500,000.00 Total for All State Fiscal Years \$30,404,453.00	Contract Authority Authority to enter into this Contract exists in C.R.S. §25.5-1-101, <i>et seq.</i> , C.R.S.
Contract Purpose The Department is contracting with MedImpact Healthcare Systems, Inc. to obtain a PBMS and operational services to support Colorado's Medicaid, CHP+ programs, and other health benefit programs administered by the Department. Services include rebate administration, e-prior authorization, e-prescribing, real time benefit inquiries, and preferred drug list purchasing pool. This Contract is a result of RFP 2023000011.	
Exhibits and Order of Precedence The following Exhibits and attachments are included with this Contract: <ol style="list-style-type: none"> 1. Exhibit A – HIPAA Business Associates Addendum 2. Exhibit B – Statement of Work 3. Exhibit C – Rates 4. Exhibit D – Terminology 5. Exhibit E – Contractor's Administrative Requirements 6. Exhibit F – Sample Option Letter 7. Exhibit G – Federal Provisions 8. Exhibit H – PII Certification 9. Exhibit I – ESI Requirements 10. Exhibit J – Information Technology Provisions <p>In the event of a conflict or inconsistency between this Contract and any Exhibit or attachment, such conflict or inconsistency shall be resolved by reference to the documents in the following order of priority:</p> <ol style="list-style-type: none"> 11. Exhibit A, HIPAA Business Associates Addendum 12. Exhibit G, Federal Provisions 13. Exhibit J, Information Technology Provisions 14. Colorado Special Provisions in §18 of the main body of this Contract 15. The provisions of the other sections of the main body of this Contract 16. Exhibit B, Statement of Work 17. Exhibit D, Terminology 18. Exhibit E, Contractor's Administrative Requirements 19. Exhibit C, Rates 20. Exhibit H, PII Certification 21. Exhibit F, Sample Option Letter 22. Exhibit I, ESI Requirements 	
Principal Representatives For the State: Jacob Perry Health Care Policy & Financing State of Colorado 303 E. 17 th Avenue	
For Contractor: Krista Kelley MedImpact Healthcare Systems, Inc. 10181 Scripps Gateway Court San Diego, CA 92131	

Denver, CO 80203
Jacob.perry@state.co.us

Krista.Kelley@medimpact.com

SIGNATURE PAGE

THE PARTIES HERETO HAVE EXECUTED THIS CONTRACT

Each person signing this Contract represents and warrants that he or she is duly authorized to execute this Contract and to bind the Party authorizing his or her signature.

<p>CONTRACTOR MedImpact Healthcare Systems, Inc. Krista Kelley, SVP of Sales & Marketing</p> <p>DocuSigned by: <i>Krista Kelley</i></p> <p>By: _____ 08F299C12CA64F2...</p> <p>Date: 5/2/2024 17:14 PDT</p>	<p>STATE OF COLORADO Jared S. Polis, Governor Department of Health Care Policy and Financing Kim Bimestefer, Executive Director</p> <p>DocuSigned by: <i>[Signature]</i></p> <p>By: _____ 0B6A84797EA8493...</p> <p>Date: 5/2/2024 18:15 MDT</p>
	<p>LEGAL REVIEW Phillip J. Weiser, Attorney General</p> <p>By: _____ N/A</p> <p>Date: _____</p>
<p>In accordance with §24-30-202, C.R.S., if this Contract is for a Major Information Technology Project, this Contract is not valid until signed and dated below by the Chief Information Officer or an authorized delegate.</p> <p>STATE CHIEF INFORMATION OFFICER David Edinger, Chief Information Officer and Executive Director</p> <p>DocuSigned by: <i>Alex Monts</i></p> <p>By: _____ 4235987998F1488...</p> <p>Date: 5/3/2024 09:46 MDT</p>	<p>In accordance with §24-30-202, C.R.S., this Contract is not valid until signed and dated below by the State Controller or an authorized delegate.</p> <p>STATE CONTROLLER Robert Jaros, CPA, MBA, JD</p> <p>DocuSigned by: <i>Vanessa Hays DPA</i></p> <p>By: _____ BDAE70278CB84E5...</p> <p>Robert Jaros or Controller Delegate</p> <p>Effective Date: 5/6/2024 14:14 MDT</p>

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1. PARTIES

This Contract is entered into by and between Contractor named on the Cover Page for this contract (the “Contractor”), and the STATE OF COLORADO acting by and through the State agency named on the Cover Page for this Contract (the “State,” the “Department,” or “HCPF”). Contractor and the State agree to the terms and conditions in this Contract.

2. TERM AND EFFECTIVE DATE

A. Effective Date

This Contract shall not be valid or enforceable until the Effective Date. The State shall not be bound by any provision of this Contract before the Effective Date and shall have no obligation to pay Contractor for any Work performed or expense incurred before the Effective Date or after the expiration or sooner termination of this Contract.

B. Initial Term

The Parties’ respective performances under this Contract shall commence on the Contract Performance Beginning Date shown on the Cover Page for this Contract and shall terminate on the Initial Contract Expiration Date shown on the Cover Page for this Contract (the “Initial Term”) unless sooner terminated or further extended in accordance with the terms of this Contract.

C. Extension Terms - State’s Option

The State, at its discretion, shall have the option to extend the performance under this Contract beyond the Initial Term at the same rates and under the same terms specified in the Contract (each such period an “Extension Term”). In order to exercise this option, the State shall provide written notice to Contractor at least thirty (30) days prior to the end of the Contract term in a form substantially equivalent to the Sample Option Letter attached to this Contract. Except as stated in §2.D, the total duration of this Contract, including the exercise of any options to extend, shall not exceed ten years from its Effective Date absent prior approval from the Chief Procurement Officer in accordance with the Colorado Procurement Code.

1. First Option to Extend

The State may require continued performance for up to three additional years starting on July 1, 2029, and ending no later than June 30, 2032, at the same rates and same terms specified in the Contract. If the State exercises this option, it shall provide written notice to Contractor at least thirty (30) days prior to the end of the current Contract term in a form substantially equivalent to Exhibit F, Sample Option Letter. If exercised, the provisions of the Option Letter shall become part of and be incorporated into this Contract.

In no event will the rates agreed under this Section 2.C exceed the rates covering the period from July 1, 2027 to June 30, 2028 as specified in this Contract plus a maximum percentage increase equal to the mathematical mean of the annual percent increase in the Consumer Price Index for All

Urban Consumers (CPI-U) for the Denver-Boulder-Greeley metropolitan area for calendar year 2024 and calendar year 2025 as published by the US Department of Labor, Bureau of Labor Statistics. If the CPI-U is for some reason not available as specified in this Section, the Parties will use the CPI-U (U.S.) for the same period.

2. Second Option to Extend

Subject to approval of CMS and requisite State approvals, the State may request continued performance for up to two additional years starting on July 1, 2032, and ending no later than June 30, 2034, at mutually agreed rates and on the same terms specified in this Contract. If the State exercises this option, it shall provide written notice to Contractor at least thirty (30) days prior to the end of the current Contract term in a form substantially equivalent to Exhibit F, Sample Option Letter. If exercised, the provisions of the Option Letter shall become part of and be incorporated into this Contract.

In no event will the rates agreed under this Section 2.C exceed the rates covering the period from July 1, 2030 to June 30, 2031 as specified in this Contract plus a maximum percentage increase equal to the mathematical mean of the annual percent increase in the Consumer Price Index for All Urban Consumers (CPI-U) for the Denver-Boulder-Greeley metropolitan area for calendar year 2029 and calendar year 2030 as published by the US Department of Labor, Bureau of Labor Statistics. If the CPI-U is for some reason not available as specified in this Section, the Parties will use the CPI-U (U.S.) for the same period.

D. End of Term Extension

If this Contract approaches the end of its Initial Term, or any Extension Term then in place, the State, at its discretion, upon written notice to Contractor as provided in **§15**, may unilaterally extend such Initial Term or Extension Term for a period not to exceed two months (an “End of Term Extension”), regardless of whether additional Extension Terms are available or not. The provisions of this Contract in effect when such notice is given shall remain in effect during the End of Term Extension. The End of Term Extension shall automatically terminate upon execution of a replacement contract or modification extending the total term of this Contract.

E. Early Termination in the Public Interest

The State is entering into this Contract to serve the public interest of the State of Colorado as determined by its Governor, General Assembly, or Courts. If this Contract ceases to further the public interest of the State, the State, in its discretion, may terminate this Contract in whole or in part. A determination that this Contract should be terminated in the public interest shall not be equivalent to a State right to terminate for convenience. This subsection shall not apply to a termination of this Contract by the State for Breach of Contract by Contractor, which shall be governed by **§11**.

i. Method and Content

The State shall notify Contractor of such termination in accordance with §14. The notice shall specify the effective date of the termination and whether it affects all or a portion of this Contract, and shall include, to the extent practicable, the public interest justification for the termination.

ii. Obligations and Rights

Upon receipt of a termination notice for termination in the public interest, Contractor shall be subject to the rights and obligations set forth in §12.

iii. Payments

If the State terminates this Contract in the public interest, the State shall pay Contractor an amount equal to the percentage of the total reimbursement payable under this Contract that corresponds to the percentage of Work satisfactorily completed and accepted, as determined by the State, less payments previously made. Additionally, if this Contract is less than 60% completed as mutually agreed by Parties pursuant to this Contract, the State may reimburse Contractor for a portion of actual out-of-pocket expenses, not otherwise reimbursed under this Contract, incurred by Contractor which are directly attributable to the uncompleted portion of Contractor's obligations, provided that the sum of any and all reimbursement shall not exceed the maximum amount payable to Contractor hereunder.

iv. If the Contract is terminated in part, including any specific Service, the Parties shall amend the Contract to make any equitable adjustments on impacted financial terms.

3. DEFINITIONS

The following terms shall be construed and interpreted as follows:

- A. "**Breach of Contract**" means the failure of a Party to perform any of its obligations in accordance with this Contract, in whole or in part or in a timely or satisfactory manner. The institution of proceedings under any bankruptcy, insolvency, reorganization or similar law, by or against Contractor, or the appointment of a receiver or similar officer for Contractor or any of its property, which is not vacated or fully stayed within 30 days after the institution of such proceeding, shall also constitute a breach. If Contractor is debarred or suspended under §24-109-105, C.R.S. at any time during the term of this Contract, then such debarment or suspension shall constitute a breach.
- B. "**Business Day**" means any day other than Saturday, Sunday, or a Legal Holiday as listed in §24-11-101(1), C.R.S.
- C. "**Chief Procurement Officer**" means the individual to whom the Executive Director has delegated his or her authority, pursuant to §24-102-202, C.R.S. to procure or supervise the procurement of all supplies and services needed by the State.
- D. "**Contract**" means this agreement, including all attached Exhibits, all documents incorporated by reference, all referenced statutes, rules and cited authorities, and any future modifications thereto.

- E. “**Contract Funds**” means the funds that have been appropriated, designated, encumbered, or otherwise made available for payment by the State under this Contract.
- F. “**Contractor Pre-Existing Material**” means material, code, methodology, concepts, process, systems, technique, trade or service marks, copyrights, or other intellectual property developed, licensed or otherwise acquired by Contractor prior to the Effective Date of this Contract and independent of any services rendered under any other contract with the State.
- G. “**Colorado Open Records Act (CORA)**” means §24-72-200.1, *et seq.*, C.R.S.
- H. “**Criminal Justice Information (CJI)**” means criminal justice information collected by criminal justice agencies needed for the performance of their authorized functions, including, without limitation, all information defined as criminal justice information by the U.S. Department of Justice, Federal Bureau of Investigation, Criminal Justice Information Services Security Policy, as amended and all Criminal Justice Records as defined under §24-72-302, C.R.S.
- I. “**Deliverable**” means the outcome to be achieved or output to be provided, in the form of a tangible object or software that is produced as a result of Contractor’s Work that is intended to be delivered to the State by Contractor.
- J. “**Effective Date**” means the date on which this Contract is approved and signed by the Colorado State Controller or designee, as shown on the Signature Page for this Contract. If this Contract is for a Major Information Technology Project, as defined in §24-37.5-102(2.6), C.R.S., then the Effective Date of this Contract shall be the later of the date on which this Contract is approved and signed by the State’s Chief Information Officer or authorized delegate or the date on which this Contract is approved and signed by the State Controller or authorized delegate, as shown on the Signature Page for this Contract.
- K. “**End of Term Extension**” means the time period defined in §2.D
- L. “**Exhibits**” means the exhibits and attachments included with this Contract as shown on the Cover Page for this Contract.
- M. “**Extension Term**” means the time period defined in §2.C
- N. “**Goods**” means any movable material acquired, produced, or delivered by Contractor as set forth in this Contract and shall include any movable material acquired, produced, or delivered by Contractor in connection with the Services.
- O. “**Incident**” means any accidental or deliberate event that results in or constitutes an imminent threat of the unauthorized access, loss, disclosure, modification, disruption, or destruction of any communications or information resources of the State, which are included as part of the Work, as described in §24-37.5-401, *et seq.*, C.R.S. Incidents include, without limitation, (i) successful attempts to gain unauthorized access to a State system or State Records regardless of where such information is located; (ii) unwanted disruption or denial of service; (iii) the unauthorized use of a State system for the processing or storage of data; or (iv) changes to State system hardware, firmware, or software characteristics without the State’s knowledge, instruction, or consent.

- P. **“Initial Term”** means the time period defined in §2.B
- Q. **“Party”** means the State or Contractor, and **“Parties”** means both the State and Contractor.
- R. **“Payment Card Information (PCI)”** means payment card information including any data related to credit card holders’ names, credit card numbers, or other credit card information as may be protected by state or federal law.
- S. **“Personal Health Information (PHI)”** means any protected health information, including, without limitation any information whether oral or recorded in any form or medium: **(i)** that relates to the past, present, or future physical or mental condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and **(ii)** that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual. PHI includes, but is not limited to, any information defined as Individually Identifiable Health Information by the federal Health Insurance Portability and Accountability Act.
- T. **“Personally Identifiable Information (PII)”** means personally identifiable information including, without limitation, any information maintained by the State about an individual that can be used to distinguish or trace an individual’s identity, such as name, social security number, date and place of birth, mother’s maiden name, or biometric records; and any other information that is linked or linkable to an individual, such as medical, educational, financial, and employment information. PII includes, but is not limited to, all information defined as personally identifiable information in §§24-72-501 and 24-73-101, C.R.S. “PII” shall also mean “personal identifying information” as set forth at § 24-74-102, *et seq.*, C.R.S.
- U. **“Services”** means the services to be performed by Contractor as set forth in this Contract and shall include any services to be rendered by Contractor in connection with the Goods.
- V. **“State Confidential Information”** means any and all State Records not subject to disclosure under CORA. State Confidential Information shall include, but is not limited to, PII, PHI, PCI, Tax Information, CJI, and State personnel records not subject to disclosure under CORA. State Confidential Information shall not include information or data concerning individuals that is not deemed confidential but nevertheless belongs to the State, which has been communicated, furnished, or disclosed by the State to Contractor which (i) is subject to disclosure pursuant to CORA; (ii) is already known to Contractor without restrictions at the time of its disclosure to Contractor; (iii) is or subsequently becomes publicly available without breach of any obligation owed by Contractor to the State; (iv) is disclosed to Contractor, without confidentiality obligations, by a third party who has the right to disclose such information; or (v) was independently developed without reliance on any State Confidential Information.
- W. **“State Fiscal Rules”** means the fiscal rules promulgated by the Colorado State Controller pursuant to §24-30-202(13)(a), C.R.S.
- X. **“State Fiscal Year”** means a 12-month period beginning on July 1 of each calendar year and ending on June 30 of the following calendar year. If a single calendar year

follows the term, then it means the State Fiscal Year ending in that calendar year.

- Y. “**State Records**” means any and all State data, information, and records, regardless of physical form, including, but not limited to, information subject to disclosure under CORA.
- Z. “**Subcontractor**” means any third party engaged by Contractor to aid in performance of the Work.
- AA. “**Tax Information**” means federal and State of Colorado tax information including, without limitation, federal and State tax returns, return information, and such other tax-related information as may be protected by federal and State law and regulation. Tax Information includes, but is not limited to, all information defined as federal tax information in Internal Revenue Service Publication 1075.
- BB. “**Work**” means the Goods delivered and Services performed pursuant to this Contract.
- CC. “**Work Product**” means the tangible and intangible results of the Work, whether finished or unfinished, including drafts. Work Product includes, but is not limited to, documents, text, software (including source code), research, reports, proposals, specifications, plans, notes, studies, data, images, photographs, negatives, pictures, drawings, designs, models, surveys, maps, materials, ideas, concepts, know-how, and any other results of the Work. “Work Product” does not include any material that was developed prior to the Effective Date or contains **Contractor Pre-Existing Material** that is used, without modification, in the performance of the Work.

Any other term used in this Contract that is defined in an Exhibit shall be construed and interpreted as defined in that Exhibit, including the terminology in Exhibit D.

4. **STATEMENT OF WORK**

- A. Contractor shall complete the Work as described in this Contract and in accordance with the provisions of Exhibit B, and Exhibit E. The State shall have no liability to compensate Contractor for the delivery of any goods or the performance of any services that are not specifically set forth in this Contract.
- B. The State, at its discretion, shall have the option to increase or decrease the statewide quantity of Goods and Services based upon rates established in this Contract, and increase the maximum amount payable accordingly. In order to exercise this option, the State shall provide written notice to Contractor in a form substantially equivalent to the Sample Option Letter attached to this contract. Delivery of Goods and performance of Services shall continue at the same rates and terms as described in this Contract.

5. **PAYMENTS TO CONTRACTOR**

A. **Maximum Amount**

Payments to Contractor are limited to the unpaid, obligated balance of the Contract Funds. The State shall not pay Contractor any amount under this Contract that exceeds the Contract Maximum for that State Fiscal Year shown on the Cover Page for this Contract.

B. **Payment Procedures**

i. Invoices and Payment

- a. The State shall pay Contractor in the amounts and in accordance with the schedule and other conditions set forth in Exhibit B, Statement of Work and Exhibit C, Rates.
- b. Contractor shall initiate payment requests by invoice to the State, in a form and manner approved by the State.
- c. The State shall pay each invoice within 45 days following the State's receipt of that invoice, so long as the amount invoiced correctly represents Work completed by Contractor and previously accepted by the State during the term that the invoice covers. If the State determines that the amount of any invoice is not correct, then Contractor shall make all changes necessary to correct that invoice.
- d. The acceptance of an invoice shall not constitute acceptance of any Work performed or Deliverables provided under this Contract.

ii. Interest

Amounts not paid by the State within 45 days of the State's acceptance of the invoice shall bear interest on the unpaid balance beginning on the 45th day at the rate of 1% per month, as required by §24-30-202(24)(a), C.R.S., until paid in full; provided, however, that interest shall not accrue on unpaid amounts that the State disputes in writing. Contractor shall invoice the State separately for accrued interest on delinquent amounts, and the invoice shall reference the delinquent payment, the number of day's interest to be paid and the interest rate.

iii. Payment Disputes

If Contractor disputes any calculation, determination or amount of any payment, Contractor shall notify the State in writing of its dispute within 30 days following the earlier to occur of Contractor's receipt of the payment or notification of the determination or calculation of the payment by the State. The State will review the information presented by Contractor and may make changes to its determination based on this review. The calculation, determination or payment amount that results from the State's review shall not be subject to additional dispute under this subsection. No payment subject to a dispute under this subsection shall be due until after the State has concluded its review, and the State shall not pay any interest on any amount during the period it is subject to dispute under this subsection.

iv. Available Funds-Contingency-Termination

The State is prohibited by law from making commitments beyond the term of the current State Fiscal Year. Payment to Contractor beyond the current State Fiscal Year is contingent on the appropriation and continuing availability of Contract Funds in any subsequent year (as provided in the Colorado Special Provisions). If federal funds or funds from any other non-State funds constitute all or some of the Contract Funds, the State's obligation to pay Contractor shall be contingent upon such non-State funding continuing to be made available for payment.

Payments to be made pursuant to this Contract shall be made only from Contract Funds, and the State's liability for such payments shall be limited to the amount remaining of such Contract Funds. If State, federal or other funds are not appropriated, or otherwise become unavailable to fund this Contract, the State may, upon written notice, terminate this Contract, in whole or in part, without incurring further liability. The State shall, however, remain obligated to pay for Services and Goods that are delivered and accepted prior to the effective date of notice of termination, and this termination shall otherwise be treated as if this Contract were terminated in the public interest as described in **§2.E**.

6. REPORTING - NOTIFICATION

A. Quarterly Reports.

In addition to any reports required pursuant to this Contract or pursuant to any other Exhibit, for any contract having a term longer than three months, Contractor shall submit, on a quarterly basis, a written report specifying progress made for each specified performance measure and standard in this Contract. Such progress report shall be in accordance with the procedures developed and prescribed by the State. Progress reports shall be submitted to the State not later than five Business Days following the end of each calendar quarter or at such time as otherwise specified by the State.

B. Litigation Reporting

If Contractor is served with a pleading or other document in connection with an action before a court or other administrative decision-making body, and such pleading or document relates to this Contract or may affect Contractor's ability to perform its obligations under this Contract, Contractor shall, within 10 days after being served, notify the State of such action and deliver copies of such pleading or document to the State's Principal Representative identified on the Cover Page of this Contract.

C. Performance Outside the State of Colorado or the United States, §24-102-206, C.R.S.

To the extent not previously disclosed in accordance with §24-102-206, C.R.S., Contractor shall provide written notice to the State, in accordance with **§15** and in a form designated by the State, within 20 days following the earlier to occur of Contractor's decision to perform Services outside of the State of Colorado or the United States, or its execution of an agreement with a Subcontractor to perform, Services outside the State of Colorado or the United States. Such notice shall specify the type of Services to be performed outside the State of Colorado or the United States and the reason why it is necessary or advantageous to perform such Services at such location or locations, and such notice shall be a public record. Knowing failure by Contractor to provide notice to the State under this section shall constitute a breach of this Contract. This section shall not apply if the Contract Funds include any federal funds.

The State acknowledges that Contractor is incorporated in the State of California with employees located nationwide, and therefore services provided under this contract will be performed outside the State of Colorado.

D. SOC 1 Type II Annual Report

If Contractor performs Work for any of the State's IT systems that impact the State's Comprehensive Annual Financial Report as determined by the Colorado Office of the State Controller, Contractor, on an annual basis, shall deliver to the State, at Contractor's sole cost and expense, Contractor's System and Organization Controls 1 Type II Report ("SOC 1 Type II Report") prepared by a qualified independent audit firm with respect to the Statement on Standards for Attestation Engagements, Reporting on Controls at a Service Organization (SSAE) as promulgated by the Auditing Standards Board of the American Institute of Certified Public Accountants, as amended, from time to time.

7. CONTRACTOR RECORDS

A. Maintenance

Contractor shall maintain a file of all documents, records, communications, notes and other materials relating to the Work (the "Contractor Records"). Contractor Records shall include all documents, records, communications, notes and other materials maintained by Contractor that relate to any Work performed by Subcontractors, and Contractor shall maintain all records related to the Work performed by Subcontractors required to ensure proper performance of that Work. Contractor shall maintain Contractor Records until the last to occur of: **(i)** the date three years after the date this Contract expires or is terminated, **(ii)** final payment under this Contract is made, **(iii)** the resolution of any pending Contract matters, or **(iv)** if an audit is occurring, or Contractor has received notice that an audit is pending, the date such audit is completed and its findings have been resolved (the "Record Retention Period").

B. Inspection

Contractor shall permit the State, the federal government, and any other duly authorized agent of a governmental agency to audit, inspect, examine, excerpt, copy and transcribe Contractor Records, during the Record Retention Period. Contractor shall make Contractor Records available during normal business hours at Contractor's office or place of business, or at other mutually agreed upon times or locations, upon no fewer than two Business Days' notice from the State, unless the State determines that a shorter period of notice, or no notice, is necessary to protect the interests of the State.

C. Monitoring

The State, the federal government, and any other duly authorized agent of a governmental agency in its discretion, may monitor Contractor's performance of its obligations under this Contract using procedures as determined by the State or that governmental entity. The State shall monitor Contractor's performance in a manner that does not unduly interfere with Contractor's performance of the Work.

D. Final Audit Report

Contractor shall promptly submit to the State a copy of any final audit report of an audit performed on Contractor's records that may affect Contractor's ability to perform its obligations under this Contract, whether the audit is conducted by Contractor or a third party.

8. CONFIDENTIAL INFORMATION-STATE RECORDS

A. Confidentiality

Contractor shall keep confidential, and cause all Subcontractors to keep confidential, all State Records, unless those State Records are publicly available. Contractor shall not, without prior written approval of the State, use, publish, copy, disclose to any third party, or permit the use by any third party of any State Records, except as otherwise stated in this Contract, permitted by law, or approved in writing by the State. Contractor shall provide for the security of all State Confidential Information in accordance with all applicable laws, rules, policies, publications, and guidelines. If Contractor or any of its Subcontractors will or may receive the following types of data, Contractor or its Subcontractors shall provide for the security of such data according to the following: **(i)** the most recently promulgated IRS Publication 1075 for all Tax Information and in accordance with the Safeguarding Requirements for Federal Tax Information attached to this Contract as an Exhibit, if applicable, **(ii)** the most recently updated PCI Data Security Standard from the PCI Security Standards Council for all PCI, **(iii)** the most recently issued version of the U.S. Department of Justice, Federal Bureau of Investigation, Criminal Justice Information Services Security Policy for all CJI, and **(iv)** the federal Health Insurance Portability and Accountability Act for all PHI and the HIPAA Business Associate Agreement attached to this Contract, if applicable. Contractor shall immediately forward any request or demand for State Records to the State's Principal Representative.

B. Other Entity Access and Nondisclosure Agreements

Contractor may provide State Records to its agents, employees, assigns and Subcontractors as necessary to perform the Work, but shall restrict access to State Confidential Information to those agents, employees, assigns and Subcontractors who require access to perform their obligations under this Contract. Contractor shall ensure all such agents, employees, assigns, and Subcontractors sign agreements containing nondisclosure provisions at least as protective as those in this Contract, and that the nondisclosure provisions are in force at all times the agent, employee, assign, or Subcontractor has access to any State Confidential Information. Contractor shall provide copies of those signed nondisclosure provisions to the State upon execution of the nondisclosure provisions if requested by the State.

C. Use, Security, and Retention

Contractor shall use, hold, and maintain State Confidential Information in compliance with any and all applicable laws and regulations only in facilities located within the United States, and shall maintain a secure environment that ensures confidentiality of all State Confidential Information. Contractor shall provide the State with access, subject to Contractor's reasonable security requirements, for purposes of inspecting and monitoring access and use of State Confidential Information and evaluating security control effectiveness. Upon the expiration or termination of this Contract, Contractor shall return State Records provided to Contractor or destroy such State Records and certify to the State that it has done so, as directed by the State. If Contractor is prevented by law or regulation from returning or destroying its back-up, archival systems, or State Confidential Information, Contractor warrants it will guarantee the confidentiality of, and cease to use, such State Confidential Information.

D. Incident Notice and Remediation

If Contractor becomes aware of any Incident, Contractor shall notify the State immediately and cooperate with the State regarding recovery, remediation, and the necessity to involve law enforcement, as determined by the State. Unless Contractor can establish that Contractor and its Subcontractors are not the cause or source of the Incident, Contractor shall be responsible for the cost of notifying each person who may have been impacted by the Incident. After an Incident, Contractor shall take steps to reduce the risk of incurring a similar type of Incident in the future as directed by the State, which may include, but is not limited to, developing and implementing a remediation plan that is approved by the State at no additional cost to the State. The State may adjust or direct modifications to this plan in its sole discretion, and Contractor shall make all modifications as directed by the State. If Contractor cannot produce its analysis and plan within the allotted time, the State, in its sole discretion, may perform such analysis and produce a remediation plan, and Contractor shall reimburse the State for the actual costs thereof. The State may, in its sole discretion and at Contractor's sole expense, require Contractor to engage the services of an independent, qualified, State-approved third party to conduct a security audit. If Contractor is unable to afford the cost of conducting a security audit, the Department may provide partial compensation for the cost of the audit if it is in the best interests of the State. Contractor shall provide the State with the results of such audit and evidence of Contractor's planned remediation in response to any negative findings.

E. Data Protection and Handling

Contractor shall ensure that all State Records and Work Product in the possession of Contractor or any Subcontractors are protected and handled in accordance with the requirements of this Contract, including the requirements of any Exhibits hereto, at all times.

F. Safeguarding PII

If Contractor or any of its Subcontractors will or may receive PII under this Contract, Contractor shall provide for the security of such PII, in a manner and form acceptable to the State, including, without limitation, State non-disclosure requirements, use of appropriate technology, security practices, computer access security, data access security, data storage encryption, data transmission encryption, security inspections, and audits. Contractor shall be a "Third-Party Service Provider" as defined in §24-73-103(1)(i), C.R.S. and shall maintain security procedures and practices consistent with §§24-73-101 *et seq.*, C.R.S. In addition, as set forth in § 24-74-102, *et seq.*, C.R.S., Contractor, including, but not limited to, Contractor's employees, agents and Subcontractors, agrees not to share any PII with any third parties for the purpose of investigating for, participating in, cooperating with, or assisting with Federal immigration enforcement. If Contractor is given direct access to any State databases containing PII, Contractor shall execute, on behalf of itself and its employees, the certification attached hereto as Exhibit H on an annual basis. Contractor's duty and obligation to certify as set forth in Exhibit H shall continue as long as Contractor has direct access to any State databases containing PII. If Contractor uses any Subcontractors to perform services requiring direct access to State databases containing

PII, the Contractor shall require such Subcontractors to execute and deliver the certification to the State on an annual basis, so long as the Subcontractor has access to State databases containing PII.

9. CONFLICTS OF INTEREST

A. Actual Conflicts of Interest

Contractor shall not engage in any business or activities or maintain any relationships that conflict in any way with the full performance of the obligations of Contractor under this Contract. Such a conflict of interest would arise when a Contractor's or Subcontractor's employee, officer or agent were to offer or provide any tangible personal benefit to an employee of the State, or any member of his or her immediate family or his or her partner, related to the award of, entry into or management or oversight of this Contract.

B. Apparent Conflicts of Interest

Contractor acknowledges that, with respect to this Contract, even the appearance of a conflict of interest shall be harmful to the State's interests. Absent the State's prior written approval, Contractor shall refrain from any practices, activities or relationships that reasonably appear to be in conflict with the full performance of Contractor's obligations under this Contract.

C. Disclosure to the State

If a conflict or the appearance of a conflict arises, or if Contractor is uncertain whether a conflict or the appearance of a conflict has arisen, Contractor shall submit to the State a disclosure statement setting forth the relevant details for the State's consideration. Failure to promptly submit a disclosure statement or to follow the State's direction in regard to the actual or apparent conflict constitutes a breach of this Contract.

D. Contractor acknowledges that all State employees are subject to the ethical principles described in §24-18-105, C.R.S. Contractor further acknowledges that State employees may be subject to the requirements of §24-18-105, C.R.S. with regard to this Contract.

10. INSURANCE

Contractor shall obtain and maintain, and ensure that each Subcontractor shall obtain and maintain, insurance as specified in this section at all times during the term of this Contract. All insurance policies required by this Contract shall be issued by insurance companies as approved by the State.

A. Workers' Compensation

Workers' compensation insurance as required by state statute, and employers' liability insurance covering all Contractor or Subcontractor employees acting within the course and scope of their employment.

B. General Liability

Commercial general liability insurance covering premises operations, fire damage, independent contractors, products and completed operations, blanket contractual liability, personal injury, and advertising liability with minimum limits as follows:

- i. \$1,000,000 each occurrence;
- ii. \$1,000,000 general aggregate;
- iii. \$1,000,000 products and completed operations aggregate; and
- iv. \$50,000 any one fire.

C. Automobile Liability

Automobile liability insurance covering any auto (including owned, hired and non-owned autos) with a minimum limit of \$1,000,000 each accident combined single limit.

D. Cyber/Network Security and Privacy Liability

Liability insurance covering civil, regulatory, and statutory damages, contractual damages, data breach management exposure, and any loss of income or extra expense as a result of actual or alleged breach, violation or infringement of right to privacy, consumer data protection law, confidentiality or other legal protection for personal information, as well as State Confidential Information with minimum limits as follows:

- i. \$2,000,000 general aggregate.

E. Professional Liability Insurance

Professional liability insurance covering any damages caused by an error, omission or any negligent act with minimum limits as follows:

- i. \$1,000,000 general aggregate.

F. Crime Insurance

Crime insurance including employee dishonesty coverage with minimum limits as follows:

- i. \$1,000,000 each occurrence;

G. Additional Insured

The State shall be named as additional insured on all commercial general liability policies (leases and construction contracts require additional insured coverage for completed operations) required of Contractor and Subcontractors.

H. Primacy of Coverage

Coverage required of Contractor and each Subcontractor shall be primary and noncontributory over any insurance or self-insurance program carried by Contractor or the State.

I. Cancellation

The above insurance policies shall include provisions preventing cancellation or non-renewal, except for cancellation based on non-payment of premiums, without at least 30 days prior notice to Contractor and Contractor shall forward such notice to the State in accordance with **§15** within seven days of Contractor's receipt of such notice.

J. Subrogation Waiver

All insurance policies secured or maintained by Contractor or its Subcontractors in

relation to this Contract shall include clauses stating that each carrier shall waive all rights of recovery under subrogation or otherwise against Contractor or the State, its agencies, institutions, organizations, officers, agents, employees, and volunteers.

K. Public Entities

If Contractor is a “public entity” within the meaning of the Colorado Governmental Immunity Act, §24-10-101, *et seq.*, C.R.S., (the “GIA”), Contractor shall maintain, in lieu of the liability insurance requirements stated above, at all times during the term of this Contract such liability insurance, by commercial policy or self-insurance, as is necessary to meet its liabilities under the GIA. If a Subcontractor is a public entity within the meaning of the GIA, Contractor shall ensure that the Subcontractor maintains at all times during the terms of this Contract, in lieu of the liability insurance requirements stated above, such liability insurance, by commercial policy or self-insurance, as is necessary to meet the Subcontractor’s obligations under the GIA.

L. Certificates

Contractor shall provide to the State certificates evidencing Contractor’s insurance coverage required in this Contract within seven Business Days following the Effective Date. Contractor shall provide to the State certificates evidencing Subcontractor insurance coverage required under this Contract within seven Business Days following the Effective Date, except that, if Contractor’s subcontract is not in effect as of the Effective Date, Contractor shall provide to the State certificates showing Subcontractor insurance coverage required under this Contract within seven Business Days following Contractor’s execution of the subcontract. No later than 15 days before the expiration date of Contractor’s or any Subcontractor’s coverage, Contractor shall deliver to the State certificates of insurance evidencing renewals of coverage. At any other time during the term of this Contract, upon request by the State, Contractor shall, within seven Business Days following the request by the State, supply to the State evidence satisfactory to the State of compliance with the provisions of this section. Contractor shall provide all certificates electronically to the Department’s designated insurance certificate submission site, unless the Department has specifically directed otherwise.

11. LIMITATION OF CONTRACTOR’S LIABILITY TO STATE

The liability of Contractor and their respective personnel to the State for any claims, liabilities, or damages relating to this Contract shall be limited to damages, including but not limited to direct losses, consequential, special, indirect, incidental, punitive or exemplary loss, loss of State Records or unauthorized disclosure of State Confidential Information, not

to exceed ten million dollars (\$10,000,000.00).

No limitation on Contractor's liability to the State under this Section shall limit or affect:

- A. Contractor's indemnification obligations to the State under this Contract.
- B. Claims or damages arising out of bodily injury, including death, or damage to tangible property of the State; or
- C. Claims or damages resulting from the recklessness, bad faith, or intentional misconduct of Contractor.

12. BREACH OF CONTRACT

In the event of a Breach of Contract, the aggrieved Party shall give written notice of breach to the other Party. If the notified Party does not cure the Breach of Contract, at its sole expense, within 30 days after the delivery of written notice, the Party may exercise any of the remedies as described in §13 for that Party. Notwithstanding any provision of this Contract to the contrary, the State, in its discretion, need not provide notice or a cure period and may immediately terminate this Contract in whole or in part or institute any other remedy in this Contract in order to protect the public interest of the State; or if Contractor is debarred or suspended under §24-109-105, C.R.S., the State, in its discretion, need not provide notice or cure period and may terminate this Contract in whole or in part or institute any other remedy in this Contract as of the date that the debarment or suspension takes effect.

13. REMEDIES

A. State's Remedies

If Contractor is in breach under any provision of this Contract and fails to cure such breach, the State, following the notice and cure period set forth in §12, shall have all of the remedies listed in this section, in addition to all other remedies set forth in this Contract or at law. The State may exercise any or all of the remedies available to it, in its discretion, concurrently or consecutively.

i. Termination for Breach of Contract

In the event of Contractor's uncured breach, the State may terminate this entire Contract or any part of this Contract. Contractor shall continue performance of this Contract to the extent not terminated, if any.

a. Obligations and Rights

To the extent specified in any termination notice, Contractor shall not incur further obligations or render further performance past the effective date of such notice and shall terminate outstanding orders and subcontracts with third parties. However, Contractor shall complete and deliver to the State all Work not cancelled by the termination notice and may incur obligations as necessary to do so within this Contract's terms. Upon termination, Contractor shall take timely, reasonable and necessary action to protect and preserve property in the possession of Contractor but in which the State has an interest. At the State's request, Contractor shall return materials owned

by the State in Contractor's possession at the time of any termination. Contractor shall deliver all completed Work Product and all Work Product that was in the process of completion to the State at the State's request.

b. Payments

Notwithstanding anything to the contrary, the State shall only pay Contractor for accepted Work received as of the date of termination. If, after termination by the State, the State agrees that Contractor was not in breach or that Contractor's action or inaction was excusable, such termination shall be treated as a termination in the public interest, and the rights and obligations of the Parties shall be as if this Contract had been terminated in the public interest under §2.E.

c. Damages and Withholding

Notwithstanding any other remedial action by the State, Contractor shall remain liable to the State for any damages sustained by the State in connection with any breach by Contractor, and the State may withhold payment to Contractor for the purpose of mitigating the State's damages until such time as the exact amount of damages due to the State from Contractor is determined. The State may withhold any amount that may be due Contractor as the State deems necessary to protect the State against loss including, without limitation, loss as a result of outstanding liens and excess costs incurred by the State in procuring from third parties replacement Work as cover.

ii. Remedies Not Involving Termination

The State, in its discretion, may exercise one or more of the following additional remedies:

a. Suspend Performance

Suspend Contractor's performance with respect to all or any portion of the Work pending corrective action as specified by the State without entitling Contractor to an adjustment in price or cost or an adjustment in the performance schedule. Contractor shall promptly cease performing Work and incurring costs in accordance with the State's directive, and the State shall not be liable for costs incurred by Contractor after the suspension of performance.

b. Withhold Payment

Withhold payment to Contractor until Contractor corrects its Work.

c. Deny Payment

Deny payment for Work not performed, or that due to Contractor's actions or inactions, cannot be performed or if they were performed are reasonably of no value to the State; provided, that any denial of payment shall be equal to the value of the obligations not performed.

d. Removal

Demand immediate removal of any of Contractor's employees, agents, or Subcontractors from the Work whom the State deems incompetent, careless, insubordinate, unsuitable, or otherwise unacceptable or whose continued relation to this Contract is deemed by the State to be contrary to the public interest or the State's best interest.

e. Intellectual Property

If any Work infringes, or if the State in its sole discretion determines that any Work infringes, a patent, copyright, trademark, trade secret or other intellectual property right, Contractor shall, as approved by the State (i) secure that right to use such Work for the State and Contractor; (ii) replace the Work with noninfringing Work or modify the Work so that it becomes noninfringing; or, (iii) remove any infringing Work and refund the amount paid for such Work to the State.

B. Contractor's Remedies

If the State is in breach of any provision of this Contract and does not cure such breach, Contractor, following the notice and cure period in §12 and the dispute resolution process in §14 shall have all remedies available at law and equity. However, this does not preclude Contractor from seeking or receiving injunctive relief at any time.

14. DISPUTE RESOLUTION

A. Initial Resolution

Except as herein specifically provided otherwise, disputes concerning the performance of this Contract which cannot be resolved by the designated Contract representatives shall be referred in writing to a senior departmental management staff member designated by the State and a senior manager designated by Contractor for resolution.

B. Resolution of Controversies

If the initial resolution described in §14.A fails to resolve the dispute within 10 Business Days, Contractor shall submit any alleged breach of this Contract by the State to the Procurement Official of the State Agency named on the Cover Page of this Contract as described in §24-102-202(3), C.R.S. for resolution in accordance with the provisions of C.R.S. §24-106-109, C.R.S., and §§24-109-101.1 through 24-109-505, C.R.S., (the "Resolution Statutes"), except that if Contractor wishes to challenge any decision rendered by the Procurement Official, Contractor's challenge shall be an appeal to the Executive Director of the Department of Personnel and Administration, or their delegate, under the Resolution Statutes before Contractor pursues any further action as permitted by such statutes. Except as otherwise stated in this Section, all requirements of the Resolution Statutes shall apply including, without limitation, time limitations. However, this does not preclude Contractor from seeking or receiving injunctive relief at any time.

15. NOTICES AND REPRESENTATIVES

Each individual identified as a Principal Representative on the Cover Page for this Contract shall be the principal representative of the designating Party. All notices required or permitted to be given under this Contract shall be in writing, and shall be delivered **(A)** via a nationally reputable overnight courier with receipt required, **(B)** by certified or registered mail to such Party's principal representative at the address set forth on the Cover Page of this Contract or **(C)** as an email with read receipt requested to the principal representative at the email address, if any, set forth on the Cover Page of this Contract. If a Party delivers a notice to another through email and the email is undeliverable, then, unless the Party has been provided with an alternate email contact, the Party delivering the notice shall deliver the notice by hand with receipt required or by certified or registered mail to such Party's principal representative at the address set forth on the Cover Page for this Contract. Either Party may change its principal representative or principal representative contact information or may designate other individual(s) to receive certain types of notices in addition to or in lieu of a principal representative by notice submitted in accordance with this section without a formal amendment to this Contract. Unless otherwise provided in this Contract, notices shall be effective upon delivery of the written notice.

16. RIGHTS IN WORK PRODUCT AND OTHER INFORMATION

A. Work Product

i. Copyrights

To the extent that the Work Product (or any portion of the Work Product) would not be considered works made for hire under applicable law, Contractor hereby assigns to the State, the entire right, title, and interest in and to copyrights in all Work Product and all works based upon, derived from, or incorporating the Work Product; all copyright applications, registrations, extensions, or renewals relating to all Work Product and all works based upon, derived from, or incorporating the Work Product; and all moral rights or similar rights with respect to the Work Product throughout the world. To the extent that Contractor cannot make any of the assignments required by this section, Contractor hereby grants to the State a perpetual, irrevocable, royalty-free license to use, modify, copy, publish, display, perform, transfer, distribute, sell, and create derivative works of the Work Product and all works based upon, derived from, or incorporating the Work Product by all means and methods and in any format now known or invented in the future. The State may assign and license its rights under this license.

ii. Patents

In addition, Contractor grants to the State (and to recipients of Work Product distributed by or on behalf of the State) a perpetual, worldwide, no-charge, royalty-free, irrevocable patent license to make, have made, use, distribute, sell, offer for sale, import, transfer, and otherwise utilize, operate, modify and propagate the contents of the Work Product. Such license applies only to those patent claims licensable by Contractor that are necessarily infringed by the Work Product alone, or by the combination of the Work Product with anything else used by the State.

iii. Assignments and Assistance

Whether or not Contractor is under contract with the State at the time, Contractor shall execute applications, assignments, and other documents, and shall render all other reasonable assistance requested by the State, to enable the State to secure patents, copyrights, licenses and other intellectual property rights related to the Work Product. The Parties intend the Work Product to be a work made for hire. Contractor assigns to the State and its successors and assigns, the entire right, title, and interest in and to all causes of action, either in law or in equity, for past, present, or future infringement of intellectual property rights related to the Work Product and all works based on, derived from, or incorporating the Work Product.

B. Exclusive Property of the State

Except to the extent specifically provided elsewhere in this Contract, all State Records, documents, text, software (including source code), research, reports, proposals, specifications, plans, notes, studies, data, images, photographs, negatives, pictures, drawings, designs, models, surveys, maps, materials, ideas, concepts, know-how, and information provided by or on behalf of the State to Contractor are the exclusive property of the State (collectively, "State Materials"). Contractor shall not use, willingly allow, cause or permit Work Product or State Materials to be used for any purpose other than the performance of Contractor's obligations in this Contract without the prior written consent of the State. Upon termination of this Contract for any reason, Contractor shall provide all Work Product and State Materials to the State in a form and manner as mutually agreed to by the Parties.

C. Exclusive Property of Contractor

Contractor retains the exclusive rights, title, and ownership to any and all pre-existing materials owned or licensed to Contractor including, but not limited to, all pre-existing software, licensed products, associated source code, machine code, text images, audio and/or video, and third-party materials, delivered by Contractor under the Contract, whether incorporated in a Deliverable or necessary to use a Deliverable (collectively, "Contractor Property").

For avoidance of doubt, the State acknowledges that MedImpact owns, licenses, or otherwise holds the rights to the entire proprietary software system used by MedImpact in processing Claims and preparing reports, including, without limitation, computer programs and applications, system and program documentation, and other documentation relating thereto, and the MedImpact Software System is the exclusive and sole property of MedImpact.

Contractor Property shall be licensed to the State for the term of the Contract as set forth in this Contract or a State approved license agreement: **(i)** entered into as exhibits to this Contract; **(ii)** obtained by the State from the applicable third-party vendor; or **(iii)** in the case of open source software, the license terms set forth in the applicable open source license agreement.

17. GENERAL PROVISIONS

A. Assignment

Contractor's rights and obligations under this Contract are personal and may not be transferred or assigned unless mutually agreed upon, and shall not be unreasonably withheld. Any attempt at assignment or transfer without such consent shall be void. Any assignment or transfer of Contractor's rights and obligations approved by the State shall be subject to the provisions of this Contract.

B. Subcontracts

Contractor shall not enter into any subcontract in connection with its obligations under this Contract without the prior, written notice of the State. Contractor shall submit to the State a copy of each such subcontract upon request by the State. All subcontracts entered into by Contractor in connection with this Contract shall comply with all applicable federal and state laws and regulations, shall provide that they are governed by the laws of the State of Colorado, and shall be subject to all provisions of this Contract.

C. Binding Effect

Except as otherwise provided in §17.A., all provisions of this Contract, including the benefits and burdens, shall extend to and be binding upon the Parties' respective successors and assigns.

D. Authority

Each Party represents and warrants to the other that the execution and delivery of this Contract and the performance of such Party's obligations have been duly authorized.

E. Captions and References

The captions and headings in this Contract are for convenience of reference only, and shall not be used to interpret, define, or limit its provisions. All references in this Contract to sections (whether spelled out or using the § symbol), subsections, exhibits or other attachments, are references to sections, subsections, exhibits, or other attachments contained herein or incorporated as a part hereof, unless otherwise noted.

F. Counterparts

This Contract may be executed in multiple, identical, original counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

G. Entire Understanding

This Contract represents the complete integration of all understandings between the Parties related to the Work, and all prior representations and understandings related to the Work, oral or written, are merged into this Contract. Prior or contemporaneous additions, deletions, or other changes to this Contract shall not have any force or effect whatsoever, unless embodied herein.

H. Digital Signatures

If any signatory signs this Contract using a digital signature in accordance with the Colorado State Controller Contract, Grant, and Purchase Order Policies regarding the use of digital signatures issued under the State Fiscal Rules, then any agreement or

consent to use digital signatures within the electronic system through which that signatory signed shall be incorporated into this Contract by reference.

I. Modification

Except as otherwise provided in this Contract, any modification to this Contract shall only be effective if agreed to in a formal amendment to this Contract, properly executed and approved in accordance with applicable Colorado State law and State Fiscal Rules. Modifications permitted under this Contract, other than contract amendments, shall conform to the policies issued by the Colorado State Controller.

J. Statutes, Regulations, Fiscal Rules, and Other Authority

Any reference in this Contract to a statute, regulation, State Fiscal Rule, fiscal policy or other authority shall be interpreted to refer to such authority then current, as may have been changed or amended since the Effective Date of this Contract.

K. External Terms and Conditions

Notwithstanding anything to the contrary herein, the State shall not be subject to any provision included in any terms, conditions, or agreements appearing on Contractor's or a Subcontractor's website or any provision incorporated into any click-through or online agreements related to the Work unless that provision is specifically referenced in this Contract.

L. Severability

The invalidity or unenforceability of any provision of this Contract shall not affect the validity or enforceability of any other provision of this Contract, which shall remain in full force and effect, provided that the Parties can continue to perform their obligations under this Contract in accordance with the intent of this Contract.

M. Survival of Certain Contract Terms

Any provision of this Contract that imposes an obligation on a Party after termination or expiration of this Contract shall survive the termination or expiration of this Contract and shall be enforceable by the other Party.

N. Taxes

The State is exempt from federal excise taxes under I.R.C. Chapter 32 (26 U.S.C., Subtitle D, Ch. 32) (Federal Excise Tax Exemption Certificate of Registry No. 84-730123K) and from State and local government sales and use taxes under §§39-26-704(1), *et seq.*, C.R.S. (Colorado Sales Tax Exemption Identification Number 98-02565). The State shall not be liable for the payment of any excise, sales, or use taxes, regardless of whether any political subdivision of the state imposes such taxes on Contractor. Contractor shall be solely responsible for any exemptions from the collection of excise, sales or use taxes that Contractor may wish to have in place in connection with this Contract.

O. Third Party Beneficiaries

Except for the Parties' respective successors and assigns described in **§17.A.**, this Contract does not and is not intended to confer any rights or remedies upon any person

or entity other than the Parties. Enforcement of this Contract and all rights and obligations hereunder are reserved solely to the Parties. Any services or benefits which third parties receive as a result of this Contract are incidental to this Contract, and do not create any rights for such third parties.

P. Waiver

A Party's failure or delay in exercising any right, power, or privilege under this Contract, whether explicit or by lack of enforcement, shall not operate as a waiver, nor shall any single or partial exercise of any right, power, or privilege preclude any other or further exercise of such right, power, or privilege.

Q. CORA Disclosure

To the extent not prohibited by federal law, this Contract and the performance measures and standards required under §24-106-107, C.R.S., if any, are subject to public release through the CORA.

R. Standard and Manner of Performance

Contractor shall perform its obligations under this Contract in accordance with the commercially reasonable standards of care, skill and diligence that are used in Contractor's industry, trade, or profession.

S. Licenses, Permits, and Other Authorizations

Contractor shall secure, prior to the Effective Date, and maintain at all times during the term of this Contract, at its sole expense, all licenses, certifications, permits, and other authorizations required to perform its obligations under this Contract, and shall ensure that all employees, agents and Subcontractors secure and maintain at all times during the term of their employment, agency or subcontract, all licenses, certifications, permits and other authorizations required to perform their obligations in relation to this Contract.

T. Indemnification

i. General Indemnification

Contractor shall indemnify, save, and hold harmless the State, its employees, agents and assignees (the "Indemnified Parties"), against any and all costs, expenses, claims, damages, liabilities, court awards and other amounts (including reasonable attorneys' fees and related costs) incurred by any of the Indemnified Parties in relation to any act or omission by Contractor, or its employees, agents, Subcontractors, or assignees in connection with Work performed under this Contract.

ii. Confidential Information Indemnification

Disclosure or use of State Confidential Information by Contractor in violation of §8 may be cause for legal action by third parties against Contractor, the State, or their respective agents. Contractor shall indemnify, save, and hold harmless the Indemnified Parties, against any and all claims, damages, liabilities, losses, costs, expenses (including reasonable attorneys' fees and costs) incurred by the State in relation to any act or omission by Contractor, or its employees, agents, assigns,

or Subcontractors in violation of §8.

iii. Intellectual Property Indemnification

Contractor shall indemnify, save, and hold harmless the Indemnified Parties, against any and all costs, expenses, claims, damages, liabilities, and other amounts (including reasonable attorneys' fees and costs) incurred by the Indemnified Parties in relation to any claim that any deliverable, Good or Service, software, or Work Product provided by Contractor under this Contract (collectively, "IP Deliverables"), or the use thereof, infringes a patent, copyright, trademark, trade secret, or any other intellectual property right. Contractor's obligations hereunder shall not extend to the combination of any IP Deliverables provided by Contractor with any other product, system, or method, unless the other product, system, or method is (a) provided by Contractor or Contractor's subsidiaries or affiliates; (b) specified by Contractor to work with the IP Deliverables; (c) reasonably required in order to use the IP Deliverables in its intended manner and the infringement could not have been avoided by substituting another reasonably available product, system, or method capable of performing the same function; or (d) is reasonably expected to be used in combination with the IP Deliverables.

iv. Accessibility Indemnification

Contractor shall indemnify, save, and hold harmless the Indemnified Parties, against any and all costs, expenses, claims, damages, liabilities, court awards and other amounts (including reasonable attorneys' fees and related costs) incurred by any of the Indemnified Parties in relation to Contractor's failure to comply with §§24-85-101, *et seq.*, C.R.S., or the Accessibility Standards for Individuals with a Disability as established by OIT pursuant to Section §24-85-103(2.5), C.R.S.

U. Accessibility

- i. Contractor shall comply with and the Work Product provided under this Contract shall be in compliance with all applicable provisions of §§24-85-101, *et seq.*, C.R.S., and the *Accessibility Standards for Individuals with a Disability*, as established by the Governor's Office Of Information Technology (OIT), pursuant to Section §24-85-103(2.5), C.R.S. Contractor shall also comply with all State of Colorado technology standards related to technology accessibility and with Level AA of the most current version of the Web Content Accessibility Guidelines (WCAG), incorporated in the State of Colorado technology standards.
- ii. The State may require Contractor's compliance to the State's Accessibility Standards to be determined by a third party selected by the State to attest to Contractor's Work Product and software is in compliance with §§24-85-101, *et*

seq., C.R.S., and the *Accessibility Standards for Individuals with a Disability* as established by OIT pursuant to Section §24-85-103(2.5), C.R.S.

V. Additional Provisions

Contractor shall comply with all requirements shown Exhibit A and Exhibit G.

18. COLORADO SPECIAL PROVISIONS (COLORADO FISCAL RULE 3-3)

These Special Provisions apply to all contracts except where noted in italics.

A. STATUTORY APPROVAL. §24-30-202(1), C.R.S.

This Contract shall not be valid until it has been approved by the Colorado State Controller or designee. If this Contract is for a Major Information Technology Project, as defined in §24-37.5-102(2.6), C.R.S., then this Contract shall not be valid until it has been approved by the State's Chief Information Officer or designee.

B. FUND AVAILABILITY. §24-30-202(5.5), C.R.S.

Financial obligations of the State payable after the current State Fiscal Year are contingent upon funds for that purpose being appropriated, budgeted, and otherwise made available.

C. GOVERNMENTAL IMMUNITY.

Liability for claims for injuries to persons or property arising from the negligence of the State, its departments, boards, commissions committees, bureaus, offices, employees and officials shall be controlled and limited by the provisions of the Colorado Governmental Immunity Act, §24-10-101, *et seq.*, C.R.S.; the Federal Tort Claims Act, 28 U.S.C. Pt. VI, Ch. 171 and 28 U.S.C. 1346(b), and the State's risk management statutes, §§24-30-1501, *et seq.* C.R.S. No term or condition of this Contract shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions, contained in these statutes.

D. INDEPENDENT CONTRACTOR.

Contractor shall perform its duties hereunder as an independent contractor and not as an employee. Neither Contractor nor any agent or employee of Contractor shall be deemed to be an agent or employee of the State. Contractor shall not have authorization, express or implied, to bind the State to any agreement, liability or understanding, except as expressly set forth herein. **Contractor and its employees and agents are not entitled to unemployment insurance or workers compensation benefits through the State and the State shall not pay for or otherwise provide such coverage for Contractor or any of its agents or employees. Contractor shall pay when due all applicable employment taxes and income taxes and local head taxes incurred pursuant to this Contract. Contractor shall (i) provide and keep in force workers' compensation and unemployment compensation insurance in the amounts required by law, (ii) provide proof thereof when requested by the State, and (iii) be solely responsible for its acts and those of its employees and agents.**

E. COMPLIANCE WITH LAW.

Contractor shall comply with all applicable federal and State laws, rules, and regulations in effect or hereafter established, including, without limitation, laws applicable to discrimination and unfair employment practices.

F. CHOICE OF LAW, JURISDICTION, AND VENUE.

Colorado law, and rules and regulations issued pursuant thereto, shall be applied in the interpretation, execution, and enforcement of this Contract. Any provision included or incorporated herein by reference that conflicts with said laws, rules, and regulations shall be null and void. All suits or actions related to this Contract shall be filed and proceedings held in the State of Colorado and exclusive venue shall be in the City and County of Denver.

G. PROHIBITED TERMS.

Any term included in this Contract that requires the State to indemnify or hold Contractor harmless; requires the State to agree to binding arbitration; limits Contractor's liability for damages resulting from death, bodily injury, or damage to tangible property; or that conflicts with this provision in any way shall be void ab initio. Nothing in this Contract shall be construed as a waiver of any provision of §24-106-109, C.R.S.

H. SOFTWARE PIRACY PROHIBITION.

State or other public funds payable under this Contract shall not be used for the acquisition, operation, or maintenance of computer software in violation of federal copyright laws or applicable licensing restrictions. Contractor hereby certifies and warrants that, during the term of this Contract and any extensions, Contractor has and shall maintain in place appropriate systems and controls to prevent such improper use of public funds. If the State determines that Contractor is in violation of this provision, the State may exercise any remedy available at law or in equity or under this Contract, including, without limitation, immediate termination of this Contract and any remedy consistent with federal copyright laws or applicable licensing restrictions.

I. EMPLOYEE FINANCIAL INTEREST/CONFLICT OF INTEREST. §§24-18-201 and 24-50-507, C.R.S.

The signatories aver that to their knowledge, no employee of the State has any personal or beneficial interest whatsoever in the service or property described in this Contract. Contractor has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of Contractor's services and Contractor shall not employ any person having such known interests.

J. VENDOR OFFSET AND ERRONEOUS PAYMENTS. §§24-30-202(1) and 24-30-202.4, C.R.S.

[Not applicable to intergovernmental agreements] Subject to §24-30-202.4(3.5), C.R.S., the State Controller may withhold payment under the State's vendor offset intercept system for debts owed to State agencies for: **(i)** unpaid child support debts or child support arrearages; **(ii)** unpaid balances of tax, accrued interest, or other charges specified in §§39-21-101, *et seq.*, C.R.S.; **(iii)** unpaid loans due to the Student Loan Division of the Department of Higher Education; **(iv)** amounts required to be paid to

the Unemployment Compensation Fund; and (v) other unpaid debts owing to the State as a result of final agency determination or judicial action. The State may also recover, at the State's discretion, payments made to Contractor in error for any reason, including, but not limited to, overpayments or improper payments, and unexpended or excess funds received by Contractor by deduction from subsequent payments under this Contract, deduction from any payment due under any other contracts, grants or agreements between the State and Contractor, or by any other appropriate method for collecting debts owed to the State.

EXHIBIT A, HIPAA BUSINESS ASSOCIATES ADDENDUM

This HIPAA Business Associate Agreement (“Agreement”) between the State and Contractor is agreed to in connection with, and as an exhibit to, the Contract. For purposes of this Agreement, the State is referred to as “Covered Entity” and the Contractor is referred to as “Business Associate”. Unless the context clearly requires a distinction between the Contract and this Agreement, all references to “Contract” shall include this Agreement.

1. PURPOSE

In conjunction with the Services, Covered Entity wishes to disclose information to Business Associate, which may include Protected Health Information (“PHI”). The Parties intend to protect the privacy and security of the disclosed PHI in compliance with the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), Pub. L. No. 104-191 (1996) as amended by the Health Information Technology for Economic and Clinical Health Act (“HITECH Act”) enacted under the American Recovery and Reinvestment Act of 2009 (“ARRA”) Pub. L. No. 111-5 (2009), implementing regulations promulgated by the U.S. Department of Health and Human Services at 45 C.F.R. Parts 160, 162 and 164 (the “HIPAA Rules”) and other applicable laws, as amended. Prior to the disclosure of PHI, Covered Entity is required to enter into an agreement with Business Associate containing specific requirements as set forth in, but not limited to, Title 45, Sections 160.103, 164.502(e) and 164.504(e) of the Code of Federal Regulations (“C.F.R.”) and all other applicable laws and regulations, all as may be amended.

2. DEFINITIONS

The following terms used in this Agreement shall have the same meanings as in the HIPAA Rules: Breach, Data Aggregation, Designated Record Set, Disclosure, Health Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices, Protected Health Information, Required by Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information, and Use.

The following terms used in this Agreement shall have the meanings set forth below:

- a. Business Associate. “Business Associate” shall have the same meaning as the term “business associate” at 45 C.F.R. 160.103, and shall refer to Contractor.
- b. Covered Entity. “Covered Entity” shall have the same meaning as the term “covered entity” at 45 C.F.R. 160.103, and shall refer to the State.
- c. Information Technology and Information Security. “Information Technology” and “Information Security” shall have the same meanings as the terms “information technology” and “information security”, respectively, in §24-37.5-102, C.R.S.

3. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE

- a. Permitted Uses and Disclosures.
 - i. Business Associate shall use and disclose PHI only to accomplish Business Associate’s obligations under the Contract.

- ii. To the extent Business Associate carries out one or more of Covered Entity's obligations under Subpart E of 45 C.F.R. Part 164, Business Associate shall comply with any and all requirements of Subpart E that apply to Covered Entity in the performance of such obligation.
 - iii. Business Associate may disclose PHI to carry out the legal responsibilities of Business Associate, provided, that the disclosure is Required by Law or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that:
 - A. the information will remain confidential and will be used or disclosed only as Required by Law or for the purpose for which Business Associate originally disclosed the information to that person, and;
 - B. the person notifies Business Associate of any Breach involving PHI of which it is aware.
 - iv. Business Associate may provide Data Aggregation services relating to the Health Care Operations of Covered Entity. Business Associate may de-identify any or all PHI created or received by Business Associate under this Agreement, provided the de-identification conforms to the requirements of the HIPAA Rules.
- b. Minimum Necessary. Business Associate, its Subcontractors and agents, shall access, use, and disclose only the minimum amount of PHI necessary to accomplish the objectives of the Contract, in accordance with the Minimum Necessary Requirements of the HIPAA Rules including, but not limited to, 45 C.F.R. 164.502(b) and 164.514(d).
- c. Impermissible Uses and Disclosures.
- i. Business Associate shall not disclose the PHI of Covered Entity to another covered entity without the written authorization of Covered Entity.
 - ii. Business Associate shall not share, use, disclose or make available any Covered Entity PHI in any form via any medium with or to any person or entity beyond the boundaries or jurisdiction of the United States without express written authorization from Covered Entity.
- d. Business Associate's Subcontractors.
- i. Business Associate shall, in accordance with 45 C.F.R. 164.502(e)(1)(ii) and 164.308(b)(2), ensure that any Subcontractors who create, receive, maintain, or transmit PHI on behalf of Business Associate agree in writing to the same restrictions, conditions, and requirements that apply to Business Associate with respect to safeguarding PHI.
 - ii. Business Associate shall provide to Covered Entity, on Covered Entity's request, a list of Subcontractors who have entered into any such agreement with Business Associate.

- iii. Business Associate shall provide to Covered Entity, on Covered Entity's request, copies of any such agreements Business Associate has entered into with Subcontractors.

- e. Access to System. If Business Associate needs access to a Covered Entity Information Technology system to comply with its obligations under the Contract or this Agreement, Business Associate shall request, review, and comply with any and all policies applicable to Covered Entity regarding such system including, but not limited to, any policies promulgated by the Office of Information Technology and available at <http://oit.state.co.us/about/policies>.

- f. Access to PHI. Business Associate shall, within fifteen business days of receiving a written request from Covered Entity, make available PHI in a Designated Record Set to Covered Entity as necessary to satisfy Covered Entity's obligations under 45 C.F.R. 164.524.

- g. Amendment of PHI.
 - i. Business Associate shall within ten days of receiving a written request from Covered Entity make any amendment to PHI in a Designated Record Set as directed by or agreed to by Covered Entity pursuant to 45 C.F.R. 164.526, or take other measures as necessary to satisfy Covered Entity's obligations under 45 C.F.R. 164.526.

 - ii. Business Associate shall promptly forward to Covered Entity any request for amendment of PHI that Business Associate receives directly from an Individual.

- h. Accounting Rights. Business Associate shall, within ten days of receiving a written request from Covered Entity, maintain and make available to Covered Entity the information necessary for Covered Entity to satisfy its obligations to provide an accounting of Disclosure under 45 C.F.R. 164.528.

- i. Restrictions and Confidential Communications.
 - i. Business Associate shall restrict the Use or Disclosure of an Individual's PHI within ten days of notice from Covered Entity of:
 - A. a restriction on Use or Disclosure of PHI pursuant to 45 C.F.R. 164.522; or
 - B. a request for confidential communication of PHI pursuant to 45 C.F.R. 164.522.

 - ii. Business Associate shall not respond directly to an Individual's requests to restrict the Use or Disclosure of PHI or to send all communication of PHI to an alternate address.

 - iii. Business Associate shall refer such requests to Covered Entity so that Covered Entity can coordinate and prepare a timely response to the requesting Individual and provide direction to Business Associate.

- j. Governmental Access to Records. Business Associate shall make its facilities, internal practices, books, records, and other sources of information, including PHI, available to the Secretary for purposes of determining compliance with the HIPAA Rules in accordance with 45 C.F.R. 160.310.

- k. Audit, Inspection and Enforcement.
 - i. Business Associate shall obtain and update at least annually a written assessment performed by an independent third party reasonably acceptable to Covered Entity, which evaluates the Information Security of the applications, infrastructure, and processes that interact with the Covered Entity data Business Associate receives, manipulates, stores and distributes. Upon request by Covered Entity, Business Associate shall provide to Covered Entity the executive summary of the assessment.

 - ii. Business Associate, upon the request of Covered Entity, shall fully cooperate with Covered Entity's efforts to audit Business Associate's compliance with applicable HIPAA Rules. If, through audit or inspection, Covered Entity determines that Business Associate's conduct would result in violation of the HIPAA Rules or is in violation of the Contract or this Agreement, Business Associate shall promptly remedy any such violation and shall certify completion of its remedy in writing to Covered Entity.

- l. Appropriate Safeguards.
 - i. Business Associate shall use appropriate safeguards and comply with Subpart C of 45 C.F.R. Part 164 with respect to electronic PHI to prevent use or disclosure of PHI other than as provided in this Agreement.

 - ii. Business Associate shall safeguard the PHI from tampering and unauthorized disclosures.

 - iii. Business Associate shall maintain the confidentiality of passwords and other data required for accessing this information.

 - iv. Business Associate shall extend protection beyond the initial information obtained from Covered Entity to any databases or collections of PHI containing information derived from the PHI. The provisions of this section shall be in force unless PHI is de-identified in conformance to the requirements of the HIPAA Rules.

- m. Safeguard During Transmission.
 - i. Business Associate shall use reasonable and appropriate safeguards including, without limitation, Information Security measures to ensure that all transmissions of PHI are authorized and to prevent use or disclosure of PHI other than as provided for by this Agreement.

- ii. Business Associate shall not transmit PHI over the internet or any other insecure or open communication channel unless the PHI is encrypted or otherwise safeguarded with a FIPS-compliant encryption algorithm.
- n. Reporting of Improper Use or Disclosure and Notification of Breach.
- i. Business Associate shall, as soon as reasonably possible, but immediately after discovery of a Breach, notify Covered Entity of any use or disclosure of PHI not provided for by this Agreement, including a Breach of Unsecured Protected Health Information as such notice is required by 45 C.F.R. 164.410 or a breach for which notice is required under §24-73-103, C.R.S.
 - ii. Such notice shall include the identification of each Individual whose Unsecured Protected Health Information has been, or is reasonably believed by Business Associate to have been, accessed, acquired, or disclosed during such Breach.
 - iii. Business Associate shall, as soon as reasonably possible, but immediately after discovery of any Security Incident that does not constitute a Breach, notify Covered Entity of such incident.
 - iv. Business Associate shall have the burden of demonstrating that all notifications were made as required, including evidence demonstrating the necessity of any delay.
- o. Business Associate's Insurance and Notification Costs.
- i. Business Associate shall bear all costs of a Breach response including, without limitation, notifications, and shall maintain insurance to cover:
 - A. loss of PHI data;
 - B. Breach notification requirements specified in HIPAA Rules and in §24-73-103, C.R.S.; and
 - C. claims based upon alleged violations of privacy rights through improper use or disclosure of PHI.
 - ii. All such policies shall meet or exceed the minimum insurance requirements of the Contract or otherwise as may be approved by Covered Entity (e.g., occurrence basis, combined single dollar limits, annual aggregate dollar limits, additional insured status, and notice of cancellation).
 - iii. Business Associate shall provide Covered Entity a point of contact who possesses relevant Information Security knowledge and is accessible 24 hours per day, 7 days per week to assist with incident handling.

- iv. Business Associate, to the extent practicable, shall mitigate any harmful effect known to Business Associate of a Use or Disclosure of PHI by Business Associate in violation of this Agreement.

- p. Subcontractors and Breaches.
 - i. Business Associate shall enter into a written agreement with each of its Subcontractors and agents, who create, receive, maintain, or transmit PHI on behalf of Business Associate. The agreements shall require such Subcontractors and agents to report to Business Associate any use or disclosure of PHI not provided for by this Agreement, including Security Incidents and Breaches of Unsecured Protected Health Information, on the first day such Subcontractor or agent knows or should have known of the Breach as required by 45 C.F.R. 164.410.
 - ii. Business Associate shall notify Covered Entity of any such report and shall provide copies of any such agreements to Covered Entity on request.

- q. Data Ownership.
 - i. Business Associate acknowledges that Business Associate has no ownership rights with respect to the PHI.
 - ii. Upon request by Covered Entity, Business Associate immediately shall provide Covered Entity with any keys to decrypt information that the Business Association has encrypted and maintains in encrypted form, or shall provide such information in unencrypted usable form.

- r. Retention of PHI. Except upon termination of this Agreement as provided in Section 5 below, Business Associate and its Subcontractors or agents shall retain all PHI throughout the term of this Agreement, and shall continue to maintain the accounting of disclosures required under Section 1.h above, for a period of six years.

4. OBLIGATIONS OF COVERED ENTITY

- a. Safeguards During Transmission. Covered Entity shall be responsible for using appropriate safeguards including encryption of PHI, to maintain and ensure the confidentiality, integrity, and security of PHI transmitted pursuant to this Agreement, in accordance with the standards and requirements of the HIPAA Rules.

- b. Notice of Changes.
 - i. Covered Entity maintains a copy of its Notice of Privacy Practices on its website. Covered Entity shall provide Business Associate with any changes in, or revocation of, permission to use or disclose PHI, to the extent that it may affect Business Associate's permitted or required uses or disclosures.

- ii. Covered Entity shall notify Business Associate of any restriction on the use or disclosure of PHI to which Covered Entity has agreed in accordance with 45 C.F.R. 164.522, to the extent that it may affect Business Associate's permitted use or disclosure of PHI.

5. TERMINATION

a. Breach.

- i. In addition to any Contract provision regarding remedies for breach, Covered Entity shall have the right, in the event of a breach by Business Associate of any provision of this Agreement, to terminate immediately the Contract, or this Agreement, or both.
- ii. Subject to any directions from Covered Entity, upon termination of the Contract, this Agreement, or both, Business Associate shall take timely, reasonable, and necessary action to protect and preserve property in the possession of Business Associate in which Covered Entity has an interest.

b. Effect of Termination.

- i. Upon termination of this Agreement for any reason, Business Associate, at the option of Covered Entity, shall return or destroy all PHI that Business Associate, its agents, or its Subcontractors maintain in any form, and shall not retain any copies of such PHI.
- ii. If Covered Entity directs Business Associate to destroy the PHI, Business Associate shall certify in writing to Covered Entity that such PHI has been destroyed.
- iii. If Business Associate believes that returning or destroying the PHI is not feasible, Business Associate shall promptly provide Covered Entity with notice of the conditions making return or destruction infeasible. Business Associate shall continue to extend the protections of Section 3 of this Agreement to such PHI, and shall limit further use of such PHI to those purposes that make the return or destruction of such PHI infeasible.

6. INJUNCTIVE RELIEF

Covered Entity and Business Associate agree that irreparable damage would occur in the event Business Associate or any of its Subcontractors or agents use or disclosure of PHI in violation of this Agreement, the HIPAA Rules or any applicable law. Covered Entity and Business Associate further agree that money damages would not provide an adequate remedy for such Breach. Accordingly, Covered Entity and Business Associate agree that Covered Entity shall be entitled to injunctive relief, specific performance, and other equitable relief to prevent or restrain any Breach or threatened Breach of and to enforce specifically the terms and provisions of this Agreement.

7. LIMITATION OF LIABILITY

Any provision in the Contract limiting Contractor's liability shall not apply to Business Associate's liability under this Agreement, which shall not be limited.

8. DISCLAIMER

Covered Entity makes no warranty or representation that compliance by Business Associate with this Agreement or the HIPAA Rules will be adequate or satisfactory for Business Associate's own purposes. Business Associate is solely responsible for all decisions made and actions taken by Business Associate regarding the safeguarding of PHI.

9. CERTIFICATION

Covered Entity has a legal obligation under HIPAA Rules to certify as to Business Associate's Information Security practices. Covered Entity or its authorized agent or contractor shall have the right to examine Business Associate's facilities, systems, procedures, and records, at Covered Entity's expense, if Covered Entity determines that examination is necessary to certify that Business Associate's Information Security safeguards comply with the HIPAA Rules or this Agreement.

10. AMENDMENT

- a. Amendment to Comply with Law. The Parties acknowledge that state and federal laws and regulations relating to data security and privacy are rapidly evolving and that amendment of this Agreement may be required to provide procedures to ensure compliance with such developments.
 - i. In the event of any change to state or federal laws and regulations relating to data security and privacy affecting this Agreement, the Parties shall take such action as is necessary to implement the changes to the standards and requirements of HIPAA, the HIPAA Rules and other applicable rules relating to the confidentiality, integrity, availability and security of PHI with respect to this Agreement.
 - ii. Business Associate shall provide to Covered Entity written assurance satisfactory to Covered Entity that Business Associate shall adequately safeguard all PHI and obtain written assurance satisfactory to Covered Entity from Business Associate's Subcontractors and agents that they shall adequately safeguard all PHI.
 - iii. Upon the request of either Party, the other Party promptly shall negotiate in good faith the terms of an amendment to the Contract embodying written assurances consistent with the standards and requirements of HIPAA, the HIPAA Rules, or other applicable rules.
 - iv. Covered Entity may terminate this Agreement upon 90 days' prior written notice in the event that:
 - A. Business Associate does not promptly enter into negotiations to amend the Contract and this Agreement when requested by Covered Entity pursuant to this Section; or

- B. Business Associate does not enter into an amendment to the Contract and this Agreement, which provides assurances regarding the safeguarding of PHI sufficient, in Covered Entity's sole discretion, to satisfy the standards and requirements of the HIPAA, the HIPAA Rules and applicable law.
- b. Amendment of Appendix. The Appendix to this Agreement may be modified or amended by the mutual written agreement of the Parties, without amendment of this Agreement. Any modified or amended Appendix agreed to in writing by the Parties shall supersede and replace any prior version of the Appendix.

11. ASSISTANCE IN LITIGATION OR ADMINISTRATIVE PROCEEDINGS

Covered Entity shall provide written notice to Business Associate if litigation or administrative proceeding is commenced against Covered Entity, its directors, officers, or employees, based on a claimed violation by Business Associate of HIPAA, the HIPAA Rules or other laws relating to security and privacy or PHI. Upon receipt of such notice and to the extent requested by Covered Entity, Business Associate shall, and shall cause its employees, Subcontractors, or agents assisting Business Associate in the performance of its obligations under the Contract to, assist Covered Entity in the defense of such litigation or proceedings. Business Associate shall, and shall cause its employees, Subcontractor's and agents to, provide assistance, to Covered Entity, which may include testifying as a witness at such proceedings. Business Associate or any of its employees, Subcontractors or agents shall not be required to provide such assistance if Business Associate is a named adverse party.

12. INTERPRETATION AND ORDER OF PRECEDENCE

Any ambiguity in this Agreement shall be resolved in favor of a meaning that complies and is consistent with the HIPAA Rules. In the event of an inconsistency between the Contract and this Agreement, this Agreement shall control. This Agreement supersedes and replaces any previous, separately executed HIPAA business associate agreement between the Parties.

13. SURVIVAL

Provisions of this Agreement requiring continued performance, compliance, or effect after termination shall survive termination of this contract or this agreement and shall be enforceable by Covered Entity.

APPENDIX TO HIPAA BUSINESS ASSOCIATE AGREEMENT

This Appendix (“Appendix”) to the HIPAA Business Associate Agreement (“Agreement”) is an appendix to the Contract and the Agreement. For the purposes of this Appendix, defined terms shall have the meanings ascribed to them in the Agreement and the Contract.

Unless the context clearly requires a distinction between the Contract, the Agreement, and this Appendix, all references to “Contract” or “Agreement” shall include this Appendix.

1. PURPOSE

This Appendix sets forth additional terms to the Agreement. Any sub-section of this Appendix marked as “Reserved” shall be construed as setting forth no additional terms.

2. ADDITIONAL TERMS

- a. Additional Permitted Uses. In addition to those purposes set forth in the Agreement, Business Associate may use PHI for the following additional purposes:
 - i. Reserved.
- b. Additional Permitted Disclosures. In addition to those purposes set forth in the Agreement, Business Associate may disclose PHI for the following additional purposes:
 - i. Reserved.
- c. Approved Subcontractors. Covered Entity agrees that the following Subcontractors or agents of Business Associate may receive PHI under the Agreement:
 - i. Reserved.
- d. Definition of Receipt of PHI. Business Associate’s receipt of PHI under this Contract shall be deemed to occur, and Business Associate’s obligations under the Agreement shall commence, as follows:
 - i. Reserved.
- e. Additional Restrictions on Business Associate. Business Associate agrees to comply with the following additional restrictions on Business Associate’s use and disclosure of PHI under the Contract:
 - i. Reserved.
- f. Additional Terms. Business Associate agrees to comply with the following additional terms under the Agreement:
 - i. Reserved.

EXHIBIT B, STATEMENT OF WORK

1. PHARMACY BENEFITS MANAGEMENT SYSTEM (PBMS) MODULE STATEMENT OF WORK

1.1. The Contractor shall be responsible for ensuring a successful implementation of the PBMS and operations that minimizes, to the greatest practical extent, any negative impact to Members, Providers and the Department.

1.2. PBMS Project Phases, Project Management and Contract Management Requirements

1.2.1. **PBMS Staffing:** Staffing related to the Contractor's contract activities and scope of work.

1.2.1.1. Contractor shall conduct normal business hours, Monday through Friday, from 8:00 a.m. to 5:00 p.m. Mountain Time (MT), each Business Day with the exception of days the Department is closed due to weather, Department-approved and pre-scheduled training sessions, and agreed holidays.

1.2.1.2. Contractor shall provide Department-approved virtual conferencing space to support coordination between all Stakeholders, including Department and external Stakeholders.

1.2.1.3. Contractor shall have access to the email, calendar, and communication tools used by Department staff, including, but not limited to Google Calendar, Google Chat, Google Meet, and Zoom.

1.2.1.4. For staff roles that are not designated to be on-site, they shall be located within the United States.

1.2.1.5. Contractor shall provide a Resource Management Plan for Department approval. The Resource Management Plan shall include, but is not limited to the following:

1.2.1.5.1. A description of the proposed organization for each of the following Project Phases:

1.2.1.5.1.1. Project Initiation.

1.2.1.5.1.2. Design and Definition.

1.2.1.5.1.3. Configuration.

1.2.1.5.1.4. Data Conversion.

1.2.1.5.1.5. Testing.

1.2.1.5.1.6. Transition and Operational Readiness Demonstration.

1.2.1.5.1.7. Implementation and Rollout.

1.2.1.5.1.8. Certification.

1.2.1.5.1.9. Operations and Maintenance.

1.2.1.5.1.10. Enhancements.

1.2.1.5.1.11. Turnover.

- 1.2.1.5.1.12. Ongoing Project and Contract Management.
- 1.2.1.5.2. An Organization Chart that identifies positions and describes the organizational structure and team location(s) (specify in-State or out-of-State) and how this structure will contribute to project success.
- 1.2.1.5.3. A description for maintaining appropriate staffing levels throughout the term of the Contract and adjusting its resources as necessary to maintain the required level of service.
- 1.2.1.5.4. The approach to acquiring and retaining project staff.
- 1.2.1.5.5. Staff training and retention plan.
- 1.2.1.5.6. Identification of Subcontractors (if any).
- 1.2.1.5.7. Solution for communication with the Department when bringing on new Contractor staff (Key Personnel and non-Key Personnel).
- 1.2.1.5.8. Solution for communication with the Department when Contractor staff are leaving (Key Personnel and non-Key Personnel).
- 1.2.1.5.9. Solution for conducting and involving the Department in performance evaluations of Key Personnel.
- 1.2.1.5.10. Point of contact information for Contractor Key Personnel and Department project staff.
- 1.2.1.6. The Resource Management Plan shall include the following information for each position:
 - 1.2.1.6.1. Labor Category title.
 - 1.2.1.6.2. Position description.
 - 1.2.1.6.3. Required education, training, licensure, and certification.
 - 1.2.1.6.4. Required experience.
 - 1.2.1.6.5. Specific skills or knowledge required.
 - 1.2.1.6.6. Percent allocation to the contract scope of work.
- 1.2.1.7. Contractor shall update the Resource Management Plan and submit to the Department for approval at least annually and upon Key Personnel changes. The Department's approval of any resource plan does not imply that staffing levels are sufficient; the Contractor shall increase staffing as needed to meet Contract requirements at no additional cost to the Department. The update shall include, at a minimum:
 - 1.2.1.7.1. Human resource management approach for managing staffing requirements.
 - 1.2.1.7.2. Resource planning and reporting, current staffing levels and staffing needs, day to day management of project staff.
 - 1.2.1.7.3. DELIVERABLE: Resource Management Plan
 - 1.2.1.7.4. DUE: As defined in the approved Project Work Breakdown Schedule

- 1.2.1.8. Contractor shall adhere to the approved Resource Management plan. Key staff shall not be removed or replaced by the Contractor for use on other projects, without Department approval.
- 1.2.1.9. Contractor shall provide the Department the ability to conduct an exit interview with PBMS Staff who resign, or the Department shall receive an exit questionnaire completed by the resigning employee.
- 1.2.1.10. Contractor shall provide resumes to the Department for approval of all Key Personnel roles and for any changes to Key Personnel during the contract term. The Department reserves the right to approve or deny Key Personnel assigned to the Contract.
 - 1.2.1.10.1. DELIVERABLE: Key Personnel Resumes
 - 1.2.1.10.2. DUE: No later than thirty (30) Business Days after Contract execution
- 1.2.1.11. Contractor shall initially utilize qualified interim personnel to fulfill all Key Personnel positions until permanent positions are filled.
- 1.2.1.12. Contractor shall gain approval from the Department before transitioning from interim Key Personnel to permanent Key Personnel including a plan for the transition.
- 1.2.1.13. Contractor shall fill at least 80% of permanent Key Personnel positions within ninety (90) calendar days after Contract execution.
- 1.2.1.14. Contractor shall notify the Department of a vacancy in any of the listed Key Personnel positions within forty-eight (48) hours of receiving notice.
- 1.2.1.15. Contractor shall fill all Key Personnel vacancies or provide a Key Personnel Transition Plan, accepted by the Department, within thirty (30) Business Days, unless a longer period is approved by the Department.
- 1.2.1.16. Contractor shall provide backup resources during all contract phases for support, including training, to the Department in the case that any Key Personnel positions are vacant.
- 1.2.1.17. Contractor shall provide documentation in response to a Department audit, within ten (10) Business Days, to confirm that all project positions are filled with staff adequate for their project role, based on the experience, skills, location, and other requirements established by the Department.
- 1.2.1.18. Contractor shall provide evidence of completed background security checks through submission of results of background checks for all Contractor staff prior to assignment, as required by the Department.
- 1.2.1.19. Contractor shall make all Personnel available during the Department's business hours of 8:00 a.m. to 5:00 p.m. MST with the exception of days the Department is closed due to weather, Department-approved and pre-scheduled training sessions, and agreed holidays. In addition, Contractor shall make Key Personnel available for key meetings and special events (e.g., operational cutover) that are outside of these core hours, at no additional cost to the Department.

- 1.2.1.20. Key Personnel are subject to both initial and ongoing approval of the Department. Any substitutions shall not be assigned to perform work under the contract without prior approval of the Department. Key Personnel include:
 - 1.2.1.20.1. Pharmacy Account Manager.
 - 1.2.1.20.2. Pharmacy Systems Manager.
 - 1.2.1.20.3. Call Center Lead Pharmacist.
 - 1.2.1.20.4. Design Development and Implementation (DDI) Manager.
 - 1.2.1.20.5. Pharmacy Call Center Manager.
 - 1.2.1.20.6. PDL Pharmacist.
 - 1.2.1.20.7. Systems Pharmacist.
 - 1.2.1.20.8. Business Analyst.
 - 1.2.1.20.9. Executive Sponsor.
- 1.2.1.21. Key Personnel named in this section shall meet minimum qualifications unless an exception is granted by the Department. The minimum qualifications are as follows:
 - 1.2.1.21.1. College degree in related field, preferably a bachelor's degree or higher.
 - 1.2.1.21.2. At least two (2) years of experience in the particular named service, such as account management, pharmacist, or systems management, preferably within in the health care industry.
 - 1.2.1.21.3. Demonstrated at least two (2) years of professional experience and knowledge of industry standards and best practices regarding large-scale and enterprise-level projects.
 - 1.2.1.21.4. Specific practical experience in their submitted area of expertise.
 - 1.2.1.21.5. At least two (2) years of experience in performing similar services on complex systems-based modern technology or operational systems.
- 1.2.1.22. Contractor shall provide a Pharmacy Account Manager full-time for all phases of the Contract, starting upon Contract effective date. The Pharmacy Account Manager shall have responsibility for:
 - 1.2.1.22.1. Serving as the Contractor's primary point of contact to maintain communication with the Department for activities related to contract administration, project management and scheduling.
 - 1.2.1.22.2. Correspondence between the Department and Contractor.
 - 1.2.1.22.3. Status reporting to the Department.
 - 1.2.1.22.4. Ensure completion of all work in accordance with the contract's requirements. This includes, but is not limited to, ensuring the accuracy, timeliness, and completeness of all work.
 - 1.2.1.22.5. Managing ongoing operations.

- 1.2.1.23. Contractor shall provide a Pharmacy Systems Manager full-time for all phases of the contract, starting upon Contract effective date. Pharmacy Systems Manager responsibilities include:
 - 1.2.1.23.1. Manage and coordinate the work of the developers, analysts, and testers responsible for system customization and configuration.
 - 1.2.1.23.2. Identify and track all errors and discrepancies found in the PBMS, notify the Department, and correct all errors and discrepancies.
 - 1.2.1.23.3. Research and identify impacts and root causes of PBMS problems and communicate to the Department a plan to resolve problems.
 - 1.2.1.23.4. Implement the plan to resolve problems and report the results to the Department.
 - 1.2.1.23.5. Ensure that data models integrate with other systems.
 - 1.2.1.23.6. Work closely with the Department's Enterprise Solution Integration Contractor, formally known as Medicaid Enterprise Solutions Integration data and Alignment (MIDA), regarding governance and integration services.
 - 1.2.1.23.6.1. Contractor shall comply with all requirements as described in Exhibit I, Enterprise Solution Integration Statement of Work Requirements.
 - 1.2.1.23.7. Be responsible for oversight and implementation of standards and practices for interface exchange.
 - 1.2.1.23.8. Work closely with and coordinate with other State Contractors to ensure the upkeep and maintenance of the Medicaid data model.
 - 1.2.1.23.9. Be the dedicated certification lead and manage a certification process and plan that can be used as new modules are onboarded to the Medicaid Enterprise Solutions (MES), as approved by the EPMO.
- 1.2.1.24. Contractor shall designate a Call Center Lead Pharmacist full-time for all phases of the contract, starting upon Contract effective date. The Call Center Lead Pharmacist responsibilities include:
 - 1.2.1.24.1. Manage development of clinical utilization management strategies, products, and services.
 - 1.2.1.24.2. Manage all clinical operations activities.
 - 1.2.1.24.3. Oversee operational and clinical staff at the Call Center.
 - 1.2.1.24.4. Develop operational and clinical policies and procedures.
 - 1.2.1.24.5. Be available for escalation issues from the Call Center.
 - 1.2.1.24.6. On an as needed basis, oversee and perform clinical reviews for PA requests outside of clinical guidelines or FDA-approved indications or other requested analysis.

- 1.2.1.24.7. All pharmacist Key Personnel must maintain an unrestricted license in good standing to practice pharmacy in Colorado through the life of the Operations and Maintenance phase of the contract.
- 1.2.1.25. Contractor shall designate a DDI Manager full-time for the DDI phases of the contract, starting upon Contract effective date. The DDI Manager responsibilities include:
 - 1.2.1.25.1. Manage activities related to Contractor resources and Deliverable reviews during the Design and Definition, and Configuration phases.
 - 1.2.1.25.2. Manage PBMS development and testing activities.
 - 1.2.1.25.3. Plan, schedule, organize, assign, direct and control all activities, either directly or through assigned Personnel, to successfully develop and implement the PBMS and associated pharmacy components.
- 1.2.1.26. In addition to the qualifications included in requirements 1.2.1.22.1. through 1.2.1.22.3., the DDI Manager shall meet the following experience and qualifications:
 - 1.2.1.26.1. At least two (2) years of experience leading an operational or system transition and implementation team.
 - 1.2.1.26.2. Demonstrated experience leading large teams and meeting schedule milestones for a large system implementation or transition.
- 1.2.1.27. Contractor shall designate a Pharmacy Call Center Manager full-time for all phases of the contract, starting upon Contract effective date. The Pharmacy Call Center Manager responsibilities include:
 - 1.2.1.27.1. Manage the day-to-day operations of the Call Center.
 - 1.2.1.27.2. Oversee the Call Center staff.
 - 1.2.1.27.3. Escalate issues to the Account Manager as needed.
 - 1.2.1.27.4. Develop and adhere to operational policies and procedures.
- 1.2.1.28. In addition to the qualifications included in requirement 1.2.1.18, the Pharmacy Call Center Manager shall meet the following experience and qualifications:
 - 1.2.1.28.1. Demonstrated understanding of technical and resource management needs for a Call Center operation.
 - 1.2.1.28.2. Demonstrated experience in a leadership role in a high-volume Call Center environment.
 - 1.2.1.28.3. Familiarity with Call Center concepts and measures.
 - 1.2.1.28.4. Experience in Continuous Quality Improvement (CQI).
- 1.2.1.29. Contractor shall designate a PDL Pharmacist full-time for all phases of the contract, starting upon Contract effective date. The PDL Pharmacist responsibilities include:
 - 1.2.1.29.1. Review key pipeline drugs for possible addition to the PDL program.

- 1.2.1.29.2. Serve as oversight for the Pharmacy and Therapeutic (P&T) Committee including support for the P&T Committee meetings.
- 1.2.1.29.3. Escalate issues from the Call Center as needed.
- 1.2.1.29.4. Oversee and maintain the PDL, including PDL compliance.
- 1.2.1.29.5. Collaborate with the Systems Pharmacist to update the PBMS to align with policy recommendations of the PDL Purchasing Pool.
- 1.2.1.29.6. Support the execution of supplemental rebate contracts.
- 1.2.1.29.7. All pharmacist Key Personnel must maintain an unrestricted license in good standing to practice pharmacy in Colorado through the life of the contract.
- 1.2.1.30. Contractor shall designate a Systems Pharmacist full-time for all phases of the contract, starting upon Contract effective date. The Systems Pharmacist responsibilities include:
 - 1.2.1.30.1. Serve as the lead pharmacist for point of sale (POS) transactions.
 - 1.2.1.30.2. Develop operational and clinical policies and procedures.
 - 1.2.1.30.3. Perform claims research and reporting related to edits and denials.
 - 1.2.1.30.4. Escalate issues from the Call Center as needed.
 - 1.2.1.30.5. Utilize PDL cost sheets to document potential system updates to the RTBT Module for identification of drug alternatives to display in EHR systems.
 - 1.2.1.30.6. All pharmacist Key Personnel must maintain an unrestricted license in good standing to practice pharmacy in Colorado through the life of the contract.
- 1.2.1.31. Contractor shall designate a Business Analyst full-time for all phases of the contract, starting upon Contract effective date. The Business Analyst responsibilities include:
 - 1.2.1.31.1. Serve as the liaison between the Department's team business owners, end users, IT, and claims and clinical staff.
 - 1.2.1.31.2. Develop and document workflow, systems requirements, system impact analysis, systems design, process analysis and testing, including reasonableness checks, using an approved Systems Development Life Cycle (SDLC) methodology.
 - 1.2.1.31.3. Manage reporting and requests for ad hoc reports to support implementation of system changes.
 - 1.2.1.31.4. Develop and maintain project plans.
 - 1.2.1.31.5. Query the enterprise data warehouse and PBMS databases and prepare user friendly reports according to each requestor's requirements.
 - 1.2.1.31.6. The Business Analyst shall not bill hours against the pool of enhancement hours dedicated to enhancements and future MES integration.
- 1.2.1.32. Contractor shall designate an Executive Sponsor for all phases of the contract, starting upon Contract effective date. Executive Sponsor responsibilities include:

- 1.2.1.32.1. Resolving disputes between the Department and Contractor that cannot be resolved by the Account Manager.
- 1.2.1.32.2. Addressing requests and concerns of the Department's Executive Director and other senior management as determined by the Department.
- 1.2.1.33. Contractor shall provide support to the Department as part of Transition and Operational Readiness, including providing a minimum of one Transition and Operational Readiness lead and a minimum of two staff members who will be available as required to address questions and concerns.
- 1.2.1.34. The Contractor shall provide sufficient, qualified, resources to satisfy all requirements in the Contract and ensure technical and business operations are successful within the agreed upon timelines.
- 1.2.1.35. Contractor shall support the Department in all testing activities by providing support staff, technical expertise and the tools required to track activities, outcomes, and test results, including End-to-End testing of data exchanges.
- 1.2.1.36. Contractor shall maintain the appropriate level of knowledgeable staff that are capable of testing, validating, and documenting operational impacts of changes to the Colorado PBMS.
- 1.2.1.37. Contractor shall provide at least one (1) full-time equivalent (FTE) to provide two thousand and eighty hours (2,080) of Customization work under this Contract on an annual basis during the Ongoing Operations and Enhancements Contract Stage. In addition, Contractor shall provide at least two (2) FTE to provide four thousand, one hundred and sixty hours (4,160) of Configuration work under the Contract on an annual basis during the Ongoing Operations and Enhancements Contract Stage. Contractor shall provide at least one and one-half (1.5) FTE to support the Configuration and Customization work under this Contract on an annual basis during the Ongoing Operations and Enhancement Contract Stage. This support shall include Testing and Validation, Business Analysis, Technical Writing, System Documentation and Project Management required to support the Configuration and Customization hours described herein. The hours of work associated with the FTEs that the Contractor shall provide are shown in the following table, but the Contractor may adjust the hours between types of FTE as necessary including support for Configuration and Customization work with the ESI Contractor.

Enhancement Position	Included Hours each Year
Customization Staff	2,080
Configuration Staff	4,160
Testing and Validation Staff	1,000
Business Analyst Staff	1,000
Technical Writing and System Documentation Staff	560
Project Management Staff	560
Total Annual Hours	9,360

- 1.2.1.38. Contractor shall provide at least one (1) FTE to provide two thousand and eighty hours (2,080) for Configuration and Customization work including the necessary support for the work with the ESI Contractor under this Contract on an annual basis during the Ongoing Operations and Enhancements Contract Stage.
- 1.2.1.39. The Department may add additional FTE or hours, at the rates shown in §5.1.5 Enhancement Project Rates Table, through the use of an Option Letter.
- 1.2.1.40. Contractor shall report monthly upon the status of hours expended on a per project basis and those hours left for that year of the PBMS Ongoing Operations and Enhancements Contract Stage as described in the Contract Management Report.
- 1.2.1.41. Contractor shall, with Department approval, roll over up to a maximum of one thousand (1,000) hours to the next year of the PBMS Ongoing Operations and Enhancements Contract Stage.
- 1.2.1.42. If the final Contract year is less than twelve (12) months, the Enhancement Hours shall be prorated on a monthly basis without affecting the Monthly Payments as described in Exhibit E.
- 1.2.1.43. The use of Subcontractors shall be clearly explained in the Resource Management Plan, and any Subcontractor shall be identified by the organization's name. At a minimum, the Subcontractor information shall include the following for each Subcontractor:
 - 1.2.1.43.1. Name.
 - 1.2.1.43.2. Address.
 - 1.2.1.43.3. The general scope of work to be performed by each Subcontractor.
 - 1.2.1.43.4. Subcontractor's willingness to perform such work.
 - 1.2.1.43.5. Certification that the Subcontractor does not discriminate in its employment practices.
 - 1.2.1.43.6. The Contractor shall report to the Department annually any information on its use of Subcontractors, certifying that the Subcontractor meets the employment practices mandated by federal and State of Colorado statutes and regulations. Subcontractors are subject to the same location requirements as the Contractor.
 - 1.2.1.43.7. In the event that the Contractor hires a new Subcontractor within the annual time frame, the Contractor shall notify the Department within three (3) Business Days.
- 1.2.1.44. Contractor shall manage and be accountable for the actions, inactions, and performance of all Subcontractors. The Contractor is solely responsible for the work performed under this Contract including the work of Subcontractors.
- 1.2.1.45. Contractor shall act as the single point of contact for the Department with the Contractor's Subcontractors for the services under the Contract.
- 1.2.1.46. Contractor shall make Subcontractor contracts available for Department review upon request.

- 1.2.1.47. Contractor shall obtain Department approval for all Subcontractors engaged after award of the Contract using an agreed-upon approval process.
- 1.2.2. **PBMS Deliverables:** Standards and process for Deliverables, including submission, review, and approval.
 - 1.2.2.1. Contractor shall adhere to the Deliverable submission, review, and approval process for all Deliverables, as described and approved by the Department within the Communication Management and Stakeholder Management Plan, including processes for reporting, in alignment with Appendix B – Draft Service Contract’s Exhibit E Contractor’s Administrative Requirements.
 - 1.2.2.2. Contractor shall provide a Deliverable Expectations Document (DED) for Department review and approval for all Deliverables described in the Contract before submitting a Deliverable for Department review and approval. The DED will capture Department-approved standards, format, and outline format to represent the content that will be delivered. As applicable, the DED shall specify the number of copies and type of media for each deliverable.
 - 1.2.2.2.1. DELIVERABLE: DED
 - 1.2.2.2.2. DUE: As defined in the approved Project Work Breakdown Schedule
 - 1.2.2.3. Contractor shall implement, maintain and monitor an internal quality control process, in alignment with Exhibit E in the Contract, to ensure that all Deliverables, documents, and calculations are complete, accurate, easy to understand, and of high quality. This shall include a process to record and address corrective and preventive actions.
 - 1.2.2.4. Contractor shall develop and provide standards and templates for all documentation and communication, in alignment with the DED process, for review and approval by the Department as defined in the Communication Management Plan. Documentation and communication include (but is not limited to):
 - 1.2.2.4.1. Weekly Status Reports
 - 1.2.2.4.2. Monthly Status Reports
 - 1.2.2.4.3. PBMS Generated Reports
 - 1.2.2.4.4. Meeting Agendas
 - 1.2.2.4.5. Meeting Minutes
 - 1.2.2.4.5.1. DELIVERABLE: Reporting and Meeting Templates
 - 1.2.2.4.5.2. DUE: As defined in the approved Project Work Breakdown Schedule
 - 1.2.2.5. Contractor shall comply with Deliverable standards, in alignment with Exhibit E in the Contract, such that all Contractor Deliverables meet the Department-approved standards, format, and content requirements. The Department will specify the number of copies and types of media for each Deliverable.
- 1.2.3. **PBMS Project Initiation Phase:** Initial project planning and set-up activities.

- 1.2.3.1. Contractor shall establish the project schedule following key project management practices:
 - 1.2.3.1.1. Manage the integration of services.
 - 1.2.3.1.2. Manage project risks and issues. All critical and high-rating risks require a mitigation strategy and are monitored weekly.
 - 1.2.3.1.3. Use a decision log to record all pertinent decisions that have a major impact on the project and are monitored weekly.
 - 1.2.3.1.4. Manage changes to the project scope.
 - 1.2.3.1.5. Manage quality.
- 1.2.3.2. The Contractor shall build and maintain the Project Work Breakdown Schedule that includes both Contractor and Department tasks throughout the duration of the project. All tasks shall be identified at a detailed level. The schedule shall include project-level schedules for all modules integrated into the PBMS and shall be maintained on a weekly basis to provide weekly project status reports. The Contractor will comply in industry schedule quality standards and coordinate with ESI reporting needs and standards.
 - 1.2.3.2.1. DELIVERABLE: Project Work Breakdown Schedule
 - 1.2.3.2.2. DUE: No later than thirty (30) Calendar Days after Contract execution
- 1.2.3.3. Contractor shall develop and submit for Department approval a Project Management Plan (PMP) that uses a standard methodology based on best practices, including PMBOK and Scaled Agile Framework (SAFe) if applicable. The plan shall include at a minimum:
 - 1.2.3.3.1. Project Work Breakdown Structure for all planned Contract tasks or activities.
 - 1.2.3.3.2. Requirements Definition and Validation Plan.
 - 1.2.3.3.3. Requirements Traceability Matrix (RTM).
 - 1.2.3.3.4. Deliverable Management Tracking.
 - 1.2.3.3.5. PBMS Integrated Project Schedule and Maintenance Procedures.
 - 1.2.3.3.6. Communication Management and Stakeholder Engagement.
 - 1.2.3.3.7. Decision Management Plan (Tracking Decisions and Decision Latency impacts).
 - 1.2.3.3.8. Status Reporting.
 - 1.2.3.3.9. Documentation Management Plan.
 - 1.2.3.3.10. Resource Management Plan.
 - 1.2.3.3.11. Risk and Issue Management Plan.
 - 1.2.3.3.12. Scope Management.
 - 1.2.3.3.13. Organizational Change Management (OCM).

- 1.2.3.3.14. Training Plan.
- 1.2.3.3.15. Quality Assurance Control and Quality Management Plan Master Testing Strategy and Management Plan (including Defect Management).
- 1.2.3.3.16. Transition and Implementation Plan.
- 1.2.3.3.17. System Operations and Maintenance Plan.
- 1.2.3.3.18. Post-implementation Operational Monitoring Plan.
- 1.2.3.3.19. System Turnover Plan.
- 1.2.3.3.19.1. DELIVERABLE: PMP
- 1.2.3.3.19.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.3.4. PMP Deliverable shall be reviewed, updated, and submitted for Department approval upon any change.
- 1.2.3.5. Contractor shall review, update, and submit the PMP Deliverable for Department approval at least annually. If no changes have occurred, Contractor shall provide a summary report that indicates no changes have occurred.
- 1.2.3.6. Contractor shall develop a Configuration Management Plan and submit for Department approval. This includes the design, development, testing, and implementation of changes and enhancements involving the PBMS, ESI, and other MES systems through the life of the Contract.
- 1.2.3.6.1. DELIVERABLE: Configuration Management Plan
- 1.2.3.6.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.3.7. Contractor shall develop and submit for Department approval, in collaboration with the Enterprise Project Management Office (EPMO), a Change Management Plan that addresses and defines processes for managing changes to the project. These processes shall include, but are not limited to, the following:
 - 1.2.3.7.1. Manage Change Requests, including but not limited to system changes, system tools, configuration and customization, and COTS product implementations.
 - 1.2.3.7.2. Identify business needs from the Department and its designees, as directed by the Department.
 - 1.2.3.7.3. Identify and document changes in the scope of work.
 - 1.2.3.7.4. Develop formal amendment or Option Letter to this Contract for any change in the scope of work that requires additional funding beyond that shown in this Contract or explicitly modifies a requirement contained in this Contract.
 - 1.2.3.7.5. Identify and document changes in business process definition.
 - 1.2.3.7.6. Identify and document changes in federal or State regulatory change support.
 - 1.2.3.7.7. Identify and document changes to the budget and procurement activities.

- 1.2.3.7.8. Manage changes in Configuration and Customization, including Configuration Management as defined in industry terms. This requirement shall be fulfilled in the Configuration Management Plan.
- 1.2.3.7.9. Schedule routine PBMS maintenance and upgrade PBMS and associated software.
- 1.2.3.7.10. Manage changes in training needs.
- 1.2.3.7.11. Implement any changes only upon receiving Department approval of those changes.
- 1.2.3.7.12. Obtain Department review and approval of all updates to the Change Management Plan and materials prior to use.
- 1.2.3.7.13. Track all changes, even if they do not require a formal change request.
- 1.2.3.7.14. Responsibility of the Change Control Board.
- 1.2.3.7.15. Change Control Board process to include meeting frequency, attendees, scribe, agenda, and minutes.
- 1.2.3.7.16. The Change Management Plan shall be implemented once approved and the Contractor shall adhere to the processes included in the plan.
 - 1.2.3.7.16.1. DELIVERABLE: Change Management Plan
 - 1.2.3.7.16.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.3.8. As defined in the Change Management Plan, develop, maintain, and submit for Department approval all SDLC documentation, including all requirements, test planning, technical specifications, User Acceptance Testing (UAT), End-to-End testing, test results, post-implementation verifications, data conversion, strategy, and System Administrative documentation.
- 1.2.3.9. Contractor shall develop and submit for Department approval, a Quality Assurance Control and Quality Management Plan that is updated and delivered twice per year, by business activity, to address the needs and specific opportunities for quality improvement throughout the Contract period. The Quality Assurance Control and Quality Management Plan should reflect the Contractor's experience and resolve toward:
 - 1.2.3.9.1. Methodology for maintaining quality of the code, workmanship, project schedules, Deliverables, and Subcontractor(s) activities.
 - 1.2.3.9.2. Quality in systems configuration, enhancement, testing, implementation, and post implementation verification.
 - 1.2.3.9.3. Quality in rebate administration.
 - 1.2.3.9.4. Process design and staff training.
 - 1.2.3.9.5. Performance standards development and measurement.
 - 1.2.3.9.6. Customer satisfaction measurement and analysis.

- 1.2.3.9.6.1. DELIVERABLE: Quality Assurance Control and Quality Management Plan
- 1.2.3.9.6.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.3.10. Contractor shall develop standard operating procedures and communication protocols with the Department, incumbent contractors, and module contractors. The Contractor shall develop and submit for Department approval a Communication Management and Stakeholder Engagement Plan for the services outlined in the Contract. The Communication Management and Stakeholder Engagement Plan shall describe, at a minimum:
 - 1.2.3.10.1. The Contractor's communication model with the Department and other entities.
 - 1.2.3.10.2. The Contractor's approach to meeting the communication requirements throughout the course of the Contract performance period.
 - 1.2.3.10.3. Approach to maintaining telephone and email contact with the Department's designated staff on at least a weekly basis throughout the Contract period.
 - 1.2.3.10.4. During critical transition and operational readiness phases, approach to maintaining daily contact with the Department's project managers, as appropriate.
 - 1.2.3.10.5. The Project Stakeholders.
 - 1.2.3.10.6. The frequency and breadth of communication.
 - 1.2.3.10.7. Communication methods.
 - 1.2.3.10.8. The individuals responsible for communication including valid and after-hour contact information.
 - 1.2.3.10.9. The review and approval process, including a process for facilitating a Department review of each Deliverable outline and draft documents to ensure common understanding of the purpose and content of documentation prior to final delivery.
 - 1.2.3.10.10. The quarterly milestone reporting schedule.
 - 1.2.3.10.11. The trigger mechanism for initiating the Dispute Process (e.g., formal letter, email, phone contact).
 - 1.2.3.10.11.1. DELIVERABLE: Communication Management and Stakeholder Engagement Plan
 - 1.2.3.10.11.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.3.11. Contractor shall develop and submit for Department approval a Business Continuity and Disaster Recovery Plan that meets the requirements in Appendix B - Draft Service Contract's Exhibit E Contractor's Administrative Requirements, including:
 - 1.2.3.11.1. Timely failover and redundancy.
 - 1.2.3.11.2. Data recovery.

- 1.2.3.11.3. Claims and encounters processing.
- 1.2.3.11.4. Short and long-term continuity operations.
- 1.2.3.11.5. Remote access.
- 1.2.3.11.6. An alternate business site if the primary business site becomes unsafe or inoperable.
- 1.2.3.11.7. Root cause analysis reporting to the Department for unscheduled downtime.
- 1.2.3.11.8. Provide data backup.
- 1.2.3.11.9. Schedule and process for testing of the Business Continuity and Disaster Recovery Plan.
- 1.2.3.11.10. Reference the Colorado System Security Plan Template for additional information.
- 1.2.3.11.10.1. DELIVERABLE: Business Continuity and Disaster Recovery Plan
- 1.2.3.11.10.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.3.12. Contractor shall develop and submit for Department approval, a Training Plan that is updated and delivered annually, which includes:
 - 1.2.3.12.1. Training approach.
 - 1.2.3.12.2. Training methodologies (face-to-face, online, webinar, other).
 - 1.2.3.12.3. Process for identifying training needs.
 - 1.2.3.12.4. Process for communicating and scheduling training.
 - 1.2.3.12.5. Training deployment during transition and operational readiness and operations phases.
 - 1.2.3.12.6. How Contractor will meet the learning needs of authorized PBMS users.
 - 1.2.3.12.6.1. DELIVERABLE: Training Plan
 - 1.2.3.12.6.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.3.13. Contractor shall provide a Documentation Management Plan for Department review and approval for all documents to be submitted to the Department. The Document Management Plan shall describe, at a minimum:
 - 1.2.3.13.1. Approach to ensure project continuity.
 - 1.2.3.13.2. Retention period for document reference and retrieval.
 - 1.2.3.13.3. Process for the Department to retrieve documents.
 - 1.2.3.13.4. Knowledge repository for project-related documents.
 - 1.2.3.13.5. Document management standards, procedures, processes, tools, and templates.
 - 1.2.3.13.6. Adherence to the CMS Documentation Standard and Condition guidelines, including all SDLC, technical architecture, and user documentation.
 - 1.2.3.13.7. Maintenance of a Documentation Library throughout the life of the Contract.

- 1.2.3.13.7.1. DELIVERABLE: Document Management Plan
- 1.2.3.13.7.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.3.14. The Contractor shall provide a Scope Management Plan for Department review and approval. The document shall describe, at a minimum:
 - 1.2.3.14.1. Approach to confirm project requirements are clearly defined and managed.
 - 1.2.3.14.2. Approach to change management process.
 - 1.2.3.14.3. Scope control process.
 - 1.2.3.14.4. Process to monitor and measure scope performance against the scope baseline and project schedule.
 - 1.2.3.14.5. Reporting and communicating Scope with ESI, MES Contractors, and the Department.
 - 1.2.3.14.5.1. DELIVERABLE: Scope Management Plan
 - 1.2.3.14.5.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.3.15. As approved by the Department, the Contractor shall develop and submit for Department approval a Risk and Issue Management Plan that describes how risks are identified, analyzed, mitigated, communicated, and solutions to identified risks are effectively executed throughout the life of the contract.
 - 1.2.3.15.1. DELIVERABLE: Risk and Issue Management Plan
 - 1.2.3.15.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.4. **PBMS Requirements and Design Phase:** Design and definition of requirements in Contractor solution.
 - 1.2.4.1. Contractor shall develop and submit to the Department for approval, a Requirements Definition and Validation Plan, which shall include, at a minimum, all of the following:
 - 1.2.4.1.1. A description of the Contractor's approach to capturing the results, including changes, notes, and problems of Requirements Review and Validation Sessions.
 - 1.2.4.1.2. A list and description of the tools that will be used to record and manage requirements and problems.
 - 1.2.4.1.3. Approach to capturing and tracking potential training considerations identified during design sessions.
 - 1.2.4.1.4. Contractor shall develop and submit a Requirements Review and Validation Session schedule for review and approval by the Department.
 - 1.2.4.1.5. Approach to distribution of Requirements Review and Validation Session agendas prior to each session.
 - 1.2.4.1.6. A description of the facilitation strategies and techniques of Requirements Review and Validation Sessions to validate Contract requirements with the Department.

- 1.2.4.1.7. Approach to conducting interviews with Department staff to validate, clarify, update, and finalize requirements.
- 1.2.4.1.7.1. DELIVERABLE: Requirements Definition and Validation Plan
- 1.2.4.1.7.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.4.2. Contractor shall develop and submit to the Department a draft Requirements Specifications Document (RSD) for Contractor-proposed PBMS Module components, modules, and functional areas. At minimum, the RSD shall include:
 - 1.2.4.2.1. An overview of PBMS Module architecture and how components are integrated.
 - 1.2.4.2.2. Identification of changes to existing requirements.
 - 1.2.4.2.3. Clarifying information associated with requirements, as needed.
 - 1.2.4.2.4. Identification of new requirements.
 - 1.2.4.2.5. Explanation of how requirements will be met.
 - 1.2.4.2.6. Identification of the entity responsible for meeting the requirement.
 - 1.2.4.2.7. Description of the hardware and software configuration that will be used to meet the requirement.
 - 1.2.4.2.8. A logical data model that identifies all entities, relationships, attributes, and access paths.
 - 1.2.4.2.9. Provide and maintain a Conceptual Data Model to illustrate the Colorado ecosystem and integration points between the PBMS, MES modules, and the ESI integration platform.
 - 1.2.4.2.9.1. DELIVERABLE: Draft RSD
 - 1.2.4.2.9.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.4.3. Contractor shall compile the final RSD that incorporates the Department's review findings to reflect all requirements as defined in the facilitated Requirement Review and Validation Sessions. Detailed requirement specifications may be delivered incrementally, as they are developed for each functional component or module.
- 1.2.4.4. The Contractor shall provide and maintain a separate RSD for each module integrated into the PBMS and submit for Department review and approval.
 - 1.2.4.4.1. DELIVERABLE: Final RSD
 - 1.2.4.4.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.4.5. Contractor shall develop and maintain a Business Rules Traceability Matrix to ensure that the business rules will allow the PBMS to comply with the requirements.
 - 1.2.4.5.1. DELIVERABLE: Business Rules Traceability Matrix
 - 1.2.4.5.2. DUE: As defined in the approved Project Work Breakdown Schedule

- 1.2.4.6. Contractor shall develop and maintain an RTM to ensure that detailed requirements comply with Contract requirements and that all functional requirements have bi-directional traceability.
- 1.2.4.6.1. DELIVERABLE: RTM
- 1.2.4.6.2. DUE: No later than thirty (30) Calendar Days after Contract execution
- 1.2.4.7. Contractor shall develop and submit to the Department a Detailed System Design Plan, which includes:
 - 1.2.4.7.1. A description of the Contractor's approach to capturing the results, including changes, notes, and problems from Detailed PBMS Design Sessions.
 - 1.2.4.7.2. A list and description of the tools to be used to manage design session results and problems.
 - 1.2.4.7.3. Approach to capturing and tracking potential training considerations identified during design sessions.
 - 1.2.4.7.4. Contractor shall develop and submit a Detailed System Design Session schedule for review and approval by the Department.
 - 1.2.4.7.5. Approach to distribution of Design Session agendas prior to each session.
 - 1.2.4.7.6. A description of the facilitation strategies and techniques of Design Sessions to validate Contract business needs with the Department.
 - 1.2.4.7.7. The format of the proposed Design Specification Document (DSD) Deliverable.
 - 1.2.4.7.7.1. DELIVERABLE: Detailed System Design Plan
 - 1.2.4.7.7.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.4.8. Contractor shall perform prototyping when requested by the Department to enable Department staff to review and accept windows, screens, reports or other layouts designs.
- 1.2.4.9. Contractor shall develop and provide to the Department for approval an Environment Architecture and Implementation Plan in alignment with the DED process.
 - 1.2.4.9.1. DELIVERABLE: Environmental Architecture and Implementation Plan
 - 1.2.4.9.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.4.10. Contractor shall develop and provide to the Department for approval a Physical and System Security Plan.
 - 1.2.4.10.1. DELIVERABLE: Physical and System Security Plan
 - 1.2.4.10.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.4.11. Contractor shall prepare and submit the Detailed System Design Session meeting notes and include the decisions, justification for changes (including new, modified, or deleted requirements), outstanding problems requiring follow-up, action items, assumptions and constraints identified and impacts to future detailed design sessions.

- 1.2.4.11.1. DELIVERABLE: Detailed System Design Session meeting notes
- 1.2.4.11.2. DUE: No later than 48 hours after a DSD session.
- 1.2.4.12. Contractor shall develop and submit to the Department a draft DSD that incorporates updates for all comments submitted by the Department.
- 1.2.4.12.1. DELIVERABLE: Draft DSD
- 1.2.4.12.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.5. **PBMS Configuration Phase:** Configuration and development in Contractor solution.
- 1.2.5.1. Contractor shall develop and configure the PBMS and associated components in alignment with ESI governance and integration guidelines and standards.
- 1.2.5.2. Contractor shall develop and submit to the Department a final DSD based on the facilitated design sessions. Detailed design specifications may be delivered incrementally, as they are developed for each functional component or module, with final approval when all are approved. The DSD shall also include a System Administrative Documentation Template. Examples of information to be included in the System Administrative Documentation are hardware and software, descriptions of the services and infrastructural components, and other necessary PBMS information.
- 1.2.5.3. The Contractor shall provide and maintain a separate DSD for each module integrated into the PBMS and submit for Department review and approval.
- 1.2.5.3.1. DELIVERABLE: Final DSD
- 1.2.5.3.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.5.4. Contractor shall update and maintain the RTM with results from Detailed System Design Sessions.
- 1.2.5.4.1. DELIVERABLE: Updated RTM with DSD Session Notes
- 1.2.5.4.2. DUE: No later than forty-eight (48) hours after a Detailed System Design Session
- 1.2.5.5. Contractor shall develop and submit to the Department a Unit Test Checklist Template and Unit Test Plan that describes the Contractor's approach, methodology and schedule for unit testing of the PBMS.
- 1.2.5.5.1. DELIVERABLE: Unit Test Checklist Template and Unit Test Plan
- 1.2.5.5.2. DUE: As defined in the approved Work Breakdown Schedule
- 1.2.5.6. Contractor shall conduct unit testing and submit results via Unit Test Checklists attesting that each component and module has been thoroughly unit-tested, meets the checklist criteria, and is therefore ready for the System test.
- 1.2.5.6.1. DELIVERABLE: Completed Unit Test Checklist
- 1.2.5.6.2. DUE: As defined in the approved Project Work Breakdown Schedule

- 1.2.5.7. Contractor shall provide weekly updates and performance metrics on unit testing and development progress to the Department as part of the weekly status reports.
- 1.2.5.8. Contractor shall conduct development walkthroughs as appropriate to demonstrate to the Department that all PBMS functions have been completely and accurately developed and unit-tested, and record problems using the project control and problem reporting system prescribed by the Department, consistent with the SDLC process.
- 1.2.6. **PBMS Data Conversion Phase:** Convert and load data as necessary.
 - 1.2.6.1. Contractor shall convert, store, and archive all necessary PBMS data from incumbent Contractor in compliance with the approved Data Conversion Plan.
 - 1.2.6.2. The Contractor shall provide mapping documents for all conversions identifying all transformation steps from source to target.
 - 1.2.6.3. Contractor shall develop and submit to the Department for approval a Data Conversion Plan, which includes at a minimum:
 - 1.2.6.3.1. Discovery and legacy system and source data evaluation process.
 - 1.2.6.3.2. Recommended scope of data conversion based on discovery and evaluation results.
 - 1.2.6.3.3. Relevant data sources including the legacy system.
 - 1.2.6.3.4. Department, MES Contractors, and ESI Contractor participation needs in the data conversion process development and execution.
 - 1.2.6.3.5. Reporting migration requirements, including functionality validation of third-party tools, the legacy system, and source data.
 - 1.2.6.3.6. Documentation of success and failure metrics.
 - 1.2.6.3.7. Post data migration cleanup process.
 - 1.2.6.3.8. Final validation and acceptance procedure.
 - 1.2.6.3.9. Emergency rollback contingency procedures, if applicable.
 - 1.2.6.3.9.1. DELIVERABLE: Data Conversion Plan
 - 1.2.6.3.9.2. DUE: As defined in the approved Project Work Breakdown Schedule
 - 1.2.6.4. Contractor shall provide the hardware and software necessary for all data conversion activities and tasks.
 - 1.2.6.5. Contractor shall implement a fully functioning data migration environment to be used by both the Contractor and Department for current and ongoing migration needs to include:
 - 1.2.6.5.1. Relevant tools, utilities, and software.
 - 1.2.6.5.2. Associated licenses with ownership transferred to the Department.
 - 1.2.6.5.3. Appropriate access rights for management, operation, and maintenance.

- 1.2.6.6. Contractor shall provide and revise comprehensive end user documentation based on authorized user roles.
- 1.2.6.7. Contractor shall provide and revise System Administrative documentation, including a plan for maintaining security on a database, network, and individual authorized PBMS user level including maintenance of authorized PBMS user accounts.
 - 1.2.6.7.1. DELIVERABLE: System Administrative Documentation
 - 1.2.6.7.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.6.8. Contractor shall conduct system testing to compare all transferred programs, files, utilities, etc., to determine that the migration was successful.
 - 1.2.6.8.1. DELIVERABLE: System Testing
 - 1.2.6.8.2. DUE: As defined in the Project Work Breakdown Schedule
- 1.2.7. **PBMS Testing Phase Activities:** All testing, including: Unit testing, System testing (SYS), System Integration testing (SIT), Parallel testing, User Acceptance Testing (UAT), End-to-End testing and Operational Readiness testing.
 - 1.2.7.1. Contractor shall develop and submit for approval to the Department a Master Testing Strategy and Management Plan that describes Contractor's approach and commitment to all testing required for a system of this magnitude, including, but not limited to:
 - 1.2.7.1.1. SYS.
 - 1.2.7.1.2. SIT.
 - 1.2.7.1.3. Data Conversion testing process.
 - 1.2.7.1.4. Supporting Department during UAT.
 - 1.2.7.1.5. Performance and stress testing.
 - 1.2.7.1.6. Penetration testing.
 - 1.2.7.1.7. End-to-End testing.
 - 1.2.7.1.8. Roles and responsibilities throughout the Testing Phase.
 - 1.2.7.1.9. Process for submitting, monitoring, and resolving Defects found during testing and assignment of severities or priorities.
 - 1.2.7.1.10. Process for applying fixes to the PBMS and conducting regression testing of any fixes.
 - 1.2.7.1.11. Assurance of parity between all technical environments and MES connections.
 - 1.2.7.1.12. Description of the proposed system or tool for identifying, prioritizing, tracking, fixing, and re-testing Defects.
 - 1.2.7.1.13. Structured promotion of functionality to subsequent testing levels.
 - 1.2.7.1.14. Summary of testing tools used throughout the Testing Phase, including the approach to defining test cases that are representative of actual cases.

- 1.2.7.1.15. Testing of recovery processes and, or component outages or failures.
- 1.2.7.1.16. Approach to Accessibility Compliance including Annual Testing using an industry standard accessibility testing tool and adhering to CMS and State required testing levels.
 - 1.2.7.1.16.1. DELIVERABLE: Master Testing Strategy and Management Plan
 - 1.2.7.1.16.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.7.2. Contractor shall complete all testing, modifications, and documentation referred to in the Master Testing Strategy and Management Plan before Go Live.
- 1.2.7.3. Contractor shall provide an integrated test environment, including separate environments for sandbox, Unit test, training, UAT, SYS, End-to-End testing and SIT environments, consistent with the SDLC process that allows the Department and the Contractor to monitor the accuracy of the PBMS and to test proposed changes to the PBMS by processing test claims and encounters and other transactions through the PBMS without affecting production operations. The test environment shall allow for end-to-end testing including transmission of all data between the System and operational interfaces, including testing capabilities with the ESI Integration Platform and other MES Contractors, as applicable.
- 1.2.7.4. Contractor shall allow simultaneous testing of PBMS changes, functionality testing, integrated system testing, regression testing, End-to-End testing or some combination of these with Department approval.
- 1.2.7.5. Contractor shall operate the integrated test environment component of the PBMS, including improvements and enhancements as implemented.
- 1.2.7.6. Contractor shall participate in end-to-end testing of data exchanges between modules, including ESI, in an end-to-end testing environment prior to moving data exchanges to production.
- 1.2.7.7. Contractor shall schedule the testing environments and provide environment and sub-environment setup and test data as needed to support all testing per the Department.
- 1.2.7.8. Contractor shall deploy the PBMS changes and enhancements, as they are developed, for testing in test environments that mirror production functionality.
- 1.2.7.9. Contractor shall verify that the legacy system and PBMS will produce the same results. The Contractor shall provide a full accounting for all differences, as agreed upon by the Department.
- 1.2.7.10. Contractor shall ensure that the test environment(s) allows for the processing of mock data from production to populate claims and encounters with a volume and distribution similar to that of the production system.
- 1.2.7.11. All system and integration testing shall be performed such that the data is not overwritten by multiple testing initiatives or the refresh. Refreshing data will be scheduled per the Department-approved Change Management Plan and will include the entire PBMS.

- 1.2.7.12. Contractor shall make all environments, consistent with the SDLC process, so that they are capable of accepting and processing test files from other MES Contractors to support ESI Integration Platform testing.
- 1.2.7.13. Contractor shall provide Department authorized PBMS users with online access to the integrated test environment.
- 1.2.7.14. Contractor shall provide for an automated testing process for integration, API's, interface, PBMS changes and enhancements.
- 1.2.7.15. Contractor shall automate the Defect tracking process for PBMS changes and enhancements.
- 1.2.7.16. Contractor shall design, implement, and document detailed test cases for each sub-phase of testing. Test cases should include all test scenarios, identifications, detailed steps, expected results, and actual results (where appropriate), and be traceable to requirements listed in the most up-to-date RTM.
- 1.2.7.17. Contractor shall submit all test results (including performance and stress testing results, final system test results, and penetration test results) for each test sub-phase to the Department that includes, at a minimum:
 - 1.2.7.17.1. Summary of testing results
 - 1.2.7.17.2. Pass and failure rate
 - 1.2.7.17.3. Defect IDs and severity level of failed test cases
 - 1.2.7.17.4. Proposed resolution for identified Defects
 - 1.2.7.17.5. Exit criteria for each phase
 - 1.2.7.17.5.1. DELIVERABLE: Summary of all testing results
 - 1.2.7.17.5.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.7.18. Contractor shall perform regression testing for all identified Defects, as directed by the Department, and provide regression testing results.
- 1.2.7.19. Contractor shall use the results of testing activities and lessons learned in the SDLC process to reduce the occurrence of Defects in future artifacts and processes (i.e., continuous improvement).
- 1.2.7.20. Contractor shall provide allocations and configurations for the different environments based on the following practices:
 - 1.2.7.20.1. The PBMS includes both UAT and production environments.
 - 1.2.7.20.2. The Department uses the UAT environment to test PBMS changes (e.g., customer requests) before they are accepted and promoted to production.
- 1.2.7.21. Contractor shall support the Department in all testing activities by providing training, support staff, technical expertise, and the tools required to track activities, outcomes, and test results.

- 1.2.8. **PBMS Project Phases-Transition and Operational Readiness:** If necessary, Contractor shall work with the incumbent Contractor to successfully test and transition data and operations, as well as documentation for ongoing management.
- 1.2.8.1. Contractor shall develop and submit for Department approval a Transition Plan including, at minimum:
 - 1.2.8.1.1. Proposed approach to transition.
 - 1.2.8.1.2. Proposed approach for conducting a knowledge transfer from the incumbent Contractor to the new Contractor.
 - 1.2.8.1.3. Proposed approach for consolidating applicable sections from the Contractor's Turnover Plan into the transition planning activity.
 - 1.2.8.1.4. Tasks and activities for transition.
 - 1.2.8.1.5. Personnel and level of effort in hours.
 - 1.2.8.1.6. Completion date.
 - 1.2.8.1.7. Transition Milestones.
 - 1.2.8.1.8. Entrance and exit criteria.
 - 1.2.8.1.9. Schedule for transition.
 - 1.2.8.1.10. Parallel test procedures.
 - 1.2.8.1.11. Production program and documentation update procedures during transition.
 - 1.2.8.1.12. Readiness walkthrough approach.
 - 1.2.8.1.13. Provider training approach.
 - 1.2.8.1.14. Interface testing approach.
 - 1.2.8.1.14.1. DELIVERABLE: Transition Plan
 - 1.2.8.1.14.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.8.2. Contractor shall execute the Transition Plan and activities at no additional cost.
- 1.2.8.3. Contractor shall, as part of the transition, develop and submit to the Department for approval, a Parallel Test Plan that describes the Contractor's approach to conducting the parallel test. The Parallel Test Plan shall include, at minimum:
 - 1.2.8.3.1. Role and responsibilities
 - 1.2.8.3.2. Proposed activities and procedures
 - 1.2.8.3.3. Proposed timeline
 - 1.2.8.3.4. Proposed reporting structure
 - 1.2.8.3.5. Supporting tools and documentation to support the Parallel Test
 - 1.2.8.3.5.1. DELIVERABLE: Parallel Test Plan
 - 1.2.8.3.5.2. DUE: As defined in the approved Project Work Breakdown Schedule

- 1.2.8.4. Contractor shall perform parallel test of the PBMS with input from the incumbent Contractor's operations and report test results to the Department.
- 1.2.8.4.1. DELIVERABLE: Parallel Test Results
- 1.2.8.4.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.8.5. Contractor shall revise end user and System Administrative Documentation as required to fully describe the Contractor's operations.
- 1.2.8.6. Contractor shall, as part of the transition, develop and submit to the Department for approval, a Relocation Risk and Contingency Plan.
- 1.2.8.6.1. The Plan shall include:
 - 1.2.8.6.1.1. Proposed approach to Contractor relocation risk and contingency planning
 - 1.2.8.6.1.2. Risk analysis: identification of critical business processes
 - 1.2.8.6.1.3. Risk analysis: identification of potential failures
 - 1.2.8.6.1.4. Risk analysis: business impacts
 - 1.2.8.6.1.5. Identification of alternatives and contingencies
 - 1.2.8.6.1.5.1. DELIVERABLE: Relocation Risk and Contingency Plan
 - 1.2.8.6.1.5.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.8.7. Working cooperatively with the EP MO, Contractor shall provide regular updates to Department during the Transition and Operational Readiness period, in accordance with the approved Communication Management Plan.
- 1.2.8.8. Contractor shall ensure all necessary PBMS access is in place for authorized users, including passwords, prior to demonstration of operational readiness.
- 1.2.8.9. Contractor shall assist the Department in identifying necessary information by scheduling a walkthrough with the Department to review the training plan and materials to validate the Contractor has met entrance and exit criteria for training, which includes, implementation of the training environment and completion of all scheduled training sessions. The Contractor shall present the approach for training Providers, described in the Communication Management Plan, to address the specific needs of the Provider community in the final training materials and Provider outreach and sharing it with Department staff and Providers as part of Transition and Operational Readiness.
 - 1.2.8.9.1. DELIVERABLE: Deliverable Walkthroughs
 - 1.2.8.9.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.8.10. Contractor shall develop or revise Provider training materials to reflect changes with Contractor operations using a variety of notification methods including web portal, email, and fax.
- 1.2.8.11. Contractor shall conduct Operational Readiness training for Department staff in order to ensure preparedness for operations, in accordance with the approved Training Plan.

- 1.2.8.12. Contractor shall conduct an Operational Readiness Walkthrough with the Department through robust system and operational demonstrations that validate the operational and organizational readiness of the PBMS, Contractor, and Department. The Department shall formally sign off on the Operational Readiness Walkthrough prior to entering the Implementation and Rollout phase for each module integrated into MES.
- 1.2.8.12.1. DELIVERABLE: Operational Readiness Walkthroughs
- 1.2.8.12.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.8.13. The Contractor shall prepare and submit for Department approval a final Operational Readiness Assessment Document, including results of testing, implementation of system improvements made as part of transition, and an assessment of the final operational readiness for each module integrated into the PBMS.
- 1.2.8.13.1. DELIVERABLE: Final Operational Readiness Assessment Document
- 1.2.8.13.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.8.14. Contractor shall provide attestation to the Department that the PBMS is operation ready.
- 1.2.8.15. Contractor shall utilize organizational change management strategies and support strategies such as best practices, mentoring, job shadowing, collaborative question and answer sessions and more to allow the Department to take ownership of the PBMS solution. This includes technical users training on system monitoring tools, dashboards, and reporting.
- 1.2.8.16. Contractor shall develop an OCM Plan that aligns to EPMO standard processes and incorporate OCM activities into the project schedule.
- 1.2.8.16.1. DELIVERABLE: OCM Plan
- 1.2.8.16.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.9. **PBMS Project Phases-Implementation and Rollout:** Deployment and implementation cutover to system.
- 1.2.9.1. Working cooperatively with the EPMO, Contractor shall prepare and submit for Department approval, an Implementation Strategy, including:
- 1.2.9.1.1. The approach to the PBMS roll out of functionality to authorized PBMS user groups.
- 1.2.9.1.2. The proposed implementation schedule and roll out plan.
- 1.2.9.1.3. A tracking process for problems and Defects.
- 1.2.9.1.4. Communication and Contractor support procedures.
- 1.2.9.1.5. Contractor and Department roles and responsibilities.
- 1.2.9.1.6. Operational Readiness Criteria and Operational Readiness Walkthrough approach that addresses Contractor and PBMS and Department readiness.

- 1.2.9.1.7. System Acceptance Procedures.
- 1.2.9.1.7.1. DELIVERABLE: Implementation Strategy
- 1.2.9.1.7.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.9.2. Contractor shall develop a “Go-Live” Support Plan that documents the authorized PBMS user support provided during the implementation.
- 1.2.9.2.1. DELIVERABLE: Go-Live Support Plan
- 1.2.9.2.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.9.3. Contractor shall develop and submit to the Department for approval, an Implementation and Roll Out Plan that details planning and roadmaps for managing all PBMS releases. This includes managing dependencies across releases, handling technology stacks, databases, and infrastructure.
- 1.2.9.3.1. DELIVERABLE: Implementation and Roll out Plan
- 1.2.9.3.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.9.4. Contractor shall develop and submit to the Department for approval, a Post-Implementation Operational Monitoring Plan. This shall include methods and schedules for the Department and the Contractor to conduct post-implementation monitoring of PBMS Operations, as they relate to performance expectations.
- 1.2.9.4.1. DELIVERABLE: Post-Implementation Operational Monitoring Plan
- 1.2.9.4.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.9.5. Contractor shall update System Administrative Documentation and operating procedures after the Implementation and Roll Out Phase according to a Department-defined frequency.
- 1.2.9.6. Contractor shall obtain formal Department approval for the implementation of the PBMS.
- 1.2.9.6.1. DELIVERABLE: Implementation Approval
- 1.2.9.6.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.9.7. Contractor shall prepare and submit to the Department for approval, a Post-Implementation Evaluation Report, including:
 - 1.2.9.7.1. Lessons learned
 - 1.2.9.7.2. Project successes and failures
 - 1.2.9.7.3. Evaluation metrics including:
 - 1.2.9.7.3.1. Actual and planned budget comparisons
 - 1.2.9.7.3.2. Actual and planned schedule comparisons
 - 1.2.9.7.3.3. Actual and planned scope comparisons
 - 1.2.9.7.4. Authorized PBMS user satisfaction
 - 1.2.9.7.5. Benefits gained over the previous PBMS

- 1.2.9.7.6. The current status of the PBMS
- 1.2.9.7.7. Ongoing contingencies or problems
- 1.2.9.7.7.1. DELIVERABLE: Post-Implementation Evaluation Report
- 1.2.9.7.7.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.9.8. Contractor shall deliver a production ready integration platform with all contingent environments.
- 1.2.9.8.1. DELIVERABLE: PBMS deployed into production
- 1.2.9.8.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.10. **PBMS Project Phases-Certification:** Activities for required CMS certification demonstration.
- 1.2.10.1. The Contractor shall partner with the EP MO on all CMS certification activities and adhere to all policies and procedures defined in the Department's CMS Certification Center of Excellence (CoE) and as documentation are approved by the Department.
- 1.2.10.2. The Contractor shall provide and maintain a Certification Management Plan that outlines the methodology, tools, and resources involved to manage the certification process for any new modules that integrate with the ESI Platform.
- 1.2.10.2.1. DELIVERABLE: Certification Management Plan
- 1.2.10.2.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.10.3. Contractor shall meet federal requirements for PBMS certification and licensure as prescribed in the State Medicaid Manual.
- 1.2.10.4. Contractor shall adhere to all CMS requirements to receive CMS certification by the end of the Certification Phase for the PBMS and any enhancement requiring certification.
- 1.2.10.5. Contractor shall provide ongoing certification support during operations and maintenance by reporting monthly on metrics for each system or module that requires CMS certification as specified.
- 1.2.10.6. At the Department's discretion, the Contractor shall support the development of outcomes and metrics for PBMS modules. The Contractor shall provide PBMS-related evidence, as applicable and necessary, to satisfy and sustain CMS Certification of new modules.
- 1.2.10.7. The Contractor shall support CMS certification through attendance of meetings in preparation of certification, producing documentation, facilitating system demonstration, and assisting the Department to achieve and maintain CMS certification for each module integrated into the MES.
- 1.2.11. **PBMS Project Phases-Operations & Maintenance:** Once transitioned and stabilized, operation and maintenance of the PBMS, including documentation maintenance and updates, environment maintenance and updates, Defect resolution, and performance maintenance and updates.

- 1.2.11.1. Contractor shall develop and submit to the Department for approval, an electronically available System Operations and Maintenance Plan to address the following:
 - 1.2.11.1.1. Monitoring of daily performance of the PBMS.
 - 1.2.11.1.2. Updates, patches, licenses, and repairs to components of the production, test, training, UAT, and all other accessible environments including but not limited to:
 - 1.2.11.1.2.1. Hardware
 - 1.2.11.1.2.2. Operating systems
 - 1.2.11.1.2.3. Database systems
 - 1.2.11.1.2.4. Application and other software
 - 1.2.11.1.2.5. Utilities for Systems, database, software, communication
 - 1.2.11.1.2.6. Voice, video, data communication lines
 - 1.2.11.1.2.7. Communication software
 - 1.2.11.1.2.8. Drivers
 - 1.2.11.1.2.9. Configurations
 - 1.2.11.1.3. Defect identification, tracking, and correction process.
 - 1.2.11.1.4. Plan for maintaining security on a database, network, and individual authorized PBMS user level including maintenance of authorized System user accounts.
 - 1.2.11.1.5. Data retention.
 - 1.2.11.1.6. System documentation, including end-user and system administrator documentation.
 - 1.2.11.1.7. Proposed Contractor staffing model for the Operations Phase.
 - 1.2.11.1.8. Process for submitting operations problem reports to the Department when operational problems occur, describing the nature of the problem, the expected impact on ongoing functions, a corrective action plan, and the expected time of problem resolution.
- 1.2.11.2. Contractor shall, as part of the System Operations and Maintenance Plan, provide a Help Desk Support Plan, including:
 - 1.2.11.2.1. Available support services and proposed help desk staffing model that will ensure the Contract SLAs and performance expectations are achieved.
 - 1.2.11.2.2. After-hour contact and problem reporting process.
 - 1.2.11.2.2.1. DELIVERABLE: System Operations and Maintenance Plan
 - 1.2.11.2.2.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.11.3. The Contractor shall develop and submit to the Department for approval a Quality Assurance Control and Quality Management Plan, updated and delivered twice per

year, by business activity to address the needs and specific opportunities for quality improvement throughout the Contract period. The Quality Assurance Control and Quality Management Plan should reflect the Contractor's experience and resolve toward:

- 1.2.11.3.1. Methodology for maintaining quality of the code, workmanship, project schedules, Deliverable, and Subcontractor(s) activities.
- 1.2.11.3.2. Quality in systems configuration, enhancement, testing, implementation, and post implementation verification.
- 1.2.11.3.3. Process design and staff training.
- 1.2.11.3.4. Performance standards development and measurement.
- 1.2.11.3.5. Customer satisfaction measurement and analysis.
- 1.2.11.3.6. PBMS operational processes and outcomes.
- 1.2.11.3.6.1. DELIVERABLE: Quality Assurance Control and Quality Management Plan
- 1.2.11.3.6.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.11.4. Contractor shall publish a System Software Version Release Schedule on an annual basis and provide updates upon any change or as requested by the Department.
- 1.2.11.4.1. Contractor shall not release or implement any unapproved changes.
- 1.2.11.4.1.1. DELIVERABLE: System Software Version Release Schedule
- 1.2.11.4.1.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.11.5. Contractor shall publish an application-level Hardware and Software Change Release Plan and Schedule and provide updates upon any change or as requested by the Department.
- 1.2.11.5.1. DELIVERABLE: Hardware and Software Change Release Plan
- 1.2.11.5.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.11.6. The Contractor shall, for any hardware or software version release provide and maintain Release Notes and submit for Department review and approval.
- 1.2.11.6.1. DELIVERABLE: Release Notes
- 1.2.11.6.2. DUE: No later than three (3) Business Days after a Release
- 1.2.11.7. Upon implementation and transition to operations, the Contractor shall maintain all required functionality and operations to include responsibility for continual improvement. This includes Contractor responsibility to:
 - 1.2.11.7.1. Preserve base functionality unless modified by the change management process.
 - 1.2.11.7.2. Make recommendations for improvements and efficiencies to the Department.
 - 1.2.11.7.3. Utilize the approved change management process to schedule, prioritize, and implement changes.

- 1.2.11.8. Contractor shall perform operations and maintenance of the PBMS throughout the life of the Contract without utilizing billable enhancement hours.
- 1.2.11.9. Contractor shall facilitate weekly PBMS operations status meetings with key Department Personnel to discuss progress, issues, problems, and planning. The Contractor shall report on current operations status, Call Center statistics, communication with stakeholders, progress on PBMS maintenance, claims and encounters inventory balances, claims and encounters backlogs, data entry backlog, and suspense file status, and modification activities separately. The Contractor shall be responsible for preparing and delivering the weekly meeting agenda and status reports one full business day prior to each meeting. The Contractor shall be responsible for preparing and distributing meeting minutes for Department review no later than close of business on the third Business Day following the meeting and maintaining final approved agendas and minutes.
- 1.2.11.10. Contractor shall coordinate PBMS and support systems-related communication and meetings between the Department and other Contractors as required for ongoing operations and maintenance.
- 1.2.11.11. Contractor shall maintain complete and detailed records of all meetings, PBMS SDLC documents, presentations, project artifacts and any other interactions or Deliverables related to the project online in indexed, searchable, downloadable format to Department designated users, according to Department record retention policy.
- 1.2.11.12. Contractor shall establish and lead cross Contractor and Department operational status meetings, with other MES Contractors, when determined necessary by the Department.
- 1.2.11.13. Contractor shall meet with the Department, the ESI Contractor, and other MES Contractors, at least quarterly to discuss data sharing, compliance, and security issues.
- 1.2.11.14. Contractor shall provide and maintain current documentation of, including but not limited to, the PBMS's database schema, data dictionaries, entity-relationship diagrams, complete PBMS architecture and configuration diagrams, network diagrams (as applicable), and interface standards for the entire PBMS, including those supporting Proprietary Contractor Material; however, this does not include proprietary information related to COTS products. Provide and maintain all service delivery documentation related to the design of each module or component and its interaction with other modules or components as appropriate.
- 1.2.11.15. Contractor shall develop and maintain online, current documentation on all operational and reference processes, including desk level procedures for Contractor's staff, that can be viewed by the Department.
- 1.2.11.16. Contractor shall provide online end user and System Administrative Documentation.
- 1.2.11.17. Contractor shall have the ability to send, receive, and open emails between the Department's secure and encrypted email account(s) to report problems, questions,

or PBMS problems while safely exchanging Protected Health Information (PHI) or Personally Identifiable Information (PII).

- 1.2.11.18. Contractor shall have internal policies to ensure PHI, PII and other Department or Member data is only shared with appropriate staff.
- 1.2.11.19. Contractor shall provide secure means for the Department to report problems, questions, or PBMS problems while safely exchanging PHI or PII, as required.
- 1.2.11.20. Contractor shall meet or exceed all operations quality standards as described in the final SLAs throughout the life of the contract.
- 1.2.11.21. Contractor shall develop and provide modification or change request forms.
- 1.2.11.22. Contractor shall provide updated procedures and PBMS documentation, as requested.
- 1.2.11.23. Contractor shall support the Transmittal process which meets the following needs of the Department:
 - 1.2.11.23.1. Is online and accessible by both the Contractor and the Department.
 - 1.2.11.23.2. Has a configurable workflow.
 - 1.2.11.23.3. Has robust, configurable reporting capabilities with standard and ad hoc reports.
 - 1.2.11.23.4. Allows attachments of various standard file types to workflow products.
 - 1.2.11.23.5. Has modifiable search capabilities, including on the notes field and attachments.
 - 1.2.11.23.6. Generates alerts within the workflow as defined by the Department.
 - 1.2.11.23.7. Has role-based application access, workflow actions, and notifications.
 - 1.2.11.23.8. Allows authorized users to modify content within the workflow.
 - 1.2.11.23.9. Training is provided for the applications functionality and use.
 - 1.2.11.23.10. Is maintained by the Contractor.
- 1.2.11.24. Contractor shall update Design Specification Documents for approved Change Requests.
- 1.2.11.25. Contractor shall provide price and schedule estimates to support proposed legislation, budget requests, and other initiatives, as directed by the Department.
 - 1.2.11.25.1. After receiving notification and requirements from the Department, Contractor shall respond within five (5) business days for any requests made outside of the Colorado legislative session, or as agreed to by the Department. Under limited extenuating circumstances, the Contractor may be required to respond the same day or within 24 hours.
- 1.2.11.26. Contractor shall develop and maintain a process to provide assistance (technical and business process related) as needed to assist users in researching problems, reviewing production outputs and understanding report formats.

- 1.2.11.27. Contractor shall provide reconciliation reporting on all claims and encounters processes. This includes reconciliation of data that is transferred from the PBMS to MMIS, in alignment with the ESI Contractor interface and governance standards monthly or as requested by the Department.
- 1.2.11.28. Contractor shall identify and track all errors and discrepancies found in the PBMS, notify the Department, and correct the errors and discrepancies.
- 1.2.11.29. Contractor shall coordinate with other Contractors that provide batch control, balancing and scheduling of data load cycles (e.g., eligibility files, rate files, financial payment processing).
- 1.2.11.30. Contractor shall purchase and maintain infrastructure hardware and software updates including upgrades and technology refreshes to maintain functionality of all interfaces, in accordance with the ESI Contractor's interface standards.
- 1.2.11.31. Contractor shall manage and maintain software upgrades and site licenses, so they are compatible with standard Department software.
- 1.2.11.32. Contractor shall provide training on software upgrades to authorized PBMS users, as necessary.
- 1.2.11.33. Contractor shall provide reasonable access to, and the ability to inspect, all facilities (or any site) in which the Contractor or Subcontractor(s) performs any Work related to this Contract or maintains any records related to this Contract and provide assistance to the federal and State representatives during audits, inspections and evaluations.
- 1.2.11.34. Contractor shall provide a PBMS solution that provides secure data exchange within the MES, as directed by the Department to support data analytics. The data shall include but is not limited to claims, encounters, prior authorization data, and clinical notes.
- 1.2.11.35. Contractor shall provide audit support to the Department, including selection of samples, production of hard-copy documents, and gathering of other required data. The Contractor shall assist Department staff in responding to all federal and State auditing agencies in a timeframe specified by the Department. This level of support shall also be provided to all other State and federal audit agencies or their designees.
- 1.2.11.36. Contractor shall support desktop mail merge functionality that allows authorized PBMS users to easily export PBMS information on Members and Providers so that it can be merged into template letters and forms to communicate with Members, Providers, and others as directed by the Department.
- 1.2.11.36.1. The Contractor shall ensure that this feature allows for the ability to export data to produce Custom letters or forms using a desktop application, such as Microsoft Word.
- 1.2.11.37. Contractor shall provide the ability to select specific Provider groups for targeted communication taking into consideration the audience and timing, per Department requirements.

- 1.2.11.38. Contractor shall maintain Member records in the PBMS and respond to Provider inquiries on Member claims, services, or benefits, as appropriate.
- 1.2.11.39. Contractor shall maintain in accordance with 45 CFR Part 74, accounting books, accounting records, documents, and other evidence pertaining to the administrative costs and expenses of this Contract to the extent and in such detail as shall properly reflect all revenues; all net costs, direct and apportioned; and other costs and expenses, of whatever nature, that relate to performance of contractual duties under the provisions of this Contract, in alignment with Appendix B - Draft Service Contract's Exhibit E Contractor's Administrative Requirements. The Contractor's accounting procedures and practices shall conform to generally accepted accounting principles, and the costs properly applicable to this Contract shall be readily ascertainable.
- 1.2.11.40. Contractor shall assist Department staff and the Department's Contractors with research, resolution, and response to Member and Provider issues related to the PBMS, including those brought to the Department's attention.
- 1.2.11.41. Contractor shall provide a mailroom and print center to support Provider relationship management, claims and encounters adjudication, and required Member and Provider communication functions.
- 1.2.11.42. Contractor shall provide the ability within the rule driven PBMS to reject pharmacy claims for specific services, Members, pharmacies, or prescribers (e.g., behavioral health services).
- 1.2.11.43. Contractor shall provide the ability within the rule driven PBMS to support diverse and complex health care programs, including the ability to configure alerts, notification triggers and pre-adjudication business rules.
- 1.2.11.44. Contractor shall provide the ability within the rule driven PBMS to support edits regarding high dose, standard billing units, and statistical outliers for drugs, including the ability to configure claims and encounter edits and pre-adjudication business rules.
- 1.2.11.44.1. The Contractor shall use national standards, such as the National Council for Prescription Drug Program (NCPDP) billing unit description table.
- 1.2.11.45. Contractor shall provide the ability within the rule driven PBMS to configure rules to be date specific, including date added, date modified, start date, end date, and effective date.
- 1.2.11.46. Contractor shall submit for approval to the Department a workflow and rules approval process, including how all business rules and configuration changes will be approved prior to implementing in the PBMS.
- 1.2.11.46.1. DELIVERABLE: Workflow and Rules Approval Process
- 1.2.11.46.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.11.47. Contractor shall produce and maintain documentation regarding all business rules, including any exception handling rules.
- 1.2.11.47.1. DELIVERABLE: Updated Business Rules Documentation

- 1.2.11.47.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.11.48. Contractor shall provide ongoing training and training documentation on any exception handling rules created or updated to satisfy Department needs. The Contractor shall provide this training at least annually.
- 1.2.11.49. Contractor shall provide tracking and reporting of rule usage, exception usage, and when the rules fail to work as designed, and provide recommendations to resolve rule failure.
- 1.2.11.50. Contractor shall provide the ability within the rule driven PBMS for the Department to create program specific alerts through easily defined parameters. The alerts the Contractor provides the ability for the Department to make shall include, but shall not be limited to, the following:
 - 1.2.11.50.1. Alerts to Providers
 - 1.2.11.50.2. Alerts to Members
 - 1.2.11.50.3. Alerts to Department
- 1.2.11.51. Contractor shall provide and maintain online documentation linking every configured business rule in the PBMS to the particular part of the PBMS design documents that called for the rule functionality.
- 1.2.11.52. Contractor shall provide the ability to schedule implementation of rules into the PBMS.
- 1.2.11.53. Contractor shall provide the ability to clone rules, modify them and then implement them as new separate rules.
- 1.2.11.54. Contractor shall provide the ability to configure rule exceptions to be date specific, including date added, date modified, start date, end date, and effective date.
- 1.2.11.55. Contractor shall provide the ability within the rule driven PBMS to review and validate logic errors, conflicts, redundancy and incompleteness across business rules to identify any conflicts in business rules as they are being developed, tested, and implemented.
- 1.2.11.56. Contractor shall provide a process to identify claims for reporting or processing purposes.
- 1.2.11.57. Contractor shall develop a survey, submit to the Department for approval, and issue the survey to a sample of Providers annually to gather information regarding Contractor's performance under this Contract. If less than satisfactory results are indicated, Contractor shall meet corrective action plan (CAP) requirements to bring performance to a satisfactory level.
 - 1.2.11.57.1. The Contractor Performance Survey and Responses may be combined with the Deliverables described in §3.2.11.46.
 - 1.2.11.57.2. DELIVERABLE: Contractor Performance Survey and Responses
 - 1.2.11.57.3. DUE: Annually, as defined in the approved Project Work Breakdown Schedule.

- 1.2.11.58. Contractor shall document and maintain workflows that indicate where ESI or other MES Contractors are involved in or impacted by the PBMS workflow processes. Contractor shall review, update, and submit the workflow for Department approval at least annually. If no changes have occurred, the Contractor shall provide a summary report that indicates no changes have occurred.
- 1.2.11.59. Contractor shall review and document program rule and policy alignment with other MES components when recommending PBMS improvements including evaluation and documentation of technical impacts to other MES modules and the ESI Integration Platform.
- 1.2.11.60. Contractor shall correct all performance issues or operational conflicts within or between the ESI system components according to the severity level service agreements.
- 1.2.11.61. Contractor shall support the Department and its Contractor(s) in Independent Verification and Validation (IV&V) activities associated with the Contract.
- 1.2.11.62. There shall be a Warranty Period, which shall last through the first 365 Calendar Days, effective upon the ongoing operations and enhancement contract stage begin date. The Warranty Period covers the agreed upon functionality, and the Contractor shall be responsible for correcting all Defects that prevent the PBMS from operating according to Department specifications. All Defects identified by the Department or Contractor during the Warranty Period shall be corrected by the Contractor, as agreed upon through the Change Management Process, at its expense with no additional cost to the Department. The Contractor shall maintain routine PBMS performance and PBMS operations while correcting the Defects.
- 1.2.11.63. Contractor shall not implement a new core PBMS module without Department approval.
- 1.2.11.63.1. If the implementation of a new core PBMS module receives Department approval, the Contractor shall compensate the Department monthly for the staff required to support the design, development and implementation of the new module. The Department shall use the position descriptions and hourly rates on the PBMS Enhancement Project Rate Table located in section 5, Compensation and Invoicing, to determine the monthly staff cost.
- 1.2.12. **PBMS Enhancements:** Review and validation of any identified deficiencies, Defects, and problems in the PBMS environment and development of resolutions for each Defect or problem.
- 1.2.12.1. Contractor shall design, develop, test, and implement changes and enhancements, per the Configuration Management Plan, that may be selected by the Department through the Configuration Management Process for implementation during the Contract.
- 1.2.12.2. Contractor shall provide a monthly report to the Department regarding all PBMS changes implemented in the previous month, as well as a projection of change requests that will be implemented in the upcoming months. This reporting shall also include traceability of actual vs. estimated resources, time, and cost.

- 1.2.12.2.1. DELIVERABLE: Monthly System Changes Report
- 1.2.12.2.2. DUE: Monthly, seven (7) Business Days following the close of the month
- 1.2.12.3. Contractor shall provide the ability to revert to the previous configurations if the newly implemented change causes an undesirable PBMS impact, within a defined time period in the change request.
- 1.2.12.4. Contractor shall document the results of lessons learned for enhancements as specified in the Change Management Plan to reduce the occurrence of Defects in future artifacts and processes as part of a continuous improvement process.
 - 1.2.12.4.1. DELIVERABLE: Lessons Learned
 - 1.2.12.4.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.12.5. Contractor shall develop an Enhancements Test Plan to describe the approach to all necessary testing to implement enhancements.
 - 1.2.12.5.1. DELIVERABLE: Enhancements Test Plan
 - 1.2.12.5.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.12.6. Contractor shall design, implement, and document detailed test cases (UAT initial test cases and detailed PBMS test cases) for enhancement testing. Test cases shall include dummy IDs, detailed steps, expected results, actual results (when appropriate), and be traceable to requirements listed in the Contract's RTM.
- 1.2.12.7. Contractor shall submit all Test Results for each test sub-phase to the Department.
 - 1.2.12.7.1. DELIVERABLE: Completed Test Results
 - 1.2.12.7.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.12.8. Contractor shall collaborate with the Department to identify and prioritize PBMS requirements that are not included in the base PBMS and are outside of the contracted scope.
- 1.2.12.9. Contractor shall meet with the Department weekly on the status of all active system enhancements or projects as defined in the Change Management Plan.
- 1.2.12.10. Contractor shall manage the enhancements as projects, following Department approved methodologies, reporting on project performance, and prioritizing enhancements according to Department priorities.
 - 1.2.12.10.1. Enhancements are defined as system customization and configuration requiring full SDLC methods, involving the PBMS, ESI, or other MES systems.
- 1.2.12.11. Contractor's enhancement pool hours may be utilized for coordination with the ESI Contractor and other MES Contractors to cover alignment and meeting activities outlined in these requirements as determined by the Department.
- 1.2.12.12. Contractor shall advise the Department regarding potential enhancements for all transactions, including POS, Real-Time Benefit Inquiries (RTBI), electronic Prior Authorization (ePA), electronic Prescription (eRx), and others at the request of the Department.

- 1.2.13. **PBMS Turnover:** Activities for Turnover of the PBMS or contract or operations to the Department or another vendor upon conclusion of contract.
- 1.2.13.1. Contractor shall develop a System Turnover Plan at no additional cost to the Department, no later than six (6) months prior to the end of the Contract, including:
- 1.2.13.1.1. Proposed approach to Turnover.
- 1.2.13.1.2. Tasks and subtasks for Turnover.
- 1.2.13.1.3. Schedule for Turnover.
- 1.2.13.1.4. Entrance and exit criteria.
- 1.2.13.1.5. Readiness walkthrough process.
- 1.2.13.1.6. Documentation update procedures during Turnover.
- 1.2.13.1.7. Description of Contractor coordination activities that will occur during the Turnover Phase that will be implemented to ensure continued functionality of PBMS and services as deemed appropriate by the Department.
- 1.2.13.1.7.1. DELIVERABLE: System Turnover Plan
- 1.2.13.1.7.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.13.2. Contractor shall develop a System Requirements Statement at no additional cost in order for the Department or another designee to fully take over the PBMS, technical, and business functions outlined in the Contract. The Statement shall include an estimate of the number, type, and salary of Personnel required to perform the other functions of the System. The Statement shall be separated by type of activity of the Personnel.
- 1.2.13.2.1. The Statement shall include all facilities and any other resources required to operate the PBMS.
- 1.2.13.2.2. The Statement shall be based on the Contractor's experience in the operation of the PBMS and shall include actual Contractor resources devoted to operations activities.
- 1.2.13.2.2.1. DELIVERABLE: System Requirements Statement
- 1.2.13.2.2.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.2.14. **PBMS Project Management:** Project management office and project management framework for the vendor project during all phases and activities.
- 1.2.14.1. In collaboration with the Department's Contract Manager, Contractor shall maintain responsibility to manage all aspects of the Contract that affect price, schedule, performance (scope and quality), risks, issues, or opportunities, and applicable resources with transparency and direct communication.
- 1.2.14.2. Contractor shall adhere to Department Enterprise Project Management Office (EPMO) standards and protocols on all project management activities throughout the life of the Contract. This includes the use of tools and applications, as well as processes. The Contractor shall provide written project management

recommendations, as identified, to improve processes and efficiencies. The Contractor shall work cooperatively with the EPMO and provide written weekly status updates to the Department and ESI Contractor during all phases of the Contract.

- 1.2.14.3. Contractor shall perform ongoing risk mitigation according to the approved Risk and Issue Management Plan throughout the operations and maintenance phase.
- 1.2.14.4. Contractor shall build and maintain the Project Work Breakdown Schedule that includes both Contractor and Department tasks throughout the duration of the project. All tasks shall be identified at a detailed level. The schedule shall include project-level schedules for all modules integrated into the PBMS and shall be maintained on a weekly basis to provide weekly project status reports.
 - 1.2.14.4.1. DELIVERABLE: Project Work Breakdown Schedule
 - 1.2.14.4.2. DUE: No later than 30 Calendar Days after Contract execution
- 1.2.14.5. Contractor shall ensure all project and Contract documents are made available on a Contractor-provided, Department approved searchable electronic data repository and contain all versions of the document (including policy manuals, training materials, implementation memos and help instructions), as specified by the Department.
- 1.2.14.6. Contractor shall provide a single source tool to process, capture, and track all Transmittals that have been submitted, reviewed, and approved through the life of the Contract. A searchable inventory of all Transmittals shall be readily available to the Department, upon request.
- 1.2.14.7. Contractor shall provide all necessary software to support all electronic communication between the Contractor and the Department related to day-to-day activities associated with the Contract.
- 1.2.14.8. Contractor shall enable all assigned Contractor Personnel to easily exchange documents and electronic files with the Department in compatible formats.
 - 1.2.14.8.1. The Contractor shall maintain the same software and version of software as the Department including, but not limited to, the following:
 - 1.2.14.8.1.1. Microsoft Word
 - 1.2.14.8.1.2. Microsoft Excel
 - 1.2.14.8.1.3. Microsoft Project
 - 1.2.14.8.1.4. Microsoft Access
 - 1.2.14.8.1.5. Microsoft PowerPoint
 - 1.2.14.8.2. The Contractor shall upgrade within thirty (30) Business Days of the Department's notification of upgrade.
- 1.2.14.9. Contractor shall provide an efficient and effective PBMS reporting process managed in accordance with § 1.6 of Exhibit E. Contractor shall maintain online access to selected management reports for the life of the Contract.

- 1.2.14.10. Contractor shall facilitate weekly status meetings in person or by telephone or video conference call, as approved by the Department, to review status reports at Contractor-provided meeting space or through a conference line or virtual meeting place for the Department and the Contractor.
- 1.2.14.11. Contractor shall participate in project status meetings that occur with other MES Contractors to ensure ESI Contractor oversight and enforcement of standards defined by the Department.
- 1.2.14.12. The Contractor shall develop and support dashboard reporting capabilities, which will be used by the Contractor and the Department to assess contract milestones, Deliverables, and performance. Dashboard reporting shall include real-time or near real-time performance data.
- 1.2.14.13. Contractor shall ensure that its staff attending applicable meetings between the Department and the Contractor have the authority to represent and commit the Contractor regarding work planning, problem resolution, and program development.
- 1.2.14.14. Contractor shall, in collaboration with the EPMO, provide written, no less than weekly, PBMS Projects Status Reports. The use of real-time dashboard presentations shall be used to allow key metrics to be available in near real time. Weekly reports shall include the status of schedule, performance, scope, quality, risk, issues, opportunities, applicable resources, and other pertinent metrics related to PBMS projects with transparency and direct communication to the Department.
 - 1.2.14.14.1. DELIVERABLE: PBMS Projects Status Reports
 - 1.2.14.14.2. DUE: Weekly, no later than two (2) Business Days following the close of the week
- 1.2.14.15. Contractor shall notify the appropriate Department staff by phone or email within fifteen (15) minutes of any potential PBMS problems and the potential impact of those problems, including unscheduled downtime.
- 1.2.14.16. Contractor shall perform the research to identify impacts and root causes of PBMS problems and communicate to the Department a plan to resolve problems, then implement the plan to resolve problems and report the results to the Department.
- 1.2.14.17. Contractor shall adhere to the following communication timeframes with Department staff, according to urgency level as documented in the Communication Management Plan: respond to routine communication within one business day; respond to semi-urgent communication within six (6) hours; respond to urgent communication within one (1) hour. A response does not mean resolution is provided; instead it may include a simple acknowledgement of the inquiry or referral to another Contractor representative as long as the representative responds within the same timeframe. If the response is a referral to another representative, the response shall provide a target completion or resolution date.
- 1.2.14.18. Contractor shall capture and collect notification of undeliverable communication between the Contractor and the Department or other Contractors (e.g., return receipt

notice from email, or undeliverable notice from mail) and update address information as appropriate.

- 1.2.14.19. In adherence to the EPMO Lessons Learned Model, the Contractor shall facilitate lessons learned for all PBMS projects and provide a walkthrough of all final documentation and recommendations. Modifications to the EPMO Lessons Learned Model shall require Department approval prior to execution.
- 1.2.15. **PBMS Contract Management:** Responsibilities for authority over contract adherence.
- 1.2.15.1. As requested by the Department, the Contractor shall notify the Department's Contract Manager on Contract monitoring to ensure compliance to responsibilities and performance standards throughout the Contract.
- 1.2.15.2. Contractor shall develop and submit to the Department a monthly Contract Management and Status report that includes the following:
- 1.2.15.2.1. Activities, by each function or unit of the Contractor organization (e.g., claims and encounters, Provider enrollment and relations, drug rebate, etc.).
- 1.2.15.2.2. Achievement of performance standards for the previous month and identify all performance standards that were not met.
- 1.2.15.2.3. Provide written response for improvement for any SLA that is not being met.
- 1.2.15.2.4. Summary of Contractor activities and key volume indicators for the month and cumulative to the fiscal year end.
- 1.2.15.2.5. The Quarterly Milestones and reporting schedule.
- 1.2.15.2.6. The Dispute Process trigger mechanism (to submit an item for resolution via the dispute process via letter, email, phone, etc.).
- 1.2.15.2.7. Status of Enhancement Hours expended on a per project basis and hours remaining for the year.
- 1.2.15.2.8. Other activities necessary for the Department to monitor Contractor activities.
- 1.2.15.2.8.1. DELIVERABLE: Contract Management and Status Report
- 1.2.15.2.8.2. DUE: Monthly, within seven (7) Business Days following the close of the month.
- 1.2.15.3. Contractor shall maintain confidentiality and privacy in regard to information concerning internal policy discussions, contractual issues, price negotiations, State financial information, and advanced knowledge of potential or draft legislation.
- 1.2.15.4. Contractor shall obtain written permission from the Department before disclosing any privileged information outside of the Department. Contractor shall obtain information from the appropriate state legal authority before disclosing sensitive or privileged information.
- 1.2.15.5. Contractor shall provide transparency into its management plans and execution. The Department expects an approach such that "if the Contractor sees it, the Department sees it" to minimize asymmetric understanding of the Contract status.

1.2.16. **PBMS Contractor Relationship:** Relationship as Contractor and responsibilities related to Subcontractors.

1.2.16.1. Contractor shall be the prime Contractor if any work is subcontracted and shall be solely responsible for the integration of all work to be performed under this Contract. The prime Contractor shall work solely with the Department to perform all Contract administration activities of this Contract, including tasks for which the Subcontractor may be responsible. The amount of work subcontracted shall be in alignment with Appendix B - Draft Service Contract's Exhibit E Contractor's Administrative Requirements.

1.2.16.2. Contractor shall be responsible for working cooperatively with the prime Contractor for all other MES components, in cooperation with the ESI Contractor.

1.2.16.3. Contractor shall notify the Department of any changes in federal or State initiatives that may impact current requirements. The Contractor shall stay informed on federal and State initiatives and work in partnership with the Department to identify possible solutions and resolutions to meet changing requirements.

1.2.16.4. Contractor shall participate in workgroups including National Medicaid EDI Healthcare (NMEH), NCPDP, Workgroups on Electronic Data Interchange (WEDI), CMS, and other regulatory groups, national organizations, and initiatives.

1.2.16.5. Contractor shall work cooperatively with all Department staff, State staff, and other Contractors to ensure success of this Contract by identifying efficiencies for the Department that could be leveraged by altering requirements, changing functionality, adapting business processes, or making other changes to the architecture or overall solution.

1.2.16.6. Contractor will have insight into internal policy discussions, contractual issues, price negotiations, State financial information, and advanced knowledge of potential or draft legislation. As a result, the Contractor shall maintain confidentiality and privacy of this information.

1.3. **PBMS MODULE GENERAL REQUIREMENTS**

1.3.1. **Enterprise Architecture:** System architecture expectations for flexibility, configurability, scalability, and interoperability.

1.3.1.1. Contractor shall provide an approach to PBMS configuration that allows non-technical staff to update and expand configuration to support changing Department needs.

1.3.1.2. Contractor shall promote an enterprise view which supports enabling technologies that align with State and nationally recognized Medicaid business processes and technologies.

1.3.1.3. Contractor shall provide an architecture that clearly defines service end points that add functionality without requiring pervasive or broad changes to the PBMS and extension points that provide capability to extend functionality beyond core application.

- 1.3.1.3.1. The PBMS shall incorporate modularity for ease in improvements and upgrades.
- 1.3.1.4. Contractor shall provide a scalable and open architecture, which can interface with other systems upon implementation and in the future as required by the Department.
- 1.3.1.5. Contractor shall provide a service-oriented architecture that makes it possible to implement common interoperability and access across the enterprise, including other applications, other agencies, federal and State systems, or by other new systems as needed.
- 1.3.1.6. Contractor shall maintain current state and historical documentation of the enterprise architecture, including use of a change log.
- 1.3.1.7. Contractor shall ensure components will integrate with the overall enterprise, in partnership with the ESI Contractor, to do all of the following:
 - 1.3.1.7.1. Provide instant access to current and historical information without requiring a separate sign-on beyond the initial authorized PBMS user sign-on.
 - 1.3.1.7.2. Employ a security approach that integrates with MES integration Identity and Access Management portal to provide role-based access with a single log-on.
 - 1.3.1.7.3. Produce and report processing statistics.
 - 1.3.1.7.4. Ensure that all content and activity is time and date stamped.
- 1.3.1.8. Contractor shall provide the flexibility to create new tables and fields and to report on the data within the tables and fields as needed by transmitting all new tables and fields to the enterprise data warehouse.
- 1.3.1.9. Contractor shall have the ability to visualize PBMS components and interactions, using a holistic, multi-dimensional data view of the architecture requirements to the Department and authorized enterprise data warehouse users.
- 1.3.1.10. Contractor shall provide and maintain all service delivery documentation, network diagrams, and the technical architecture interaction with the ESI Contractor and all MES modules or components as appropriate.
- 1.3.1.11. Contractor's solution shall integrate with the Department's Identity and Access Management tools, overseen by the Department's ESI Contractor, and comply with OIT security standards. For more information about Standards and Policies, visit Governor's Office of Information Technology (<https://oit.colorado.gov/standards-policies-guides/technical-standards-policies#information>).
- 1.3.1.12. Contractor's solution shall provide and maintain a system architecture for data organization and storage that follows a proven, industry best practice methodology that meets the Department's and ESI governance best practices and standards for interface file processes.
- 1.3.2. **PBMS Regulatory Compliance:** Compliance with federal (CMS, HIPAA, CFR, MITA), State, and industry rules, laws and standards.
 - 1.3.2.1. Contractor shall ensure the PBMS meets federal and State requirements, and all business and functional requirements.

- 1.3.2.2. Contractor shall ensure the PBMS meets federal requirements for certification and licensure as prescribed in the State Medicaid Manual, Part 11, as well as 42 and 45 CFR.
- 1.3.2.3. Contractor shall maintain and make available source data and methodological documentation from all federal reports for the purposes of validating and verifying data and report information.
- 1.3.2.4. Contractor shall produce and distribute all required ANSI X12N transactions.
- 1.3.2.5. Contractor shall accept, and process claims and encounters in the most recent HIPAA-adopted format, currently the NCPDP D.0 format.
- 1.3.2.6. Contractor shall provide a HIPAA-compliant transmission response to the submitting pharmacy, on the success or failure of the submission of claims and encounters files.
- 1.3.2.7. Contractor shall provide Member and Provider communication that meet the health literacy levels established by the federal (National Institute for Health) and State guidelines for medical terms and descriptions.
- 1.3.2.8. Contractor shall provide published content that meets sixth grade reading literacy levels on Member facing materials.
- 1.3.2.9. Contractor shall ensure that all published content meets the requirements of Colorado House Bill 21-1110.
- 1.3.2.10. Contractor shall ensure that any existing and future tools, in addition to the PBMS, comply with all sections of the Americans with Disabilities Act (ADA), Section 508 of the Rehabilitation Act, and the most current Web Content Accessibility Guidelines (WCAG) standard (currently 2.2) in the Web Portal.
- 1.3.2.11. Enhancement Hours required to support mandatory industry changes as specified by the NCPDP or CMS shall not be decremented against the annual Enhancement Hours. Contractor shall provide a solution to meet the required NCPDP or CMS mandate(s), and shall deploy that solution, with Department approval, to production. Any Customization and Configuration requested and approved by the Department over and above the defined solution shall be treated as Customization and Configuration work, and the associated Enhancement Hours for these changes shall be decremented against the annual Enhancement Hours.
- 1.3.3. **PBMS Security and Privacy:** Safeguarding data and production of Member identity.
 - 1.3.3.1. Contractor shall comply with federal and State security criteria as outlined by the Colorado Office of Information Security and Office for Civil Rights. Contractor shall review the Colorado Information Security Policies (CISP) annually and deliver an estimate and plan to update the system to be compliant based on any new regulations.
 - 1.3.3.2. Contractor shall provide detailed security and privacy control implementation and status information for the following control families:
 - 1.3.3.2.1. Access Control.

- 1.3.3.2.2. Awareness and Training.
- 1.3.3.2.3. Audit and Accountability.
- 1.3.3.2.4. Assessment, Authorization, and Monitoring.
- 1.3.3.2.5. Configuration Management.
- 1.3.3.2.6. Contingency Planning.
- 1.3.3.2.7. Identification and Authentication.
- 1.3.3.2.8. Incident Response.
- 1.3.3.2.9. Maintenance.
- 1.3.3.2.10. Media Protection.
- 1.3.3.2.11. Physical and Environmental.
- 1.3.3.2.12. Protection.
- 1.3.3.2.13. Planning.
- 1.3.3.2.14. Program Management.
- 1.3.3.2.15. Personnel Security.
- 1.3.3.2.16. PII Processing and Transparency.
- 1.3.3.2.17. Risk Assessment.
- 1.3.3.2.18. System and Services Acquisition.
- 1.3.3.2.19. System and Communication.
- 1.3.3.2.20. Protection.
- 1.3.3.2.21. System and Information Integrity.
- 1.3.3.2.22. Supply Chain Risk Management.
- 1.3.3.3. Contractor shall demonstrate the PBMS infrastructure is operational and meets federal and State architectural, technical, security and privacy requirements as well as all business and functional requirements.
- 1.3.3.4. Contractor shall maintain confidentiality of all work provided to or produced by the Contractor during the contract until publicly released by the Department, or until written permission is granted by the Department for release.
- 1.3.3.5. Contractor shall obtain written approval from the Department prior to disclosing any privileged information.
- 1.3.3.6. Contractor shall obtain written approval from the Department prior to the release of PHI and any confidential information to any non-Department entity.
- 1.3.3.7. Contractor shall not inappropriately distribute PHI or PII.
- 1.3.3.8. Contractor shall provide the ability for any user designated by the Department to have secure, role-based, single sign-on user access to any current and historical data, PBMS component, or web-based material.

- 1.3.3.9. Contractor shall provide Member and Provider information protection per Colorado's Address Confidentiality Program (ACP) as specified through an approved Communication Management Plan.
- 1.3.3.9.1. Contractor shall also notify the Department before an enhancement impacts Member that are in the ACP program.
- 1.3.3.10. Contractor shall provide a third-party cyber security assessor to execute a security audit prior to go-live.
- 1.3.3.11. Contractor shall ensure the selected third-party assessor will work with the Colorado Office of Information Security and provide reports to the Department.
- 1.3.3.12. Contractor shall apply all security patches to any operating system and software in a timely manner and in accordance with an organizational assessment of risk.
- 1.3.3.13. Contractor shall provide a user administration module that allows authorized PBMS users, including authorized Providers and system administrators, to securely assign access to PBMS functions.
- 1.3.3.14. Contractor shall provide privacy and litigation controls that indicate who has access to Provider data contained within Provider and Member records.
- 1.3.3.15. Contractor shall provide the ability for all authorized PBMS users to edit, create, and implement role-based and group-based security at the individual data field level for all authorized users based upon individual characteristics or group memberships.
- 1.3.3.16. Contractor shall suppress the results returned from searches as well as information viewable in the user's own display environment based on the user's level of access.
- 1.3.3.17. Contractor shall provide the ability for authorized security Personnel to view, in real time, screens and information being viewed by other PBMS users.
- 1.3.3.18. Contractor shall utilize appropriate applications to be able to open, view, and respond to encrypted emails from the Department.
- 1.3.4. **PBMS Audit:** The auditing of system or user actions, including tracking, reporting, and maintenance of an audit trail for Provider, claims, and reference data.
- 1.3.4.1. Contractor shall provide the ability to review all changes and actions made to PBMS fields, and the user who made the updates is available and an audit trail is maintained.
- 1.3.4.2. Contractor shall maintain an audit trail and record all changes and actions made to Member record fields including the identity of the user who made the update or changes.
- 1.3.4.3. Contractor shall maintain an audit trail for each claim and encounter record.
- 1.3.4.4. Contractor shall record all changes and actions made to Provider record fields, the identity of the user who made the updates, and maintain an audit trail.

- 1.3.4.5. Contractor shall provide the ability to quickly and easily track the life cycle of claims and encounters from original submission date through all adjustments, including the chronological view of credit and debit transactions.
- 1.3.4.6. Contractor's solution shall maintain an audit trail of all actions performed and any data modifications initiated from the interface feed.
- 1.3.4.7. Contractor shall ensure all audit trails use human readable content with code use or abbreviations that are defined to describe the actions.
- 1.3.4.8. Contractor shall support logging, tracking, and auditing of web access for any Member-data or Provider-data queries.
- 1.3.4.9. Contractor shall make available the entire audit trail of screens accessed and the user who accessed them.
- 1.3.5. **PBMS Disaster Recovery & Business Continuity:** Business continuity and disaster recovery planning, testing, and test reporting.
 - 1.3.5.1. Contractor shall provide the results of Business Continuity and Disaster Recovery Plan testing annually. Department staff or a designee may participate in testing if requested.
 - 1.3.5.1.1. **DELIVERABLE:** Results of Business Continuity and Disaster Recovery Plan Testing
 - 1.3.5.1.2. **DUE:** Seven (7) Business Days following the completion of the test
- 1.3.6. **PBMS Data Retention:** Length of time the Contractor must maintain and make data available in real time vs. archived.
 - 1.3.6.1. Contractor shall retain data in accordance with data retention requirements in the approved System Operations and Maintenance Plan.
 - 1.3.6.2. Contractor shall maintain current and historical Member claims and encounters, prior authorization data, utilization data, and transfer to the MMIS.
 - 1.3.6.3. Contractor shall maintain all current and historical Provider (electronic and paper) and Member (electronic) records.
 - 1.3.6.4. Contractor shall keep records involving matters of litigation for the agreed upon period of time.
 - 1.3.6.5. Contractor shall retain all original paper submitted by Providers under the Contract until quality, human readable electronic media is produced of that material.
 - 1.3.6.6. Contractor shall ensure that data maintained by the PBMS is correctly and routinely purged, archived, and protected from destruction, as appropriate, according to procedures defined in the approved System Operations and Maintenance Plan.
 - 1.3.6.7. Contractor shall retain and archive electronic media specified in the approved System Operations and Maintenance Plan.
 - 1.3.6.8. Contractor shall ensure data retention for PHI shall comply with HIPAA privacy standards, and data generated and maintained by the PBMS shall be retained and be accessible according to federal and State requirements.

- 1.3.6.9. Contractor shall archive and index the archived data with the ability to access a directory view of the archive's contents.
- 1.3.6.10. Contractor shall provide a data storage archive and management approach that allows a "never delete a record" approach for ease and timeliness in accessing historical records, if so chosen by the Department.
- 1.3.6.11. Contractor shall ensure when converting claim and encounter history from incumbent Contractor that all existing transaction control numbers are maintained on the original claim or encounter.
- 1.3.6.12. Contractor shall provide online access to documents and files for a configurable time parameter, as defined the in the approved System Operations and Maintenance Plan.
- 1.3.6.13. Contractor shall ensure data from the PBMS shall be available within the PBMS for ten (10) years and archived after ten (10) years, or unless otherwise directed by the Department.
- 1.3.7. **PBMS Data Management:** The management, security, configuration, integrity, validity, naming, structure, and accessibility and availability of data within the system.
 - 1.3.7.1. Data management within the PBMS and the Contractor's operational policies and practices shall:
 - 1.3.7.1.1. Meet HIPAA, Health Information Technology for Economic and Clinical Health Act (HITECH), American Recovery and Reinvestment Act (ARRA), and other federal and State privacy and security requirements as they currently exist and be configurable to assist in meeting future requirements.
 - 1.3.7.1.2. Ensure security, accuracy, and timeliness of data interfaces.
 - 1.3.7.1.3. Incorporate electronic and digital signatures that comply with HIPAA and State law.
 - 1.3.7.2. Contractor shall maintain:
 - 1.3.7.2.1. Data Confidentiality – Prevent disclosure to unauthorized persons or system.
 - 1.3.7.2.2. Data Integrity – data cannot be modified undetectably.
 - 1.3.7.2.3. Data Availability – access is not inappropriately blocked or denied.
 - 1.3.7.2.4. Data Authenticity – validation of transactions.
 - 1.3.7.2.5. Data Security – encryption and Department approved security protocols and processes.
 - 1.3.7.2.6. Non-repudiation of Data – parties to a transaction cannot deny their participation in the transaction.
 - 1.3.7.3. The Contractor solution shall have the capability to receive and display data, messages, and alerts from other systems in real time.
 - 1.3.7.4. The Contractor solution shall use standard messaging formats such as ML, JSON, EDI, etc. to ensure interoperability.

- 1.3.7.5. The Contractor solution shall support standard web services and specifications such as REST, WSDL, WS-*, SOAP, JSON, XML, and EDI.
- 1.3.7.6. The Contractor solution shall have the capability to receive, translate, and process data to and from a variety of security protocols such as HTTPS, FTPs, SFTP, AS2, and AS3.
- 1.3.7.7. Contractor shall accommodate updates and additions to both the data and the data structure for State, federal, administrative, and clinical data.
- 1.3.7.8. Contractor shall maintain the integrity of the Provider data that is received from the MMIS and enterprise data warehouse, as directed by the Department.
- 1.3.7.9. Contractor shall store Provider data in a way that separates the first and last name for practitioners and provides authorized users with the ability to search by either value along with other criteria.
- 1.3.7.10. Contractor shall provide the ability to identify the source of data and the date added to the PBMS for the duration of the contract.
- 1.3.7.11. Contractor shall provide access to the PBMS for all authorized users and business partners.
- 1.3.7.12. Contractor shall provide the ability to view online the Data Dictionary information at a global and enterprise level while viewing the actual data in the PBMS.
- 1.3.7.13. Contractor shall convert all applicable data from the Department's legacy PBMS and produce comparative reports for previous periods of operation for at least three (3) years.
- 1.3.7.14. Contractor shall provide access to the Department to view, download, and display raw interface files for up to ninety (90) Calendar Days.
- 1.3.7.15. Contractor shall allow authorized users to add and update valid values based on Department-defined fields, without the need for customization.
- 1.3.7.16. Contractor shall maintain a snapshot of Member eligibility and plan enrollment information that existed at the time of claims or encounters payment and link to the specific claim or encounter.
- 1.3.7.17. Contractor shall provide and maintain documentation for all structured data such as file layouts for pricing tables, Provider tables, and Member data tables (including the Data Dictionary).
- 1.3.7.18. Contractor shall build and maintain a Directory of all contact information of Members, Providers, vendors, Department employees, and Contractor employees to support local user letter creation through data-merge in standard PC desktop applications, but still maintain address confidentiality and allow for opt-out.
 - 1.3.7.18.1. DELIVERABLE: Directory
 - 1.3.7.18.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.3.7.19. Contractor shall create and maintain role-based authorized user profiles to allow for direct data entry into the PBMS.

- 1.3.7.20. Contractor shall send a list of authorized users for review by the Department at least quarterly, or when requested by the Department.
- 1.3.8. **PBMS Workflow Management:** Management of processes and applications to support PBMS productivity.
 - 1.3.8.1. Contractor shall provide a workflow engine that supports workflow access, assignments, and execution for all essential components of the business processes.
 - 1.3.8.2. Contractor shall provide the Department access to workflow monitoring that includes indicators and statistics by sub process, organization, or individual staff.
 - 1.3.8.3. Contractor shall support workflow management for simultaneous processes.
 - 1.3.8.4. Contractor shall provide the ability to create workflows that route and assign cases to the appropriate staff.
 - 1.3.8.5. Contractor shall support supervisory functions for workflow management such as prioritization, delegation, and re-routing.
 - 1.3.8.6. Contractor shall provide the ability to assign caseload "weights" to cases, Program Integrity requests, or PARs based upon difficulty or other criteria.
 - 1.3.8.7. Contractor shall provide the ability to assign authorized users and manage capacity levels to Personnel at the agency or program level, PA reviewers, or Program Integrity reviewers.
 - 1.3.8.8. Contractor shall provide an automatic real time update process for select tasks, as defined by the Department, as they are completed.
 - 1.3.8.9. Contractor shall create work items in workflow as a result of automated alerts when defined changes occur.
 - 1.3.8.10. Contractor shall establish training workflow for authorized users, including live and virtual trainings.
 - 1.3.8.11. Contractor shall integrate PBMS workflow management processes with Department-utilized office productivity applications to support process execution. Integration with these applications shall be done by leveraging the productivity application's database, or through the use of output files generated by the productivity application.
 - 1.3.8.12. Contractor shall provide workflow engine capabilities so that authorized users can monitor, intervene in and resolve rules-based actions or unexpected failures, including:
 - 1.3.8.12.1. Ability for the PBMS to display and to generate "pull lists" or "to-do" lists.
 - 1.3.8.12.2. Ability to transfer pull lists and to-do tasks to other authorized PBMS users.
 - 1.3.8.12.3. Ability for a business user to create PBMS rules to route issues.
 - 1.3.8.12.4. Ability to keep a diary or log of the investigations into the actions, and their resolutions.
 - 1.3.8.12.5. Ability to track resolutions over time to identify trends and patterns.

- 1.3.8.12.6. Ability for management to monitor the workflow (duration) and caseloads (volume) of the reviewers and others in the edit workflow process.
- 1.3.8.12.7. Ability for reviewers to assign tasks and reminders to other authorized PBMS users.
- 1.3.8.12.8. Ability to report on reviewer assignments and workloads.
- 1.3.8.13. Contractor shall allow authorized users to submit requests to update PBMS profiles which initiates a workflow for the Department to approve, as necessary.
- 1.3.8.14. Contractor shall automatically and securely route grievances and appeal requests to authorized users or user groups for multiple levels of review, per business rules.
- 1.3.8.15. Contractor shall provide an online, real-time communication tracking tool with role-based access to monitor and document PBMS updates, day-to-day business, and exchanges between Contractor(s) and the Department.
- 1.3.8.16. Contractor shall provide collaboration on documentation via editing capabilities, including the ability to limit editing of certain documents by type and origination.
- 1.3.8.17. Contractor shall track and maintain version history of documents and related attachments that have been edited.
- 1.3.9. **PBMS System Reporting:** Standard, ad hoc and customizable, system monitoring and assessment reporting.
 - 1.3.9.1. Contractor shall produce all required reports in a timely fashion to meet the report's delivery timeline, using current and accurate data.
 - 1.3.9.2. Contractor shall regularly and accurately produce operational reports using PBMS data.
 - 1.3.9.3. Contractor shall adhere to the Deliverable submission, review, and approval process as described and approved by the Department within an approved Communication Management Plan.
 - 1.3.9.4. Contractor shall provide complete transparency of all data fields in reports generated by the PBMS.
 - 1.3.9.5. Contractor shall maintain and provide documentation of the logic that is used to derive calculations and reports, along with descriptions of data elements used in calculations and reporting.
 - 1.3.9.6. Contractor shall have full report documentation available, human readable, and online accessible to Department.
 - 1.3.9.7. Contractor shall create and maintain a suite of Contractor-defined online reports which allow users to choose from multiple pre-built defined parameters.
 - 1.3.9.8. Contractor shall provide the ability to automatically generate a summary of historical file transfers and store all historical file transfers in a designated repository.
 - 1.3.9.9. Contractor shall ensure that all codes and abbreviations used in the PBMS have corresponding and easy-to-view narrative descriptions.

- 1.3.9.10. Contractor shall ensure that any reporting functionality supports the ability to pull and use the narrative descriptions of codes and abbreviations in addition to the codes and abbreviations themselves.
- 1.3.9.11. Contractor shall provide quarterly reports to the Department detailing the transmissions between labs and the PBMS.
- 1.3.10. **PBMS System Performance:** Ensuring the availability of the system and minimizing unscheduled downtime.
 - 1.3.10.1. Contractor shall provide tools that deliver asynchronous communication, timely alerts, and notifications to ensure availability of data to authorized users.
 - 1.3.10.2. Contractor shall ensure there is no unscheduled or unapproved PBMS downtime. Downtime means the PBMS is operating outside of acceptable performance standards including, but not limited to, the following scenarios:
 - 1.3.10.2.1. Delays or interruptions in the operation of the PBMS and related services caused by inadequate equipment or processing capacity.
 - 1.3.10.2.2. The PBMS cannot adjudicate claims or encounters at all, or within the Department and Contractor agreed upon amount of time.
 - 1.3.10.2.3. Components not available for use by authorized users as required except during periods of scheduled maintenance.
 - 1.3.10.2.4. Any PBMS interface is not functional.
 - 1.3.10.2.5. Screen response time in excess of defined response times in the Contract.
 - 1.3.10.2.6. Web Portal not available for use at all times except during periods of scheduled downtime.
 - 1.3.10.2.7. Authorized PBMS users unable to create, process, or store reports.
- 1.3.11. **PBMS Lab Data Exchange Interface Establishment and Maintenance:** The sending and receiving, storage, transformation, and interoperability of data between the PBMS and the lab data interchange.
 - 1.3.11.1. Contractor shall establish a data exchange agreement in accordance with HIPAA standards and Department ESI Contractor best practices and procedures for data and file integrations into the Medicaid and CHP+ Member profiles within the PBMS.
 - 1.3.11.2. Contractor shall procure Member lab data and establish and initiate production processes with their contracted lab providers for the lab data results.
 - 1.3.11.3. Contractor shall establish a HIPAA-compliant data exchange process with diagnostic laboratory companies approved by the Department and integrate those lab results data into the PBMS.
 - 1.3.11.4. Contractor shall identify, analyze and manage lab result data to develop and recommend clinical edits and prior authorization criteria.
 - 1.3.11.5. Contractor shall configure approved changes related to clinical edit modifications in the PBMS.

- 1.3.11.6. Contractor shall make prior authorization decision tree criteria updates as directed and when changes are made, to reflect the current pharmacy policies.
- 1.3.11.7. Contractor shall maintain transparent access to all prior authorization processing steps within the decision tree for authorized Department Personnel.
- 1.3.11.8. Contractor shall perform testing of all clinical edit changes and submit test results for approval to the Department.
- 1.3.11.9. Contractor shall establish a secure data connection with chosen laboratory providers to obtain lab results data for State Medicaid Members via regular (weekly or daily or monthly) secure data transmissions.
- 1.3.11.10. Contractor shall conduct regular system testing and End-to-End testing of laboratory data exchange processes with other MES Contractors per the ESI data exchange processes and file formats and standards.
- 1.3.11.11. Contractor shall establish the data exchange process using the NCPDP, API, HL7 & X12 HIPAA compliant standards that are approved by the Department and the ESI Contractor.
- 1.3.11.12. Contractor shall send Member eligibility integration file to all designated lab companies and follow the HIPAA complaint standards identified by the Department and ESI Contractor.
- 1.3.11.13. Contractor shall send lab results data to the enterprise data warehouse in a HIPAA compliant format determined by the Department and the ESI Contractor, i.e., HL7, FHIR and, or API.
- 1.3.11.14. Contractor shall provide regular reports to the Department containing, but not limited to the following information:
 - 1.3.11.14.1. Status and functioning of the data bridge.
 - 1.3.11.14.2. Areas of data use.
 - 1.3.11.14.3. Error reporting and fixes.
 - 1.3.11.14.4. Timeliness of data transfer.
 - 1.3.11.14.5. Verification all data is transmitted via secure file transfer protocol.
 - 1.3.11.14.6. Any real or potential security breaches.
 - 1.3.11.14.7. Any additional troubleshooting or issues with the data as it arises.
- 1.3.12. **PBMS System and Organization Controls (SOC) Auditing Support:** Provision of support for the Department in SOC audit performance.
 - 1.3.12.1. Contractor shall perform audits annually, currently known as the Statement of Standards for Attestation Engagements SSAE-18, (by an independent auditor) at the Contractor's facility and data center sites. Responses to findings, action plans, and remediation plans shall be submitted to and approved by the Department. Coordinate responses to initial findings with the Department that may impact Department operations.

- 1.3.12.1.1. DELIVERABLE: Annual Audit
- 1.3.12.1.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.3.12.2. Contractor shall pay for an independent auditor to conduct an annual audit utilizing a current version of the SSAE), SOC 1, Type II. The SOC 1, Type II audit shall address Work performed by the Contractor at the Contractor's facility and data center suites.
- 1.3.12.3. Contractor shall be responsible for facilitating meetings between the Contractor and the Department to review and approve the scope of SOC 1, Type II audits prior to commencement of review activities by the independent auditor. At a minimum, the following topics shall be addressed during this meeting:
 - 1.3.12.3.1. Identification of all appropriate internal controls impacting financial reporting.
 - 1.3.12.3.2. Consideration of prior SOC 1, Type II audits to determine if past findings have been addressed.
 - 1.3.12.3.3. Guidelines Contractor will follow in communicating audit-related opinions to the Department.
 - 1.3.12.3.4. Any changes to the control environment that may impact the SOC I, Type II audit.
- 1.3.12.4. Contractor shall be responsible for responses to audit findings, action plans, and remediation plans and submit them to the Department for review and approval.
- 1.3.12.5. Contractor shall provide audit support to the Department, including selection of samples, production of hard-copy documents, perform demonstrations, and gathering of other required data.
- 1.3.12.6. Contractor shall assist Department staff in responding to all federal and State auditing agencies or their designees.
- 1.3.12.7. Contractor shall perform Statement on SSAE No. 16 (SSAE-16) audits annually (by an independent auditor) at the Contractor's facility and data center sites. Responses to findings, action plans, and remediation plans shall be submitted to and approved by the Department. Contractor shall coordinate responses to initial findings with the Department that may impact Department operations.
 - 1.3.12.7.1. DELIVERABLE: Annual SSAE-16 Audit
 - 1.3.12.7.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.3.12.8. Contractor shall pay for an independent auditor to conduct an annual audit utilizing a current version of the Statement on Standards for Attestation Engagements (SSAE), System and Organization Controls (SOC) 1, Type II. The SOC 1, Type II audit shall address Work performed by Contractor at Contractor's facility and data center suites.
- 1.3.12.9. The Parties shall review the scope of SOC 1, Type II audits, and the Department shall approve the scope of the SOC 1, Type II audit prior to commencement of review activities by the independent auditor.

- 1.3.12.10. Review of the scope of SOC 1, Type II audits by the Parties shall include consideration of prior SOC 1, Type II audits to determine if past findings have been addressed.
- 1.3.12.11. Contractor shall be responsible for facilitating meetings between the Contractor and the Department to determine the scope of SOC 1, Type II audits. At a minimum, the following topics shall be addressed during this meeting:
 - 1.3.12.11.1. The process to be used by the Contractor and independent auditor to develop, document and implement the objectives of the SOC 1, Type II audit.
 - 1.3.12.11.2. Identification of all appropriate database internal controls impacting financial reporting.
 - 1.3.12.11.3. Testing of identified database internal controls for effectiveness.
 - 1.3.12.11.4. Guidelines Contractor and the independent auditor will follow in communicating audit-related opinions to the Department.
- 1.3.12.12. Contractor shall submit the SOC 1, Type II audit reports to the Department along with the following supplemental documentation:
 - 1.3.12.12.1. Contractor's responses to the independent auditor's findings
 - 1.3.12.12.2. A SOC 1, Type II Report Action Plan detailing how Contractor will address and resolve all findings in the SOC 1, Type II report and the timeline for addressing each finding. The SOC Report Action Plan shall be subject to Department review and approval.
 - 1.3.12.12.2.1. DELIVERABLE: SOC 1 Type II Report
 - 1.3.12.12.2.2. DUE: September 1 of each year of the Contract
- 1.3.12.13. Contractor shall address and resolve all findings in the SOC 1, Type II report, and provide monthly updates in the Monthly Contract Management Report until the Department agrees that Contractor has demonstrated that all findings have been properly addressed and resolved.
- 1.3.12.14. Contractor shall submit responses to the auditor's findings and a SOC 1, Type II Report Action Plan to the Department for review and approval.
 - 1.3.12.14.1. DELIVERABLE: Response to Audit Findings
 - 1.3.12.14.2. DUE: As defined in the approved Project Work Breakdown Schedule

1.4. **PBMS MODULE CORE REQUIREMENTS**

- 1.4.1. **Point of Sale (POS):** The application of data and rules to check validity, Member and Provider eligibility, benefit plans, edits and business rules and claim disposition for pharmacy processing.
 - 1.4.1.1. Contractor shall capture, store, and maintain data necessary to:
 - 1.4.1.1.1. Correctly adjudicate pharmacy claims and encounters.
 - 1.4.1.1.2. Perform online pharmacy claim and encounter correction.
 - 1.4.1.1.3. Maintain and perform edits and audits.

- 1.4.1.1.4. Allow online pharmacy claim and encounter adjustments.
- 1.4.1.1.5. Allow online access to pharmacy claim and encounter history.
- 1.4.1.1.6. Correctly price all pharmacy claims and encounters at the detail service line and header level.
- 1.4.1.1.7. Provide and allow online access to pharmacy claim and encounters adjudication and status reporting.
- 1.4.1.1.8. Maintain pharmacy claim and encounter history.
- 1.4.1.2. Contractor shall accept and use all common, approved national standard paper claim forms.
- 1.4.1.3. Contractor shall, using NCPDP transactions, accept, translate and process electronic claims and encounters transactions, and send appropriate associated responses, containing valid formats in single and batch submissions.
- 1.4.1.4. Contractor shall provide a NCPDP and HIPAA-compliant transmission response to the submitting Provider, including managed care entities, on the success or failure of the submission of files and claims and encounters, in real time.
- 1.4.1.5. Contractor shall provide the ability for online end-to-end processing and testing of all data including claims and encounters (process flow) through the PBMS and all the MES Systems including the MMIS system, returning processing and error messages to the submitter, in real-time.
- 1.4.1.6. Contractor shall provide the ability to deny claims and encounters from specific pharmacies or prescribing Providers.
- 1.4.1.7. Contractor shall ensure that requests to deny claims and encounters from pharmacies or prescribers can be prioritized into twenty-four (24) hour response or five (5) Business Day response, based on Department-defined priorities.
- 1.4.1.8. Contractor shall flag or re-price claims and encounters when requested by the Department.
- 1.4.1.9. Contractor shall adjudicate claims and encounters in accordance with Department policies and federal requirements.
- 1.4.1.10. Contractor shall process claims and encounters against defined services, policy and payment parameters within each Pharmacy Benefit Plan.
- 1.4.1.11. Contractor shall provide the ability to identify 340B claim and encounter lines, conforming to the NCPDP standard transactions format.
- 1.4.1.12. Contractor shall process claims for 340B-purchased drugs, consistent with Department policies.
- 1.4.1.13. Contractor shall provide selected Member information back to third parties designated by the Department.
- 1.4.1.14. Contractor shall provide the ability to post edits and deny claims and encounters billing separately for a drug for the same Member.

- 1.4.1.15. Contractor shall provide the ability to validate the enrollment status of a prescriber or pharmacy on a claim or encounter.
- 1.4.1.16. Contractor shall provide the ability to prevent Providers and prescribers from submitting claims and encounters or eligibility verifications successfully unless the Provider is actively enrolled in the PBMS.
- 1.4.1.17. Contractor shall provide the ability to prevent Providers from submitting claims or encounters for processing unless the Provider is active and enrolled in MMIS.
- 1.4.1.18. Contractor shall enable Providers to submit, inquire on, and adjust claims and encounters electronically.
- 1.4.1.19. Contractor shall maintain identifiers for Providers who are allowed to submit paper claims and encounters, electronic claims and encounters, or both.
- 1.4.1.20. Contractor shall maintain Provider data supporting claims and encounters processing and prior authorizations.
- 1.4.1.21. Contractor shall accept National Provider Identifier (NPI) numbers from prescribers on all claims and encounters and provide the ability to capture other ID numbers.
- 1.4.1.22. Contractor shall provide a traceable, consistent, and unique claim and encounter identifier.
- 1.4.1.23. Contractor shall maintain the unique identifier assigned by the PBMS as pharmacy claims and encounters are transmitted.
- 1.4.1.24. Contractor shall provide the ability to identify, edit, and adjudicate claims and encounters for services carved out of a managed care contract as a fee-for-service claim.
- 1.4.1.25. Contractor shall provide the ability to perform adjudication for individual claims and encounters and batch claims and encounters.
- 1.4.1.26. Contractor shall provide the ability to post edits and deny claims and encounters from the same Provider who is billing more than once for the same drug, Member, and or the same claim or encounter.
- 1.4.1.27. Contractor shall provide the ability to post edits and deny claims and encounters from different Providers who are billing separately for a drug for the same Member.
- 1.4.1.28. Contractor shall identify and assign managed care organizations' (MCOs') Provider network information separately and affiliate Providers with their MCO's.
- 1.4.1.29. Contractor shall limit payment for drugs to those described within the Pharmacy Benefit Plan and shall deny claims and encounters exceeding dollar or utilization limits established in the Pharmacy Benefit Plan.
- 1.4.1.30. Contractor shall provide the ability to capture benefits used in a managed care plan and then apply those services to the benefit limits when a Member returns to fee-for-service.

- 1.4.1.31. Contractor shall provide an audit trail that links original claims and encounters to all subsequent adjustments.
- 1.4.1.32. Contractor shall retain Member enrollment and eligibility information that was current for the dates of service at the time of processing the claim or encounter on all claim and encounter records.
- 1.4.1.33. Contractor shall ensure claims and encounters are identified, adjusted, and re-processed using the information that was current for the date of service at the time of processing the claim or encounter.
- 1.4.1.34. Contractor shall provide the ability for the PBMS to:
 - 1.4.1.34.1. Adjust claims and encounters where payment amounts in MMIS were adjusted.
 - 1.4.1.34.2. Perform mass adjustments on claims based on user-defined selection criteria and provide adjusted claim and encounter information to the MMIS.
 - 1.4.1.34.3. Perform mass and individual financial adjustments based on data received from the MMIS.
 - 1.4.1.34.4. The resulting claim and encounter information will be moved into the MMIS to be stored.
- 1.4.1.35. Contractor shall provide the ability to adjust, process and price Medicaid and Medicare dual eligible claims or encounters in accordance with Medicare guidelines. This includes claims or encounters for Members who are in Medicare Managed Care, including Part C. This only applies to any DME supplies or physician-administered drugs that are billed through the PBMS.
- 1.4.1.36. Contractor shall provide the ability for authorized users to perform claim and encounter corrections, make paid, denied, or rejected claims available for review and analysis, and if appropriate, allow for the reversal or resubmission for the purpose of applying corrections.
- 1.4.1.37. Contractor shall provide the ability to categorize and separate claims from encounters in the PBMS.
- 1.4.1.38. Contractor shall provide the ability to store and identify claims and encounters as discrete data sets.
- 1.4.1.39. Contractor shall provide summary reports for all denied and paid and reported claims and encounters, as requested by the Department.
- 1.4.1.40. Contractor shall have the ability to report any claims and encounters that would have been adjudicated differently if they had been processed as fee for service claims.
- 1.4.1.41. Contractor shall support the MMIS' ability for Providers to generate reports that shows the full picture of their claim and encounter activity, including their associated claims status by providing claims and encounters information to the MMIS.
- 1.4.1.42. Contractor shall provide detail and summary reporting on paid, adjusted, or denied claims and encounters.

- 1.4.1.43. Contractor shall provide the ability to process, verify, and adjudicate mass adjustments for all paid and denied claims and encounters and zero pays.
- 1.4.1.44. Contractor shall provide parameter-driven multi-selection criteria for mass adjustment processing.
- 1.4.1.45. Contractor shall provide the ability to exclude claims and encounters from mass adjustments that have zero impact to a payment.
- 1.4.1.46. Contractor shall provide the ability to perform the claim and encounter reconsideration process electronically so that claims, encounters, and attachments are submitted electronically and connected in the PBMS.
- 1.4.1.47. Contractor shall provide the ability to create a financial transaction for PBMS-generated claims and encounters through the MMIS.
- 1.4.1.48. Contractor shall allow batch process and online process of encounter corrections, replacements, and voids.
- 1.4.1.49. Contractor shall provide the ability to adjudicate claims and encounters using national standard adjustment reason codes and remark codes from third parties where Medicaid is not the primary payer.
- 1.4.1.50. Contractor shall provide the ability for authorized PBMS users to view the pricing methodology and calculations used to process each claim and encounter.
- 1.4.1.51. Contractor shall document the rate and the rate source in claim and encounter records.
- 1.4.1.52. Contractor shall store, maintain and use Department-defined reimbursement methodologies and sources in claims and encounters processing.
- 1.4.1.53. Contractor shall calculate and set Medicaid copays by Pharmacy Benefit Plan and by Member eligibility.
- 1.4.1.54. Contractor shall provide the ability to price claims and encounters for all submission media type.
- 1.4.1.55. Contractor shall manage current and historical reference data, so updates do not overlay and historical information is maintained and made accessible.
- 1.4.1.56. Contractor shall ensure that:
 - 1.4.1.56.1. Only the most current reference data is used in business functions, including but not limited to, processing claims and encounters and producing reports.
 - 1.4.1.56.2. Reference data is date-specific and allows for multiple date periods to remain accessible for business functions.
- 1.4.1.57. Contractor shall provide the ability to assign copays based on the drug.
- 1.4.1.58. Contractor shall configure DME copays as defined by the Department.
- 1.4.1.59. Contractor shall provide the ability for Providers to report Member payments on their claims and encounters such as copays, co-insurance, and deductibles.

- 1.4.1.60. Contractor shall use co-insurance, copay and deductibles from third parties at the detail level for detail-oriented claim and encounter processing.
- 1.4.1.61. Contractor shall provide the ability to capture third party liability (TPL) health insurance coverage provided by other Contractors and match information to Members.
- 1.4.1.62. Contractor shall share TPL information with pharmacies.
- 1.4.1.63. Contractor shall accept and process claim and encounter adjustments from Medicare enrolled Members as it applies to DME supplies and physician-administered drugs.
- 1.4.1.64. Contractor shall accept and process claim and encounter adjustments from third parties such as primary insurance companies.
- 1.4.1.65. Contractor shall apply, track and document recovered or recoverable monies to the appropriate claims and encounters.
- 1.4.1.66. Contractor shall automate TPL recovery data to minimize paper transactions.
- 1.4.1.67. Contractor shall support the upload of recovered money and automated association of those funds to claims and encounters.
- 1.4.1.68. Contractor shall assign Members to Providers within a new Pharmacy Benefit Plan as a part of the Client Over-Utilization Program (COUP) program.
- 1.4.1.69. Contractor shall adjudicate claims based on Provider type and specialty data from the MMIS.
- 1.4.1.70. Contractor shall report claim messages to POS systems in a hierarchy specified by the Department.
- 1.4.1.71. Contractor shall edit claims and encounters based on presence of prior authorization.
- 1.4.1.72. Contractor shall provide the ability to exempt designated Members and designated prescribing Providers from prior authorization requirements, when specified by the Department.
- 1.4.1.73. Contractor shall provide an automated ability to override prior authorization requirements based on clinical and Member information stored in the PBMS (e.g., lab values, medication history).
- 1.4.1.74. Contractor shall provide the ability to adjudicate claims differently based on prescriber type.
- 1.4.1.75. Contractor shall perform quality control procedures to screen and capture electronic images, date-stamp, Julian date, assign unique control numbers and batch hardcopy claim and encounter forms and attachments, adjustment or reconsiderations, and updated documents.
- 1.4.1.76. Contractor shall utilize quality and validation procedures to ensure accuracy of the information from paper claims and encounters and attachments entered into the PBMS and validate data entry before it is adjudicated.

- 1.4.1.77. Contractor shall have the ability to scan and store in electronic media all paper documents.
- 1.4.1.78. Contractor shall provide the ability to store, view, and search all imaged (scanned from paper) and electronic attachments associated with each claim and encounter in the PBMS.
- 1.4.2. **Pricing:** Establishment and maintenance of prices, and application of pricing rules and fee schedules to pharmacy claims and encounters to calculate allowed amount according to policy.
 - 1.4.2.1. Contractor shall maintain all historical and current pricing methodologies as established by the Department.
 - 1.4.2.2. Contractor shall receive and utilize pricing information via an extract or interface file from various sources, including third party vendors, CMS, and the Department.
 - 1.4.2.3. Contractor shall provide a configurable system to allow for updates and changes to rates within the various pricing methodologies and by Provider type, drug classification, and, or plan type.
 - 1.4.2.4. Contractor shall create date-based modifications to the reimbursement rates as directed by the Department.
 - 1.4.2.5. Contractor shall price claims and encounters based on reimbursement methodology criteria and date specifications set by the Department.
 - 1.4.2.6. Contractor shall maintain all historical and current dispensing fees as established by the Department.
 - 1.4.2.7. Contractor shall provide an easily configurable system to allow for updates and changes to dispensing fees by Provider type, plan type and total prescription volume.
 - 1.4.2.8. Contractor shall create date-based modifications to the dispensing fees as directed by the Department.
 - 1.4.2.9. Contractor shall price claims and encounters using the dispensing fee criteria and date specifications set by the Department.
 - 1.4.2.10. Contractor shall configure DME rate setting methodology as defined by the Department.
- 1.4.3. **PBMS Management:** Maintenance and update of Colorado Pharmacy Benefit Plans, including Member enrollment and disenrollment.
 - 1.4.3.1. Contractor shall provide the ability to create and modify Pharmacy Benefit Plans, including non-Title XIX benefit plans, within the PBMS in a flexible manner, such that the services, services limitations, prior authorizations, Provider rates, and Member cost sharing amounts within a Pharmacy Benefit Plan are easily configured by a business user through a rule-driven design.
 - 1.4.3.2. Contractor shall provide accurate and automatic enrollment of Members into a Pharmacy Benefit Plan, as defined by the Department.

- 1.4.3.3. Contractor shall provide the ability for choice-based enrollment of Members into a Pharmacy Benefit Plan.
- 1.4.3.4. Contractor shall accept Member enrollment and disenrollment (termination or plan changes) data from the MMIS and assign to the correct Pharmacy Benefit Plan.
- 1.4.3.5. Contractor shall allow for the ability to perform manual updates to Member enrollment, as requested by the Department.
- 1.4.3.6. Contractor shall allow for configuration of hybrid, fee-for-service managed care models as a Pharmacy Benefit Plan, such as when certain drugs are carved out of a managed care model.
- 1.4.3.7. Contractor shall maintain current and historical records of Pharmacy Benefit Plan assignment(s) for Members.
- 1.4.3.8. Contractor shall receive and process copay data from MMIS and use for claims processing.
- 1.4.3.9. Contractor shall provide tracking of the percentage of Member's or household's income spent on copays.
- 1.4.3.10. Contractor shall provide copay exemption capabilities for specified Members, drugs, and any other scenario as directed by the Department.
- 1.4.3.11. Contractor shall provide the ability to automatically 'turn off' a Member's copay requirement when the amount paid reaches Department-defined limitations for a specified time frame based on Member or household federal poverty level (FPL) or income provided in the eligibility interface from the Department, or when directed by the Department.
- 1.4.3.12. Contractor shall provide the ability to uniquely identify the managed care organization associated with an encounter.
- 1.4.3.13. Contractor shall capture Providers and associated encounter data received from the managed care plan with each Provider as shown on the encounter.
- 1.4.3.14. Contractor shall provide the ability within the rule driven PBMS for authorized PBMS users to create PBMS rules for business functions, including:
 - 1.4.3.14.1. Pharmacy Benefit Plan design, rate payments.
 - 1.4.3.14.2. Exclusionary rates.
 - 1.4.3.14.3. Pharmacy Benefit Plan administration.
 - 1.4.3.14.4. Claims and encounters processing.
 - 1.4.3.14.5. Prior authorization.
 - 1.4.3.14.6. Reference data update functions.
- 1.4.3.15. Within a Pharmacy Benefit Plan, Contractor shall provide the ability to group individual, ranges of codes, and combinations of code sets to define episodes of care or service combinations. These codes sets shall include, but are not limited to, the following types of codes:

- 1.4.3.15.1. NDC.
- 1.4.3.15.2. Therapeutic Class.
- 1.4.3.15.3. Other groupings, such as Generic Code Number (GCN) or Generic Sequence Number (GSN).
- 1.4.3.15.4. Custom groupings.
- 1.4.3.16. Contractor shall provide the ability for authorized PBMS users to set and override pharmacy benefit limits. The limits that the authorized PBMS users may override shall include, but shall not be limited to, the following:
 - 1.4.3.16.1. Over the counter (OTC) drug limits.
 - 1.4.3.16.2. Quantity limits.
- 1.4.4. **Reference Data Management:** Maintenance and update of reference data used during pharmacy claim processing, such as Member, Provider, code sets, fee schedules, edit, and disposition codes, including interfaces and data file transfers.
 - 1.4.4.1. Contractor shall capture, store, maintain, and use all reference data necessary to:
 - 1.4.4.1.1. Correctly adjudicate pharmacy claims and encounters.
 - 1.4.4.1.2. Perform claims and encounter corrections and adjustments.
 - 1.4.4.1.3. Correctly apply pricing and business rules to claims and encounters.
 - 1.4.4.1.4. Provide access to historical reference data.
 - 1.4.4.2. Contractor shall provide reference files containing all data required to provide validation and pricing verification during claims and encounters processing for all approved claims and encounters and reimbursement methodologies.
 - 1.4.4.3. Contractor shall provide the ability to retrieve archived reference data.
 - 1.4.4.4. Contractor shall perform quality control on all reference file updates to ensure the integrity of data.
 - 1.4.4.5. Contractor shall receive Provider enrollment files from the MMIS Contractor and enroll Providers into the PBMS to support claims adjudication, on a Department-defined frequency.
 - 1.4.4.6. Contractor shall provide systematic capability to perform mass updates to reference files as defined by the Department, for such periodic updates.
 - 1.4.4.7. Contractor shall provide the ability for authorized PBMS users to manually update reference files as defined by the Department.
- 1.4.5. **Pharmacy Prior Authorization (PA):** Checking for pharmacy PA policy applications.
 - 1.4.5.1. Contractor shall provide an auto-assigned, unique, non-duplicated PA number for tracking throughout the life of the PA. This PA number shall be used in claims and encounters processing to validate the services and shall be recorded on the claim record.

- 1.4.5.2. Contractor shall ensure that PA number naming and assignment conventions remain consistent between the PBMS, MMIS and the enterprise data warehouse, as directed by the Department.
- 1.4.5.3. Contractor shall provide the ability to accept and store Prior Authorization Requests (PARs), using automatic and manual means.
- 1.4.5.4. Contractor shall provide the ability to edit PAs using automatic and manual means.
- 1.4.5.5. Contractor shall provide the ability to identify how a PA was received (i.e., via phone, fax or electronically from the RTBT Module).
- 1.4.5.6. Contractor shall identify and reject duplicate PAs.
- 1.4.5.7. Contractor shall provide the ability for authorized users to search, view and run ad hoc reports on PARs by selected criteria such as Provider, Member, PAR type, and drug information in the PBMS.
- 1.4.5.8. Contractor shall provide the ability to link and view multiple PAs to a Member record.
- 1.4.5.9. Contractor shall provide the ability to produce notices to Members and Providers regarding PARs, including EPSDT notices.
 - 1.4.5.9.1. These communications shall be compliant with C.R.S 25.5-4-212; requiring correspondence to be written in person-first language, have a client greeting, and clearly stating the purpose of the communication.
- 1.4.5.10. Contractor shall maintain PAR notifications and store all data used to populate the notification.
- 1.4.5.11. Contractor shall provide the ability to update notification letters regarding PAR determinations when business rules are updated, such as when changing denial reasons.
- 1.4.6. **Prospective Drug Utilization Review (Pro-DUR):** Application and reporting of Pro-DUR edits and rules to pharmacy claims.
 - 1.4.6.1. Contractor shall provide easily configurable Pro-DUR edits based on the Pharmacy Benefit Plan, Department, State, and federal standards. This shall include soft and hard edits, as well as pay-and-report.
 - 1.4.6.2. Contractor shall ensure Pro-DUR edits are applied to claims according to Department policies, and report back any edits that post to claims to the submitting pharmacy.
 - 1.4.6.3. Contractor shall ensure claim line level data, related to Pro-DUR edits, is transferred for storage to the enterprise data warehouse, and reporting.
 - 1.4.6.4. Contractor shall provide abilities to systematically send a response to Providers indicating Members within a household which have met their 5% copay threshold via a HIPAA-compliant 271 transaction.
 - 1.4.6.5. Contractor shall price and apply Members' cost share to claims and encounters, such as:

- 1.4.6.5.1. Copay.
- 1.4.6.5.2. Coinsurance.
- 1.4.6.5.3. Deductible.
- 1.4.6.6. Contractor shall calculate and apply Medicaid copays by Pharmacy Benefit Plan and by Member eligibility.
- 1.4.6.7. Contractor shall provide the ability for Providers to report Member payments on their claims and encounters such as copays, co-insurance, and deductibles.
- 1.4.6.8. Contractor shall provide the ability to assign a specific copay to a drug to bypass other copay logic.
- 1.4.6.9. Contractor shall capture claim and encounter copay information and transmit it to the MMIS.
- 1.4.7. **PBMS Operations Support–Call Center:** Support access to pharmacy Providers through Call Center technology for information requests and transaction support.
 - 1.4.7.1. Contractor shall staff a Call Center which is operational twenty-four (24) hours a day and seven (7) days a week, including holidays.
 - 1.4.7.2. Contractor shall accept, receive and, respond to incoming communication from Providers via a toll-free line through the Call Center.
 - 1.4.7.3. Contractor shall accept, receive, and respond to incoming communication from Providers via a toll-free fax line.
 - 1.4.7.4. Contractor shall provide and maintain an interactive voice response (IVR) function that provides callers with straightforward menu options to reach the appropriate prerecorded information or a live operator.
 - 1.4.7.5. Contractor shall ensure that the IVR function has the capability to be customized based on Colorado-specific situations and needs.
 - 1.4.7.6. Contractor shall provide an automated message informing Providers about hold and wait times.
 - 1.4.7.7. The Contractor shall ensure that 95% of all calls are answered, either with a live operator or automated system, within thirty (30) seconds. The Contractor shall ensure that 95% of hold times do not exceed thirty (30) seconds. Hold time is the amount of time that a Call Center agent puts a caller on hold.
 - 1.4.7.8. Contractor's Call Center staff shall help Providers resolve billing issues involving TPL, including providing known TPL information to Providers, as well as entering new TPL information into the PBMS.
 - 1.4.7.9. Contractor shall maintain a sufficient number of telephone lines, technology, and Personnel so that all performance standards are met.
 - 1.4.7.10. Contractor shall provide staff in the Call Center with Colorado-specific knowledge, including a Clinical Pharmacist.

- 1.4.7.11. Contractor shall have the ability to respond to and support Provider technical, operational, and policy inquiries.
- 1.4.7.12. All telephone calls and emails received from Providers shall be responded to within one (1) Business Day and resolved within three (3) Business Days during the month. A response does not mean resolution is provided; instead it may include a simple acknowledgement of the inquiry or referral to another representative as long as the representative responds within the same timeframe. If the response is a referral to another representative, the response shall provide a target completion or resolution date.
- 1.4.7.13. Contractor shall support an online Provider complaint tracking, resolution, and reporting process that allows the Contractor to proactively identify and report trends, as defined by the Department.
- 1.4.7.14. Contractor shall provide a dedicated inbound email address for Providers to use as part of the Call Center.
- 1.4.7.15. Contractor shall provide a centralized Call Center database or reporting capability that creates, edits, sorts, and filters tickets or electronic records of calls made to the Call Center. Call categories are to be accessed and utilized by the Department for Provider and client tracking and management.
- 1.4.7.16. Contractor shall provide the Department with monthly reports on all inquiries and Provider complaints, the nature of the inquiries, and the timeliness of responses to inquiries for the Call Center activity.
- 1.4.7.17. Contractor shall work with the Department to analyze and make recommendations for improvements and changes based on Provider inquiries and complaints.
- 1.4.8. **PBMS Operations Support-Claims and Encounter Services:** Pharmacy claim and encounter data, adjudication and pricing support.
 - 1.4.8.1. Contractor shall monitor claims and encounter reports and claims and encounter processing to ensure accuracy.
 - 1.4.8.2. Contractor shall document claims and encounters billing processes, policies, and procedures and make available online to users and Providers.
 - 1.4.8.3. Contractor shall apply PAs during claims and encounter processing.
 - 1.4.8.4. Contractor shall process claims and encounters for drugs, devices, or products such as DME or vaccines.
 - 1.4.8.5. Contractor shall provide the ability to price and process DME supplies in the PBMS.
 - 1.4.8.6. Contractor shall identify, analyze, and correct errors that have resulted in improper claims or encounters processing, trace to the source, reprocess as needed, and report to the Department.
 - 1.4.8.7. Contractor shall provide the ability to pilot business rules to be applied to a designated group in a test environment.

- 1.4.8.8. Contractor shall provide the flexibility to add and change indicators and parameters easily and to allow for authorized user-defined adjudication rules.
- 1.4.8.9. Contractor shall provide the ability to have an authorized PBMS user define the encounter validation (edits) criteria for each managed care program and perform the data edits.
- 1.4.8.10. Contractor shall provide the ability to deny claims and encounters for members who have become ineligible for the Colorado Medical Assistance program or who are not eligible for specific services.
- 1.4.8.11. Contractor shall provide the ability to validate and configure the Member diagnosis code(s) submitted supporting the service being billed.
- 1.4.8.12. Contractor shall provide the ability to deny claims and encounters with certain diagnoses codes, or indicators specified by the Department.
- 1.4.8.13. Prior to payment, Contractor shall verify that the services on one or more claims do not exceed Department-defined limits associated with the services or procedures established in a Pharmacy Benefit Plan.
- 1.4.8.14. Contractor shall apply clinical claim and encounter edits using Department-specified, nationally accepted medical review criteria. These medical review criteria shall include, but are not limited to, all of the following:
 - 1.4.8.14.1. American Medical Association Current Procedural Terminology (CPT) guidelines (including CPT modifiers).
 - 1.4.8.14.2. Health Care Common Procedure Coding System (HCPCS or CPT) (including HCPCS or CPT modifiers).
 - 1.4.8.14.3. Diagnosis Codes - National Uniform Billing Committee (NUBC).
 - 1.4.8.14.4. CMS claims and encounters editing guidelines.
- 1.4.9. **PBMS Operations Support–PA Support:** Support for and tracking of PA data from authorizing agents, including research, and updates.
 - 1.4.9.1. Contractor shall receive PARs by phone, fax and electronically via an interface with the RTBT Module or a web-based application.
 - 1.4.9.2. Contractor shall process all complete PARs within twenty-four (24) hours of receipt.
 - 1.4.9.3. Contractor shall deny any pended PARs if sufficient information to determine medical necessity is not received within seventy-two (72) hours.
 - 1.4.9.4. Contractor shall coordinate and standardize processing and tracking of PAR data for the purpose of utilization review.
 - 1.4.9.5. Contractor shall incorporate EPSDT program requirements into PA request processing for eligible Medicaid Members.
 - 1.4.9.6. Contractor shall track and report drugs that are approved under EPSDT program policies.

- 1.4.9.7. Contractor shall accept electronic revisions on PAs from all Contractors.
- 1.4.9.8. Contractor shall have the ability to mass adjust PAs.
- 1.4.9.9. Contractor shall provide the ability to identify, search, and report on PARs with potentially conflicting or duplicative data.
- 1.4.9.10. Contractor shall check for, maintain, and track PA policy and the presence of a PA for the dates, services, and all other relevant criteria on the claim.
- 1.4.9.11. Contractor shall perform expanded PAR reviews by a Clinical Pharmacist as requested by the Provider.
- 1.4.10. **PBMS Operations Support-Communications and Publications:** Support for communication, outreach, and appeals and grievances.
- 1.4.10.1. Contractor shall produce publications materials for pharmacy Providers as requested by the Department.
- 1.4.10.2. Contractor shall implement a content management development process defining the development lifecycle, including review and Department approval to assure that all content is approved prior to publishing.
- 1.4.10.3. Contractor shall be able to communicate and disseminate communication to pharmacy Providers via fax, email, and other supported methods.
- 1.4.10.4. Contractor shall develop and maintain a website, in a State-approved format, within the Contractor's pharmacy website that shall include FAQ's and Colorado-specific Medicaid pharmacy policies.
- 1.4.10.5. Contractor shall be responsible for maintaining website content accuracy with current information updates.
- 1.4.10.6. Contractor shall ensure that all published content is compliant with all State and federal requirements.
- 1.4.10.7. Contractor shall maintain and publish a process for receiving grievances or appeals from Providers and shall acknowledge all grievances and appeals in writing.
- 1.4.10.8. Contractor shall document all correspondence with Providers during the process of attempting to reach an informal resolution, providing to the Department as requested.
- 1.4.10.9. Contractor shall support the Provider appeals process in accordance with existing Colorado law and procedures applicable to Provider grievances and appeals.
- 1.4.10.10. In conjunction with the Department, Contractor shall develop and maintain Provider publication formats or updates and content and provide this information to the Department or the MMIS, as directed by the Department, for publication.
- 1.4.10.11. Contractor shall provide authorized PBMS users online access to edit and publish all Provider publications such as billing instructions, notices and subsequent updates.
- 1.4.10.12. Contractor shall archive historical Provider publications in a searchable area accessible to the Department staff.

- 1.4.10.13. Contractor shall manage, publish, update, index, and provide electronic public access via the Department website to all pharmacy related program communication, guides, forms, and files.
- 1.4.10.13.1. The items that the Contractor manages, publishes, indexes and provides electronic access to the public include the following:
 - 1.4.10.13.1.1. Program newsletters.
 - 1.4.10.13.1.2. Provider announcements, and enrollment forms.
 - 1.4.10.13.1.3. Transaction companion guides.
 - 1.4.10.13.1.4. Procedure and diagnosis reference lists.
 - 1.4.10.13.1.5. PDL and related documents.
 - 1.4.10.13.1.6. Frequently asked questions (FAQs).
- 1.4.11. **Help Desk:** Help desk to support PBMS user needs and triage issues.
 - 1.4.11.1. Contractor shall provide help desk support for all PBMS users during the Contractor's business hours.
 - 1.4.11.2. Contractor shall provide help desk resources outside the Contractor's business hours to assist with emergent system requests.
- 1.4.12. **Training:** Training needs assessment and delivery through resources and tools.
 - 1.4.12.1. Contractor shall provide a Training Plan, which is to be updated annually, and approved by the Department. The plan shall meet or exceed the learning needs of the authorized users.
 - 1.4.12.2. Contractor shall, as specified in the Training Plan, develop, deliver, update, maintain, and conduct a broad spectrum of comprehensive training programs including an evaluation and quality improvement component for all training sessions, and documentation and materials for initial and ongoing trainings.
 - 1.4.12.3. Contractor shall coordinate the roll out, delivery, publication, and distribution of all PBMS training programs and PBMS training materials across all functional areas.
 - 1.4.12.4. Contractor shall develop and deliver a comprehensive training program to support the roll out of the PBMS. This training shall be provided to both Department staff and Contractor staff.
 - 1.4.12.5. Contractor shall, as part of organizational readiness preparation, schedule and conduct interviews and sessions with the Department's subject matter experts and stakeholders, as required, to clarify the training and readiness expectations and requirements.
 - 1.4.12.6. Contractor shall, as part of testing and in conjunction with organizational readiness, conduct structured acceptance testing training for the Department and its designees per the Training Plan.

- 1.4.12.7. Contractor shall provide training and support for Providers on the Health Insurance Portability and Accountability Act (HIPAA) and HIPAA compliance for all PBMS transactions.
- 1.4.12.8. Contractor shall propose, develop, produce, publish, and deliver HIPAA compliant training materials specific to the PBMS for the Department and its designees.
- 1.4.12.9. Contractor shall, as defined in the Department approved Training Plan, provide training support for Providers on the billing application and how to resolve billing issues.
- 1.4.12.10. Contractor shall, as defined in the approved Training Plan, train Department and Contractor staff, as well as other authorized users, on the PBMS billing procedures and current Colorado Medical Assistance pharmacy program policies for inquiry response processes.
- 1.4.12.11. Contractor shall as defined in the Department-approved Training Plan, provide training on tools and components that help Department staff to monitor the PBMS using available tools and dashboards.
- 1.4.12.12. Contractor shall maintain ongoing training programs for Contractor staff and Department staff in the use of the reference functions, as requested by the Department.
- 1.4.12.13. Contractor shall provide training on any new PBMS initiatives that occur through the term of the Contract. This training shall be provided to both Department staff and Contractor staff.
- 1.4.12.14. Contractor shall provide the ability for video conferencing (or other remote method) training participation and presentations.
- 1.4.12.15. Contractor shall provide training evaluation reports by participant or summaries of evaluations to the Department.
- 1.4.12.16. Contractor shall track and provide confirmation of attendance at all training sessions, the versions of training materials presented, and record the trainings via Department-approved formats.
- 1.4.12.17. Contractor shall update training materials when enhancements or changes are made to the system and provide training on the changes as requested by the Department.
- 1.4.12.18. Contractor shall provide regular refresher training sessions for authorized PBMS users to disseminate updated or new functionality or business processes related to the PBMS throughout the Contract term, extending as agreed upon.
- 1.4.13. **Program Integrity:** Support for fraud, waste, and abuse identification and reporting.
 - 1.4.13.1. Contractor shall perform program integrity functions, including:
 - 1.4.13.1.1. Deny claims for Members who have become ineligible for Colorado Medical Assistance program.
 - 1.4.13.1.2. Deny claims for Members who are not eligible for a specific service.
 - 1.4.13.1.3. Deny claims based on existing PBMS criteria.

- 1.4.13.2. Contractor shall provide the capability for authorized PBMS users to electronically view, search, sort, and flag Providers that are identified with sanctions, terminations, and exclusions.
- 1.4.13.3. Contractor shall provide claim and prior authorization information that can be used for proving fraud and abuse cases in a legal setting.
- 1.4.13.4. Contractor shall store and make available original claim and encounter information submitted by the Provider and generate facsimile of the appropriate claim or encounter format, on a claim-by-claim basis.
- 1.4.13.5. Contractor shall provide the ability to identify claims and encounters (historical and current) subject to audit or recovery, at the line detail level.
- 1.4.14. **Third Party Liability (TPL):** Support for Department TPL processes through coverage verification and other services.
 - 1.4.14.1. Contractor shall perform all TPL operations related to:
 - 1.4.14.1.1. Tracking TPL recoveries.
 - 1.4.14.1.2. Performing cost-avoidance.
 - 1.4.14.1.3. Point of Sale (POS) recoveries.
 - 1.4.14.1.4. Post-Payment Recoveries.
 - 1.4.14.2. Contractor shall apply TPL coverage and amounts to claims and encounters prior to payment to ensure Medicaid is the payer of last resort.
 - 1.4.14.3. Contractor shall apply TPL coverage and amounts to claims and encounters based on TPL to be treated as cost avoid or pay and chase, based on the Pharmacy Benefit Plan.
 - 1.4.14.4. Contractor shall maintain historical TPL eligibility and coverage in the PBMS.
 - 1.4.14.5. Contractor shall capture and store all TPL coverage information from Providers and make available to Providers for billing.
 - 1.4.14.6. Contractor shall coordinate benefits on pharmacy claims intercepted by the Department's TPL Contractor following adjudication in the PBMS.
 - 1.4.14.7. Contractor shall adjudicate pharmacy claims following adjudication by primary payors when resubmitted by the Department's TPL Contractor.
 - 1.4.14.8. Contractor shall implement a process by which the TPL Contractor can deliver standard NCPDP transactions (e.g., B1, B2, B3, etc.) to the PBMS and by which the PBMS can receive, accept, and process the standard NCPDP transactions to coordinate benefits and claim payments prior to Medicaid paying as secondary.
 - 1.4.14.9. Contractor shall cooperate and test all standard NCPDP transactions with the TPL Contractor and the Department.
 - 1.4.14.10. Contractor shall provide analytical reporting of transactions to the Department and the TPL Contractor that include, but are not limited to, the following:
 - 1.4.14.10.1. Accepted and denied NCPDP transactions from the TPL Contractor.

- 1.4.14.10.2. Total number of claims impacted by the coordination of benefits process.
- 1.4.14.10.3. Total cost savings of claims impacted by the coordination of benefits process.
- 1.4.15. **Reporting Support:** Support for Department reporting of operational and other data.
 - 1.4.15.1. Contractor shall provide assistance as needed to authorized PBMS users in researching and resolving problems, effectively utilizing tools, and understanding reports and underlying data.
 - 1.4.15.2. Contractor shall make all PBMS data elements available for reporting.
 - 1.4.15.3. Contractor shall establish and maintain a methodology for the development and maintenance of production reports.
 - 1.4.15.4. Contractor shall establish and maintain a methodology for the development and maintenance of ad hoc reports and allow scheduled delivery of recurring reports.
 - 1.4.15.5. Contractor shall establish a method for prioritizing report requests that addresses the needs of all State requesters.
 - 1.4.15.6. Contractor shall conduct meetings to review and prioritize data or information report and data extract requests that address the needs of all State requesters.
 - 1.4.15.7. Contractor shall establish, maintain, implement and manage a schedule for reporting that includes prioritization.
 - 1.4.15.8. Contractor shall track and report the status of each data and reporting request.
 - 1.4.15.9. Contractor shall produce, distribute and manage production reports in accordance with State and federal specifications.
 - 1.4.15.10. Contractor shall notify the requester when report timeliness or quality standards cannot be met.
 - 1.4.15.11. Contractor shall make reports available electronically in Department- requested formats.
 - 1.4.15.12. Contractor shall maintain detailed procedures documenting how reports are prepared and detailing the procedures used to validate the accuracy of the report information.
 - 1.4.15.13. Contractor shall provide quarterly reporting of all products covered under the pharmacy benefit as a suite of reports, to include cost information, utilization, and claim level information by product.
- 1.4.16. **Substance Use Disorder (SUD) Data:** Provision of substance use disorder data to support program goals for reducing substance abuse disorders.
 - 1.4.16.1. Contractor shall handle all Part 2 Data in conformity with the requirements of 42 CFR Part 2 and 42 CFR § 2.33.
 - 1.4.16.2. Contractor shall use Part 2 Data only for the following purposes:
 - 1.4.16.2.1. Processing of pharmacy claims and encounters
 - 1.4.16.2.2. Prior authorization requests

- 1.4.16.2.3. For care coordination or case management to facilitate the prevention of opioid abuse at the direction of and as permitted by State and federal law and regulation
- 1.4.16.2.4. Contractor shall not use the Part 2 Data for any other purpose without appropriate Member consent as defined under 42 CFR Part 2.
- 1.4.16.3. Contractor upon receipt of Part 2 Data shall:
 - 1.4.16.3.1. Not disclose Part 2 data without appropriate consent except as permitted under 42 CFR Part 2.
 - 1.4.16.3.2. Create safeguards, including documented policies and procedures, to prevent unauthorized uses and disclosures of Part 2 Data. These policies and procedures shall be reported in the Contractors' Data Governance Policy.
 - 1.4.16.3.3. Immediately report any unauthorized use, disclosures, or breaches of Part 2 Data to the Department.
 - 1.4.16.3.4. Contractor shall only redisclose Part 2 Data to a third party if (1) the third party is a contract agent of the Contractor helping to perform its duties under the Contract and the contract agent only discloses Part 2 Data back to the Contractor or the Department; or (2) the Contractor obtains appropriate Member consent.
- 1.4.16.4. Contractor shall follow this regulation: If the Contractor obtains Member consent to disclose Part 2 Data, the Contractor may disclose the Part 2 Data in accordance with the consent to any person or category of persons identified or designated in the consent, except that disclosure to central registries and in connection with criminal justice referrals shall meet the requirements of 42 CFR § 2.34 and 42 CFR § 2.35.
- 1.4.16.5. Contractor shall follow this regulation: If the Contractor obtains Member consent to disclose Part 2 Data for payment or health care operations activities, a lawful holder who receives such data may further disclose that data as may be necessary for the lawful holder's Contractors, Subcontractor or legal representatives to carry out payment or health care operations on behalf of such lawful holder in accordance with 42 CFR § 2.33. Part 2 Data disclosures shall be limited to the information necessary to carry out the stated purpose of the disclosure.

1.5. **PBMS MODULE TECHNOLOGY REQUIREMENTS**

- 1.5.1. **Application Environments:** The establishment and maintenance of application environments for development, testing, and production, including data refresh and staging area for benefit updates.
 - 1.5.1.1. Contractor shall provide the ability to run multiple sessions, environments, applications, areas, and views simultaneously.
 - 1.5.1.2. Contractor shall provide all PBMS environments necessary to perform all required functions including but not limited to testing, training, production operations, modeling, and disaster recovery, as defined by the Department.
 - 1.5.1.3. Contractor shall minimize production PBMS configuration errors by using automated business rules.

- 1.5.1.4. Contractor shall document and submit to the Department system architecture, deployment environment, and architectural structures.
- 1.5.1.5. Contractor's solution shall provide flexibility for authorized users to modify clinical edit rules.
- 1.5.2. **Technical Requirements:** Technical equipment, software and role-based access.
 - 1.5.2.1. Contractor shall provide a secure scalable IT infrastructure with role-based capability to establish user credentials and permissions.
 - 1.5.2.2. Contractor shall procure and maintain infrastructure hardware and software, including upgrades, patches, and technology refreshes to maintain functionality of all interfaces on an industry standards basis.
 - 1.5.2.3. Contractor shall provide the ability for an authorized PBMS user to have single sign on access, interface, and, or linkage to various resources and other sites or portals as requested by the Department.
 - 1.5.2.4. Contractor shall provide an online, viewable, indexed, and content-searchable archive with version control for all PBMS forms, documents, data files, data, and manuals to identify archived information to expedite the retrieval of archived information.
 - 1.5.2.5. Contractor shall use the indexed archive to retrieve one hundred percent (100%) of the information within seven (7) Business Days when requested by the authorized user.
 - 1.5.2.6. Contractor shall support different or multiple aspect ratios and screen resolutions for displayed data, with the ability to maximize, minimize, and show multiple screen displays.
 - 1.5.2.7. Contractor shall provide information archives in a manner that facilitates prompt and accurate information retrieval including a viewable, indexed, and content-searchable format.
 - 1.5.2.8. Contractor shall provide the ability to automate the meta-tagging of documents based upon their contents, and to allow user defined meta-tags.
 - 1.5.2.9. Contractor shall create and maintain multiple group-based customized display environments of PBMS information so that a user group sees only the information the group wants or is allowed to see, in the order that the group desires to see it.
 - 1.5.2.10. Groups may be business units, or may be defined by job category, employee status (e.g., permanent, temporary, new hire pre-HIPAA training), or other Department-defined criteria.
 - 1.5.2.11. Contractor shall generate and track internal messaging notes between administrators regarding an authorized PBMS user's profile, which includes maintenance features for each message.
 - 1.5.2.12. Contractor shall troubleshoot and debug data processing errors.
 - 1.5.2.13. Contractor shall support the functionality to trigger electronic correspondence to Member, Provider, submitter, and Contractor by any of the following methods:

email distribution, fax, posting, automated letter generation (using standard letters or forms, letter templates, and free-form letters), as well as interface with automated correspondence generation functionality.

- 1.5.3. **System Interfaces:** Exchange of data between the PBMS and other contractors to support the PBMS.
 - 1.5.3.1. Contractor shall integrate files and transmit data with all MES Contractors and all third-party Contractors in a HIPAA compliant format that follows the ESI Contractor best practices and standards.
 - 1.5.3.2. Contractor shall exchange PBMS data between MES systems and other third-party systems to facilitate Department-defined business functions to meet State and federal rules and regulations.
 - 1.5.3.3. Contractor shall provide technical assistance to establish and support data integration, interfaces and APIs with the PBMS and other MES systems and modules in alignment with Department data governance standards.
 - 1.5.3.4. Contractor shall provide and maintain a Data Dictionary, developed through industry best practices and standards identified and cited by the Contractor and approved by Department Staff and the ESI Contractor.
 - 1.5.3.4.1. At a minimum, the Data Dictionary shall contain for each field:
 - 1.5.3.4.1.1. Human readable, "plain English" field name.
 - 1.5.3.4.1.2. A field description.
 - 1.5.3.4.1.3. Database field name.
 - 1.5.3.4.1.4. Database table.
 - 1.5.3.4.1.5. Field type and length.
 - 1.5.3.4.1.6. Codes associated with the field.
 - 1.5.3.4.1.7. Descriptions of each code.
 - 1.5.3.4.1.8. Original field source (e.g., CBMS, 837, practitioner claim).
 - 1.5.3.4.2. DELIVERABLE: Data Dictionary
 - 1.5.3.4.3. DUE: As defined in the approved Project Work Breakdown Schedule
 - 1.5.3.5. Contractor shall send adjudication results for claims and encounters to the MMIS Contractor on a daily basis.
 - 1.5.3.6. Contractor shall receive, process and store all Medicaid and CHP+ data, and integration transactions in a HIPAA-compliant format from MES Contractors in as close to real time as possible.
 - 1.5.3.7. Contractor shall validate, edit, and accept files from other third-party Contractors outside of the MMIS, as identified by the Department.
 - 1.5.3.8. Contractor shall process adjustments for recovery in accordance with the NCPDP and X12 standards and send adjusted claims data to the MMIS from each recovery Contractor.

- 1.5.3.9. Contractor shall capture, store, and transmit to the MMIS all data elements submitted on drug related claims and encounters.
- 1.5.3.10. Contractor shall integrate in near to real time with the MMIS and enterprise data warehouse to provide data for use in pharmacy claims and encounter processing, as defined by the Department.
- 1.5.3.11. Contractor shall receive and analyze data from the enterprise data warehouse that can be used to identify claims for which payment should be denied and the reason for the denial.
- 1.5.3.12. Contractor shall provide data to the enterprise data warehouse to develop, produce, and maintain all reporting functions, files and data elements to meet current and future business needs, federal and State reporting requirements, rules and regulations. Modifications to federal and State reporting requirements made after PBMS implementation will be applied using the approved Change Management Process.
- 1.5.3.13. Contractor shall capture and provide to the MMIS and enterprise data warehouse all data that will be required to produce financial and utilization reports to facilitate cost reporting and financial monitoring of benefits and services.
- 1.5.3.14. Contractor shall transmit reference files to the MMIS and enterprise data warehouse, as requested by the Department.
- 1.5.3.15. Contractor shall provide content, including ad hoc and standardized reports, approved by the Department to the MMIS Contractor for inclusion on the MMIS web portal.
- 1.5.3.16. Contractor shall maintain TPL carrier and resource files and update Member and carrier information as received.
- 1.5.3.17. Contractor shall provide Department-defined data to other Department Contractors for data exchanges for use in recoveries, utilization review, and other processes.
- 1.5.3.18. Contractor shall maintain and update Medicare participation information when received from external sources.
- 1.5.3.19. Contractor shall receive a Provider interface feed from the MMIS on a daily basis.
- 1.5.3.20. Contractor shall accept, maintain, and link Electronic Health Record (EHR) information to Member data within the PBMS.
- 1.5.3.21. Contractor shall conduct the transfer of data in accordance with the policy, standards, and requirements established by the Department and the ESI Contractor for transmitting interface files.
- 1.5.3.22. The Contractor shall provide and maintain an Interface Control Document (ICD) and submit for Department review and approval. The ICD shall contain at a minimum: data layout documentation, data mapping crosswalk, inbound and outbound capability, and frequency for all interfaces.
 - 1.5.3.22.1. DELIVERABLE: Interface Control Document
 - 1.5.3.22.2. DUE: As defined in the approved Project Work Breakdown Schedule

- 1.5.3.23. Contractor shall work with the Department, enterprise data warehouse Exchange Partners, and the ESI Contractor to establish standard operating procedures and data modeling standards and methodologies for each data exchange and include those in the appropriate interface control documents (ICDs).
- 1.5.3.24. Contractor shall participate in MES change management and governance meetings as needed and requested.
- 1.5.3.25. Contractor shall follow the established record and interface file rejection criteria as defined by the Department and the ESI Contractor.
- 1.5.3.26. Contractor shall capture results and report to the Department and the ESI Contractor on SLA on interface performance.
- 1.5.3.27. Contractors shall work with ESI and all MES Contractors to assist with troubleshooting of interface files, and other activities as necessary to resolve interface Defects and errors.
- 1.5.3.28. Contractor shall provide a primary contact to work with the Department and the ESI Contractor for the resolution of all interface issues.
- 1.5.3.29. Contractor shall identify the source of all interface files and make available via a daily report log to the Department and the ESI Contractor to review.
- 1.5.3.30. Contractor shall work with the ESI Contractor and MES Contractors to ensure integration PBMS protocols follow the Department's integration governance and best practices for secure and reliable data exchanges across the MES and ESI Integration Platform.
- 1.5.3.31. Contractor shall send a daily eligibility integration file to the ePA module so that it is accessible to the ePA module at a near real-time level for ePA.
- 1.5.3.32. Contractor shall process 270 and 271 transactions between the PBMS and the RTBT Module.
- 1.5.3.33. Contractor shall accept and load TPL information into the PBMS.
- 1.5.3.34. Contractor shall provide cloud-based solutions that enable data exchange within and between modules using industry proven cloud hosting technologies (such as Amazon Web Services) to accelerate implementations and improve stability and performance of data exchanges.
- 1.5.3.35. Contractor shall participate in enterprise change management efforts when data supplier interface exchanges are modified or upgraded.
- 1.5.3.36. Contractor shall send an interoperability extract, which includes preferred drug list data, to the MMIS to ensure compliance with federal interoperability and patient access requirements.
- 1.5.4. **Online Help:** User help via online, real time access.
 - 1.5.4.1. Contractor shall propose, develop, produce, publish and deliver all applicable PBMS User Guide and Help updates.
 - 1.5.4.1.1. **DELIVERABLE:** PBMS User Guide and Help Desk

- 1.5.4.1.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.5.4.2. Contractor shall propose, develop, produce, and maintain frequently asked questions (FAQs) on PBMS screens and functionality.
 - 1.5.4.2.1. DELIVERABLE: PBMS System FAQs
 - 1.5.4.2.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 1.5.4.3. Contractor shall provide online help function to users on available shortcuts and other user-interface tips.
- 1.5.4.4. Contractor shall provide a search capability to find posts and threads by date or relevance.
- 1.5.4.5. Contractor shall provide additional functionality other than telephone, for authorized users to contact the Contractor for technical PBMS support and other questions, such as instant messaging or email.
- 1.5.4.6. Contractor shall provide a forum for authorized users to post inquiries, to respond to other posters and to create topical threads on problems, including:
 - 1.5.4.6.1. Allowing Department staff and other designated users to access the forum and to participate and moderate the posts and threads, based upon user roles.
 - 1.5.4.6.2. Providing a search capability to find posts and threads by date or relevance.
- 1.5.5. **User Interface and Navigation:** Maintenance of user navigation features and interfaces through browsers and VPN applications.
 - 1.5.5.1. Contractor shall ensure core PBMS compatibility with Microsoft Edge, Safari, Google Chrome, and Firefox.
 - 1.5.5.2. Contractor shall provide authorized PBMS users with a graphical user interface to define plans, benefits, and pricing.
 - 1.5.5.3. Contractor shall provide unlimited free-form text note field within the PBMS for agreed upon functions.
 - 1.5.5.4. Contractor shall provide all authorized users the ability to perform ad hoc queries within a PBMS data warehouse on Department-defined fields, including unstructured data, using partial and full matching logic.
 - 1.5.5.5. Contractor shall maintain a PBMS data warehouse to store data from MES Contractors and incumbent Contractor for PBMS operations and reporting as outlined in the Contract.
 - 1.5.5.6. Contractor shall provide the ability to view the results of filtered searches based on multiple or single criteria, search on multiple criteria at the same time, and perform secondary and tertiary searches within the primary search result.
 - 1.5.5.7. Contractor shall provide the ability to view the results of wild card searches (including both single character and string wildcard searches) for all searchable fields.

- 1.5.5.8. Contractor shall provide a user interface that allow authorized users to key information into the PBMS.
- 1.5.5.9. Contractor shall provide the ability for the Department to export Provider information into merge letters using an outside word processing application.
- 1.5.5.10. Contractor shall support Windows-based shortcuts, or similar functionality.
- 1.5.5.11. Contractor shall provide the ability to save and name multiple user defined search and sort parameters so they can be performed later.
- 1.5.5.12. Contractor shall support digital signatures from Providers.
- 1.5.5.13. Contractor shall provide a user interface to the PBMS rules engine enabling authorized PBMS users to easily connect and apply rules, as well as to view active and inactive rules. The Contractor shall provide this interface for all environments.
- 1.5.6. **Technical Operations:** Maintain and meet current system standards for technical operations including HIPAA, letter and form generation.
 - 1.5.6.1. Contractor shall provide optical character recognition to convert appropriate paper documentation received through PBMS operations into indexed, content searchable electronic format.
 - 1.5.6.2. Contractor shall present authorized users with the latest revision of a document and the option to view previous versions.
 - 1.5.6.3. Contractor shall perform batch control and reporting. The transaction control number assignment shall be coordinated with the MMIS Contractor for length and non-duplication for claims and encounters.
 - 1.5.6.4. Contractor shall allow flexibility to support Pharmacy Benefit Plan geographical service areas, by county, city, zip code, mileage, census tract, longitude and latitude, or various combinations.
 - 1.5.6.5. Contractor shall track and maintain changes to postings, newsletters, and bulletins.
 - 1.5.6.6. Contractor shall support user friendly data-merge functionality delivering clean contact data and Department prescribed standard texts into standard PC desktop applications.
 - 1.5.6.7. Contractor shall ensure that, at a minimum, the following functionalities are supported:
 - 1.5.6.7.1. All CAPS are changed to sentence case.
 - 1.5.6.7.2. Names are properly punctuated and formatted.
 - 1.5.6.7.3. Correct salutations, such as Mr. and Ms., are used.
 - 1.5.6.7.4. The correct zip codes are used with addresses.
- 1.5.7. **Real-Time Benefit Tool:** Develop and maintain PBMS functionality to receive, process, and return data in support of the RTBT Module operations. The RTBT Module includes the following applications: RTBI, eRx, and ePA.
 - 1.5.7.1. Contractor shall integrate the PBMS with the RTBT Module to:

- 1.5.7.1.1. Receive and respond to Member eligibility verification requests.
- 1.5.7.1.2. Receive, process and respond to RTBI inquiries.
- 1.5.7.1.3. Receive, process and respond to electronic prior authorization requests.
- 1.5.7.1.4. Receive and respond to inquiries for Member-specific medication history.
- 1.5.7.1.5. Provide Medicaid drug formulary information.
- 1.5.7.1.6. Provide Member eligibility information.
- 1.5.7.2. Contractor shall utilize applicable NCPDP standards for receiving, processing, and responding to RTBT Module transactions.
- 1.5.7.3. Contractor shall include the following in RTBI responses:
 - 1.5.7.3.1. Member-specific pharmacy benefit information and copays.
 - 1.5.7.3.2. Alternative drugs based on the lowest plan cost within a drug class or custom alternative drugs within a drug class as identified by the Department.
 - 1.5.7.3.2.1. Plan cost shall be calculated using a Department-approved methodology.
 - 1.5.7.3.2.2. Custom alternative drugs shall be updated as requested by the Department.
 - 1.5.7.3.2.3. Alternative drugs shall be listed in a hierarchy as specified by the Department.
- 1.5.7.4. Contractor shall process and respond to all RTBT Module inquiries in accordance with agreed upon transaction times as specified per each RTBT Module application.
- 1.5.7.5. Contractor shall provide any required data files to the RTBT Module in accordance with agreed upon timelines.
- 1.5.7.6. Contractor shall send and receive all Member data using a HIPAA-compliant secure transmission method.
- 1.5.7.7. Contractor shall ensure that the PBMS works with the necessary systems to conduct real-time and batch interfaces as required by the Department.
- 1.5.7.8. Contractor shall provide automated processing and determinations of electronic prior authorization requests received from the RTBT Module.
- 1.5.7.9. Contractor shall verify Member eligibility as part of electronic prior authorization processing.
- 1.5.7.10. Contractor shall transmit prior authorization clinical questions to the RTBT Module and use the responses for automated determinations of electronic prior authorization requests.
- 1.5.7.11. Contractor shall comply with the Department's pharmacy benefit policies in developing clinical decision criteria for automated electronic prior authorization determinations and submit for Department review and approval.
- 1.5.7.12. Contractor shall process all complete electronic prior authorization requests within twenty-four (24) hours of receipt.

- 1.5.7.13. Contractor shall manually review and respond to all complete electronic prior authorization requests that are not automatically determined by the PBMS.
- 1.5.7.14. Contractor shall deny any pended electronic prior authorization requests if sufficient information to determine medical necessity is not received within seventy-two (72) hours.
- 1.5.7.15. Contractor shall accept and review electronic prior authorization requests for all drugs that require prior authorization as directed by the Department.
- 1.5.7.16. Contractor shall provide RTBT Module transaction data and claim and prior authorization data to the RTBT Module Contractor to support Department-required reporting.

1.6. PBMS MODULE SERVICE LEVEL AGREEMENTS (SLA)

- 1.6.1. PBMS Related Performance Measures and SLAs: Reporting and monitoring during the life of the contract.

SLA Category	Performance Measure	Amount Reduced By
SLA Category Staffing	Contractor shall provide backup resources during all contract phases for support, including training, to the Department in the case that any Key Personnel positions are vacant.	\$1,000 per vacant position without backup resources per week.
SLA Category: Call Center	The Contractor shall ensure that 95% of all calls are answered, either with a live operator or automated system, within thirty (30) seconds. The Contractor shall ensure that 95% of hold times do not to exceed thirty (30) seconds. Hold time is the amount of time that a Call Center agent puts a caller on hold.	\$1,000 for each 0.1% below 95% of weekly calls that are not answered within 30 seconds.
SLA Category: Call Center	Contractor shall staff a Call Center which is operational twenty-four (24) hours a day and seven (7) days a week, including holidays.	\$1,000 for each hour or partial hour the Call Center is not operational.
SLA Category: Call Center	All telephone calls and emails received from Providers shall be responded to within one (1) Business Day and resolved within three (3) Business Days during the month. A response does not mean resolution is provided; instead it may include a simple acknowledgement of the inquiry or referral to another representative as long as the representative responds within the same timeframe. If the response is a referral to another representative, the response shall provide a target completion or resolution date.	\$500 for each occurrence of a call not being returned within one business day or a resolution not provided in three business days.

SLA Category: Communication	<p>Adhere to the following communication timeframes, according to urgency level as documented in the Communication Management Plan:</p> <ul style="list-style-type: none"> - Respond to routine communication within one business day - Respond to semi-urgent communication within six (6) hours - Respond to urgent communication within one (1) hour. <p>A response does not mean resolution is provided; instead it may include a simple acknowledgement of the inquiry or referral to another representative as long as the representative responds within the same timeframe. If the response is a referral to another representative, the response shall provide a target completion or resolution date.</p>	\$500 per missed communication in each respective timeframe.
SLA Category: Communication	Report any PBMS problems within fifteen (15) minutes of Contractor identifying problem, through notification to appropriate Department staff by phone and email, in accordance with the approved Communication Management Plan.	\$500 per identified problem.
SLA Category: Operations	Deliver agendas and status reports for weekly PBMS Operations status meetings one (1) full Business Day prior to the meeting.	\$250 per late delivery.
SLA Category: Operations	Deliver meeting minutes for weekly PBMS Operations status meetings no later than COB on the third Business Day following the meeting.	\$250 per late delivery.
SLA Category: Operations	Deliver Monthly Contract Management and Status Reports to the Department within seven (7) Business Days following the close of the month.	\$1,000 per late delivery.
SLA Category: Operations	Deliver all other Monthly Reports to the Department no later than seven (7) Business Days following the end of the previous month for which the report covers.	\$1,000 per late delivery of Monthly Reports.

SLA Category: Operations	For pharmacy claims submitted electronically by a Provider, 99.9% POS claims shall be adjudicated to a paid, rejected, or denied status within a Department and Contractor agreed upon amount of time.	\$5,000 per each 0.1% of a percentage point below the monthly average response time expectation of 99.9% for transactional processing.
SLA Category: Operations	For pharmacy claims submitted on paper by a Provider, all clean paper claims shall be direct data entered and adjudicated by the Contractor accurately within seventy-two (72) hours upon receipt during the month.	\$500 for every clean paper claim not processed within seventy-two (72) hours.
SLA Category: Operations	Accept, correctly process, correctly adjudicate, correctly price, and correctly pay 100% of pharmacy claims and compound prescription claims via all modes of submission including point of sale (POS) and paper.	\$5,000 for each 0.1% below SLA (monthly).
SLA Category: Operations	Contractor shall complete prior authorization approval, denial, or pending determination and notify appropriate parties within twenty-four (24) hours of receipt of request.	\$2,500 per Prior Authorization request not completed or responded to within 24 hours.
SLA Category: Operations	Contractor shall deny pended prior authorization requests if sufficient information to determine medical necessity is not received within 72 hours.	\$1,000 per day per each pended prior authorization request which has not been approved or denied within 72 hours.
SLA Category: Operations	Report monthly on erroneous claims processing to the Department when errors have resulted in inaccurate claims or encounters processing.	\$1,000 per late delivery.
SLA Category: Operations	Contractor shall complete all transmittals within seven (7) Business Days of receipt of final criteria. Requests deemed urgent shall be completed within two (2) Business Days of receipt of final criteria. Contractor may request an extension of the due date on any complex transmittal or where other circumstances create a delay in processing. The Department may grant the Contractor an extension of the due date on any transmittal.	\$500 every day or partial day until the transmittal is accepted by the Department as complete and accurate; \$1,000 every day or partial day for urgent transmittals.

SLA Category: Operations	Contractor shall implement and maintain business rules in the PBMS which are 100% consistent with the posted pharmacy benefit policies and clinical criteria.	\$1,000 per business rule not consistent with posted pharmacy benefit policies or clinical criteria at any given point in a month.
SLA Category: Operations	The Contractor shall maintain all system and operational documentation (including but not limited to DSD's and Data Dictionary) and apply all required updates within thirty (30) Calendar Days of implementing a change. All changes shall require Department review and approval in order to be considered final. Documentation shall be readily available to Department users and in a searchable format.	\$1,000 per late delivery of updates.
SLA Category: System	The PBMS production environment, as a whole, must be available for use 100% of the time per month, excluding the mutually agreed and scheduled service or maintenance intervals which have been identified as exceptions.	\$5,000 for each 0.1% below the SLA.
SLA Category: System	Contractor shall report any unscheduled PBMS downtime within fifteen (15) minutes of incident becoming known to Contractor.	\$500 for every 15 minutes or part of 15 minutes past the SLA.
SLA Category: System	Contractor shall notify the designated Department staff via e-mail of any planned system interruption, shutdown, or non-access to any files, at least three (3) business days prior to the scheduled interruption and obtain written Department approval prior to implementing the shutdown.	\$1,000 per each system interruption that the Department is not notified in advance.
SLA Category: System	PBMS User Guides and help desk updates shall be completed within five (5) Business Days of notification by the Department of the change.	\$500 per late delivery of updates.
SLA Category: System	PBMS screen and functionality FAQ updates shall be completed within five (5) Business Days of notification by the Department of the change.	\$500 per late delivery of updates.

<p>SLA Category: System</p>	<p>Contractor shall notify the Department of all priority level 1 production incidents within fifteen (15) minutes of discovery of the incident. Contractor shall provide a plan for resolution within two (2) hours to the Department and resolve the incident within twelve (12) hours of the notification. Contractor will provide a root cause analysis within two (2) hours after resolution of an incident. Priority level 1 incident is defined as a major impact on the project or business operations preventing the system from operating to meet the mission critical business requirements and system components are unavailable to the user. There is no workaround available. Contractor will include incident reporting to the Department weekly.</p>	<p>\$500 for every 15 minutes or partial 15 minutes notification is late.</p> <p>\$1,000 for every 30 minutes or partial 30 minutes the root cause analysis or plan are late.</p> <p>\$5,000 for every hour or partial hour past the 12 hours for resolution.</p>
<p>SLA Category: System</p>	<p>Production enhancements and modifications shall not cause Defects to existing interface APIs, data, transactions, and system functionality. The PBMS must function as reflected in the approved system documentation.</p> <p>If the enhancement or modification causes a Defect, the Contractor will provide a summary of the business impact, a report of the number of Defects caused by the enhancement or modification, the Defect severity, a root cause analysis. Defects must be resolved as defined in the approved Master Testing Strategy and Management Plan.</p>	<p>\$2,000 per Defect.</p>

SLA Category: System	<p>Contractor will correct, within the resolution identified below, all performance issues or operational conflicts within or between ESI system components within the applicable timeline as described below. ESI system components are defined as Contractor-managed applications, services, and utilities that form the technical architecture.</p> <p>Severity 1 - PBMS Defects that could cause critical consequences (critical loss of data, critical loss of system availability, critical loss of security etc.) or cannot perform vital business functions, and there is no workaround available. Resolution time twenty-four (24) hours.</p> <p>Severity 2 - PBMS Defects that could cause serious consequences for the system (function is severely broken, cannot be used, and there is no workaround available). Resolution time two (2) Calendar days.</p> <p>Severity 3 - PBMS Defects that could cause small or negligible consequences for the system but which are easy to recover from and, or a workaround exists. Resolution time five (5) Business days.</p>	<p>Severity 1: \$5,000 per hour or partial hour past the 12 hours.</p> <p>Severity 2: \$3,000 per hour or partial hour past 48 hours.</p> <p>Severity 3: \$1,000 per day or partial day past 5 business days.</p>
SLA Category: System	Contractor shall provide 100% timely and accurate delivery of ad-hoc reports and data extracts to the Department or its designated entity upon mutually agreed upon timelines.	\$1,000 per business day past due date defined by the Department for Contractor generated ad-hoc reports requested by the Department.
SLA Category: System	Contractor shall conduct the transfer of data in accordance with the policy, standards, and requirements established by the Department and the ESI Contractor for transmitting interface files.	\$1,000 per file per day or any portion of a day a file is not transmitted, or processing is not completed, per schedule.

<p>SLA Category: Business Continuity</p>	<p>No mission critical services shall be interrupted during the month. Priority 1 is defined as a major impact on the project or business operations preventing the PBMS from operating to meet the mission critical business requirements and system components are unavailable to the user as described in the approved Business Continuity and Disaster Recovery Plan. There is no workaround available.</p>	<p>\$5,000 per Priority 1 interruption.</p>
<p>SLA Category: Business Continuity</p>	<p>Contractor shall notify the Department of all priority level 1 incidents within fifteen (15) minutes of discovery of the incident. Contractor shall provide a plan for resolution within two (2) hours to the Department and resolve the incident within eight (8) hours of the notification and a root cause analysis within two (2) hours of resolution. Priority level 1 incident is defined as a major impact on the project or business operations preventing the PBMS from operating to meet the mission critical business requirements and system components are unavailable to the user. There is no workaround available. Contractor will include incident reporting to the Department weekly.</p>	<p>\$500 for every 15 minutes or partial 15 minutes notification is late.</p> <p>\$1,000 for every 30 minutes or partial 30 minutes the root cause analysis or plan are late.</p> <p>\$5,000 for every hour or partial hour past the 8 hours for resolution.</p>
<p>SLA Category: Business Continuity</p>	<p>Contractor shall notify the Department of all Priority Level 2 production incidents within fifteen (15) minutes of discovery of the incident. Contractor shall provide a plan for resolution within two (2) hours to the Department and a root cause analysis within two (2) hours of resolution. All core services that are required to be maintained with limited service disruption (Priority 2 as described in an approved Business Continuity and Disaster Recovery Plan) shall be recovered within twenty-four (24) hours following the event that resulted in those services being unavailable.</p>	<p>\$500 for every 15 minutes or partial 15 minutes notification is late.</p> <p>\$1,000 for every 30 minutes or partial 30 minutes the root cause analysis or plan are late.</p> <p>\$4,000 for every hour or partial hour past the 24 hours for resolution.</p>

<p>SLA Category: Business Continuity</p>	<p>Contractor shall notify the Department of all Priority Level 3 production incidents within fifteen (15) minutes of discovery of the incident. Contractor shall provide a plan for resolution within two (2) hours to the Department and root cause analysis within two (2) hours of resolution. Systems and data where service disruption will cause serious injury to government operations, staff, or citizens (Priority 3 as described in an approved Business Continuity and Disaster Recovery Plan) shall be recovered within forty-eight (48) hours following any event that results in those services being unavailable.</p>	<p>\$500 for every 15 minutes or partial 15 minutes notification is late.</p> <p>\$1,000 for every 30 minutes or partial 30 minutes the root cause analysis or plan are late.</p> <p>\$3,000 for every hour or partial hour past the 48 hours for resolution.</p>
<p>SLA Category: Business Continuity</p>	<p>Contractor shall notify the Department of all Priority Level 4 production incidents within fifteen (15) minutes of discovery of the incident. Contractor shall provide a plan for resolution within two (2) hours to the Department and a root cause analysis within two (2) hours of resolution. Systems and data required for moderately critical agency services and IT functions where damage to government operations, staff, and citizens would be significant but not serious (Priority 4 as described in the Business Continuity and Disaster Recovery Plan) shall be recovered within five (5) Business Days following any event that results in those services being unavailable -OR- no Priority 4 services shall be interrupted during the month.</p>	<p>\$500 for every 15 minutes or partial 15 minutes notification is late.</p> <p>\$1,000 for every 30 minutes or partial 30 minutes the root cause analysis or plan are late.</p> <p>\$2,000 for every day or partial day past the 5 Business Days for resolution.</p>
<p>SLA Category: Business Continuity</p>	<p>Contractor shall notify the Department of all Priority Level 5 production incidents within fifteen (15) minutes of discovery of the incident. Contractor shall provide a plan for resolution within two (2) hours to the Department and a root cause analysis within two (2) hours of resolution. Systems and data required for less critical support systems (Priority 5 as described in an approved Business Continuity and Disaster Recovery Plan) are all recovered on timeframe as mutually agreed upon by the Department and Contractor.</p>	<p>\$500 for every 15 minutes or partial 15 minutes notification is late.</p> <p>\$1,000 for every 30 minutes or partial 30 minutes the root cause analysis or plan are late.</p> <p>\$1,000 for every day or partial day past the agreed upon timeframe for resolution.</p>

SLA Category: Business Continuity	The alternative site or sites described in an approved Business Continuity and Disaster Recovery Plan are fully operational within five (5) Business Days of the primary business location becoming unsafe or inoperable during the month.	\$1,000 per day alternative sites are not fully operational past the fifth Business Day.
SLA Category: RTBT	Contractor shall process and respond to 99.9% of RTBT Module inquiries in accordance with agreed upon transaction times.	\$5,000 for each 0.1% below 99.9% (monthly).
SLA Category: RTBT	Contractor shall provide eligibility, claim history, drug formulary and pharmacy benefit data to the RTBT Module which is 100% accurate.	\$5,000 for each 0.1% below a 100% accuracy expectation (monthly).
SLA Category: RTBT	100% of RTBT transactions accurately represent alignment and consistency with the Department's posted pharmacy benefit policies in effect on the date of the transaction.	\$5,000 for each 0.1% below SLA (monthly).
SLA Category: ePA Operations	Contractor shall accept and review electronic prior authorizations (ePAs) for all drugs that require prior authorization as directed by the Department.	\$1,000 per drug that ePA cannot process ePAs for.
SLA Category: ePA Operations	100% of ePA determinations must be consistent with the Department's posted pharmacy benefit policies in effect on the date of the determination.	\$1,000 for each 0.1% below the SLA (monthly).
SLA Category: ePA Operations	All ePA responses that are not automatically resolved within the ePA Module will be manually reviewed and responded to within twenty-four (24) hours of their submission.	\$2,500 per Prior Authorization request not completed or responded to within 24 hours.

1.7. PBMS PERSONNEL REQUIREMENTS

1.7.1. The Key Personnel for the Contract are as follows:

1.7.1.1. Pharmacy Account Manager

1.7.1.1.1. The Contractor shall provide a full-time Pharmacy Account Manager for all phases of the Contract, starting upon the Contract Effective Date. The Pharmacy Account Manager shall have responsibility for:

- 1.7.1.1.1.1. Serving as the Contractor's primary point of contact to maintain communication with the Department for activities related to contract administration, project management, and scheduling.
- 1.7.1.1.1.2. Correspondence between the Department and Contractor.
- 1.7.1.1.1.3. Status reporting to the Department.
- 1.7.1.1.1.4. Ensuring completion of all work in accordance with the Contract's requirements. This includes, but is not limited to, ensuring the accuracy, timeliness, and completeness of all work.
- 1.7.1.1.1.5. Managing ongoing operations.

1.7.1.2. **Pharmacy Systems Manager**

- 1.7.1.2.1. Contractor shall provide a full-time Pharmacy Systems Manager for all phases of the contract, starting upon Contract effective date. The Pharmacy Systems Manager responsibilities include:
 - 1.7.1.2.1.1. Managing and coordinating the work of the developers, analysts, and testers responsible for system customization and configuration.
 - 1.7.1.2.1.2. Identifying and tracking all errors and discrepancies found in the System, notifying the Department, and correcting all errors and discrepancies.
 - 1.7.1.2.1.3. Researching and identifying impacts and root causes of System problems and communicating to the Department a plan to resolve problems. Implementing the plan to resolve problems and report the results to the Department.
 - 1.7.1.2.1.4. Ensuring that data models integrate with other systems.
 - 1.7.1.2.1.5. Working closely with the Department's ESI Contractor regarding governance and integration services.
 - 1.7.1.2.1.6. Be responsible for oversight and implementation of standards and practices for interface exchange.
 - 1.7.1.2.1.7. Working closely with and coordinate with other State vendors to ensure the upkeep and maintenance of the Medicaid data model.

1.7.1.3. **Business Analyst**

- 1.7.1.3.1. The Business Analyst shall serve as the liaison between the Department's team business owners, end users, IT, and claims and clinical staff. The Business Analyst shall have the following duties:
 - 1.7.1.3.1.1. Developing and documenting workflow, systems requirements, system impact analysis, systems design, process analysis and testing, including reasonableness checks, using software development methodology to provide efficient, cost-effective solutions. The Business Analyst shall also identify the impact of any proposed solutions on existing and future systems.

- 1.7.1.3.1.2. Creating and maintaining standard related reports to support operational and development needs, including:
 - 1.7.1.3.1.2.1. Managing reporting and requests for ad hoc reports to support implementation of system changes.
 - 1.7.1.3.1.2.2. Querying the data warehouse and PBMS databases and preparing user friendly reports according to each requestor's requirements.
 - 1.7.1.3.1.2.3. Creating and maintaining management tools and databases to support CQI, rates, workflow business rules and system configuration, reimbursement, and document management requirements.
- 1.7.1.3.1.3. Collaborating with the Systems Pharmacist on the creation, review, and implementation of PBMS configuration and review testing.
- 1.7.1.3.1.4. Developing and maintaining project plans, including:
 - 1.7.1.3.1.4.1. Managing small to medium sized projects and system enhancements impacting data management.
 - 1.7.1.3.1.4.2. Conducting root cause analyses, gathering data to pinpoint problem areas on which to focus, validating that the analysis is data driven, recommending and implementing solutions and evaluating those results, and implementing controls to monitor consistent use of the solution.
 - 1.7.1.3.1.4.3. Participating in design plans for implementation, produces user documentation and training materials. May conduct end user training.
- 1.7.1.3.1.5. Providing status reports that give a detailed description of each projects progress and indicates time devoted to each task of the project; leading status meetings and creating agendas and meeting minutes.
- 1.7.1.3.1.6. Identifies reporting needs based on system configuration and workflows and documenting reporting requirements and testing of new reports in development prior to implementation to Production.
- 1.7.1.3.1.7. Participating in initiatives or projects that support process improvements, leveraging new system capabilities or the integration of data/other applications into existing systems.
- 1.7.1.4. **Call Center Lead Pharmacist**
 - 1.7.1.4.1. The Call Center Lead Pharmacist shall manage the development of clinical management products and services. The position shall be able to communicate across all departments, have an understanding of the strategic impact of the pharmacy programs for the company, knowledge of how the specialty programs integrate with other clinical initiatives, and expertise with data.
 - 1.7.1.4.2. The Call Center Lead Pharmacist shall manage all clinical operations activities encompassed in the Contract; overseeing operational and clinical staff at the Call Center; developing operational and clinical policies and procedures.

- 1.7.1.4.3. The Call Center Lead Pharmacist shall oversee and provide input and feedback on clinical guidelines and discuss patient care with Providers and offer alternatives to nonpreferred medications. On an as needed basis, the dedicated Pharmacist shall oversee and perform clinical reviews for Prior Authorization (PA) requests outside of clinical guidelines or FDA-approved indications or other requested analysis.
- 1.7.1.4.4. The Call Center Lead Pharmacist shall be the Contractor's clinical lead and be available for escalation issues from the Call Center. This individual shall oversee and provide input and feedback on clinical guidelines and discuss patient care with Providers and offer alternatives to non-preferred medications. The Pharmacist shall also run the management of the PDL, working in tandem with assigned Call Center support staff and the PDL Pharmacist.
- 1.7.1.4.5. The Call Center Lead Pharmacist shall present Pro DUR results, provide clinical criteria recommendations for system edits, assist with system review from a clinical perspective, and work with the Call Center regarding clinical changes.
- 1.7.1.4.6. The Call Center Lead Pharmacist shall manage development of clinical utilization management strategies, products, and services.
- 1.7.1.4.7. The Call Center Lead Pharmacist shall oversee and perform medical necessity reviews for Early and Periodic Screening, Diagnostic and Treatment (EPSDT).
- 1.7.1.4.8. The Call Center Lead Pharmacists shall identify and analyze Call Center trends and make recommendations for changes in configuration or automation of policies based on these trends.
- 1.7.1.4.9. The Call Center Lead Pharmacists shall identify and monitor drug shortages and report to the Department.
- 1.7.1.4.10. The Call Center Lead Pharmacist shall work with the Call Center on a daily basis to assist with drug changes, additions, and questions.
- 1.7.1.4.11. The Call Center Lead Pharmacist shall collaborate with the System Pharmacist to update the Call Center documentation to align with system changes.
- 1.7.1.4.12. The Call Center Lead Pharmacist shall manage the integration of State DUR Program clinical Provider consult services with prior authorization clinical review procedures; and shall track and monitor Call Center activities related to these services.
- 1.7.1.4.13. The Call Center Lead Pharmacist shall maintain an unrestricted license in good standing to practice in Colorado through the life of the Contract.
- 1.7.1.5. **PDL Pharmacist**
 - 1.7.1.5.1. The PDL Pharmacist shall review key pipeline drugs with the intent of adding the drugs to the PDL program with clinical and cost considerations when they are released to market.

- 1.7.1.5.2. The PDL Pharmacist shall provide supportive services to the PDL program including oversight of Pharmacy and Therapeutic (P&T) Committee including support for the P&T Committee meetings.
- 1.7.1.5.3. The PDL Pharmacist shall be responsible for all the following cost saving initiatives:
 - 1.7.1.5.3.1. Review and implementation of edits to reduce unnecessary costs and improve program efficiencies.
 - 1.7.1.5.3.2. Analyzing PDL compliance.
 - 1.7.1.5.3.3. Document and report market share and cost analysis based off Supplemental Rebate offers.
 - 1.7.1.5.3.4. Identifying cases of fraud, waste, and abuse and recommending processes designed to minimize these issues such as Provider education and outreach, and Client Over-Utilization Program (COUP) applications.
- 1.7.1.5.4. The PDL Pharmacist shall update the PDL program documentation as directed by the Department.
- 1.7.1.5.5. In conjunction with the Contractor's internal contracting team, make preferred product recommendations to the department using utilization, Medicaid pricing, and supplemental rebate offer information.
- 1.7.1.5.6. Work with Contractor's internal contracting team to solicit and negotiate optimal supplemental rebate offers from drug manufacturers for Department execution.
- 1.7.1.5.7. Provide First DataBank or claims system support for rebate disputes.
- 1.7.1.5.8. Update status changes from P&T Committee.
- 1.7.1.5.9. Provide supplemental rebate contract oversight.
- 1.7.1.5.10. The PDL Pharmacist shall provide the following oversight and support for the Department's participation in PDL Purchasing Pools:
 - 1.7.1.5.10.1. Collaborate with the Systems Pharmacist to update the PBMS to align with the policy recommendations of the PDL Purchasing Pool.
 - 1.7.1.5.10.2. If the PDL Purchasing Pool is contracted separately from the PBMS, collaborate with the Account Manager of the PDL Purchasing Pool.
- 1.7.1.5.11. The PDL Pharmacist shall maintain an unrestricted license in good standing to practice in Colorado through the life of the Contract.
- 1.7.1.6. **Systems Pharmacist**
 - 1.7.1.6.1. The Systems Pharmacist shall also be responsible for all of the following:
 - 1.7.1.6.1.1. Develop operational and clinical policies and procedures.
 - 1.7.1.6.1.2. Claims research and reporting related to edits and denials.
 - 1.7.1.6.1.3. Utilize PDL cost sheets to document potential system updates to the RTBT Module for identification of drug alternatives to display in EHR systems.

- 1.7.1.6.1.4. First DataBank weekly updates.
- 1.7.1.6.1.5. Creation, quality review, and submission of PBMS change configuration and review testing. This includes review and testing for point of sale (POS) configurations.
- 1.7.1.6.1.6. New drug and new indication PBMS change configuration.
- 1.7.1.6.1.7. Suggest clinical criteria configurations based on trends for Call Center and Auto PA requirements.
- 1.7.1.6.1.8. Collaborate with Department staff to document clinical criteria for the Call Center and Auto PA requirements.
- 1.7.1.6.1.9. Attend DUR Board meetings to expedite DUR edit and criteria changes.
- 1.7.1.6.1.10. Present ProDUR Quarterly results.
- 1.7.1.6.1.11. Provide quarterly utilization reports, rebate and market share shift cost savings reports, supplemental rebate savings reports, and other ad hoc reporting for policy decision making.
- 1.7.1.6.1.12. Submit data for the CMS DUR Annual Report.
- 1.7.1.6.2. The Systems Pharmacist shall reduce unnecessary costs and improve program efficiencies by performing additional review and implementation of drug edits at the POS.
- 1.7.1.6.3. The Systems Pharmacist shall maintain an unrestricted license in good standing to practice in Colorado through the life of the Contract.
- 1.7.1.7. **DDI Manager**
- 1.7.1.7.1. Contractor shall designate a full-time DDI Manager for the DDI phases of the contract, starting upon Contract effective date. This position's responsibilities include:
 - 1.7.1.7.1.1. Manage activities related to Contractor resources and Deliverable reviews during the Design & Definition, and Configuration phases.
 - 1.7.1.7.1.2. Manage system development and testing activities.
 - 1.7.1.7.1.3. Plan, schedule, organize, assign, direct, and control all activities, either directly or through assigned personnel, to successfully develop and implement the PBMS and associated pharmacy components.
- 1.7.1.8. **Call Center Manager**
- 1.7.1.8.1. Contractor shall designate a full-time Call Center Manager for all phases of the contract, starting upon Contract effective date. This position's responsibilities include:
 - 1.7.1.8.1.1. Manage the day-to-day operations of the Call Center.
 - 1.7.1.8.1.2. Oversee the Call Center staff.
 - 1.7.1.8.1.3. Escalate issues to the Account Manager as needed.

1.7.1.8.1.4. Develop and adhere to operational policies and procedures.

1.7.1.9. **Executive Sponsor**

1.7.1.9.1. The Executive Sponsor shall be responsible for all of the following:

1.7.1.9.1.1. Resolving disputes between the Department and Contractor that cannot be resolved by the Account Manager.

1.7.1.9.1.2. Addressing requests and concerns of the Department's Executive Director and other senior management as determined by the Department.

2. REBATE MODULE STATEMENT OF WORK

2.1. Contractor shall provide services for a Rebate Module which will support State and federal requirements under the Medicaid Drug Rebate Program.

2.2. Rebate Module Project Phases, Project Management and Contract Management Requirements

2.2.1. **Rebate Module Staffing:** Staffing related to the Contractor's contract activities and scope of work.

2.2.1.1. Contractor shall conduct normal business hours, Monday through Friday, from 8:00 a.m. to 5:00 p.m. Mountain Time (MT), each Business Day with the exception of days the Department is closed due to weather, Department-approved and pre-scheduled training sessions, and agreed holidays.

2.2.1.2. Contractor shall provide Department-approved virtual conferencing space to support coordination between among all Stakeholders, including Department and external Stakeholders.

2.2.1.3. Contractor shall have access to the email, calendar and communication tools used by Department staff, including, but not limited to Google Calendar, Google Chat, Google Meet, and Zoom.

2.2.1.4. For staff roles that are not designated to be on-site, they shall be located within the United States.

2.2.1.5. Contractor shall provide a Resource Management Plan for Department approval. The Resource Management Plan shall include, but is not limited to the following:

2.2.1.5.1. A description of the proposed organization for each of the following Project Phases:

2.2.1.5.1.1. Project Initiation.

2.2.1.5.1.2. Design and Definition.

2.2.1.5.1.3. Configuration.

2.2.1.5.1.4. Data Conversion.

2.2.1.5.1.5. Testing.

2.2.1.5.1.6. Transition and Operational Readiness Demonstration.

2.2.1.5.1.7. Implementation and Rollout.

- 2.2.1.5.1.8. Certification.
- 2.2.1.5.1.9. Operations and Maintenance.
- 2.2.1.5.1.10. Enhancements.
- 2.2.1.5.1.11. Turnover.
- 2.2.1.5.1.12. Ongoing Project and Contract Management.
- 2.2.1.5.2. An Organization Chart that identifies positions and describes the organizational structure and team location(s) (specify in-State or out-of-State) and how this structure will contribute to project success.
- 2.2.1.5.3. A description for maintaining appropriate staffing levels throughout the term of the Contract and adjusting its resources as necessary to maintain the required level of service.
- 2.2.1.5.4. The approach to acquiring and retaining project staff.
- 2.2.1.5.5. Staff training and retention plan.
- 2.2.1.5.6. Identification of Subcontractors (if any).
- 2.2.1.5.7. Solution for communication with the Department when bringing on new Contractor staff (Key Personnel and non-Key Personnel).
- 2.2.1.5.8. Solution for communication with the Department when Contractor staff are leaving (Key Personnel and non-Key Personnel).
- 2.2.1.5.9. Solution for conducting and involving the Department in performance evaluations of Key Personnel.
- 2.2.1.5.10. Point of contact information for Contractor Key Personnel and Department project staff.
- 2.2.1.6. The Resource Management Plan shall include the following information for each position:
 - 2.2.1.6.1. Labor Category title.
 - 2.2.1.6.2. Position description.
 - 2.2.1.6.3. Required education, training, licensure, and certification.
 - 2.2.1.6.4. Required experience.
 - 2.2.1.6.5. Specific skills or knowledge required.
 - 2.2.1.6.6. Percent allocation to the contract scope of work.
- 2.2.1.7. Contractor shall update the Resource Management Plan and submit to the Department for approval at least annually and upon Key Personnel changes. The Department's approval of any resource plan does not imply that staffing levels are sufficient; the Contractor shall increase staffing as needed to meet Contract requirements at no additional cost to the Department. The update shall include, at a minimum:
 - 2.2.1.7.1. Human resource management approach for managing staffing requirements.

- 2.2.1.7.2. Resource planning and reporting, current staffing levels and staffing needs, day to day management of project staff.
- 2.2.1.7.2.1. DELIVERABLE: Resource Management Plan
- 2.2.1.7.2.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.1.8. Contractor shall adhere to the approved Resource Management Plan. Key staff shall not be removed or replaced by the Contractor for use on other projects, without Department consent.
- 2.2.1.9. Contractor shall provide the Department the ability to conduct an exit interview with Rebate Module Staff who resign, or the Department shall receive an exit questionnaire completed by the resigning employee.
- 2.2.1.10. Contractor shall provide resumes to the Department for approval of all Key Personnel roles and for any changes to Key Personnel during the contract term. The Department reserves the right to approve or deny Key Personnel assigned to the Contract.
- 2.2.1.10.1. DELIVERABLE: Key Personnel Resumes
- 2.2.1.10.2. DUE: No later than fifteen (15) Business Days after Contract execution
- 2.2.1.11. Contractor shall notify the Department of a vacancy in any of the listed Key Personnel positions within forty-eight (48) hours of receiving notice.
- 2.2.1.12. Contractor shall fill all Key Personnel vacancies or provide a Key Personnel Transition Plan, accepted by the Department, within thirty (30) Business Days, unless a longer period is approved by the Department.
- 2.2.1.13. Contractor shall provide documentation in response to a Department audit, within ten (10) Business Days, to confirm that all project positions are filled with staff adequate for their project role, based on the experience, skills, location, and other requirements established by the Department.
- 2.2.1.14. Contractor shall provide evidence of completed background security checks through submission of results of background checks for all Contractor staff prior to assignment, as required by the Department.
- 2.2.1.15. Contractor shall make all Personnel available during the Department's business hours of 8:00 a.m. to 5:00 p.m. MT with the exception of days the Department is closed due to weather, Department-approved and pre-scheduled training sessions, and agreed holidays. In addition, Contractor shall make Key Personnel available for key meetings and special events (e.g., operational cutover) that are outside of these core hours, at no additional cost to the Department.
- 2.2.1.16. Key Personnel are subject to both initial and ongoing approval of the Department. Any substitutions shall not be assigned to perform work under the contract without prior approval of the Department. Key Personnel include:
 - 2.2.1.16.1. Account Manager.
 - 2.2.1.16.2. Rebate Manager.

- 2.2.1.16.3. Executive Sponsor.
- 2.2.1.17. Key Personnel named in this section shall meet minimum qualifications unless an exception is granted by the Department. The minimum qualifications are as follows:
 - 2.2.1.17.1. College degree in related field, preferably a bachelor's degree or higher.
 - 2.2.1.17.2. At least two (2) years of experience in the particular named service, such as account management, pharmacist, or systems management, preferably within in the health care industry.
 - 2.2.1.17.3. Demonstrated at least two (2) years of professional experience and knowledge of industry standards and best practices regarding large-scale and enterprise-level projects.
 - 2.2.1.17.4. Specific practical experience in their submitted area of expertise.
 - 2.2.1.17.5. At least two (2) years of experience in performing similar services on complex systems-based modern technology or operational systems.
- 2.2.1.18. Contractor shall provide an Account Manager full-time for all phases of the Contract, starting upon Contract effective date. The Account Manager shall have responsibility for:
 - 2.2.1.18.1. Serving as the Contractor's primary point of contact to maintain communication with the Department for activities related to contract administration, project management and scheduling.
 - 2.2.1.18.2. Correspondence between the Department and Contractor.
 - 2.2.1.18.3. Status reporting to the Department.
 - 2.2.1.18.4. Ensure completion of all work in accordance with the contract's requirements. This includes, but is not limited to, ensuring the accuracy, timeliness, and completeness of all work.
 - 2.2.1.18.5. Managing ongoing operations.
- 2.2.1.19. Contractor shall designate a Rebate Manager full-time for all phases of the contract, starting upon Contract effective date. The Rebate Manager's responsibilities include:
 - 2.2.1.19.1. Manage all aspects of the drug rebate program, including all federal rebates and supplemental rebates.
 - 2.2.1.19.2. Manage all rebates to be collected on encounters.
 - 2.2.1.19.3. Manage all rebates to be collected on DME.
 - 2.2.1.19.4. Oversee rebate-related reporting.
- 2.2.1.20. Contractor shall designate an Executive Sponsor for all phases of the contract, starting upon Contract effective date. The Executive Sponsor's responsibilities include:

- 2.2.1.20.1. Resolving disputes between the Department and Contractor that cannot be resolved by the Account Manager.
- 2.2.1.20.2. Addressing requests and concerns of the Department's Executive Director and other senior management as determined by the Department.
- 2.2.1.21. Contractor shall provide support to the Department as part of Transition and Operational Readiness, including providing a minimum of one Transition and Operational Readiness lead and a minimum of two staff members who will be available as required to address questions and concerns.
- 2.2.1.22. The Contractor shall provide sufficient, qualified, resources to satisfy all requirements in the Contract and ensure technical and business operations are successful within the agreed upon timelines.
- 2.2.1.23. Contractor shall support the Department in all testing activities by providing support staff, technical expertise and the tools required to track activities, outcomes, and test results, including end-to-end testing of data exchanges.
- 2.2.1.24. Contractor shall maintain the appropriate level of knowledgeable staff that are capable of testing, validating, and documenting operational impacts of changes to the Rebate Module.
- 2.2.1.25. The use of Subcontractors shall be clearly explained in the Resource Management Plan, and any Subcontractor shall be identified by the organization's name. At a minimum, the Subcontractor information shall include the following for each Subcontractor:
 - 2.2.1.25.1. Name.
 - 2.2.1.25.2. Address.
 - 2.2.1.25.3. The general scope of work to be performed by each Subcontractor.
 - 2.2.1.25.4. Subcontractor's willingness to perform such work.
 - 2.2.1.25.5. Certification that the Subcontractor does not discriminate in its employment practices.
 - 2.2.1.25.6. The Contractor shall report to the Department annually any information on its use of Subcontractors, certifying that the Subcontractor meets the employment practices mandated by federal and State of Colorado statutes and regulations. Subcontractors are subject to the same location requirements as the Contractor.
 - 2.2.1.25.7. In the event that the Contractor hires a new Subcontractor within the annual time frame, the Contractor shall notify the Department within three (3) Business Days.
- 2.2.1.26. Contractor shall manage and be accountable for the actions, inactions, and performance of all Subcontractors. The Contractor is solely responsible for the work performed under this Contract including the work of Subcontractors.
- 2.2.1.27. Contractor shall act as the single point of contact for the Department with the Contractor's Subcontractors for the services under the Contract.

- 2.2.1.28. Contractor shall make Subcontractor contracts available for Department review upon request.
- 2.2.1.29. Contractor shall obtain Department approval for all Subcontractors engaged after award of the Contract using an agreed-upon approval process.
- 2.2.2. **Rebate Module Deliverables:** Standards and process for Deliverables, including submission, review and approval.
 - 2.2.2.1. Contractor shall adhere to the Deliverable submission, review, and approval process for all Deliverables, as described and approved by the Department within the Communication Management Plan, including processes for reporting, in alignment with Exhibit E in the Contract.
 - 2.2.2.2. Contractor shall provide a Deliverable Expectations Document (DED) for Department review and approval for all Deliverables described in the Contract before submitting a Deliverable for Department review and approval. The DED will capture Department-approved standards, format, and outline format to represent the content that will be delivered. As applicable, the DED shall specify the number of copies and type of media for each deliverable.
 - 2.2.2.2.1. DELIVERABLE: DED
 - 2.2.2.2.2. DUE: As defined in the approved Project Work Breakdown Schedule
 - 2.2.2.3. Contractor shall implement, maintain, and monitor an internal quality control process, in alignment with Exhibit E in the Contract, to ensure that all Deliverables, documents, and calculations are complete, accurate, easy to understand, and of high quality. This shall include a process to record and address corrective and preventive actions.
 - 2.2.2.4. Contractor shall develop and provide standards and templates for all documentation and communication, in alignment with the DED process, for review and approval by the Department as defined in the Communication Management Plan. Documentation and communication include (but is not limited to):
 - 2.2.2.4.1. Weekly Status Reports.
 - 2.2.2.4.2. Monthly Status Reports.
 - 2.2.2.4.3. Rebate Module Generated Reports.
 - 2.2.2.4.4. Meeting Agendas.
 - 2.2.2.4.5. Meeting Minutes.
 - 2.2.2.4.5.1. DELIVERABLE: Reporting and Meeting Templates
 - 2.2.2.4.5.2. DUE: As defined in the approved Project Work Breakdown Schedule
 - 2.2.2.5. Contractor shall comply with Deliverable standards, in alignment with Exhibit E in the Contract, such that all Contractor Deliverables meet the Department-approved standards, format, and content requirements. The Department will specify the number of copies and types of media for each Deliverable.

- 2.2.3. **Rebate Module Project Initiation Phase:** Initial project planning and set-up activities.
- 2.2.3.1. Contractor shall establish the project schedule following key project management practices:
 - 2.2.3.1.1. Manage the integration of services.
 - 2.2.3.1.2. Manage project risks and issues. All critical and high-rating risks require a mitigation strategy and are monitored weekly.
 - 2.2.3.1.3. Use a decision log to record all pertinent decisions that have a major impact on the project and are monitored weekly.
 - 2.2.3.1.4. Manage changes to the project scope.
 - 2.2.3.1.5. Manage quality.
- 2.2.3.2. The Contractor shall build and maintain the Project Work Breakdown Schedule that includes both Contractor and Department tasks throughout the duration of the project. All tasks shall be identified at a detailed level. The schedule shall include project-level schedules for all modules integrated into the Rebate Module and shall be maintained on a weekly basis to provide weekly project status reports. The Contractor will comply in industry schedule quality standards and coordinate with Medicaid Enterprise Solutions Integration (ESI) reporting needs and standards.
 - 2.2.3.2.1. DELIVERABLE: Project Work Breakdown Schedule
 - 2.2.3.2.2. DUE: No later than thirty (30) Calendar Days after Contract execution
- 2.2.3.3. Contractor shall develop and submit for Department approval a Project Management Plan that uses a standard methodology based on best practices, including PMBOK and Scaled Agile Framework (SAFe) if applicable. The plan shall include at a minimum:
 - 2.2.3.3.1. Project Work Breakdown Structure for all planned Contract tasks or activities.
 - 2.2.3.3.2. Requirements Definition and Validation Plan.
 - 2.2.3.3.3. Requirements Traceability Matrix (RTM).
 - 2.2.3.3.4. Deliverable Management Tracking.
 - 2.2.3.3.5. Rebate Module Integrated Project Schedule and Maintenance Procedures.
 - 2.2.3.3.6. Communication Management and Stakeholder Engagement.
 - 2.2.3.3.7. Decision Management Plan (Tracking Decisions and Decision Latency impacts).
 - 2.2.3.3.8. Status Reporting.
 - 2.2.3.3.9. Documentation Management Plan.
 - 2.2.3.3.10. Resource Management Plan.
 - 2.2.3.3.11. Risk and Issue Management Plan.
 - 2.2.3.3.12. Scope Management.

- 2.2.3.3.13. Organizational Change Management (OCM).
- 2.2.3.3.14. Training Plan.
- 2.2.3.3.15. Quality Assurance Control and Quality Management Plan Master Testing Strategy and Management Plan (including Defect Management).
- 2.2.3.3.16. Transition and Implementation Plan.
- 2.2.3.3.17. Rebate Module Operations and Maintenance Plan.
- 2.2.3.3.18. Post-implementation Operational Monitoring Plan.
- 2.2.3.3.19. System Turnover Plan.
- 2.2.3.3.19.1. DELIVERABLE: PMP
- 2.2.3.3.19.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.3.4. PMP Deliverable shall be reviewed, updated, and submitted for Department approval upon any change.
- 2.2.3.5. Contractor shall review, update, and submit PMP Deliverable for Department approval at least annually. If no changes have occurred, Contractor shall provide a summary report that indicates no changes have occurred.
- 2.2.3.6. Contractor shall develop a Configuration Management Plan and submit for Department approval. This includes the design, development, testing, and implementation of changes and enhancements involving the Rebate Module, ESI, and other Medicaid Enterprise Solutions (MES) systems through the life of the Contract.
- 2.2.3.6.1. DELIVERABLE: Configuration Management Plan
- 2.2.3.6.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.3.7. Contractor shall develop and submit for Department approval, in collaboration with the Enterprise Project Management Office (EPMO), a Change Management Plan that addresses and defines processes for managing changes to the project. These processes shall include, but are not limited to, all of the following:
 - 2.2.3.7.1. Manage Change Requests, including but not limited to system changes, system tools, configuration and customization, and Commercial Off-The-Shelf (COTS) product implementations.
 - 2.2.3.7.2. Identify business needs from the Department and its designees, as directed by the Department.
 - 2.2.3.7.3. Identify and document changes in the scope of work.
 - 2.2.3.7.4. Develop formal amendment or Option Letter to this Contract for any change in the scope of work that requires additional funding beyond that shown in this Contract or explicitly modifies a requirement contained in this Contract.
 - 2.2.3.7.5. Identify and document changes in business process definition.
 - 2.2.3.7.6. Identify and document changes in federal or State regulatory change support.

- 2.2.3.7.7. Identify and document changes to the budget and procurement activities.
- 2.2.3.7.8. Manage changes in Configuration and Customization, including Configuration Management as defined in industry terms. This requirement shall be fulfilled in the Configuration Management Plan.
- 2.2.3.7.9. Schedule routine Rebate Module maintenance and upgrade associated software.
- 2.2.3.7.10. Manage changes in training needs.
- 2.2.3.7.11. Implement any changes only upon receiving Department approval of those changes.
- 2.2.3.7.12. Obtain Department review and approval of all updates to the Change Management Plan and materials prior to use.
- 2.2.3.7.13. Track all changes, even if they do not require a formal Change Request.
- 2.2.3.7.14. Responsibility of the Change Control Board.
- 2.2.3.7.15. Change Control Board process to include meeting frequency, attendees, scribe, agenda, and minutes.
- 2.2.3.7.16. The Change Management Plan shall be implemented once approved and the Contractor shall adhere to the processes included in the plan.
 - 2.2.3.7.16.1. DELIVERABLE: Change Management Plan
 - 2.2.3.7.16.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.3.8. As defined in the Change Management Plan, develop, maintain, and submit for Department approval all System Development Life Cycle (SDLC) documentation, including all requirements, test planning, technical specifications, User Acceptance Testing (UAT), End-to-End testing, test results, post-implementation verifications, data conversion, strategy, and System Administrative documentation.
- 2.2.3.9. Contractor shall develop and submit for Department approval, a Quality Assurance and Quality Management Plan that is updated and delivered twice per year, by business activity, to address the needs and specific opportunities for quality improvement throughout the Contract period. The Quality Assurance Control and Quality Management Plan should reflect the Contractor's experience and resolve toward:
 - 2.2.3.9.1. Methodology for maintaining quality of the code, workmanship, project schedules, Deliverables, and Subcontractor activities.
 - 2.2.3.9.2. Quality in systems configuration, enhancement, testing, implementation, and post implementation verification.
 - 2.2.3.9.3. Quality in rebate administration.
 - 2.2.3.9.4. Process design and staff training.
 - 2.2.3.9.5. Performance standards development and measurement.
 - 2.2.3.9.6. Customer satisfaction measurement and analysis.
 - 2.2.3.9.6.1. DELIVERABLE: Quality Assurance and Quality Management Plan

- 2.2.3.9.6.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.3.10. Contractor shall develop standard operating procedures and communication protocols with the Department, incumbent Contractors, and module contractors. The Contractor shall develop and submit for Department approval a Communication Management and Stakeholder Engagement Plan for the services outlined in the Contract. The Communication and Stakeholder Engagement Management Plan shall describe, at a minimum:
 - 2.2.3.10.1. The Contractor's communication model with the Department and other entities.
 - 2.2.3.10.2. The Contractor's approach to meeting the communication requirements throughout the course of the Contract performance period.
 - 2.2.3.10.3. Approach to maintaining telephone and email contact with the Department's designated staff on at least a weekly basis throughout the Contract period.
 - 2.2.3.10.4. During critical transition and operational readiness phases, approach to maintaining daily contact with the Department's project managers, as appropriate.
 - 2.2.3.10.5. The Project Stakeholders.
 - 2.2.3.10.6. The frequency and breadth of communication.
 - 2.2.3.10.7. Communication methods.
 - 2.2.3.10.8. The individuals responsible for communication including valid and after-hour contact information.
 - 2.2.3.10.9. The review and approval process, including a process for facilitating a Department review of each Deliverable outline and draft documents to ensure common understanding of the purpose and content of documentation prior to final delivery.
 - 2.2.3.10.10. The Quarterly Milestone reporting schedule.
 - 2.2.3.10.11. The trigger mechanism for initiating the Dispute Process (e.g., formal letter, email, phone contact).
 - 2.2.3.10.11.1. DELIVERABLE: Communication Management and Stakeholder Engagement Plan
 - 2.2.3.10.11.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.3.11. Contractor shall develop and submit for Department approval a Business Continuity and Disaster Recovery Plan that meets the requirements in Appendix B: Draft IT Contract's Exhibit E, Contractor's Administrative Requirements including:
 - 2.2.3.11.1. Timely failover and redundancy.
 - 2.2.3.11.2. Data recovery.
 - 2.2.3.11.3. Short and long-term continuity operations.
 - 2.2.3.11.4. Remote access.

- 2.2.3.11.5. An alternate business site if the primary business site becomes unsafe or inoperable.
- 2.2.3.11.6. Root cause analysis reporting to the Department for unscheduled downtime.
- 2.2.3.11.7. Provide data backup.
- 2.2.3.11.8. Schedule and process for testing of the Business Continuity and Disaster Recovery Plan.
- 2.2.3.11.9. Reference the Colorado System Security Plan Template for additional information.
 - 2.2.3.11.9.1. DELIVERABLE: Business Continuity and Disaster Recovery Plan
 - 2.2.3.11.9.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.3.12. Contractor shall develop and submit for Department approval, a Training Plan that is updated and delivered annually, which includes:
 - 2.2.3.12.1. Training approach.
 - 2.2.3.12.2. Training methodologies (face-to-face, online, webinar, other).
 - 2.2.3.12.3. Process for identifying training needs.
 - 2.2.3.12.4. Process for communicating and scheduling training.
 - 2.2.3.12.5. Training deployment during transition and operational readiness and operations phases.
 - 2.2.3.12.6. How Contractor will meet the learning needs of authorized Rebate Module users.
 - 2.2.3.12.6.1. DELIVERABLE: Training Plan
 - 2.2.3.12.6.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.3.13. Contractor shall provide a Documentation Management Plan for Department review and approval for all documents to be submitted to the Department. The Document Management Plan shall describe, at a minimum:
 - 2.2.3.13.1. Approach to ensure project continuity.
 - 2.2.3.13.2. Retention period for document reference and retrieval.
 - 2.2.3.13.3. Process for the Department to retrieve documents.
 - 2.2.3.13.4. Knowledge repository for project related documents.
 - 2.2.3.13.5. Document management standards, procedures, processes, tools, and templates.
 - 2.2.3.13.6. Adherence to the CMS Documentation Standard and Condition guidelines, including all SDLC, technical architecture, and user documentation.
 - 2.2.3.13.7. Maintenance of a Documentation Library throughout the life of the Contract.
 - 2.2.3.13.7.1. DELIVERABLE: Documentation Management Plan
 - 2.2.3.13.7.2. DUE: As defined in the approved Project Work Breakdown Schedule

- 2.2.3.14. The Contractor shall provide a Scope Management Plan for Department review and approval. The document shall describe, at a minimum:
 - 2.2.3.14.1. Approach to confirm project requirements are clearly defined and managed.
 - 2.2.3.14.2. Approach to change management process.
 - 2.2.3.14.3. Scope control process.
 - 2.2.3.14.4. Process to monitor and measure scope performance against the scope baseline and project schedule.
 - 2.2.3.14.5. Reporting and communicating Scope with ESI, MES Contractors, and the Department.
 - 2.2.3.14.5.1. DELIVERABLE: Scope Management Plan
 - 2.2.3.14.5.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.3.15. As approved by the Department, the Contractor shall develop and submit for Department approval a Risk and Issue Management Plan that describes how risks are identified, analyzed, mitigated, communicated, and solutions to identified risks are effectively executed throughout the life of the contract.
 - 2.2.3.15.1. DELIVERABLE: Risk and Issue Management Plan
 - 2.2.3.15.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.4. **Rebate Module Design and Definition Phase:** Design and definition of requirements in Contractor solution.
 - 2.2.4.1. Contractor shall develop and submit to the Department for approval, a Requirements Definition and Validation Plan, which shall include, at a minimum, all of the following:
 - 2.2.4.1.1. A description of the Contractor's approach to capturing the results including changes, notes, and problems of Requirement Review and Validation Sessions.
 - 2.2.4.1.2. A list and description of the tools that will be used to record and track requirements and problems.
 - 2.2.4.1.3. Approach to capturing and tracking potential training considerations identified during design sessions.
 - 2.2.4.1.4. Contractor shall develop and submit a Requirements Review and Validation Session schedule for review and approval by the Department.
 - 2.2.4.1.5. Approach to distribution of Requirements Review and Validation Session agendas prior to each session.
 - 2.2.4.1.6. A description of the facilitation strategy and techniques of Requirements Review and Validation Sessions to validate Contract requirements with the Department.
 - 2.2.4.1.7. Approach to conducting interviews with Department staff to validate, clarify, update, and finalize requirements.
 - 2.2.4.1.7.1. DELIVERABLE: Requirements Definition and Validation Plan

- 2.2.4.1.7.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.4.2. Contractor shall develop and submit to the Department a draft Requirements Specifications Document (RSD) for Contractor-proposed Rebate Module components, modules and functional areas. At minimum, the RSD shall include:
 - 2.2.4.2.1. An overview of Rebate Module architecture and how components are integrated.
 - 2.2.4.2.2. Identification of changes to existing requirements.
 - 2.2.4.2.3. Clarifying information associated with requirements, as needed.
 - 2.2.4.2.4. Identification of new requirements.
 - 2.2.4.2.5. Explanation of how requirements will be met.
 - 2.2.4.2.6. Identification of the entity responsible for meeting the requirement.
 - 2.2.4.2.7. Description of the hardware and software Configuration that will be used to meet the requirement.
 - 2.2.4.2.8. A logical data model that identifies all entities, relationships, attributes, and access paths.
 - 2.2.4.2.9. Provide and maintain a conceptual data model to illustrate the Colorado ecosystem and integration points between the Rebate Module, MES modules, and the ESI Integration Platform.
 - 2.2.4.2.9.1. DELIVERABLE: Draft RSD
 - 2.2.4.2.9.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.4.3. Contractor shall compile the final RSD that incorporates the Department's review findings to reflect all requirements as defined in the facilitated Requirement Review and Validation Sessions. Detailed requirement specifications may be delivered incrementally, as they are developed for each functional component or module.
- 2.2.4.4. The Contractor shall provide and maintain a separate RSD for each module integrated into the Rebate Module and submit for Department review and approval.
 - 2.2.4.4.1. DELIVERABLE: Final RSD
 - 2.2.4.4.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.4.5. Contractor shall develop and maintain a Business Rules Traceability Matrix to ensure that the business rules will allow the Rebate Module to comply with the requirements.
 - 2.2.4.5.1. DELIVERABLE: Business Rules Traceability Matrix
 - 2.2.4.5.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.4.6. Contractor shall develop and maintain a RTM to ensure that detailed requirements comply with Contract requirements and that all functional requirements have bi-directional traceability.
 - 2.2.4.6.1. DELIVERABLE: RTM

- 2.2.4.6.2. DUE: No later than thirty (30) Calendar Days after Contract execution
- 2.2.4.7. Contractor shall develop and submit to the Department a Detailed System Design Plan, which includes:
 - 2.2.4.7.1. A description of the Contractor's approach to capturing the results, including changes, notes and problems from Detailed Rebate Module Design Sessions.
 - 2.2.4.7.2. A list and description of the tools to be used to manage session results and problems.
 - 2.2.4.7.3. Approach to capturing and tracking potential training considerations identified during design sessions.
 - 2.2.4.7.4. Contractor shall develop and submit a Detailed System Design Session schedule for review and approval by the Department.
 - 2.2.4.7.5. Approach to distribution of Design Session agendas prior to each session.
 - 2.2.4.7.6. A description of the facilitation strategies and techniques of Design Sessions to validate Contract business needs with the Department.
 - 2.2.4.7.7. The format of the proposed Design Specification Document (DSD) Deliverable
 - 2.2.4.7.7.1. DELIVERABLE: Detailed System Design Plan
 - 2.2.4.7.7.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.4.8. Contractor shall perform prototyping when requested by the Department to enable Department staff to review and accept windows, screens, reports or other layouts designs.
- 2.2.4.9. Contractor shall develop and provide to the Department for approval an Environment Architecture and Implementation Plan in alignment with the DED process.
 - 2.2.4.9.1. DELIVERABLE: Environmental Architecture and Implementation Plan
 - 2.2.4.9.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.4.10. Contractor shall develop and provide to the Department for approval a Physical and System Security Plan.
 - 2.2.4.10.1. DELIVERABLE: Physical and System Security Plan
 - 2.2.4.10.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.4.11. Contractor shall prepare and submit the Detailed System Design Session meeting notes and include the decisions, justification for changes (including new, modified, or deleted requirements), outstanding problems requiring follow-up, action items, assumptions and constraints identified and impacts to future detailed design sessions.
 - 2.2.4.11.1. DELIVERABLE: Detailed Rebate Module Design Session meeting notes
 - 2.2.4.11.2. DUE: No later than forty-eight (48) hours after the session

- 2.2.4.12. Contractor shall develop and submit to the Department a draft DSD that incorporates updates for all comments submitted by the Department.
- 2.2.4.12.1. DELIVERABLE: Draft DSD
- 2.2.4.12.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.5. **Rebate Module Configuration Phase:** Configuration and development in Contractor solution.
- 2.2.5.1. Contractor shall develop and configure the Rebate Module and associated components in alignment with ESI governance and integration guidelines and standards.
- 2.2.5.2. Contractor shall develop and submit to the Department a final DSD based on the facilitated design sessions. Detailed design specifications may be delivered incrementally, as they are developed for each functional component or module, with final approval when all are approved. The DSD shall also include System Administrative Documentation. Examples of information to be included in the System Administrative Documentation are hardware and software, descriptions of the services and infrastructural components, and other necessary System information.
- 2.2.5.3. The Contractor shall provide and maintain a separate DSD for each module integrated into the Rebate Module and submit for Department review and approval.
- 2.2.5.3.1. DELIVERABLE: Final DSD
- 2.2.5.3.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.5.4. Contractor shall update and maintain the RTM with results from detailed system design sessions.
- 2.2.5.4.1. DELIVERABLE: Updated RTM with DSD Session Notes
- 2.2.5.4.2. DUE: No later than 48 hours after a DSD Session
- 2.2.5.5. Contractor shall develop and submit to the Department a Unit test Checklist and Unit Test Plan that describes the Contractor’s approach, methodology and schedule for unit testing of the Rebate Module.
- 2.2.5.5.1. DELIVERABLE: Unit Test Checklist and Unit Test Plan
- 2.2.5.5.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.5.6. Contractor shall conduct unit testing and submit results via Unit Test Checklists attesting that each component and module has been thoroughly unit-tested, meets the checklist criteria, and is therefore ready for the System test.
- 2.2.5.6.1. DELIVERABLE: Completed Unit Test Checklist
- 2.2.5.6.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.5.7. Contractor shall provide weekly updates and performance metrics on unit testing and development progress to the Department as part of the weekly status reports.

- 2.2.5.8. Contractor shall conduct development walkthroughs as appropriate to demonstrate to the Department that all Rebate Module functions have been completely and accurately developed and unit-tested, and record problems using the project control and problem reporting system prescribed by the Department, consistent with the SDLC process.
- 2.2.6. **Rebate Module Data Conversion Phase:** Convert and load data as necessary.
 - 2.2.6.1. Contractor shall convert, store, and archive all necessary data from incumbent Contractor in compliance with the approved Data Conversion Plan.
 - 2.2.6.2. The Contractor shall provide mapping documents for all conversions identifying all transformation steps from source to target.
 - 2.2.6.3. Contractor shall develop and submit to the Department for approval a Data Conversion Plan, which includes at a minimum:
 - 2.2.6.3.1. Discovery and legacy system and source data evaluation process.
 - 2.2.6.3.2. Recommended scope of data conversion based on discovery and evaluation results.
 - 2.2.6.3.3. Relevant data sources including the legacy system.
 - 2.2.6.3.4. Department, MES Contractors, and ESI Contractor participation needs in the data conversion process development and execution.
 - 2.2.6.3.5. Reporting migration requirements, including functionality validation of third-party tools, the legacy system and source data.
 - 2.2.6.3.6. Documentation of success and failure metrics.
 - 2.2.6.3.7. Post data migration cleanup process.
 - 2.2.6.3.8. Final validation and acceptance procedure.
 - 2.2.6.3.9. Emergency roll back contingency procedures, if applicable.
 - 2.2.6.3.9.1. DELIVERABLE: Data Conversion Plan
 - 2.2.6.3.9.2. DUE: As defined in the approved Project Work Breakdown Schedule
 - 2.2.6.4. Contractor shall provide the hardware and software necessary for all data conversion activities and tasks.
 - 2.2.6.5. Contractor shall implement a fully functioning data migration environment to be used by both the Contractor and Department for current and ongoing migration needs to include:
 - 2.2.6.5.1. Relevant tools, utilities, and software.
 - 2.2.6.5.2. Associated licenses with ownership transferred to the Department.
 - 2.2.6.5.3. Appropriate access rights for management, operation, and maintenance.
 - 2.2.6.6. Contractor shall provide and revise comprehensive end user documentation based on authorized user roles.

- 2.2.6.7. Contractor shall provide and revise System Administrative documentation, including a plan for maintaining security on a database, network, and individual authorized Rebate Module user level including maintenance of authorized user accounts.
- 2.2.6.7.1. DELIVERABLE: System Administrative Documentation
- 2.2.6.7.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.6.8. Contractor shall conduct system testing to compare all transferred programs, files, utilities, etc., to determine that the migration was successful.
- 2.2.6.8.1. DELIVERABLE: System Testing
- 2.2.6.8.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.7. **Rebate Module Testing Phase Activities:** All system testing, including: Unit testing, System Testing (SYS), System Integration Testing (SIT), Parallel testing, User Acceptance Testing (UAT), End-to-End, and Operational Readiness testing.
- 2.2.7.1. Contractor shall develop and submit for approval to the Department a Master Testing Strategy and Management Plan that describes Contractor's approach and commitment to all testing required for a system of this magnitude, including, but not limited to:
 - 2.2.7.1.1. SYS.
 - 2.2.7.1.2. SIT.
 - 2.2.7.1.3. Data Conversion testing process.
 - 2.2.7.1.4. Supporting Department during UAT.
 - 2.2.7.1.5. Performance and stress testing.
 - 2.2.7.1.6. Penetration testing.
 - 2.2.7.1.7. End-to-End testing.
 - 2.2.7.1.8. Roles and responsibilities throughout the Testing Phase.
 - 2.2.7.1.9. Process for submitting, monitoring, and resolving Defects found during testing and assignment of severities or priorities.
 - 2.2.7.1.10. Process for applying fixes to the Rebate Module and conducting regression testing of any fixes.
 - 2.2.7.1.11. Assurance of parity between technical environments and MES connections.
 - 2.2.7.1.12. Description of the proposed system or tool for identifying, prioritizing, tracking, fixing, and re-testing Rebate Module Defects.
 - 2.2.7.1.13. Structured promotion of functionality to subsequent testing levels.
 - 2.2.7.1.14. Summary of testing tools used throughout the Testing Phase, including the approach to defining test cases that are representative of actual cases.
 - 2.2.7.1.15. Testing of recovery processes and, or component outages or failures.

- 2.2.7.1.16. Approach to Accessibility Compliance including Annual Testing using an industry standard accessibility testing tool and adhering to CMS and State required testing levels.
- 2.2.7.1.16.1. DELIVERABLE: Master Testing Strategy and Management Plan
- 2.2.7.1.16.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.7.2. Contractor shall complete all testing, modifications, and documentation referred to in the Master Testing Strategy and Management Plan before Go Live.
- 2.2.7.3. Contractor shall provide an integrated test environment, including separate environments for sandbox, Unit Test, training, UAT, SYS, End-to-End, and SIT environments, consistent with the SDLC process that allows the Department and the Contractor to monitor the accuracy of the Rebate Module and to test proposed changes to the module without affecting production operations. The test environment shall allow for end-to-end testing including transmission of all data between the Rebate Module and operational interfaces, including testing capabilities with the ESI Integration Platform and other MES Contractors, as applicable.
- 2.2.7.4. Contractor shall allow simultaneous testing of Rebate Module changes, functionality testing, integrated system testing, regression testing, End-to-End testing or some combination of these with Department approval.
- 2.2.7.5. Contractor shall operate the integrated test environment component of the Rebate Module, including improvements and enhancements as implemented.
- 2.2.7.6. Contractor shall participate in end-to-end testing of data exchanges between modules, including ESI, in an End-to-End testing environment prior to moving data exchanges to production.
- 2.2.7.7. Contractor shall schedule the testing environments and provide environment and sub-environment setup and test data as needed to support all testing per the Department.
- 2.2.7.8. Contractor shall deploy the Rebate Module changes and enhancements, as they are developed, for testing in test environments that mirror production functionality.
- 2.2.7.9. Contractor shall verify that the legacy system and Rebate Module will produce the same results. The Contractor shall provide a full accounting for all differences, as agreed upon by the Department.
- 2.2.7.10. Contractor shall ensure that the test environment(s) allows for the processing of mock data from production to populate claims and encounters with a volume and distribution similar to that of the production Rebate Module.
- 2.2.7.11. All Rebate Module and integration testing shall be performed such that the data is not overwritten by multiple testing initiatives or the refresh. Refreshing data will be scheduled per the Department-approved Change Management Plan and will include the entire Rebate Module.

- 2.2.7.12. Contractor shall make all environments, consistent with the SDLC process, so that they are capable of accepting and processing test files from other MES Contractors to support ESI integration platform testing.
- 2.2.7.13. Contractor shall provide Department authorized Rebate Module users with online access to the integrated test environment.
- 2.2.7.14. Contractor shall provide for an automated testing process for integration, API's, interface, Rebate Module changes and enhancements.
- 2.2.7.15. Contractor shall automate the Defect tracking process for Rebate Module changes and enhancements.
- 2.2.7.16. Contractor shall design, implement, and document detailed test cases for each sub-phase of testing. Test cases should include all test scenarios, identifications, detailed steps, expected results, and actual results (where appropriate), and be traceable to requirements listed in the most up-to-date RTM.
- 2.2.7.17. Contractor shall submit all Test Results (including Performance and Stress testing results, final System Test Results, and Penetration Test Results) for each test sub-phase to the Department that includes, at a minimum:
 - 2.2.7.17.1. Summary of testing results.
 - 2.2.7.17.2. Pass and Failure Rate.
 - 2.2.7.17.3. Defect IDs and severity level of failed test cases.
 - 2.2.7.17.4. Proposed resolution for identified Defects.
 - 2.2.7.17.5. Exit criteria for each phase
 - 2.2.7.17.5.1. DELIVERABLE: Summary of all testing results
 - 2.2.7.17.5.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.7.18. Contractor shall perform regression testing for all identified Defects, as directed by the Department, and provide regression testing results.
- 2.2.7.19. Contractor shall use the results of testing activities and lessons learned in the SDLC process to reduce the occurrence of Defects in future artifacts and processes (i.e., continuous improvement).
- 2.2.7.20. Contractor shall provide allocations and configurations for the different environments based on the following practices:
 - 2.2.7.20.1. The Rebate Module includes both UAT and production environments.
 - 2.2.7.20.2. The Department uses the UAT environment to test system changes (e.g., customer requests) before they are accepted and promoted to production.
- 2.2.7.21. Contractor shall support the Department in all testing activities by providing training, support staff, technical expertise, and the tools required to track activities, outcomes, and test results.
- 2.2.8. **Rebate Module PMCM Project Phases-Transition and Operational Readiness:** If necessary, Contractor shall work with the incumbent Contractor to successfully test

and transition data and operations, as well as documentation for ongoing management.

- 2.2.8.1. Contractor shall develop and submit for Department approval a Transition Plan including, at minimum:
 - 2.2.8.1.1. Proposed approach to transition.
 - 2.2.8.1.2. Proposed approach for conducting a knowledge transfer from the incumbent Contractor to the new Contractor.
 - 2.2.8.1.3. Proposed approach for consolidating applicable sections from the Contractor's Turnover Plan into the transition planning activity.
 - 2.2.8.1.4. Tasks and activities for transition.
 - 2.2.8.1.5. Personnel and level of effort in hours.
 - 2.2.8.1.6. Completion date.
 - 2.2.8.1.7. Transition Milestones.
 - 2.2.8.1.8. Entrance and exit criteria.
 - 2.2.8.1.9. Schedule for transition.
 - 2.2.8.1.10. Parallel test procedures.
 - 2.2.8.1.11. Production program and documentation update procedures during transition.
 - 2.2.8.1.12. Readiness walkthrough approach.
 - 2.2.8.1.13. Provider training approach.
 - 2.2.8.1.14. Interface testing approach.
 - 2.2.8.1.14.1. DELIVERABLE: Transition Plan
 - 2.2.8.1.14.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.8.2. Contractor shall execute the Transition Plan and activities at no additional cost.
- 2.2.8.3. Contractor shall, as part of the transition, develop and submit to the Department for approval, a Parallel Test Plan that describes the Contractor's approach to conducting the parallel test. The Parallel Test Plan shall include, at minimum:
 - 2.2.8.3.1. Role and responsibilities.
 - 2.2.8.3.2. Proposed activities and procedures.
 - 2.2.8.3.3. Proposed timeline.
 - 2.2.8.3.4. Proposed reporting structure.
 - 2.2.8.3.5. Supporting tools and documentation to support the Parallel Test.
 - 2.2.8.3.5.1. DELIVERABLE: Parallel Test Plan
 - 2.2.8.3.5.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.8.4. Contractor shall perform parallel test of the Rebate Module with input from the incumbent Contractor's operations and report test results to the Department.

- 2.2.8.4.1. DELIVERABLE: Parallel Test Results
- 2.2.8.4.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.8.5. Contractor shall revise end user and Rebate Module Administrative Documentation as required to fully describe the Contractor's operations.
- 2.2.8.6. Contractor shall, as part of the transition, develop and submit to the Department for approval, a Relocation Risk and Contingency Plan.
 - 2.2.8.6.1. The Plan shall include:
 - 2.2.8.6.1.1. Proposed approach to Contractor relocation risk and contingency planning.
 - 2.2.8.6.1.2. Risk analysis: identification of critical business processes.
 - 2.2.8.6.1.3. Risk analysis: identification of potential failures.
 - 2.2.8.6.1.4. Risk analysis: business impacts.
 - 2.2.8.6.1.5. Identification of alternatives and contingencies.
 - 2.2.8.6.1.5.1. DELIVERABLE: Relocation Risk and Contingency Plan
 - 2.2.8.6.1.5.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.8.7. Working cooperatively with the EPMO, Contractor shall provide regular updates to Department during the Transition and Operational Readiness period, in accordance with the approved Communication Management Plan.
- 2.2.8.8. Contractor shall ensure all necessary Rebate Module access is in place for authorized users, including passwords, prior to demonstration of operational readiness.
- 2.2.8.9. Contractor shall assist the Department in identifying necessary information by scheduling a walkthrough with the Department to review the training plan and materials to validate the Contractor has met entrance and exit criteria for training, which includes, implementation of the training environment and completion of all scheduled training sessions. The Contractor shall present the approach to training drug and DME manufacturers, described in the Communication Management Plan, to address the specific needs of the manufacturer community in the final training materials and manufacturer outreach and sharing it with Department staff and manufacturers as part of Transition and Operational Readiness.
 - 2.2.8.9.1. DELIVERABLE: Deliverable Walkthroughs
 - 2.2.8.9.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.8.10. Contractor shall develop or revise manufacturer training materials to reflect changes with Contractor operations using a variety of notification methods including Web Portal, email, and fax.
- 2.2.8.11. Contractor shall conduct Operational Readiness training for Department staff in order to ensure preparedness for operations, in accordance with the approved Training Plan.

- 2.2.8.12. Contractor shall conduct an Operational Readiness Walkthrough with the Department through robust Rebate Module and operational demonstrations that validate the operational and organizational readiness of the Rebate Module, Contractor, and Department. The Department shall formally sign off on the Operational Readiness Walkthrough prior to entering the Implementation and roll out phase for each module integrated into MES.
- 2.2.8.12.1. DELIVERABLE: Operational Readiness Walkthroughs
- 2.2.8.12.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.8.13. The Contractor shall prepare and submit for Department approval a final Operational Readiness Assessment Document, including results of testing, implementation of Rebate Module improvements made as part of transition, and an assessment of the final operational readiness for each module integrated into the Rebate Module.
- 2.2.8.13.1. DELIVERABLE: Final Operational Readiness Assessment Document
- 2.2.8.13.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.8.14. Contractor shall provide attestation to the Department that the Rebate Module is operation ready.
- 2.2.8.15. Contractor shall utilize organizational change management strategies and support strategies such as best practices, mentoring, job shadowing, collaborative question and answer sessions and more to allow the Department to take ownership of the Rebate Module solution. This includes technical users training on Rebate Module monitoring tools, dashboards, and reporting.
- 2.2.8.16. Contractor shall develop an Organizational OCM Plan that aligns to EPMO standard processes and incorporate OCM activities into the project schedule.
- 2.2.8.16.1. DELIVERABLE: OCM Plan
- 2.2.8.16.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.9. **Rebate Module PMCM Project Phases-Implementation and Rollout:** Deployment and implementation cutover to Rebate Module.
- 2.2.9.1. Working cooperatively with the EPMO, Contractor shall prepare and submit for Department approval, an Implementation Strategy, including:
- 2.2.9.1.1. The approach to the Rebate Module rollout of functionality to authorized Rebate Module user groups.
- 2.2.9.1.2. The proposed implementation schedule and roll out plan.
- 2.2.9.1.3. A tracking process for problems and Defects.
- 2.2.9.1.4. Communication and Contractor support procedures.
- 2.2.9.1.5. Contractor and Department roles and responsibilities.
- 2.2.9.1.6. Operational Readiness Criteria and Operational Readiness Walkthrough approach that addresses Contractor and PBMS and Department readiness.

- 2.2.9.1.7. Rebate Module Acceptance Procedures.
- 2.2.9.1.7.1. DELIVERABLE: Implementation Strategy
- 2.2.9.1.7.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.9.1.8. Contractor shall develop a Go-Live Support Plan that documents the authorized Rebate Module user support provided during the implementation.
- 2.2.9.1.8.1. DELIVERABLE: Go-Live Support Plan
- 2.2.9.1.8.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.9.2. Contractor shall develop and submit to the Department for approval, an Implementation and Roll Out Plan that details planning and roadmaps for managing all Rebate Module releases. This includes managing dependencies across releases, handling technology stacks, databases, and infrastructure.
- 2.2.9.2.1. DELIVERABLE: Implementation and Roll out Plan
- 2.2.9.2.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.9.3. Contractor shall develop and submit to the Department for approval, a Post-Implementation Operational Monitoring Plan. This shall include methods and schedules for the Department and the Contractor to conduct post-implementation monitoring of Rebate Module Operations, as they relate to performance expectations.
- 2.2.9.3.1. DELIVERABLE: Post-Implementation Operational Monitoring Plan
- 2.2.9.3.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.9.4. Contractor shall update Rebate Module Administrative documentation and operating procedures after the Implementation and Roll Out Phase according to a Department-defined frequency.
- 2.2.9.5. Contractor shall obtain formal Department approval for the implementation of the Rebate Module.
- 2.2.9.5.1. DELIVERABLE: Implementation Approval
- 2.2.9.5.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.9.6. Contractor shall prepare and submit to the Department for approval, a Post-Implementation Evaluation Report, including:
 - 2.2.9.6.1. Lessons learned.
 - 2.2.9.6.2. Project successes and failures.
 - 2.2.9.6.3. Evaluation metrics including:
 - 2.2.9.6.3.1. Actual and planned budget comparisons.
 - 2.2.9.6.3.2. Actual and planned schedule comparisons.
 - 2.2.9.6.3.3. Actual and planned scope comparisons.
 - 2.2.9.6.4. Authorized Rebate Module user satisfaction.

- 2.2.9.6.5. Benefits gained over the previous Rebate Module.
- 2.2.9.6.6. The current status of the Rebate Module.
- 2.2.9.6.7. Ongoing contingencies or problems.
- 2.2.9.7. Contractor shall deliver a production ready integration platform with all contingent environments.
 - 2.2.9.7.1. DELIVERABLE: Rebate Module deployed into Production
 - 2.2.9.7.2. UE: As defined in the approved Project Work Breakdown Schedule
- 2.2.10. **Rebate Module Project Phases-Certification:** Activities for required CMS certification demonstration.
 - 2.2.10.1. The Contractor shall partner with the EP MO on all CMS certification activities and adhere to all policies and procedures defined in the Department's CMS Certification Center of Excellence (CoE) and as documentation are approved by the Department.
 - 2.2.10.2. The Contractor shall provide and maintain a Certification Management Plan that outlines the methodology, tools, and resources involved to manage the certification process for any new modules that integrate with the ESI Platform.
 - 2.2.10.2.1. DELIVERABLE: Certification Management Plan
 - 2.2.10.2.2. DUE: As defined in the approved Project Work Breakdown Schedule
 - 2.2.10.3. Contractor shall meet federal requirements for Rebate Module certification and licensure as prescribed in the State Medicaid Manual.
 - 2.2.10.4. Contractor shall adhere to all CMS requirements to receive CMS certification by the end of the Certification Phase for the Rebate Module and any enhancement requiring certification.
 - 2.2.10.5. Contractor shall provide ongoing certification support during operations and maintenance by reporting monthly on metrics for each system or module that requires CMS certification as specified.
 - 2.2.10.6. At the Department's discretion, the Contractor shall support the development of outcomes and metrics for the Rebate Module. The Contractor shall provide rebate-related evidence, as applicable and necessary, to satisfy and sustain CMS Certification of new modules.
 - 2.2.10.7. The Contractor shall support CMS certification through attendance of meetings in preparation of certification, producing documentation, facilitating Rebate Module demonstration, and assisting the Department to achieve and maintain CMS certification for each module integrated into the MES.
- 2.2.11. **Rebate Module Project Phases-Operations & Maintenance:** Once transitioned and stabilized, operation and maintenance of the Rebate Module, including documentation maintenance and updates, environment maintenance and updates, Defect resolution, and performance maintenance and updates.

- 2.2.11.1. Contractor shall develop and submit to the Department for approval, an electronically available Rebate Module Operations and Maintenance Plan to address the following:
 - 2.2.11.1.1. Monitoring of daily performance of the Rebate Module.
 - 2.2.11.1.2. Updates, patches, licenses, and repairs to components of the production, test, training, UAT, and all other accessible environments including but not limited to:
 - 2.2.11.1.2.1. Hardware.
 - 2.2.11.1.2.2. Operating systems.
 - 2.2.11.1.2.3. Database systems.
 - 2.2.11.1.2.4. Application and other software.
 - 2.2.11.1.2.5. Utilities for Systems, database, software, communication.
 - 2.2.11.1.2.6. Voice, video, data communication lines.
 - 2.2.11.1.2.7. Communication software.
 - 2.2.11.1.2.8. Drivers.
 - 2.2.11.1.2.9. Configurations.
 - 2.2.11.1.3. Defect identification, tracking, and correction process.
 - 2.2.11.1.4. Plan for maintaining security on a database, network, and individual authorized Rebate Module user level including maintenance of authorized user accounts.
 - 2.2.11.1.5. Data retention.
 - 2.2.11.1.6. System documentation, including end-user and system administrator documentation.
 - 2.2.11.1.7. Proposed Contractor staffing model for the Operations Phase.
 - 2.2.11.1.8. Process for submitting operations problem reports to the Department when operational problems occur, describing the nature of the problem, the expected impact on ongoing functions, a corrective action plan, and the expected time of problem resolution.
- 2.2.11.2. Contractor shall, as part of the Rebate Module Operations and Maintenance Plan, provide a Help Desk Support Plan, including:
 - 2.2.11.2.1. Available support services and proposed help desk staffing model that will ensure the Contract SLAs and performance expectations are achieved.
 - 2.2.11.2.1.1. DELIVERABLE: Rebate Module Operations and Management Plan
 - 2.2.11.2.1.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.11.3. The Contractor shall develop and submit to the Department for approval a Quality Assurance Control and Quality Management Plan, updated and delivered twice per year, by business activity to address the needs and specific opportunities for quality improvement throughout the Contract period. The Quality Assurance Control and

Quality Management Plan should reflect the Contractor's experience and resolve toward:

- 2.2.11.3.1. Methodology for maintaining quality of the code, workmanship, project schedules, Deliverables, and Subcontractor activities.
- 2.2.11.3.2. Quality in systems configuration, enhancement, testing, implementation, and post implementation verification.
- 2.2.11.3.3. Process design and staff training.
- 2.2.11.3.4. Performance standards development and measurement.
- 2.2.11.3.5. Customer satisfaction measurement and analysis.
- 2.2.11.3.6. Rebate module operational processes and outcomes.
- 2.2.11.3.6.1. DELIVERABLE: Quality Assurance Control and Quality Management Plan
- 2.2.11.3.6.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.11.4. Contractor shall publish a Rebate Module Software Version Release Schedule on an annual basis and provide updates upon any change or as requested by the Department.
- 2.2.11.4.1. Contractor shall not release or implement any unapproved changes.
- 2.2.11.4.2. DELIVERABLE: System Software Version Release Schedule
- 2.2.11.4.3. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.11.5. Contractor shall publish an application-level Hardware and Software Change Release Plan and Schedule and provide updates upon any change or as requested by the Department.
- 2.2.11.5.1. DELIVERABLE: Hardware and Software Change Release Plan
- 2.2.11.5.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.11.6. The Contractor shall, for any hardware or software version release provide and maintain Release Notes and submit for Department review and approval.
- 2.2.11.6.1. DELIVERABLE: Release Notes
- 2.2.11.6.2. DUE: No later than three (3) Business Days after a release
- 2.2.11.7. Upon implementation and transition to operations, the Contractor shall maintain all required functionality and operations to include responsibility for continual improvement. This includes Contractor responsibility to:
 - 2.2.11.7.1. Preserve base functionality unless modified by the change management process.
 - 2.2.11.7.2. Make recommendations for improvements and efficiencies to the Department.
 - 2.2.11.7.3. Utilize the approved change management process to schedule, prioritize, and implement changes.

- 2.2.11.8. Contractor shall perform operations and maintenance of the Rebate Module throughout the life of the Contract without utilizing billable enhancement hours.
- 2.2.11.9. Contractor shall facilitate weekly Rebate Module Operations status meetings with key Department Personnel to discuss progress, issues, problems, and planning. The Contractor shall report on current operations status, communication with stakeholders, progress on Rebate Module maintenance, claims and encounters inventory balances, claims and encounters backlogs, data entry backlog, and suspense file status, and modification activities separately. The Contractor shall be responsible for preparing and delivering the weekly meeting agenda and status reports one full business day prior to each meeting. The Contractor shall be responsible for preparing and distributing meeting minutes for Department review and maintaining final approved agenda and minutes.
- 2.2.11.10. Contractor shall coordinate Rebate Module and support systems-related communication and meetings between the Department and other Contractors as required for ongoing operations and maintenance.
- 2.2.11.11. Contractor shall maintain complete and detailed records of all meetings, Rebate Module SDLC documents, presentations, project artifacts and any other interactions or Deliverables related to the project online in indexed, searchable, downloadable format to Department designated users, according to Department record retention policy.
- 2.2.11.12. Contractor shall establish and lead cross Contractor and Department operational status meetings, with other MES Contractors, when determined necessary by the Department.
- 2.2.11.13. Contractor shall meet with the Department, the ESI Contractor, and other MES Contractors, at least quarterly to discuss data sharing, compliance, and security issues.
- 2.2.11.14. Contractor shall provide and maintain current documentation of, including but not limited to, the Rebate Module's database schema, data dictionaries, entity-relationship diagrams, complete Rebate Module architecture and Configuration diagrams, network diagrams (as applicable), and interface standards for the entire module, including those supporting proprietary contractor material; however, this does not include proprietary information related to COTS products. Provide and maintain all service delivery documentation related to the design of each module or component and its interaction with other modules or components as appropriate.
- 2.2.11.15. Contractor shall develop and maintain online, current documentation on all operational and reference processes, including desk level procedures for Contractor's staff, that can be viewed by the Department.
- 2.2.11.16. Contractor shall provide online end user and System Administrative Documentation.
- 2.2.11.17. Contractor shall have the ability to send, receive, and open emails between the Department's secure and encrypted email account(s) to report problems, questions,

or Rebate Module problems while safely exchanging Protected Health Information (PHI) or Personally Identifiable Information (PII).

- 2.2.11.18. Contractor shall have internal policies to ensure PHI, PII and other Department or Member data is only shared with appropriate staff.
- 2.2.11.19. Contractor shall provide secure means for the Department to report problems, questions, or Rebate Module problems while safely exchanging PHI or PII, as required.
- 2.2.11.20. Contractor shall meet or exceed all operations quality standards as described in the final SLAs throughout the life of the contract.
- 2.2.11.21. Contractor shall develop and provide Modification or Change Request Forms.
- 2.2.11.22. Contractor shall provide Updated Procedures and Rebate Module Documentation, as requested.
- 2.2.11.23. Contractor shall support the Transmittal process which meets the following needs of the Department:
 - 2.2.11.23.1. Is online and accessible by both the Contractor and the Department.
 - 2.2.11.23.2. Has a configurable workflow.
 - 2.2.11.23.3. Has robust, configurable reporting capabilities with standard and ad hoc reports.
 - 2.2.11.23.4. Allows attachments of various standard file types to workflow products.
 - 2.2.11.23.5. Has modifiable search capabilities, including on the notes field and attachments.
 - 2.2.11.23.6. Generates alerts within the workflow as defined by the Department.
 - 2.2.11.23.7. Has role-based application access, workflow actions, and notifications.
 - 2.2.11.23.8. Allows authorized users to modify content within the workflow.
 - 2.2.11.23.9. Training is provided for the applications functionality and use.
 - 2.2.11.23.10. Is maintained by the Contractor.
- 2.2.11.24. Contractor shall update Design Specification Document for Approved Change Requests.
- 2.2.11.25. Contractor shall provide price and schedule estimates to support proposed legislation, budget requests, and other initiatives, as directed by the Department.
 - 2.2.11.25.1. After receiving notification and requirements from the Department, Contractor shall respond within five (5) business days for any requests made outside of the Colorado Legislative Session, or as agreed to by the Department. Under limited extenuating circumstances, the Contractor may be required to respond the same day or within 24 hours.
- 2.2.11.26. Contractor shall develop and maintain a process to provide assistance (technical and business process related) as needed to assist users in researching problems, reviewing production outputs and understanding report formats.

- 2.2.11.27. Contractor shall provide reconciliation reporting on all claims and encounters processes. This includes reconciliation of data that is transferred between the Rebate Module and MMIS, in alignment with the ESI Contractor interface and governance standards monthly or as requested by the Department.
- 2.2.11.28. Contractor shall identify and track all errors and discrepancies found in the Rebate Module, notify the Department, and correct the errors and discrepancies.
- 2.2.11.29. Contractor shall coordinate with other Contractors that provide batch control, balancing and scheduling of data load cycles (e.g., claim and encounter files).
- 2.2.11.30. Contractor shall purchase and maintain infrastructure hardware and software updates including upgrades and technology refreshes to maintain functionality of all interfaces, in accordance with the ESI Contractor's interface standards.
- 2.2.11.31. Contractor shall manage and maintain software upgrades and site licenses, so they are compatible with standard Department software.
- 2.2.11.32. Contractor shall provide training on software upgrades to authorized Rebate Module users, as necessary.
- 2.2.11.33. Contractor shall provide reasonable access to, and the ability to inspect, all facilities (or any site) in which the Contractor or Subcontractors perform any Work related to this Contract or maintains any records related to this Contract and provide assistance to the federal and State representatives during audits, inspections and evaluations.
- 2.2.11.34. Contractor shall provide a Rebate Module solution that provides secure data exchange within the MES, as directed by the Department to support data analytics.
- 2.2.11.35. Contractor shall provide audit support to the Department, including selection of samples, production of hard-copy documents, and gathering of other required data. The Contractor shall assist Department staff in responding to all federal and State auditing agencies in a timeframe specified by the Department. This level of support shall also be provided to all other State and federal audit agencies or their designees.
- 2.2.11.36. Contractor shall maintain in accordance with 45 CFR Part 74, accounting books, accounting records, documents, and other evidence pertaining to the administrative costs and expenses of this Contract to the extent and in such detail as shall properly reflect all revenues; all net costs, direct and apportioned; and other costs and expenses, of whatever nature, that relate to performance of contractual duties under the provisions of this Contract, in alignment with Appendix B - Draft Service Contract's Exhibit E Contractor's Administrative Requirements. The Contractor's accounting procedures and practices shall conform to generally accepted accounting principles, and the costs properly applicable to this Contract shall be readily ascertainable.
- 2.2.11.37. Contractor shall assist Department staff and the Department's Contractors with research, resolution, and response to issues related to the Rebate Module, including those brought to the Department's attention.

- 2.2.11.38. Contractor shall provide the ability within the rule-driven Rebate Module to configure rules to be date specific, including date added, date modified, start date, end date, and effective date.
- 2.2.11.39. Contractor shall submit for approval to the Department a workflow and rules approval process, including how all business rules and configuration changes will be approved prior to implementing in the Rebate Module.
 - 2.2.11.39.1. DELIVERABLE: Workflow and Rules Approval Process
 - 2.2.11.39.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.11.40. Contractor shall produce and maintain documentation regarding all business rules, including any business rules that determine which claims or encounters are eligible for rebate.
 - 2.2.11.40.1. DELIVERABLE: Updated Business Rules Documentation
 - 2.2.11.40.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.11.41. Contractor shall provide ongoing training and training documentation on any business rules created or updated to satisfy Department needs. The Contractor shall provide this training at least annually.
- 2.2.11.42. Contractor shall provide tracking and reporting of rule usage and when the rules fail to work as designed and provide recommendations to resolve rule failure.
- 2.2.11.43. Contractor shall provide the ability within the rule-driven Rebate Module for the Department to create program specific alerts through easily defined parameters.
- 2.2.11.44. Contractor shall provide and maintain online documentation linking every configured business rule in the Rebate Module to the particular part of the Rebate Module design documents that called for the rule functionality.
- 2.2.11.45. Contractor shall provide the ability to schedule implementation of rules into the Rebate Module.
- 2.2.11.46. Contractor shall provide the ability to clone rules, modify them and then implement them as new separate rules.
- 2.2.11.47. Contractor shall provide the ability to configure rule exceptions to be date specific, including date added, date modified, start date, end date, and effective date.
- 2.2.11.48. Contractor shall provide the ability within the rule-driven Rebate Module to review and validate logic errors, conflicts, redundancy and incompleteness across business rules to identify any conflicts in business rules as they are being developed, tested, and implemented.
- 2.2.11.49. Contractor shall provide a process to identify claims and encounters for reporting or processing purposes.
- 2.2.11.50. Contractor shall develop a survey, submit to the Department for approval, and issue the survey to a sample of drug manufacturers annually to gather information regarding Contractor's performance under this Contract. If less than satisfactory

results are indicated, Contractor shall meet corrective action plan requirements to bring performance to a satisfactory level.

- 2.2.11.50.1. DELIVERABLE: Contractor Performance Survey and Results
- 2.2.11.50.2. DUE: Annually, as defined in the approved Project Work Breakdown Schedule
- 2.2.11.51. Contractor shall document and maintain workflows that indicate where ESI or other MES Contractors are involved in or impacted by the Rebate Module workflow processes. Contractor shall review, update, and submit the workflow for Department approval at least annually. If no changes have occurred, the Contractor shall provide a summary report that indicates no changes have occurred.
- 2.2.11.52. Contractor shall review and document program rule and policy alignment with other MES components when recommending Rebate Module improvements including evaluation and documentation of technical impacts to other MES modules and the ESI Integration Platform.
- 2.2.11.53. Contractor shall correct all performance issues or operational conflicts within or between the ESI system components according to the severity level service agreements.
- 2.2.11.54. Contractor shall support the Department and its Contractor(s) in Independent Verification and Validation (IV&V) activities associated with the Contract.
- 2.2.11.55. There shall be a Warranty Period, which shall last through the first 365 Calendar Days, effective upon the ongoing operations and enhancement contract stage begin date. The Warranty Period covers the agreed upon functionality, and the Contractor shall be responsible for correcting all Defects that prevent the Rebate Module from operating according to Department specifications. All Defects identified by the Department or Contractor during the Warranty Period shall be corrected by the Contractor, as agreed upon through the Change Management Process, at its expense with no additional cost to the Department. The Contractor shall maintain routine system performance and operations while correcting the Defects.
- 2.2.12. **Rebate Module Enhancements:** Review and validation of any identified deficiencies, Defects, and problems in the Rebate Module environment and development of resolutions for each Defect or problem.
 - 2.2.12.1. Contractor shall design, develop, test, and implement changes and enhancements, per the Configuration Management Plan, that may be selected by the Department through the Configuration Management Process for implementation during the Contract.
 - 2.2.12.2. Contractor shall provide a monthly report to the Department regarding all Rebate Module changes implemented in the previous month, as well as a projection of Change Requests that will be implemented in the upcoming months. This reporting shall also include traceability of actual vs. estimated resources, time, and cost.
 - 2.2.12.2.1. DELIVERABLE: Monthly Rebate Module Changes Report
 - 2.2.12.2.2. DUE: No later than seven (7) Business Days following the close of a month

- 2.2.12.3. Contractor shall provide the ability to revert to the previous configurations if the newly implemented change causes an undesirable system impact, within a defined time period in the Change Request.
- 2.2.12.4. Contractor shall document the results of lessons learned for enhancements as specified in the Change Management Plan to reduce the occurrence of Defects in future artifacts and processes as part of a continuous improvement process.
 - 2.2.12.4.1. DELIVERABLE: Lessons Learned
 - 2.2.12.4.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.12.5. Contractor shall develop an Enhancements Test Plan to describe the approach to all necessary testing to implement enhancements.
 - 2.2.12.5.1. DELIVERABLE: Enhancements Test Plan
 - 2.2.12.5.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.12.6. Contractor shall design, implement, and document detailed test cases (UAT initial test cases and detailed Rebate module test cases) for enhancement testing. Test cases shall include detailed steps, expected results, actual results (when appropriate), and be traceable to requirements listed in the Contract's RTM.
- 2.2.12.7. Contractor shall submit all Test Results for each test sub-phase to the Department.
 - 2.2.12.7.1. DELIVERABLE: Completed Test Results
 - 2.2.12.7.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.12.8. Contractor shall collaborate with the Department to identify and prioritize Rebate Module requirements that are not included in the base Rebate Module and are outside of the contracted scope.
- 2.2.12.9. Contractor shall meet with the Department weekly on the status of all active system enhancements or projects as defined in the Change Management Plan.
- 2.2.12.10. Contractor shall manage the enhancements as projects, following Department approved methodologies, reporting on project performance, and prioritizing enhancements according to Department priorities.
 - 2.2.12.10.1. Enhancements are defined as system customization and configuration requiring full SDLC methods, involving the Rebate Module, ESI, or other MES systems.
- 2.2.12.11. Contractor's enhancement pool hours may be utilized for coordination with the ESI Contractor and other MES Contractors to cover alignment and meeting activities outlined in these requirements as determined by the Department.
- 2.2.13. **Rebate Module Turnover:** Activities for turnover of system or contract or operations to the Department or another vendor upon conclusion of contract.
 - 2.2.13.1. Contractor shall develop a System Turnover Plan at no additional cost to the Department, no later than six (6) months prior to the end of the Contract, including:
 - 2.2.13.1.1. Proposed approach to Turnover.
 - 2.2.13.1.2. Tasks and subtasks for Turnover.

- 2.2.13.1.3. Schedule for Turnover.
- 2.2.13.1.4. Entrance and exit criteria.
- 2.2.13.1.5. Readiness walkthrough process.
- 2.2.13.1.6. Documentation update procedures during Turnover.
- 2.2.13.1.7. Description of Contractor coordination activities that will occur during the Turnover Phase that will be implemented to ensure continued functionality of the Rebate Module and services as deemed appropriate by the Department.
 - 2.2.13.1.7.1. DELIVERABLE: System Turnover Plan
 - 2.2.13.1.7.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.13.2. Contractor shall develop a System Requirements Statement at no additional cost in order for the Department or another designee to fully take over the Rebate Module, technical, and business functions outlined in the Contract. The Statement shall include an estimate of the number, type, and salary of Personnel required to perform the other functions of the System. The Statement shall be separated by type of activity of the Personnel.
 - 2.2.13.2.1. The Statement shall include all facilities and any other resources required to operate the Rebate Module.
 - 2.2.13.2.2. The Statement shall be based on the Contractor's experience in the operation of the Rebate Module and shall include actual Contractor resources devoted to operations activities.
 - 2.2.13.2.2.1. DELIVERABLE: Rebate Module Requirements Statement
 - 2.2.13.2.2.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.2.14. **Rebate Module Project Management:** Project management office and project management framework for the vendor project during all phases and activities.
 - 2.2.14.1. In collaboration with the Department's Contract Manager, Contractor shall maintain responsibility to manage all aspects of the Contract that affect price, schedule, performance (scope and quality), risks, issues, or opportunities, and applicable resources with transparency and direct communication.
 - 2.2.14.2. Contractor shall adhere to Department EPMO standards and protocols on all project management activities throughout the life of the Contract. This includes the use of tools and applications, as well as processes. The Contractor shall provide written project management recommendations, as identified, to improve processes and efficiencies. The Contractor shall work cooperatively with the EPMO and provide written weekly status updates to the Department and ESI Contractor during all phases of the Contract.
 - 2.2.14.3. Contractor shall perform ongoing risk mitigation according to the approved Risk and Issue Management Plan throughout the operations and maintenance phase.
 - 2.2.14.4. Contractor shall build and maintain the Project Work Breakdown Schedule that includes both Contractor and Department tasks throughout the duration of the

project. All tasks shall be identified at a detailed level. The schedule shall include project-level schedules for all modules integrated into the Rebate Module and shall be maintained on a weekly basis to provide weekly project status reports.

- 2.2.14.4.1. DELIVERABLE: Project Work Breakdown Schedule
- 2.2.14.4.2. DUE: No later than thirty (30) Calendar days after Contract execution
- 2.2.14.5. Contractor shall ensure all project and Contract documents are made available on a Contractor-provided, Department approved searchable electronic data repository and contain all versions of the document (including policy manuals, training materials, implementation memos and help instructions), as specified by the Department.
- 2.2.14.6. Contractor shall provide a single source tool to process, capture, and track all Transmittals that have been submitted, reviewed, and approved through the life of the Contract. A searchable inventory of all Transmittals shall be readily available to the Department, upon request.
- 2.2.14.7. Contractor shall provide all necessary software to support all electronic communication between the Contractor and the Department related to day-to-day activities associated with the Contract.
- 2.2.14.8. Contractor shall enable all assigned Contractor Personnel to easily exchange documents and electronic files with the Department in compatible formats.
 - 2.2.14.8.1. The Contractor shall maintain the same software and version of software as the Department including, but not limited to, the following:
 - 2.2.14.8.1.1. Microsoft Word.
 - 2.2.14.8.1.2. Microsoft Excel.
 - 2.2.14.8.1.3. Microsoft Project.
 - 2.2.14.8.1.4. Microsoft Access.
 - 2.2.14.8.1.5. Microsoft PowerPoint.
 - 2.2.14.8.2. The Contractor shall upgrade within thirty (30) Business Days of the Department's notification of upgrade.
- 2.2.14.9. Contractor shall provide an efficient and effective Rebate Module reporting process managed in accordance with §1.6 of Exhibit E. The Contractor shall maintain online access to selected management reports for the life of the Contract.
- 2.2.14.10. Contractor shall facilitate weekly status meetings in person or by telephone or video conference call, as approved by the Department, to review status reports at Contractor-provided meeting space or through a conference line or virtual meeting place for the Department and the Contractor.
- 2.2.14.11. Contractor shall participate in project status meetings that occur with other MES Contractors to ensure ESI oversight and enforcement of standards defined by the Department.

- 2.2.14.12. The Contractor shall develop and support dashboard reporting capabilities, which will be used by the Contractor and the Department to assess contract milestones, Deliverables, and performance. Dashboard reporting shall include real-time or near real-time performance data.
- 2.2.14.13. Contractor shall ensure that its staff attending applicable meetings between the Department and the Contractor have the authority to represent and commit the Contractor regarding work planning, problem resolution, and program development.
- 2.2.14.14. Contractor shall, in collaboration with the EPMO, provide written, no less than weekly, Rebate Module projects status reports. The use of real-time dashboard presentations shall be used to allow key metrics to be available in near real time. Weekly reports shall include the status of schedule, performance, scope, quality, risk, issues, opportunities, applicable resources, and other pertinent metrics related to Rebate Module projects with transparency and direct communication to the Department.
- 2.2.14.14.1. DELIVERABLE: Rebate Module projects status reports
- 2.2.14.14.2. DUE: Weekly, no later than two (2) Business Days after the close of a week
- 2.2.14.15. Contractor shall notify the appropriate Department staff by phone or email within fifteen (15) minutes of any potential Rebate Module problems and the potential impact of those problems, including unscheduled downtime.
- 2.2.14.16. Contractor shall perform the research to identify impacts and root causes of Rebate Module problems and communicate to the Department a plan to resolve problems, then implement the plan to resolve problems and report the results to the Department.
- 2.2.14.17. Contractor shall capture and collect notification of undeliverable communication between the Contractor and the Department or other Contractors (e.g., return receipt notice from email, or undeliverable notice from mail) and update address information as appropriate.
- 2.2.14.18. In adherence to the EPMO Lessons Learned Model, the Contractor shall facilitate lessons learned for all Rebate Module projects and provide a walkthrough of all final documentation and recommendations. Modifications to the EPMO Lessons Learned Model shall require Department approval prior to execution.
- 2.2.15. **Rebate Module Contract Management:** Responsibilities for authority over contract adherence.
- 2.2.15.1. As requested by the Department, the Contractor shall notify the Department's Contract Manager on Contract monitoring to ensure compliance to responsibilities and performance standards throughout the Contract.
- 2.2.15.2. Contractor shall develop and submit to the Department a monthly Contract Management and Status report that includes the following:
- 2.2.15.2.1. Activities, by each function or unit of the Contractor organization.

- 2.2.15.2.2. Achievement of performance standards for the previous month and identify all performance standards that were not met.
- 2.2.15.2.3. Provide written response for improvement for any SLA that is not being met.
- 2.2.15.2.4. Summary of Contractor activities and key volume indicators for the month and cumulative to the fiscal year end.
- 2.2.15.2.5. The Quarterly Milestones and reporting schedule.
- 2.2.15.2.6. The Dispute Process trigger mechanism (to submit an item for resolution via the dispute process via letter, email, phone, etc.).
- 2.2.15.2.7. Status of Enhancement Hours expended on a per project basis and hours remaining for the year.
- 2.2.15.2.8. Other activities necessary for the Department to monitor Contractor activities.
 - 2.2.15.2.8.1. DELIVERABLE: Contract Management and Status Report
 - 2.2.15.2.8.2. DUE: Monthly, no later than seven (7) Business Days following the close of the month.
- 2.2.15.3. Contractor shall maintain confidentiality and privacy in regard to information concerning internal policy discussions, contractual issues, price negotiations, State financial information, and advanced knowledge of potential or draft legislation.
- 2.2.15.4. Contractor shall obtain written permission from the Department before disclosing any privileged information outside of the Department. Contractor shall obtain information from the appropriate state legal authority before disclosing sensitive or privileged information.
- 2.2.15.5. Contractor shall provide transparency into its management plans and execution. The Department expects an approach such that “if the Contractor sees it, the Department sees it” to minimize asymmetric understanding of the Contract status.
- 2.2.16. **Rebate Module Contractor Relationship:** Relationship as Contractor and responsibilities related to Subcontractors.
 - 2.2.16.1. Contractor shall be the prime Contractor if any work is subcontracted and shall be solely responsible for the integration of all work to be performed under this Contract. The prime Contractor shall work solely with the Department to perform all Contract administration activities of this Contract, including tasks for which a Subcontractor may be responsible. The amount of work subcontracted shall be in alignment with Appendix B – Draft Service Contract’s Exhibit E Contractor’s Administrative Requirements.
 - 2.2.16.2. Contractor shall be responsible for working cooperatively with the prime Contractor for all other MES components, in cooperation with the ESI Contractor.
 - 2.2.16.3. Contractor shall notify the Department of any changes in federal or State initiatives that may impact current requirements. The Contractor shall stay informed on federal and State initiatives and work in partnership with the Department to identify possible solutions and resolutions to meet changing requirements.

- 2.2.16.4. Contractor shall work cooperatively with all Department staff, State staff, and other Contractors to ensure success of this Contract by identifying efficiencies for the Department that could be leveraged by altering requirements, changing functionality, adapting business processes, or making other changes to the architecture or overall solution.
- 2.2.16.5. Contractor will have insight into internal policy discussions, contractual issues, price negotiations, State financial information, and advanced knowledge of potential or draft legislation. As a result, the Contractor shall maintain confidentiality and privacy of this information.

2.3. REBATE REQUIREMENTS

2.3.1. REB.1 Rebate: Processing of all rebate payments and reporting.

- 2.3.1.1. Contractor shall provide a Rebate Module and business processes which maximize the collection of all allowable drug and DME rebates.
- 2.3.1.2. Contractor shall issue accurate invoices to manufacturers in a timeframe compliant with CMS requirements.
- 2.3.1.3. Contractor shall acquire and store all data required for the accurate and timely generation of rebate invoices (e.g., unit conversion values, supplemental rebates, 340B Provider list).
- 2.3.1.4. Contractor shall document and make available the rebate rules and associated logic, as well as the values calculated as a result of the rules, for invoice generation and payment processing.
 - 2.3.1.4.1. DELIVERABLE: Rebate Rules
 - 2.3.1.4.2. DUE: As defined in the approved Work Breakdown Schedule
- 2.3.1.5. Contractor shall create and maintain on-line Drug and DME Rebate Reports which allow authorized users to choose from multiple pre-built defined parameters, singly or in combination, to generate customized results that help users monitor the daily operations of the Rebate Module. Online reports shall include historical rebate data and the most current data. Reports shall include, but are not limited to:
 - 2.3.1.5.1. Account Receivable Summary by Manufacturer.
 - 2.3.1.5.2. Dispute Amount.
 - 2.3.1.5.3. Dispute Code.
 - 2.3.1.5.4. Batch Total.
 - 2.3.1.5.5. Check.
 - 2.3.1.5.6. Claims Balancing.
 - 2.3.1.5.7. Rebate by program type.
 - 2.3.1.5.7.1. DELIVERABLE: Drug and DME Rebate Reports
 - 2.3.1.5.7.2. DUE: As defined in the approved Project Work Breakdown Schedule

- 2.3.1.6. Contractor shall maintain a Data Warehouse to store data from MES Contractors and incumbent Contractor for Rebate Module operations and reporting as outlined in the Contract.
- 2.3.1.7. Contractor shall make alerts available to indicate new reports, as requested by the Department.
- 2.3.1.8. Contractor shall receive and store data for all physician-administered drugs, outpatient pharmacy, and DME, claims and encounters from the source claim systems or enterprise data warehouse, as directed by the Department for rebate processing.
- 2.3.1.9. Contractor shall report all Rebate Module data to the MES Contractors as required by the Department.
- 2.3.1.10. Rebate information shall be sent to and stored in the enterprise data warehouse. This will happen via a direct interface with the enterprise data warehouse, the MMIS and ESI Operational Data Store, at a frequency defined by the Department.
- 2.3.1.11. The Contractor solution shall have the capability to receive and display data, messages, and alerts from other systems in real time.
- 2.3.1.12. The Contractor solution shall use standard messaging formats such as ML, JSON, EDI, etc. to ensure interoperability.
- 2.3.1.13. The Contractor solution shall support standard web services and specifications such as REST, WSDL, WS-*, SOAP, JSON, XML, and EDI.
- 2.3.1.14. The Contractor solution shall have the capability to receive, translate, and process data to and from a variety of security protocols such as HTTPS, FTPs, SFTP, AS2, and AS3.
- 2.3.1.15. Contractor shall provide, maintain, and apply accurate unit conversion factors required to convert paid claim units to CMS rebate units. Contractor shall maintain an audit trail of changes to conversion factors.
- 2.3.1.16. Contractor shall store all data related to rebate administration, accounts receivable management, and dispute resolution, including historical data, in the Rebate Module with the capability for authorized users to query and access the data.
- 2.3.1.17. Contractor shall provide all coding crosswalks (e.g., HCPCS and CPT to NDC crosswalk) required for accurate invoice generation and the appropriate processing of prescription drug claims in the MMIS. Contractor shall retain historical crosswalk data.
- 2.3.1.18. Contractor shall send crosswalk data in specified electronic formats to MES Contractors, managed care organizations, and other parties, as required by the Department.
- 2.3.1.19. Contractor shall provide a HCPCS and CPT to NDC number crosswalk which meets Department requirements, including but not limited to:
 - 2.3.1.19.1. NDC numbers shall be active and eligible for rebate.

- 2.3.1.19.2. HCPCS and CPT codes shall be valid and accurately assigned to NDC number(s).
- 2.3.1.19.3. Crosswalk shall be updated and provided in required electronic formats at least biweekly.
- 2.3.1.19.4. Every HCPCS and CPT to NDC number combination shall have a start date and an end date (if applicable).
- 2.3.1.19.5. Crosswalk shall include unit conversion factors.
- 2.3.1.19.6. Contractor shall perform ad hoc updates to the crosswalk as requested by the Department.
 - 2.3.1.19.6.1. DELIVERABLE: HCPCS and CPT to NDC Crosswalk
 - 2.3.1.19.6.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 2.3.1.20. Contractor shall follow up with appropriate CMS staff and, as necessary, appropriate contacts for pharmaceutical manufacturers if the Contractor determines that necessary CMS information pertaining to any given manufacturer's rebateable drugs is missing, incomplete, or otherwise inaccurate.
- 2.3.2. **DME Rebate:** Processing of all DME rebate payments and reporting.
 - 2.3.2.1. Contractor shall ensure that the information necessary for the proper and timely invoicing of all possible DME rebates is acquired and maintained by the Contractor.
 - 2.3.2.2. Contractor shall issue accurate invoices to DME manufacturers in a timeframe in accordance with CMS requirements.
 - 2.3.2.3. Contractor shall follow up with appropriate CMS staff and, as necessary, appropriate contacts for pharmaceutical manufacturers if the Contractor determines that necessary CMS information pertaining to any given manufacturer's rebateable DME supplies is missing, incomplete, or otherwise inaccurate.
- 2.3.3. **Rebate Support Services:** Tracking and recording rebate types and amounts.
 - 2.3.3.1. Contractor shall comply with all applicable State and Federal laws and Medicaid Drug Rebate Program State Releases, for the appropriate invoicing, collection, dispute resolution, tracking, reporting and remittal to the Department, of drug and DME rebates.
 - 2.3.3.2. Contractor shall provide an automated process for receiving manufacturer payments via a lockbox or an electronic funds transfer (EFT). This process shall comply with State fiscal policies and procedures.
 - 2.3.3.3. Contractor shall track payments to appropriate Calendar Quarter.
 - 2.3.3.4. Contractor shall track payments by manufacturer.
 - 2.3.3.5. Contractor shall record all receipts of rebate payments, distinguish between federal and supplemental rebates and distinguish between rebates for claims, encounters, drugs and DME.

- 2.3.3.6. Contractor shall collect, a Department and Contractor agreed upon percentage of rebate amounts, invoiced by the Contractor, within one hundred and eighty (180) Calendar Days from the applicable invoice date.
- 2.3.3.7. Contractor shall receive and store supplemental rebate agreements from manufacturers.
- 2.3.3.8. Contractor shall have the ability to receive and update the guaranteed net unit price for supplemental rebates into the Rebate Module.
- 2.3.3.9. Contractor shall have reporting capabilities to allow the Department to accurately report rebates as required on the CMS-64, CMS-21, and for State budgetary and financial reporting.
 - 2.3.3.9.1. DELIVERABLE: CMS-64 Reporting
 - 2.3.3.9.2. DUE: 10th of the month following the end of every Calendar Quarter
- 2.3.3.10. Contractor shall track, report, research and manage all rebate disputes to resolution.
 - 2.3.3.10.1. Contractor shall escalate any unresolved dispute to the Department within one hundred eighty (180) Calendar days of the Contractor identifying a rebate dispute.
- 2.3.3.11. Contractor shall provide necessary support for all steps involved in CMS's dispute resolution process.
- 2.3.3.12. Contractor shall provide sufficient resources to engage in continuous dispute resolution.
- 2.3.3.13. Contractor shall accurately exclude 340B-purchased drugs from invoicing, at the Provider level or at the individual claim level, as required by the Department.
- 2.3.3.14. Contractor shall provide and maintain a list of Providers who dispense or administer 340B-purchased drugs to Colorado Medicaid Members (i.e., "carve-in") by utilizing the Health Resources and Services Administration Medicaid Exclusion File. Contractor shall maintain an audit trail for all changes to the list.
- 2.3.3.15. Contractor shall provide a secure web portal which at a minimum allows manufacturers to submit Reconciliation of State Invoices (ROSI), Prior Quarter Adjustment (PQA) documents, rebate disputes and to access invoices, statements of account and claim level detail data.
- 2.3.3.16. Contractor shall create and maintain invoice program types, as required and defined by the Department, for appropriate invoicing and reporting.
- 2.3.3.17. Contractor shall provide an automated Rebate Module system to calculate and generate rebate invoices, to receive manufacturer payments, to conduct accounts receivable processing and tracking, and to manage rebate disputes to resolution.
- 2.3.3.18. Contractor shall provide and monitor reporting on financial processes to confirm that invoicing, accounts receivable processing and dispute resolutions, are meeting service levels.

- 2.3.3.19. Contractor shall invoice, collect, manage accounts receivables and the resolution of rebate disputes, for all historical claims, encounters, invoices, rebates, accounts receivable and rebate disputes.
- 2.3.3.20. Contractor shall provide rebate administration services, accounts receivable and rebate dispute management, reporting and analytics, required to comply with any rebate-related corrective action plans.
- 2.3.3.21. Contractor shall develop and comply with a Department-approved workplan and timeline for the collection of historical accounts receivables and the resolution of historical rebate disputes.
- 2.3.3.21.1. DELIVERABLE: Historical Accounts Receivable Workplan
- 2.3.3.21.2. DUE: As defined in the approved Project Work Break Down Schedule
- 2.3.3.22. Contractor shall ensure that rebate data (including DME rebate) is generated and interfaces with the Colorado Operations Resource Engine (CORE) in order to produce accounting entries sufficient to meet both State and federal reporting requirements.
- 2.3.3.23. Contractor shall produce monthly reporting of rebate activity for each invoice program type, by quarter and year.
- 2.3.3.24. Contractor shall prepare files in the required JVC1 format (shown as the attached PDI mapping) to interface to CORE on a monthly basis. Contractor will need to calculate both the federal and State amount of each rebate and include required CORE coding on the interface file.
- 2.3.3.25. Contractor shall provide the Department with a reconciliation of the contents of the CORE interface files to the monthly reporting to ensure appropriate amounts are interfacing to CORE.
- 2.3.3.26. Contractor shall work with the Department and CORE-OPS, and OIT staff as necessary, to test, implement, and maintain an interface with CORE.
- 2.3.3.27. Contractor shall submit all Medicaid State Drug Utilization Data (SDUD) to CMS within sixty (60) Calendar Days of the end of each quarter.

2.4. REBATE MODULE SERVICE LEVEL AGREEMENTS (SLA)

2.4.1. Rebate Related Performance Measures and SLAs

SLA Category	Performance Measure	Amount Reduced By
SLA Category: Rebate	Generate and send all rebate invoices to manufacturers within sixty (60) Calendar days of the end of every Calendar Quarter.	\$5,000 per invoice per day or partial day after 60 Calendar Days.
SLA Category: Rebate	Generate and send SDUD to CMS within sixty (60) Calendar days of the end of every Calendar Quarter.	\$5,000 per day or partial day after 60 Calendar Days.

SLA Category: Rebate	Accurately calculate and charge interest 100% of the time on late rebate payments per federal requirements.	\$5,000 per 0.1% below SLA.
SLA Category: Rebate	Contractor shall provide 100% timely and accurate delivery of ad-hoc reports and data extracts to the Department or its designated entity.	\$1,000 per business day past due date defined by the Department for Contractor generated ad-hoc reports requested by the Department.
SLA Category: Rebate	All rebate disputes are resolved or escalated to the Department within one hundred eighty (180) Calendar days of the Contractor identifying a rebate dispute.	\$5,000 per dispute per day or partial day after 180 Calendar Days.
SLA Category: Rebate	Comply with the Department approved workplan and timeline for the resolution of historical rebate disputes.	\$5,000 per missed milestone or due date.
SLA Category: Rebate	Collect an agreed upon percentage of rebate amounts, invoiced by the Contractor, within one hundred and eighty (180) Calendar Days from the applicable invoice date.	\$5,000 per 0.1% below SLA.
SLA Category: Rebate	Provide reporting required for the CMS64 by the 10th of the month following the end of every Calendar Quarter.	\$5,000 per day or partial day after the 10th of the month.
SLA Category: Business Continuity	Contractor shall notify the Department of all priority level 1 incidents within fifteen (15) minutes of discovery of the incident. Contractor shall provide a plan for resolution within two (2) hours to the Department and resolve the incident within eight (8) hours of the notification. A root cause analysis will be provided to the Department within two (2) hours of resolution. Priority level 1 incident is defined as a major impact on the project or business operations preventing the PBMS from operating to meet the mission critical business requirements and system components are unavailable to the user. There is no workaround available. Contractor will include incident reporting to the Department weekly.	\$500 for every 15 minutes or partial 15 minutes notification is late. \$1,000 for every 30 minutes or partial 30 minutes the root cause analysis or plan are late. \$5,000 for every hour or partial hour past the 8 hours for resolution.
SLA Category: Business Continuity	Contractor shall notify the Department of all Priority Level 2 production incidents within fifteen (15) minutes of discovery of the incident. Contractor shall provide a plan for resolution within two (2) hours to the Department. A root cause analysis will be provided	\$500 for every 15 minutes or partial 15 minutes notification is late. \$1,000 for every 30

	to the Department within two (2) hours of resolution. All core services that are required to be maintained with limited service disruption (Priority 2 as described in an approved Business Continuity and Disaster Recovery Plan) shall be recovered within twenty-four (24) hours following the event that resulted in those services being unavailable.	minutes or partial 30 minutes the root cause analysis or plan are late. \$4,000 for every hour or partial hour past the 24 hours for resolution.
SLA Category: Business Continuity	Contractor shall notify the Department of all Priority Level 3 production incidents within fifteen (15) minutes of discovery of the incident. Contractor shall provide a plan for resolution within two (2) hours to the Department. A root cause analysis will be provided to the Department within two (2) hours of resolution. Systems and data where service disruption will cause serious injury to government operations, staff, or citizens (Priority 3 as described in an approved Business Continuity and Disaster Recovery Plan) shall be recovered within forty-eight (48) hours following any event that results in those services being unavailable.	\$500 for every 15 minutes or partial 15 minutes notification is late. \$1,000 for every 30 minutes or partial 30 minutes the root cause analysis or plan are late. \$3,000 for every hour or partial hour past the 48 hours for resolution.
SLA Category: Business Continuity	Contractor shall notify the Department of all Priority Level 4 production incidents within fifteen (15) minutes of discovery of the incident. Contractor shall provide a plan for resolution within two (2) hours to the Department. A root cause analysis will be provided to the Department within two (2) hours of resolution. Systems and data required for moderately critical agency services and IT functions where damage to government operations, staff, and citizens would be significant but not serious (priority 4 as described in the Business Continuity and Disaster Recovery Plan) shall be recovered within five (5) Business Days following any event that results in those services being unavailable -OR- no priority 4 services shall be interrupted during the month.	\$500 for every 15 minutes or partial 15 minutes notification is late. \$1,000 for every 30 minutes or partial 30 minutes the root cause analysis or plan are late. \$2,000 for every day or partial day past the 5 Business Days for resolution.
SLA Category: Business Continuity	Contractor shall notify the Department of all Priority Level 5 production incidents within fifteen (15) minutes of discovery of the incident. Contractor shall provide a plan for resolution within two (2) hours to the Department. A root cause analysis will be provided to the Department within two (2) hours of resolution. Systems and data required for less critical support systems (Priority 5 as described in an approved	\$500 for every 15 minutes or partial 15 minutes notification is late. \$1,000 for every 30 minutes or partial 30 minutes the root cause analysis or plan are late.

	Business Continuity and Disaster Recovery Plan) are all recovered on timeframe as mutually agreed upon by the Department and Contractor.	\$1,000 for every day or partial day past the agreed upon timeframe for resolution.
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2.5. PERSONNEL REQUIREMENTS

2.5.1. The Key Personnel for this module are as follows:

2.5.1.1. Account Manager

2.5.1.1.1. The Contractor shall provide a full-time Rebate Module Account Manager for all phases of the Contract, starting upon the Contract Effective Date. The Rebate Module Account Manager shall have responsibility for:

2.5.1.1.1.1. Serving as the Contractor's primary point of contact to maintain communication with the Department for activities related to contract administration, project management, and scheduling.

2.5.1.1.1.2. Correspondence between the Department and Contractor.

2.5.1.1.1.3. Status reporting to the Department.

2.5.1.1.1.4. Ensuring completion of all work in accordance with the Contract's requirements. This includes, but is not limited to, ensuring the accuracy, timeliness, and completeness of all work.

2.5.1.1.1.5. Managing ongoing operations.

2.5.1.2. Rebate Manager

2.5.1.2.1. The Rebate Manager responsibilities include:

2.5.1.2.1.1. Manage all aspects of the drug rebate program, including all federal rebates and supplemental rebates.

2.5.1.2.1.2. Manage all rebates to be collected on encounters.

2.5.1.2.1.3. Manage all rebates to be collected on DME.

2.5.1.2.1.4. Oversee rebate-related reporting.

2.5.1.3. Executive Sponsor

2.5.1.3.1. The Executive Sponsor shall be responsible for the following:

2.5.1.3.1.1. Resolving disputes between the Department and Contractor that cannot be resolved by the Account Manager.

2.5.1.3.1.2. Addressing requests and concerns of the Department's Executive Director and other senior management as determined by the Department.

3. REAL-TIME BENEFIT TOOL (RTBT) MODULE STATEMENT OF WORK

- 3.1. Contractor shall provide Benefit Inquiry (RTBI), E-Prescribing (eRx) and E-Prior Authorization (ePA) capabilities to Providers via their Electronic Health Record (EHR) systems.
- 3.2. **RTBT Project Phases, Project Management and Contract Management Requirements**
 - 3.2.1. **RTBT Module Staffing:** Staffing related to the Contractor's contract activities and scope of work.
 - 3.2.1.1. Contractor shall conduct normal business hours, Monday through Friday, from 8:00 a.m. to 5:00 p.m. Mountain Time (MT), each Business Day with the exception of days the Department is closed due to weather, Department-approved and pre-scheduled training sessions, and agreed holidays.
 - 3.2.1.2. Contractor shall provide Department-approved virtual conferencing space to support coordination between among all Stakeholders, including Department and external Stakeholders.
 - 3.2.1.3. Contractor shall have access to the email, calendar and communication tools used by Department staff, including, but not limited to: Google Calendar, Google Chat, Google Meet, and Zoom.
 - 3.2.1.4. For staff roles that are not designated to be on-site, they shall be located within the United States.
 - 3.2.1.5. Contractor shall provide a Resource Management Plan for Department approval. The Resource Management Plan shall include, but is not limited to the following:
 - 3.2.1.5.1. A description of the proposed organization for each of the following Project Phases:
 - 3.2.1.5.1.1. Project Initiation.
 - 3.2.1.5.1.2. Design and Definition.
 - 3.2.1.5.1.3. Configuration.
 - 3.2.1.5.1.4. Data Conversion.
 - 3.2.1.5.1.5. Testing.
 - 3.2.1.5.1.6. Transition and Operational Readiness Demonstration.
 - 3.2.1.5.1.7. Implementation and Rollout.
 - 3.2.1.5.1.8. Certification.
 - 3.2.1.5.1.9. Operations and Maintenance.
 - 3.2.1.5.1.10. Enhancements.
 - 3.2.1.5.1.11. Turnover.
 - 3.2.1.5.1.12. Ongoing Project and Contract Management.

- 3.2.1.5.2. An Organization Chart that identifies positions and describes the organizational structure and team location(s) (specify in-State or out-of-State) and how this structure will contribute to project success.
- 3.2.1.5.3. A description for maintaining appropriate staffing levels throughout the term of the Contract and adjusting its resources as necessary to maintain the required level of service.
- 3.2.1.5.4. The approach to acquiring and retaining project staff.
- 3.2.1.5.5. Staff training and retention plan.
- 3.2.1.5.6. Identification of Subcontractors (if any).
- 3.2.1.5.7. Solution for communication with the Department when bringing on new Contractor staff (Key Personnel and non-Key Personnel).
- 3.2.1.5.8. Solution for communication with the Department when Contractor staff are leaving (Key Personnel and non-Key Personnel).
- 3.2.1.5.9. Solution for conducting and involving the Department in performance evaluations of Key Personnel.
- 3.2.1.5.10. Point of contact information for Contractor Key Personnel and Department project staff.
- 3.2.1.6. The Resource Management Plan shall include the following information for each position:
 - 3.2.1.6.1. Labor Category title.
 - 3.2.1.6.2. Position description.
 - 3.2.1.6.3. Required education, training, licensure, and certification.
 - 3.2.1.6.4. Required experience.
 - 3.2.1.6.5. Specific skills or knowledge required.
 - 3.2.1.6.6. Percent allocation to the contract scope of work.
- 3.2.1.7. Contractor shall update the Resource Management Plan and submit to the Department for approval at least annually and upon Key Personnel changes. The Department's approval of any resource plan does not imply that staffing levels are sufficient; the Contractor shall increase staffing as needed to meet Contract requirements at no additional cost to the Department. The update shall include, at a minimum:
 - 3.2.1.7.1. Human resource management approach for managing staffing requirements.
 - 3.2.1.7.2. Resource planning and reporting, current staffing levels and staffing needs, day to day management of project staff.
 - 3.2.1.7.2.1. DELIVERABLE: Resource Management Plan
 - 3.2.1.7.2.2. DUE: As defined in the approved Project Work Breakdown Schedule

- 3.2.1.8. Contractor shall adhere to the approved Resource Management Plan. Key staff shall not be removed or replaced by the Contractor for use on other projects, without Department consent.
- 3.2.1.9. Contractor shall provide the Department the ability to conduct an exit interview with RTBT Module staff who resign, or the Department shall receive an exit questionnaire completed by the resigning employee.
- 3.2.1.10. Contractor shall provide resumes to the Department for approval of all Key Personnel roles and for any changes to Key Personnel during the contract term. The Department reserves the right to approve or deny Key Personnel assigned to the Contract.
 - 3.2.1.10.1. DELIVERABLE: Key Personnel Resumes
 - 3.2.1.10.2. DUE: No later than fifteen (15) Business Days after Contract execution
- 3.2.1.11. Contractor shall notify the Department of a vacancy in any of the listed Key Personnel positions within forty-eight (48) hours of receiving notice.
- 3.2.1.12. Contractor shall fill all Key Personnel vacancies or provide a Key Personnel Transition Plan, accepted by the Department, within thirty (30) Business Days, unless a longer period is approved by the Department.
- 3.2.1.13. Contractor shall provide documentation in response to a Department audit, within ten (10) Business Days, to confirm that all project positions are filled with staff adequate for their project role, based on the experience, skills, location, and other requirements established by the Department.
- 3.2.1.14. Contractor shall provide evidence of completed background security checks through submission of results of background checks for all Contractor staff prior to assignment, as required by the Department.
- 3.2.1.15. Contractor shall make all Personnel available during the Department's business hours of 8:00 a.m. to 5:00 p.m. MT with the exception of days the Department is closed due to weather, Department-approved and pre-scheduled training sessions, and agreed holidays. In addition, Contractor shall make Key Personnel available for key meetings and special events (e.g., operational cutover) that are outside of these core hours, at no additional cost to the Department.
- 3.2.1.16. Key Personnel are subject to both initial and ongoing approval of the Department. Any substitutions shall not be assigned to perform work under the contract without prior approval of the Department. Key Personnel include:
 - 3.2.1.16.1. Account Manager
 - 3.2.1.16.2. Executive Sponsor
- 3.2.1.17. Key Personnel named in this section shall meet minimum qualifications unless an exception is granted by the Department. The minimum qualifications are as follows:
 - 3.2.1.17.1. College degree in related field, preferably a bachelor's degree or higher.

- 3.2.1.17.2. At least two (2) years of experience in the particular named service, such as account management, pharmacist, or systems management, preferably within in the health care industry.
- 3.2.1.17.3. Demonstrated at least two (2) years of professional experience and knowledge of industry standards and best practices regarding large-scale and enterprise-level projects.
- 3.2.1.17.4. Specific practical experience in their submitted area of expertise.
- 3.2.1.17.5. At least two (2) years of experience in performing similar services on complex systems-based modern technology or operational systems.
- 3.2.1.18. Contractor shall provide an Account Manager full-time for all phases of the Contract, starting upon Contract effective date. The RTBT Module Account Manager shall have responsibility for:
 - 3.2.1.18.1. Serving as the Contractor's primary point of contact to maintain communication with the Department for activities related to contract administration, project management and scheduling.
 - 3.2.1.18.2. Correspondence between the Department and Contractor.
 - 3.2.1.18.3. Status reporting to the Department.
 - 3.2.1.18.4. Ensure completion of all work in accordance with the contract's requirements. This includes, but is not limited to, ensuring the accuracy, timeliness, and completeness of all work.
 - 3.2.1.18.5. Managing ongoing operations.
- 3.2.1.19. Contractor shall designate an Executive Sponsor for all phases of the contract, starting upon Contract effective date. The Executive Sponsor's responsibilities include:
 - 3.2.1.19.1. Resolving disputes between the Department and Contractor that cannot be resolved by the Account Manager.
 - 3.2.1.19.2. Addressing requests and concerns of the Department's Executive Director and other senior management as determined by the Department.
- 3.2.1.20. Contractor shall provide support to the Department as part of Transition and Operational Readiness, including providing a minimum of one Transition and Operational Readiness lead and a minimum of two staff members who will be available as required to address questions and concerns.
- 3.2.1.21. The Contractor shall provide sufficient, qualified, resources to satisfy all requirements in the Contract and ensure technical and business operations are successful within the agreed upon timelines.
- 3.2.1.22. Contractor shall support the Department in all testing activities by providing support staff, technical expertise and the tools required to track activities, outcomes, and test results, including end-to-end testing of data exchanges.

- 3.2.1.23. Contractor shall maintain the appropriate level of knowledgeable staff that are capable of testing, validating, and documenting operational impacts of changes to the RTBT Module.
- 3.2.1.24. The use of Subcontractors shall be clearly explained in the Resource Management Plan, and any Subcontractor shall be identified by the organization's name. At a minimum, the Subcontractor information shall include the following for each Subcontractor:
 - 3.2.1.24.1. Name.
 - 3.2.1.24.2. Address.
 - 3.2.1.24.3. The general scope of work to be performed by each Subcontractor.
 - 3.2.1.24.4. Subcontractor's willingness to perform such work.
 - 3.2.1.24.5. Certification that the Subcontractor does not discriminate in its employment practices.
 - 3.2.1.24.6. The Contractor shall report to the Department annually any information on its use of Subcontractors, certifying that the Subcontractor meets the employment practices mandated by federal and State of Colorado statutes and regulations. Subcontractors are subject to the same location requirements as the Contractor.
 - 3.2.1.24.7. In the event that the Contractor hires a new Subcontractor within the annual time frame, the Contractor shall notify the Department within three (3) Business Days.
- 3.2.1.25. Contractor shall manage and be accountable for the actions, inactions, and performance of all Subcontractors. The Contractor is solely responsible for the work performed under this Contract including the work of Subcontractors.
- 3.2.1.26. Contractor shall act as the single point of contact for the Department with the Contractor's Subcontractors for the services under the Contract.
- 3.2.1.27. Contractor shall make Subcontractor contracts available for Department review upon request.
- 3.2.1.28. Contractor shall obtain Department approval for all Subcontractors engaged after award of the Contract using an agreed-upon approval process.
- 3.2.2. **RTBT Module Deliverables:** Standards and process for Deliverables, including submission, review and approval.
 - 3.2.2.1. Contractor shall adhere to the Deliverable submission, review, and approval process for all Deliverables, as described and approved by the Department within the Communication Management Plan, including processes for reporting, in alignment with Exhibit E in the Contract.
 - 3.2.2.2. Contractor shall provide a Deliverable Expectations Document (DED) for Department review and approval for all Deliverables described in the Contract before submitting a Deliverable for Department review and approval. The DED will capture Department-approved standards, format, and outline format to

represent the content that will be delivered. As applicable, the DED shall specify the number of copies and type of media for each deliverable.

- 3.2.2.2.1. DELIVERABLE: DED
- 3.2.2.2.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.2.3. Contractor shall implement, maintain and monitor an internal quality control process, in alignment with Exhibit E in the Contract, to ensure that all Deliverables, documents, and calculations are complete, accurate, easy to understand, and of high quality. This shall include a process to record and address corrective and preventive actions.
- 3.2.2.4. Contractor shall develop and provide standards and templates for all documentation and communication, in alignment with the DED process, for review and approval by the Department as defined in the Communication Management Plan. Documentation and communication include (but is not limited to):
 - 3.2.2.4.1. Weekly Status Reports.
 - 3.2.2.4.2. Monthly Status Reports.
 - 3.2.2.4.3. RTBT Module Generated Reports.
 - 3.2.2.4.4. Meeting Agendas.
 - 3.2.2.4.5. Meeting Minutes.
 - 3.2.2.4.5.1. DELIVERABLE: Reporting and Meeting Templates
 - 3.2.2.4.5.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.2.5. Contractor shall comply with Deliverable standards, in alignment with Exhibit E in the Contract, such that all Contractor Deliverables meet the Department-approved standards, format, and content requirements. The Department will specify the number of copies and types of media for each Deliverable.
- 3.2.3. **RTBT Module Project Initiation Phase:** Initial project planning and set-up activities.
 - 3.2.3.1. Contractor shall establish the project schedule following key project management practices:
 - 3.2.3.1.1. Manage the integration of services.
 - 3.2.3.1.2. Manage project risks and issues. All critical and high-rating risks require a mitigation strategy and are monitored weekly.
 - 3.2.3.1.3. Use a decision log to record all pertinent decisions that have a major impact on the project and are monitored weekly.
 - 3.2.3.1.4. Manage changes to the project scope.
 - 3.2.3.1.5. Manage quality.
 - 3.2.3.2. The Contractor shall build and maintain the Project Work Breakdown Schedule that includes both Contractor and Department tasks throughout the duration of the project. All tasks shall be identified at a detailed level. The schedule shall include

project-level schedules for all modules integrated into the RTBT Module and shall be maintained on a weekly basis to provide weekly project status reports. The Contractor will comply in industry schedule quality standards and coordinate with Medicaid Enterprise Solutions Integration (ESI) reporting needs and standards.

- 3.2.3.2.1. DELIVERABLE: Project Work Breakdown Schedule
- 3.2.3.2.2. DUE: No later than thirty (30) Calendar Days after Contract execution
- 3.2.3.3. Contractor shall develop and submit for Department approval a Project Management Plan (PMP) that uses a standard methodology based on best practices, including PMBOK and Scaled Agile Framework (SAFe) if applicable. The plan shall include at a minimum:
 - 3.2.3.3.1. Project Work Breakdown Structure for all planned Contract tasks or activities.
 - 3.2.3.3.2. Requirements Definition and Validation Plan.
 - 3.2.3.3.3. Requirements Traceability Matrix.
 - 3.2.3.3.4. Deliverable Management Tracking.
 - 3.2.3.3.5. RTBT Module Integrated Project Schedule and Maintenance Procedures.
 - 3.2.3.3.6. Communication Management and Stakeholder Engagement.
 - 3.2.3.3.7. Decision Management Plan (tracking decisions and decision latency impacts).
 - 3.2.3.3.8. Status Reporting.
 - 3.2.3.3.9. Documentation Management Plan.
 - 3.2.3.3.10. Resource Management Plan.
 - 3.2.3.3.11. Risk and Issue Management Plan.
 - 3.2.3.3.12. Scope Management.
 - 3.2.3.3.13. Organizational Change Management (OCM).
 - 3.2.3.3.14. Training Plan.
 - 3.2.3.3.15. Quality Assurance Control and Quality Management Plan Master Testing Strategy and Management Plan (including Defect Management).
 - 3.2.3.3.16. Transition and Implementation Plan.
 - 3.2.3.3.17. System Operations and Maintenance Plan.
 - 3.2.3.3.18. Post-implementation Operational Monitoring Plan.
 - 3.2.3.3.19. System Turnover Plan.
 - 3.2.3.3.19.1. DELIVERABLE: PMP
 - 3.2.3.3.19.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.3.4. PMP Deliverable shall be reviewed, updated, and submitted for Department approval upon any change.

- 3.2.3.5. Contractor shall review, update, and submit PMP Deliverable for Department approval at least annually. If no changes have occurred, Contractor shall provide a summary report that indicates no changes have occurred.
- 3.2.3.6. Contractor shall develop a Configuration Management Plan and submit for Department approval. This includes the design, development, testing, and implementation of changes and enhancements involving the RTBT Module, ESI, and other Medicaid Enterprise Systems (MES) systems through the life of the Contract.
 - 3.2.3.6.1. DELIVERABLE: Configuration Management Plan
 - 3.2.3.6.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.3.7. Contractor shall develop and submit for Department approval, in collaboration with the Enterprise Project Management Office (EPMO), a Change Management Plan that addresses and defines processes for managing changes to the project. These processes shall include, but are not limited to, all of the following:
 - 3.2.3.7.1. Manage Change Requests, including but not limited to system changes, system tools, configuration and customization, and COTS product implementations.
 - 3.2.3.7.2. Identify business needs from the Department and its designees, as directed by the Department.
 - 3.2.3.7.3. Identify and document changes in the scope of work.
 - 3.2.3.7.4. Develop formal amendment or Option Letter to this Contract for any change in the scope of work that requires additional funding beyond that shown in this Contract or explicitly modifies a requirement contained in this Contract.
 - 3.2.3.7.5. Identify and document changes in business process definition.
 - 3.2.3.7.6. Identify and document changes in federal or State regulatory change support.
 - 3.2.3.7.7. Identify and document changes to the budget and procurement activities.
 - 3.2.3.7.8. Manage changes in Configuration and Customization, including Configuration Management as defined in industry terms. This requirement shall be fulfilled in the Configuration Management Plan.
 - 3.2.3.7.9. Schedule routine RTBT Module maintenance and upgrade the RTBT Module and associated software.
 - 3.2.3.7.10. Manage changes in training needs.
 - 3.2.3.7.11. Implement any changes only upon receiving Department approval of those changes.
 - 3.2.3.7.12. Obtain Department review and approval of all updates to the Change Management Plan and materials prior to use.
 - 3.2.3.7.13. Track all changes, even if they do not require a formal change request.
 - 3.2.3.7.14. Responsibility of the Change Control Board.

- 3.2.3.7.15. Change Control Board process to include meeting frequency, attendees, scribe, agenda, and minutes.
- 3.2.3.7.16. The Change Management Plan shall be implemented once approved and the Contractor shall adhere to the processes included in the plan.
 - 3.2.3.7.16.1. DELIVERABLE: Change Management Plan
 - 3.2.3.7.16.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.3.8. As defined in the Change Management Plan, develop, maintain, and submit for Department approval all System Development Life Cycle (SDLC) documentation, including all requirements, test planning, technical specifications, User Acceptance Testing (UAT), End-to-End testing, test results, post-implementation verifications, data conversion, strategy, and System Administrative documentation.
- 3.2.3.9. Contractor shall develop and submit for Department approval, a Quality Assurance and Quality Management Plan that is updated and delivered twice per year, by business activity, to address the needs and specific opportunities for quality improvement throughout the Contract period. The Quality Assurance Control and Quality Management Plan should reflect the Contractor's experience and resolve toward:
 - 3.2.3.9.1. Methodology for maintaining quality of the code, workmanship, project schedules, Deliverables, and Subcontractor activities.
 - 3.2.3.9.2. Quality in systems configuration, enhancement, testing, implementation, and post implementation verification.
 - 3.2.3.9.3. Process design and staff training.
 - 3.2.3.9.4. Performance standards development and measurement.
 - 3.2.3.9.5. Customer satisfaction measurement and analysis.
 - 3.2.3.9.5.1. DELIVERABLE: Quality Assurance and Quality Management Plan
 - 3.2.3.9.5.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.3.10. Contractor shall develop standard operating procedures and communication protocols with the Department, incumbent Contractors, and module contractors. The Contractor shall develop and submit for Department approval a Communication Management and Stakeholder Engagement Plan for the services outlined in the Contract. The Communication Management and Stakeholder Engagement Plan shall describe, at a minimum:
 - 3.2.3.10.1. The Contractor's communication model with the Department and other entities.
 - 3.2.3.10.2. The Contractor's approach to meeting the communication requirements throughout the course of the Contract performance period.
 - 3.2.3.10.3. Approach to maintaining telephone and email contact with the Department's designated staff on at least a weekly basis throughout the Contract period.

- 3.2.3.10.4. During critical transition and operational readiness phases, approach to maintaining daily contact with the Department's project managers, as appropriate.
- 3.2.3.10.5. The Project Stakeholders.
- 3.2.3.10.6. The frequency and breadth of communication.
- 3.2.3.10.7. Communication methods.
- 3.2.3.10.8. The individuals responsible for communication including valid and after-hour contact information.
- 3.2.3.10.9. The review and approval process, including a process for facilitating a Department review of each Deliverable outline and draft documents to ensure common understanding of the purpose and content of documentation prior to final delivery.
- 3.2.3.10.10. The Quarterly Milestone reporting schedule.
- 3.2.3.10.10.1. The trigger mechanism for initiating the Dispute Process (e.g., formal letter, email, phone contact).
- 3.2.3.10.10.2. DELIVERABLE: Communication Management and Stakeholder Engagement Plan
- 3.2.3.10.10.3. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.3.10.11. Contractor shall develop and submit for Department approval a Business Continuity and Disaster Recovery Plan that meets the requirements in Appendix B - Draft Service Contract's Exhibit E, Contractor's Administrative Requirements including:
 - 3.2.3.10.11.1. Timely failover and redundancy.
 - 3.2.3.10.11.2. Data recovery.
 - 3.2.3.10.11.3. Short and long-term continuity operations.
 - 3.2.3.10.11.4. Remote access.
 - 3.2.3.10.11.5. An alternate business site if the primary business site becomes unsafe or inoperable.
 - 3.2.3.10.11.6. Root cause analysis reporting to the Department for unscheduled downtime.
 - 3.2.3.10.11.7. Provide data backup.
 - 3.2.3.10.11.8. Schedule and process for testing of the Business Continuity and Disaster Recovery Plan.
 - 3.2.3.10.11.9. Reference the Colorado System Security Plan Template for additional information.
 - 3.2.3.10.11.10. DELIVERABLE: Business Continuity and Disaster Recovery Plan
 - 3.2.3.10.11.11. DUE: As defined in the approved Project Work Breakdown Schedule

- 3.2.3.11. Contractor shall develop and submit for Department approval, a Training Plan that is updated and delivered annually, which includes:
 - 3.2.3.11.1. Training approach.
 - 3.2.3.11.2. Training methodologies (face-to-face, online, webinar, other).
 - 3.2.3.11.3. Process for identifying training needs.
 - 3.2.3.11.4. Process for communicating and scheduling training.
 - 3.2.3.11.5. Training deployment during transition and operational readiness and operations phases.
 - 3.2.3.11.6. How Contractor will meet the learning needs of authorized Rebate Module users.
 - 3.2.3.11.6.1. DELIVERABLE: Training Plan
 - 3.2.3.11.6.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.3.12. Contractor shall provide a Documentation Management Plan for Department review and approval for all documents to be submitted to the Department. The Document Management Plan shall describe, at a minimum:
 - 3.2.3.12.1. Approach to ensure project continuity.
 - 3.2.3.12.2. Retention period for document reference and retrieval.
 - 3.2.3.12.3. Process for the Department to retrieve documents.
 - 3.2.3.12.4. Knowledge repository for project related documents.
 - 3.2.3.12.5. Document management standards, procedures, processes, tools, and templates.
 - 3.2.3.12.6. Adherence to the CMS Documentation Standard and Condition guidelines, including all SDLC, technical architecture, and user documentation.
 - 3.2.3.12.7. Maintenance of a Documentation Library throughout the life of the Contract.
 - 3.2.3.12.7.1. DELIVERABLE: Document Management Plan
 - 3.2.3.12.7.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.3.13. The Contractor shall provide a Scope Management Plan for Department review and approval. The document shall describe, at a minimum:
 - 3.2.3.13.1. Approach to confirm project requirements are clearly defined and managed.
 - 3.2.3.13.2. Approach to change management process.
 - 3.2.3.13.3. Scope control process.
 - 3.2.3.13.4. Process to monitor and measure scope performance against the scope baseline and project schedule.
 - 3.2.3.13.5. Reporting and communicating Scope with ESI, MES Contractors, and the Department.
 - 3.2.3.13.5.1. DELIVERABLE: Scope Management Plan

- 3.2.3.13.5.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.3.14. As approved by the Department, the Contractor shall develop and submit for Department approval a Risk and Issue Management Plan that describes how risks are identified, analyzed, mitigated, communicated, and solutions to identified risks are effectively executed throughout the life of the contract.
 - 3.2.3.14.1. DELIVERABLE: Risk and Issue Management Plan
 - 3.2.3.14.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.4. **RTBT Module Design and Definition Phase:** Design and definition of requirements in Contractor solution.
 - 3.2.4.1. Contractor shall develop and submit to the Department for approval, a Requirements Definition and Validation Plan, which shall include, at a minimum, all of the following:
 - 3.2.4.1.1. A description of the Contractor's approach to capturing the results, including changes, notes, and problems of Requirement Review and Validation Sessions.
 - 3.2.4.1.2. A list and description of the tools that will be used to record and track requirements and problems.
 - 3.2.4.1.3. Approach to capturing and tracking potential training considerations identified during design sessions.
 - 3.2.4.1.4. Contractor shall develop and submit a requirement review and validation session schedule for review and approval by the Department.
 - 3.2.4.1.5. Approach to distribution of requirements review and validation session agendas distributed prior to each session.
 - 3.2.4.1.6. A description of the facilitation strategies and techniques of requirements review and validation sessions to validate Contract requirements with the Department.
 - 3.2.4.1.7. Approach to conducting interviews with Department staff to validate, clarify, update, and finalize requirements.
 - 3.2.4.1.7.1. DELIVERABLE: Requirements Definition and Validation Plan
 - 3.2.4.1.7.2. DUE: As defined in the approved Project Work Breakdown Schedule
 - 3.2.4.2. Contractor shall develop and submit to the Department a draft Requirements Specifications Document (RSD) for Contractor-proposed RTBT Module components and functional areas. At minimum, the RSD shall include:
 - 3.2.4.2.1. An overview of the RTBT Module architecture and how components are integrated.
 - 3.2.4.2.2. Identification of changes to existing requirements.
 - 3.2.4.2.3. Clarifying information associated with requirements, as needed.
 - 3.2.4.2.4. Identification of new requirements.
 - 3.2.4.2.5. Explanation of how requirements will be met.

- 3.2.4.2.6. Identification of the entity responsible for meeting the requirement.
- 3.2.4.2.7. Description of the hardware and software Configuration that will be used to meet the requirement.
- 3.2.4.2.8. A logical data model that identifies all entities, relationships, attributes, and access paths.
- 3.2.4.2.9. Provide and maintain a Conceptual Data Model to illustrate the Colorado ecosystem and integration points between the RTBT Module, MES modules, and the ESI Integration Platform.
 - 3.2.4.2.9.1. DELIVERABLE: Draft RSD
 - 3.2.4.2.9.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.4.3. Contractor shall compile the final RSD that incorporates the Department's review findings to reflect all requirements as defined in the facilitated Requirement Review and Validation Sessions. Detailed requirement specifications may be delivered incrementally, as they are developed for each functional component or module.
- 3.2.4.4. The Contractor shall provide and maintain a separate RSD for each component integrated into the RTBT Module and submit for Department review and approval.
 - 3.2.4.4.1. DELIVERABLE: Final RSD
 - 3.2.4.4.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.4.5. Contractor shall develop and maintain a Business Rules Traceability Matrix to ensure that the business rules will allow the RTBT Module to comply with the requirements.
 - 3.2.4.5.1. DELIVERABLE: Business Rules Traceability Matrix
 - 3.2.4.5.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.4.6. Contractor shall develop and maintain an RTM to ensure that detailed requirements comply with Contract requirements and that all functional requirements have bi-directional traceability.
 - 3.2.4.6.1. DELIVERABLE: RTM
 - 3.2.4.6.2. DUE: No later than thirty (30) Calendar Days after Contract execution
- 3.2.4.7. Contractor shall develop and submit to the Department a Detailed System Design Plan, which includes:
 - 3.2.4.7.1. A description of the Contractor's approach to tracking results, including changes, notes, and problems from Detailed RTBT Module Design Sessions.
 - 3.2.4.7.2. A list and description of the tools to be used to manage session results and problems.
 - 3.2.4.7.3. Approach to capturing and tracking potential training considerations identified during design sessions.
 - 3.2.4.7.4. Contractor shall develop and submit a Detailed System Design Session schedule for review and approval by the Department.

- 3.2.4.7.5. Approach to distribution of Design Session agendas prior to each session.
- 3.2.4.7.6. A description of the facilitation strategies and techniques of Design Sessions to validate Contract business needs with the Department.
- 3.2.4.7.7. The format of the proposed Design Specification Document (DSD) Deliverable
 - 3.2.4.7.7.1. DELIVERABLE: Detailed System Design Plan
 - 3.2.4.7.7.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.4.8. Contractor shall perform prototyping when requested by the Department to enable Department staff to review and accept windows, screens, reports or other layouts designs.
- 3.2.4.9. Contractor shall develop and provide to the Department for approval an Environment Architecture and Implementation Plan in alignment with the DED process.
 - 3.2.4.9.1. DELIVERABLE: Environmental Architecture and Implementation Plan
 - 3.2.4.9.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.4.10. Contractor shall develop and provide to the Department for approval a Physical and System Security Plan.
 - 3.2.4.10.1. DELIVERABLE: Physical and System Security Plan
 - 3.2.4.10.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.4.11. Contractor shall prepare and submit the Detailed System Design Session meeting notes and include the decisions, justification for changes (including new, modified, or deleted requirements), outstanding problems requiring follow-up, action items, assumptions and constraints identified and impacts to future detailed design sessions.
 - 3.2.4.11.1. DELIVERABLE: Detailed System Design Session meeting notes
 - 3.2.4.11.2. DUE: No later than forty-eight (48) hours after the Session
- 3.2.4.12. Contractor shall develop and submit to the Department a draft DSD that incorporates updates for all comments submitted by the Department.
 - 3.2.4.12.1. DELIVERABLE: Draft DSD
 - 3.2.4.12.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.5. **RTBT Module Configuration Phase:** Configuration and development in Contractor solution.
 - 3.2.5.1. Contractor shall develop and configure the RTBT Module and associated components in alignment with ESI governance and integration guidelines and standards. Contractor shall develop and submit to the Department a final DSD based on the facilitated design sessions. Detailed design specifications may be delivered incrementally, as they are developed for each functional component or module, with final approval when all are approved. The DSD shall also include a System Administrative Documentation Template. Examples of information to be

included in the System Administrative Documentation are hardware and software, descriptions of the services and infrastructural components, and other necessary System information.

- 3.2.5.2. The Contractor shall provide and maintain a separate DSD for each component integrated into the RTBT Module and submit for Department review and approval.
 - 3.2.5.2.1. DELIVERABLE: Final DSD
 - 3.2.5.2.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.5.3. Contractor shall update and maintain the RTM with results from Detailed System Design Sessions.
 - 3.2.5.3.1. DELIVERABLE: Updated RTM with DSD Session Notes
 - 3.2.5.3.2. DUE: No later than 48 hours after a DSD session
- 3.2.5.4. Contractor shall develop and submit to the Department a Unit Test Checklist Template and Unit Test Plan that describes the Contractor's approach, methodology and schedule for unit testing of the RTBT Module.
 - 3.2.5.4.1. DELIVERABLE: Unit Checklist and Unit Test Plan
 - 3.2.5.4.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.5.5. Contractor shall conduct unit testing and submit results via Unit Test Checklists attesting that each component and module has been thoroughly unit-tested, meets the checklist criteria, and is therefore ready for the System test.
 - 3.2.5.5.1. DELIVERABLE: Completed Unit Checklist
 - 3.2.5.5.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.5.6. Contractor shall provide weekly updates and performance metrics on unit testing and development progress to the Department as part of the weekly status reports.
- 3.2.5.7. Contractor shall conduct development walkthroughs as appropriate to demonstrate to the Department that all RTBT Module components have been completely and accurately developed and unit-tested, and record problems using the project control and problem reporting system prescribed by the Department, consistent with the SDLC process.
- 3.2.6. **RTBT Module Data Conversion Phase:** Convert and load data as necessary.
 - 3.2.6.1. Contractor shall convert, store, and archive all necessary RTBT Module data from incumbent Contractor in compliance with the approved Data Conversion Plan.
 - 3.2.6.2. The Contractor shall provide mapping documents for all conversions identifying all transformation steps from source to target.
 - 3.2.6.3. Contractor shall develop and submit to the Department for approval a Data Conversion Plan, which includes at a minimum:
 - 3.2.6.3.1. Discovery and legacy system and source data evaluation process.
 - 3.2.6.3.2. Recommended scope of data conversion based on discovery and evaluation results.

- 3.2.6.3.3. Relevant data sources including the legacy system.
- 3.2.6.3.4. Department, MES Contractors, and ESI Contractor participation needs in the data conversion process development and execution.
- 3.2.6.3.5. Reporting migration requirements, including functionality validation of third-party tools, the legacy system and source data.
- 3.2.6.3.6. Documentation of success and failure metrics.
- 3.2.6.3.7. Post data migration cleanup process.
- 3.2.6.3.8. Final validation and acceptance procedure.
- 3.2.6.3.9. Emergency rollback contingency procedures, if applicable.
- 3.2.6.3.9.1. DELIVERABLE: Data Conversion Plan
- 3.2.6.3.9.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.6.4. Contractor shall provide the hardware and software necessary for all data conversion activities and tasks.
- 3.2.6.5. Contractor shall implement a fully functioning data migration environment to be used by both the Contractor and Department for current and ongoing migration needs to include:
 - 3.2.6.5.1. Relevant tools, utilities, and software.
 - 3.2.6.5.2. Associated licenses with ownership transferred to the Department.
 - 3.2.6.5.3. Appropriate access rights for management, operation, and maintenance.
- 3.2.6.6. Contractor shall provide and revise comprehensive end user documentation based on authorized user roles.
- 3.2.6.7. Contractor shall provide and revise System Administrative documentation, including a plan for maintaining security on a database, network, and individual authorized RTBT Module user level including maintenance of authorized user accounts.
 - 3.2.6.7.1. DELIVERABLE: System Administrative Documentation
 - 3.2.6.7.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.6.8. Contractor shall conduct system testing to compare all transferred programs, files, utilities, etc., to determine that the migration was successful.
 - 3.2.6.8.1. DELIVERABLE: System Testing
 - 3.2.6.8.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.7. **RTBT Module Testing Phase Activities:** All system testing, including: Unit testing, System testing (SYS) System Integration Testing (SIT), Parallel testing, User Acceptance Testing (UAT), End-to-End testing, Operational Readiness testing.
 - 3.2.7.1. Contractor shall develop and submit for approval to the Department a Master Testing Strategy and Management Plan that describes Contractor's approach and

commitment to all testing required for a system of this magnitude, including, but not limited to:

- 3.2.7.1.1. SYS.
- 3.2.7.1.2. SIT.
- 3.2.7.1.3. Data Conversion testing process.
- 3.2.7.1.4. Supporting Department during UAT.
- 3.2.7.1.5. Performance and stress testing.
- 3.2.7.1.6. Penetration testing.
- 3.2.7.1.7. End-to-End testing.
- 3.2.7.1.8. Roles and responsibilities throughout the Testing Phase.
- 3.2.7.1.9. Process for submitting, monitoring, and resolving Defects found during testing and assignment of severities or priorities.
- 3.2.7.1.10. Process for applying fixes to the RTBT Module and conducting regression testing of any fixes.
- 3.2.7.1.11. Assurance of parity between technical environments.
- 3.2.7.1.12. Description of the proposed system or tool for identifying, prioritizing, tracking, fixing, and re-testing system Defects.
- 3.2.7.1.13. Structured promotion of functionality to subsequent testing levels.
- 3.2.7.1.14. Summary of testing tools used throughout the Testing Phase, including the approach to defining test cases that are representative of actual cases.
- 3.2.7.1.15. Testing of recovery processes and, or component outages or failures.
 - 3.2.7.1.15.1. Approach to Accessibility Compliance including Annual Testing using an industry standard accessibility testing tool and adhering to CMS and State required testing levels.
 - 3.2.7.1.15.2. DELIVERABLE: Master Testing Strategy and Management Plan
 - 3.2.7.1.15.3. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.7.2. Contractor shall complete all testing, modifications, and documentation referred to in the Master Testing Strategy and Management Plan before Go Live.
- 3.2.7.3. Contractor shall provide an integrated test environment, including separate environments for sandbox, Unit Test, training, UAT, SYS, End-to-End and SIT environments, consistent with the SDLC process that allows the Department and the Contractor to monitor the accuracy of the RTBT Module and to test proposed changes to the RTBT Module without affecting production operations. The test environment shall allow for end-to-end testing including transmission of all data between the RTBT Module and operational interfaces, including testing capabilities with the ESI Integration Platform and other MES Contractors, as applicable.

- 3.2.7.4. Contractor shall allow simultaneous testing of RTBT Module changes, functionality testing, integrated system testing, regression testing, end-to-end testing or some combination of these with Department approval.
- 3.2.7.5. Contractor shall operate the integrated test environment component of the RTBT Module, including improvements and enhancements as implemented.
- 3.2.7.6. Contractor shall participate in End-to-End testing of data exchanges between modules, including ESI, in an End-to-End testing environment prior to moving data exchanges to production.
- 3.2.7.7. Contractor shall schedule the testing environments and provide environment and sub-environment setup and test data as needed to support all testing per the Department.
- 3.2.7.8. Contractor shall deploy the RTBT Module changes and enhancements, as they are developed, for testing in test environments that mirror production functionality.
- 3.2.7.9. Contractor shall verify that the legacy system and RTBT Module will produce the same results. The Contractor shall provide a full accounting for all differences, as agreed upon by the Department.
- 3.2.7.10. Contractor shall ensure that the test environment(s) allows for the processing of mock data from production to populate claims and encounters with a volume and distribution similar to that of the production system.
- 3.2.7.11. All system and integration testing shall be performed such that the data is not overwritten by multiple testing initiatives or the refresh. Refreshing data will be scheduled per the Department-approved Change Management Plan.
- 3.2.7.12. Contractor shall make all environments, consistent with the SDLC process, so that they are capable of accepting and processing test files from other MES Contractors to support ESI Integration Platform testing.
- 3.2.7.13. Contractor shall provide Department authorized RTBT Module users with online access to the integrated test environment.
- 3.2.7.14. Contractor shall provide for an automated testing process for integration, API's, interface, RTBT Module changes and enhancements.
- 3.2.7.15. Contractor shall automate the Defect tracking process for RTBT Module changes and enhancements.
- 3.2.7.16. Contractor shall design, implement, and document detailed test cases for each sub-phase of testing. Test cases should include all test scenarios, identifications, detailed steps, expected results, and actual results (where appropriate), and be traceable to requirements listed in the most up-to-date RTM.
- 3.2.7.17. Contractor shall submit all Test Results (including Performance and Stress Testing Results, Final System Test Results, and Penetration Test Results) for each test sub-phase to the Department that includes, at a minimum:
 - 3.2.7.17.1. Summary of testing results.
 - 3.2.7.17.2. Pass and Failure Rate.

- 3.2.7.17.3. Defect IDs and severity level of failed test cases.
- 3.2.7.17.4. Proposed resolution for identified Defects.
- 3.2.7.17.5. Exit criteria for each phase.
- 3.2.7.17.5.1. DELIVERABLE: Summary of all testing results
- 3.2.7.17.5.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.7.18. Contractor shall perform regression testing for all identified Defects, as directed by the Department, and provide regression testing results.
- 3.2.7.19. Contractor shall use the results of testing activities and lessons learned in the SDLC process to reduce the occurrence of Defects in future artifacts and processes (i.e., continuous improvement).
- 3.2.7.20. Contractor shall provide allocations and configurations for the different environments based on the following practices:
 - 3.2.7.20.1. The RTBT Module includes both UAT and production environments.
 - 3.2.7.20.2. The Department uses the UAT environment to test system changes (e.g., customer requests) before they are accepted and promoted to production.
- 3.2.7.21. Contractor shall support the Department in all testing activities by providing training, support staff, technical expertise, and the tools required to track activities, outcomes, and test results.
- 3.2.8. **RTBT Module PMCM Project Phases-Transition and Operational Readiness:** If necessary, Contractor shall work with the incumbent Contractor to successfully test and transition data and operations, as well as documentation for ongoing management.
 - 3.2.8.1. Contractor shall develop and submit for Department approval a Transition Plan including, at minimum:
 - 3.2.8.1.1. Proposed approach to transition.
 - 3.2.8.1.2. Proposed approach for conducting a knowledge transfer from the legacy Contractor to the new Contractor.
 - 3.2.8.1.3. Proposed approach for consolidating applicable sections from the Contractor's Turnover Plan into the transition planning activity.
 - 3.2.8.1.4. Tasks and activities for transition.
 - 3.2.8.1.5. Personnel and level of effort in hours.
 - 3.2.8.1.6. Completion date.
 - 3.2.8.1.7. Transition Milestones.
 - 3.2.8.1.8. Entrance and exit criteria.
 - 3.2.8.1.9. Schedule for transition.
 - 3.2.8.1.10. Parallel test procedures.
 - 3.2.8.1.11. Production program and documentation update procedures during transition.

- 3.2.8.1.12. Readiness walkthrough approach.
- 3.2.8.1.13. Provider training approach.
- 3.2.8.1.14. Interface testing approach.
- 3.2.8.1.14.1. DELIVERABLE: Transition Plan
- 3.2.8.1.14.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.8.2. Contractor shall execute the Transition Plan and activities at no additional cost.
- 3.2.8.3. Contractor shall, as part of the transition, develop and submit to the Department for approval, a Parallel Test Plan that describes the Contractor's approach to conducting the parallel test. The Parallel Test Plan shall include, at minimum:
 - 3.2.8.3.1. Role and responsibilities.
 - 3.2.8.3.2. Proposed activities and procedures.
 - 3.2.8.3.3. Proposed timeline.
 - 3.2.8.3.4. Proposed reporting structure.
 - 3.2.8.3.5. Supporting tools and documentation to support the Parallel Test.
 - 3.2.8.3.5.1. DELIVERABLE: Parallel Test Plan
 - 3.2.8.3.5.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.8.4. Contractor shall perform parallel test of the RTBT Module with input from the incumbent Contractor's operations and report test results to the Department.
 - 3.2.8.4.1. DELIVERABLE: Parallel Test Results
 - 3.2.8.4.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.8.5. Contractor shall revise end user and System Administrative Documentation as required to fully describe the Contractor's operations.
- 3.2.8.6. Contractor shall, as part of the transition, develop and submit to the Department for approval, a Relocation Risk and Contingency Plan.
 - 3.2.8.6.1. The Plan shall include:
 - 3.2.8.6.1.1. Proposed approach to Contractor relocation risk and contingency planning.
 - 3.2.8.6.1.2. Risk analysis: identification of critical business processes.
 - 3.2.8.6.1.3. Risk analysis: identification of potential failures.
 - 3.2.8.6.1.4. Risk analysis: business impacts.
 - 3.2.8.6.1.5. Identification of alternatives and contingencies.
 - 3.2.8.6.1.5.1. DELIVERABLE: Relocation Risk and Contingency Plan
 - 3.2.8.6.1.5.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.8.7. Working cooperatively with the EPMO, Contractor shall provide regular updates to Department during the Transition and Operational Readiness period, in accordance with the approved Communication Management Plan.

- 3.2.8.8. Contractor shall ensure all necessary RTBT Module access is in place for authorized users, including passwords, prior to demonstration of operational readiness.
- 3.2.8.9. Contractor shall assist the Department in identifying necessary information by scheduling a walkthrough with the Department to review the training plan and materials to validate the Contractor has met entrance and exit criteria for training, which includes, implementation of the training environment and completion of all scheduled training sessions. The Contractor shall present the approach to training Providers, described in the Communication Management Plan, to address the specific needs of the Provider community in the final training materials and Provider outreach and sharing it with Department staff and Providers as part of Transition and Operational Readiness.
 - 3.2.8.9.1. DELIVERABLE: Deliverable Walkthroughs
 - 3.2.8.9.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.8.10. Contractor shall develop or revise Provider training materials to reflect changes with Contractor operations using a variety of notification methods including Web Portal, email, and fax.
- 3.2.8.11. Contractor shall conduct Operational Readiness training for Department staff in order to ensure preparedness for operations, in accordance with the approved Training Plan.
- 3.2.8.12. Contractor shall conduct an Operational Readiness Walkthrough with the Department through robust system and operational demonstrations that validate the operational and organizational readiness of the RTBT Module, Contractor, and Department. The Department shall formally sign off on the Operational Readiness Walkthrough prior to entering the Implementation and Rollout phase for each RTBT Module component integrated into MES.
 - 3.2.8.12.1. DELIVERABLE: Operational Readiness Walkthroughs
 - 3.2.8.12.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.8.13. The Contractor shall prepare and submit for Department approval a final Operational Readiness Assessment Document, including results of testing, implementation of system improvements made as part of transition, and an assessment of the final operational readiness for each component of the RTBT Module.
 - 3.2.8.13.1. DELIVERABLE: Final Operational Readiness Assessment Document
 - 3.2.8.13.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.8.14. Contractor shall provide attestation to the Department that the RTBT Module is operation ready.
- 3.2.8.15. Contractor shall utilize organizational change management strategies and support strategies such as best practices, mentoring, job shadowing, collaborative question and answer sessions and more to allow the Department to take ownership of the

RTBT Module solution. This includes technical users training on system monitoring tools, dashboards, and reporting.

3.2.8.16. Contractor shall develop an OCM Plan that aligns to EPMO standard processes and incorporate OCM activities into the project schedule.

3.2.8.16.1. DELIVERABLE: OCM Plan

3.2.8.16.2. DUE: As defined in the approved Project Work Breakdown Schedule

3.2.9. **RTBT Module PMCM Project Phases-Implementation and Rollout:** Deployment and implementation cutover to system.

3.2.9.1. Working cooperatively with the EPMO, Contractor shall prepare and submit for Department approval, an Implementation Strategy, including:

3.2.9.1.1. The approach to the RTBT Module roll out of functionality to authorized RTBT Module user groups.

3.2.9.1.2. The proposed implementation schedule and roll out plan.

3.2.9.1.3. A tracking process for problems and Defects.

3.2.9.1.4. Communication and Contractor support procedures.

3.2.9.1.5. Contractor and Department roles and responsibilities.

3.2.9.1.6. Operational Readiness Criteria and Operational Readiness Walkthrough approach that addresses Contractor and PBMS and Department readiness.

3.2.9.1.7. System Acceptance Procedures.

3.2.9.1.7.1. DELIVERABLE: Implementation Strategy

3.2.9.1.7.2. DUE: As defined in the approved Project Work Breakdown Schedule

3.2.9.2. Contractor shall develop a “Go-Live” Support Plan that documents the authorized RTBT Module user support provided during the implementation.

3.2.9.2.1. DELIVERABLE: Go-Live Support Plan

3.2.9.2.2. DUE: As defined in the approved Project Work Breakdown Schedule

3.2.9.3. Contractor shall develop and submit to the Department for approval, an Implementation and Roll Out Plan that details planning and roadmaps for managing all RTBT Module releases. This includes managing dependencies across releases, handling technology stacks, databases, and infrastructure.

3.2.9.3.1. DELIVERABLE: Implementation and Roll out Plan

3.2.9.3.2. DUE: As defined in the approved Project Work Breakdown Schedule

3.2.9.4. Contractor shall develop and submit to the Department for approval, a Post-Implementation Operational Monitoring Plan. This shall include methods and schedules for the Department and the Contractor to conduct post-implementation monitoring of RTBT Module operations, as they relate to performance expectations.

3.2.9.4.1. DELIVERABLE: Post-Implementation Operational Monitoring Plan

- 3.2.9.4.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.9.5. Contractor shall update System Administrative documentation and operating procedures after the Implementation and Roll Out Phase according to a Department-defined frequency.
- 3.2.9.6. Contractor shall obtain formal Department approval for the implementation of the RTBT Module.
 - 3.2.9.6.1. DELIVERABLE: Implementation Approval
 - 3.2.9.6.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.9.7. Contractor shall prepare and submit to the Department for approval, a Post-Implementation Evaluation Report, including:
 - 3.2.9.7.1. Lessons learned.
 - 3.2.9.7.2. Project successes and failures.
 - 3.2.9.7.3. Evaluation metrics including:
 - 3.2.9.7.3.1. Actual and planned budget comparisons.
 - 3.2.9.7.3.2. Actual and planned schedule comparisons.
 - 3.2.9.7.3.3. Actual and planned scope comparisons.
 - 3.2.9.7.4. Authorized RTBT Module user satisfaction.
 - 3.2.9.7.5. Benefits gained over the previous RTBT Module.
 - 3.2.9.7.6. The current status of the RTBT Module.
 - 3.2.9.7.7. Ongoing contingencies or problems.
 - 3.2.9.7.7.1. DELIVERABLE: Post-Implementation Evaluation Report
 - 3.2.9.7.7.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.9.8. Contractor shall deliver a production ready integration platform with all contingent environments.
 - 3.2.9.8.1. DELIVERABLE: RTBT Deployed into Production
 - 3.2.9.8.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.10. **RTBT Module PMCM Project Phases-Certification:** Activities for required CMS certification demonstration.
 - 3.2.10.1. The Contractor shall partner with the EPMO on all CMS certification activities and adhere to all policies and procedures defined in the Department's CMS Certification Center of Excellence (CoE) and as documentation are approved by the Department.
 - 3.2.10.2. The Contractor shall provide and maintain a Certification Management Plan that outlines the methodology, tools, and resources involved to manage the certification process for any new modules that integrate with the ESI Platform.
 - 3.2.10.2.1. DELIVERABLE: Certification Management Plan

- 3.2.10.2.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.10.3. Contractor shall meet federal requirements for RTBT Module certification and licensure as prescribed in the State Medicaid Manual.
- 3.2.10.4. Contractor shall adhere to all CMS requirements to receive CMS certification by the end of the Certification Phase for the RTBT Module and any enhancement requiring certification.
- 3.2.10.5. Contractor shall provide ongoing certification support during operations and maintenance by reporting monthly on metrics for each system or module that requires CMS certification as specified.
- 3.2.10.6. At the Department's discretion, the Contractor shall support the development of outcomes and metrics for the RTBT Module. The Contractor shall provide RTBT Module-related evidence, as applicable and necessary, to satisfy and sustain CMS Certification of new modules.
- 3.2.10.7. The Contractor shall support CMS certification through attendance of meetings in preparation of certification, producing documentation, facilitating system demonstration, and assisting the Department to achieve and maintain CMS certification for each module integrated into the MES.
- 3.2.11. **RTBT Module PMCM Project Phases-Operations and Maintenance:** Once transitioned and stabilized, operation and maintenance of the RTBT Module, including documentation maintenance and updates, environment maintenance and updates, Defect resolution, and performance maintenance and updates.
 - 3.2.11.1. Contractor shall develop and submit to the Department for approval, an electronically available System Operations and Maintenance Plan to address the following:
 - 3.2.11.1.1. Monitoring of daily performance of the RTBT Module.
 - 3.2.11.1.2. Updates, patches, licenses, and repairs to components of the production, test, training, UAT, and all other accessible environments including but not limited to:
 - 3.2.11.1.2.1. Hardware.
 - 3.2.11.1.2.2. Operating systems.
 - 3.2.11.1.2.3. Database systems.
 - 3.2.11.1.2.4. Application and other software.
 - 3.2.11.1.2.5. Utilities for Systems, database, software, communication.
 - 3.2.11.1.2.6. Voice, video, data communication lines.
 - 3.2.11.1.2.7. Communication software.
 - 3.2.11.1.2.8. Drivers.
 - 3.2.11.1.2.9. Configurations.
 - 3.2.11.1.3. Defect identification, tracking, and correction process.

- 3.2.11.1.4. Plan for maintaining security on a database, network, and individual authorized RTBT Module user level including maintenance of authorized user accounts.
- 3.2.11.1.5. Data retention.
- 3.2.11.1.6. System documentation, including end-user and system administrator documentation.
- 3.2.11.1.7. Proposed Contractor staffing model for the Operations Phase.
- 3.2.11.1.8. Process for submitting operations problem reports to the Department when operational problems occur, describing the nature of the problem, the expected impact on ongoing functions, a corrective action plan, and the expected time of problem resolution.
 - 3.2.11.1.8.1. DELIVERABLE: System Operations and Management Plan
 - 3.2.11.1.8.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.11.2. Contractor shall, as part of the System Operations and Maintenance Plan, provide a Help Desk Support Plan, including:
 - 3.2.11.2.1. Available support services and proposed help desk staffing model that will ensure the Contract SLAs and performance expectations are achieved.
 - 3.2.11.2.2. After-hour contact and problem reporting process.
- 3.2.11.3. The Contractor shall develop and submit to the Department for approval a Quality Assurance Control and Quality Management Plan, updated and delivered twice per year, by business activity to address the needs and specific opportunities for quality improvement throughout the Contract period. The Quality Assurance Control and Quality Management Plan should reflect the Contractor's experience and resolve toward:
 - 3.2.11.3.1. Methodology for maintaining quality of the code, workmanship, project schedules, Deliverables, and Subcontractor activities.
 - 3.2.11.3.2. Quality in systems configuration, enhancement, testing, implementation, and post implementation verification.
 - 3.2.11.3.3. Process design and staff training.
 - 3.2.11.3.4. Performance standards development and measurement.
 - 3.2.11.3.5. Customer satisfaction measurement and analysis.
 - 3.2.11.3.6. Operational processes and outcomes.
 - 3.2.11.3.6.1. DELIVERABLE: Quality Assurance Control and Quality Management Plan
 - 3.2.11.3.6.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.11.4. Contractor shall publish a System Software Version Release Schedule on an annual basis and provide updates upon any change or as requested by the Department.
 - 3.2.11.4.1. Contractor shall not release or implement any unapproved changes.

- 3.2.11.4.1.1. DELIVERABLE: System Software Version Release Schedule
- 3.2.11.4.1.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.11.5. Contractor shall publish an application-level Hardware and Software Change Release Plan and Schedule and provide updates upon any change or as requested by the Department.
- 3.2.11.5.1. DELIVERABLE: Hardware and Software Change Release Plan
- 3.2.11.5.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.11.6. The Contractor shall, for any hardware or software version release provide and maintain Release Notes and submit for Department review and approval.
- 3.2.11.6.1. DELIVERABLE: Release Notes
- 3.2.11.6.2. DUE: No later than three (3) Business Days after a Release
- 3.2.11.7. Upon implementation and transition to operations, the Contractor shall maintain all required functionality and operations to include responsibility for continual improvement. This includes Contractor responsibility to:
 - 3.2.11.7.1. Preserve base functionality unless modified by the change management process.
 - 3.2.11.7.2. Make recommendations for improvements and efficiencies to the Department.
 - 3.2.11.7.3. Utilize the approved change management process to schedule, prioritize, and implement changes.
- 3.2.11.8. Contractor shall perform operations and maintenance of the RTBT Module throughout the life of the Contract without utilizing billable enhancement hours.
- 3.2.11.9. Contractor shall facilitate weekly RTBT Module operations status meetings with key Department Personnel to discuss progress, issues, problems, and planning. The Contractor shall report on current operations and modification activities separately. The Contractor shall be responsible for preparing and delivering the weekly meeting agenda and status reports one full business day prior to each meeting. The Contractor shall be responsible for preparing and distributing meeting minutes for Department review and maintaining final approved agenda and minutes.
- 3.2.11.10. Contractor shall coordinate RTBT Module and support systems-related communication and meetings between the Department and other Contractors as required for ongoing operations and maintenance.
- 3.2.11.11. Contractor shall maintain complete and detailed records of all meetings, RTBT SDLC documents, presentations, project artifacts and any other interactions or Deliverables related to the project online in indexed, searchable, downloadable format to Department designated users, according to Department record retention policy.
- 3.2.11.12. Contractor shall establish and lead cross Contractor and Department operational status meetings, with other MES Contractors, when determined necessary by the Department.

- 3.2.11.13. Contractor shall meet with the Department, the ESI Contractor, and other MES Contractors, at least quarterly to discuss data sharing, compliance, and security issues.
- 3.2.11.14. Contractor shall provide and maintain current documentation of, including but not limited to, the RTBT Module's database schema, data dictionaries, entity-relationship diagrams, complete RTBT Module architecture and Configuration diagrams, network diagrams (as applicable), and interface standards for the entire RTBT Module, including those supporting Proprietary Contractor Material; however, this does not include proprietary information related to Commercial-Off-The-Shelf (COTS) products. Provide and maintain all service delivery documentation related to the design of each RTBT Module component and its interaction with other modules or components as appropriate.
- 3.2.11.15. Contractor shall develop and maintain online, current documentation on all operational and reference processes, including desk level procedures for Contractor's staff, that can be viewed by the Department.
- 3.2.11.16. Contractor shall provide online end user and System Administrative Documentation.
- 3.2.11.17. Contractor shall have the ability to send, receive, and open emails between the Department's secure and encrypted email account(s) to report problems, questions, or RTBT Module problems while safely exchanging Protected Health Information (PHI) or Personally Identifiable Information (PII).
- 3.2.11.18. Contractor shall have internal policies to ensure PHI, PII and other Department or Member data is only shared with appropriate staff.
- 3.2.11.19. Contractor shall provide secure means for the Department to report problems, questions, or RTBT Module problems while safely exchanging PHI or PII, as required.
- 3.2.11.20. Contractor shall meet or exceed all operations quality standards as described in the final SLAs throughout the life of the contract.
- 3.2.11.21. Contractor shall develop and provide Modification or Change Request Forms.
- 3.2.11.22. Contractor shall provide Updated Procedures and RTBT Module Documentation, as requested.
- 3.2.11.23. Contractor shall support the Transmittal process which meets the following needs of the Department:
 - 3.2.11.23.1. Is online and accessible by both the Contractor and the Department.
 - 3.2.11.23.2. Has a configurable workflow.
 - 3.2.11.23.3. Has robust, configurable reporting capabilities with standard and ad hoc reports.
 - 3.2.11.23.4. Allows attachments of various standard file types to workflow products.
 - 3.2.11.23.5. Has modifiable search capabilities, including on the notes field and attachments.

- 3.2.11.23.6. Generates alerts within the workflow as defined by the Department.
- 3.2.11.23.7. Has role-based application access, workflow actions, and notifications.
- 3.2.11.23.8. Allows authorized users to modify content within the workflow.
- 3.2.11.23.9. Training is provided for the applications functionality and use.
- 3.2.11.23.10. Is maintained by the Contractor.
- 3.2.11.24. Contractor shall update Design Specifications Document for Approved Change Requests.
- 3.2.11.25. Contractor shall provide price and schedule estimates to support proposed legislation, budget requests, and other initiatives, as directed by the Department.
- 3.2.11.25.1. After receiving notification and requirements from the Department, Contractor shall respond within five (5) business days for any requests made outside of the Colorado Legislative Session, or as agreed to by the Department. Under limited extenuating circumstances, the Contractor may be required to respond the same day or within 24 hours.
- 3.2.11.26. Contractor shall develop and maintain a process to provide assistance (technical and business process related) as needed to assist users in researching problems, reviewing production outputs and understanding report formats.
- 3.2.11.27. Contractor shall identify and track all errors and discrepancies found in the RTBT Module, notify the Department, and correct the errors and discrepancies.
- 3.2.11.28. Contractor shall coordinate with other Contractors that provide batch control, balancing and scheduling of data load cycles (e.g., eligibility files, drug formulary files).
- 3.2.11.29. Contractor shall purchase and maintain infrastructure hardware and software updates including upgrades and technology refreshes to maintain functionality of all interfaces, in accordance with the ESI Contractor's interface standards.
- 3.2.11.30. Contractor shall manage and maintain software upgrades and site licenses, so they are compatible with standard Department software.
- 3.2.11.31. Contractor shall provide training on software upgrades to authorized System users, as necessary.
- 3.2.11.32. Contractor shall provide reasonable access to, and the ability to inspect, all facilities (or any site) in which the Contractor or Subcontractors perform any Work related to this Contract or maintains any records related to this Contract and provide assistance to the federal and State representatives during audits, inspections and evaluations.
- 3.2.11.33. Contractor shall provide a RTBT Module solution that provides secure data exchange within the MES, as directed by the Department to support data analytics.
- 3.2.11.34. Contractor shall provide audit support to the Department, including selection of samples, production of hard-copy documents, and gathering of other required data. The Contractor shall assist Department staff in responding to all federal and State

auditing agencies in a timeframe specified by the Department. This level of support shall also be provided to all other State and federal audit agencies or their designees.

- 3.2.11.35. Contractor shall maintain in accordance with 45 CFR Part 74, accounting books, accounting records, documents, and other evidence pertaining to the administrative costs and expenses of this Contract to the extent and in such detail as shall properly reflect all revenues; all net costs, direct and apportioned; and other costs and expenses, of whatever nature, that relate to performance of contractual duties under the provisions of this Contract, in alignment with Appendix B - Draft Service Contract's Contract Exhibit E Contractor's Administrative Requirements. The Contractor's accounting procedures and practices shall conform to generally accepted accounting principles, and the costs properly applicable to this Contract shall be readily ascertainable.
- 3.2.11.36. Contractor shall assist Department staff and the Department's Contractors with research, resolution, and responses to Provider issues related to the RTBT Module, including those brought to the Department's attention.
- 3.2.11.37. Contractor shall provide the ability within the rule driven RTBT Module to configure rules to be date specific, including date added, date modified, start date, end date, and effective date.
- 3.2.11.38. Contractor shall submit for approval to the Department a workflow and rules approval process, including how all business rules and configuration changes will be approved prior to implementing in the RTBT Module.
- 3.2.11.38.1. DELIVERABLE: Workflow and Rules Approval Process
- 3.2.11.38.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.11.39. Contractor shall produce and maintain documentation regarding all business rules.
- 3.2.11.39.1. DELIVERABLE: Updated Business Rules Documentation
- 3.2.11.39.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.11.40. Contractor shall provide tracking and reporting of rule usage and when the rules fail to work as designed and provide recommendations to resolve rule failure.
- 3.2.11.41. Contractor shall provide and maintain online documentation linking every configured business rule in the RTBT Module to the particular part of the RTBT Module design documents that called for the rule functionality.
- 3.2.11.42. Contractor shall provide the ability to schedule implementation of rules into the RTBT Module.
- 3.2.11.43. Contractor shall provide the ability to clone rules, modify them and then implement them as new separate rules.
- 3.2.11.44. Contractor shall provide the ability to configure rule exceptions to be date specific, including date added, date modified, start date, end date, and effective date.
- 3.2.11.45. Contractor shall provide the ability within the rule driven RTBT Module to review and validate logic errors, conflicts, redundancy and incompleteness across business

rules to identify any conflicts in business rules as they are being developed, tested, and implemented.

- 3.2.11.46. Contractor shall develop a survey, submit to the Department for approval, and issue the survey to a sample of Providers annually to gather information regarding Contractor's performance under this Contract. If less than satisfactory results are indicated, Contractor shall meet corrective action plan requirements to bring performance to a satisfactory level.
 - 3.2.11.46.1. The Contractor Performance Survey and Results may be combined with the Deliverables described in §1.2.11.57.
 - 3.2.11.46.2. DELIVERABLE: Contractor Performance Survey and Results
 - 3.2.11.46.3. DUE: Annually, as defined in the approved Project Work Breakdown Schedule
- 3.2.11.47. Contractor shall document and maintain workflows that indicate where ESI or other MES Contractors are involved in or impacted by the RTBT Module workflow processes. Contractor shall review, update, and submit the workflow for Department approval at least annually. If no changes have occurred, the Contractor shall provide a summary report that indicates no changes have occurred.
- 3.2.11.48. Contractor shall review and document program rule and policy alignment with other MES components when recommending RTBT Module improvements including evaluation and documentation of technical impacts to other MES modules and the ESI Integration Platform.
- 3.2.11.49. Contractor shall correct all performance issues or operational conflicts within or between the ESI system components according to the severity level service agreements.
- 3.2.11.50. Contractor shall support the Department and its Contractor(s) in Independent Verification and Validation (IV&V) activities associated with the Contract.
- 3.2.11.51. There shall be a Warranty Period, which shall last through the first 365 Calendar Days, effective upon the ongoing operations and enhancement contract stage begin date. The Warranty Period covers the agreed upon functionality, and the Contractor shall be responsible for correcting all Defects that prevent the entire RTBT Module from operating according to Department specifications. All Defects identified by the Department or Contractor during the Warranty Period shall be corrected by the Contractor, as agreed upon through the Change Management Process, at its expense with no additional cost to the Department. The Contractor shall maintain routine RTBT Module performance and operations while correcting the Defects.
- 3.2.12. **RTBT Module Enhancements:** Review and validation of any identified deficiencies, Defects, and problems in the RTBT Module environment and development of resolutions for each Defect or problem.
 - 3.2.12.1. Contractor shall design, develop, test, and implement changes and enhancements, per the Configuration Management Plan, that may be selected by the Department through the Configuration Management Process for implementation during the Contract.

- 3.2.12.2. Contractor shall provide a monthly report to the Department regarding all RTBT Module changes implemented in the previous month, as well as a projection of Change Requests that will be implemented in the upcoming months. This reporting shall also include traceability of actual vs. estimated resources, time, and cost.
- 3.2.12.2.1. DELIVERABLE: Monthly System Changes Report
- 3.2.12.2.2. DUE: Monthly, no later than seven (7) Business Days after the close of the month
- 3.2.12.3. Contractor shall provide the ability to revert to the previous configurations if the newly implemented change causes an undesirable RTBT Module impact, within a defined time period in the Change Request.
- 3.2.12.4. Contractor shall document the results of lessons learned for enhancements as specified in the Change Management Plan to reduce the occurrence of Defects in future artifacts and processes as part of a continuous improvement process.
- 3.2.12.4.1. DELIVERABLE: Completed Test Results
- 3.2.12.4.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.12.5. Contractor shall develop an Enhancements Test Plan to describe the approach to all necessary testing to implement enhancements.
- 3.2.12.6. Contractor shall design, implement, and document detailed test cases (UAT initial test cases and detailed test cases) for enhancement testing. Test cases shall include dummy IDs, detailed steps, expected results, actual results (when appropriate), and be traceable to requirements listed in the Contract's RTM.
- 3.2.12.7. Contractor shall submit all Test Results for each test sub-phase to the Department.
- 3.2.12.7.1. DELIVERABLE: Completed Test Results
- 3.2.12.7.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.12.8. Contractor shall collaborate with the Department to identify and prioritize RTBT Module requirements that are not included in the base RTBT Module and are outside of the contracted scope.
- 3.2.12.9. Contractor shall meet with the Department weekly on the status of all active system enhancements or projects as defined in the Change Management Plan.
- 3.2.12.10. Contractor shall manage the enhancements as projects, following Department approved methodologies, reporting on project performance, and prioritizing enhancements according to Department priorities.
- 3.2.12.10.1. Enhancements are defined as system customization and configuration requiring full SDLC methods, involving the RTBT Module, ESI, or other MES systems.
- 3.2.12.11. Contractor's enhancement pool hours may be utilized for coordination with the ESI Contractor and other MES Contractors to cover alignment and meeting activities outlined in these requirements as determined by the Department.
- 3.2.13. **RTBT Module Turnover:** Activities for turnover of system or contract or operations to the Department or another vendor upon conclusion of contract.

- 3.2.13.1. Contractor shall develop a System Turnover Plan at no additional cost to the Department, no later than six (6) months prior to the end of the Contract, including:
 - 3.2.13.1.1. Proposed approach to Turnover.
 - 3.2.13.1.2. Tasks and subtasks for Turnover.
 - 3.2.13.1.3. Schedule for Turnover.
 - 3.2.13.1.4. Entrance and exit criteria.
 - 3.2.13.1.5. Readiness walkthrough process.
 - 3.2.13.1.6. Documentation update procedures during Turnover.
 - 3.2.13.1.7. Description of Contractor coordination activities that will occur during the Turnover Phase that will be implemented to ensure continued functionality of the RTBT Module and services as deemed appropriate by the Department.
 - 3.2.13.1.7.1. DELIVERABLE: System Turnover Plan
 - 3.2.13.1.7.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.13.2. Contractor shall develop a System Requirements Statement at no additional cost in order for the Department or another designee to fully take over the RTBT Module, technical, and business functions outlined in the Contract. The Statement shall include an estimate of the number, type, and salary of Personnel required to perform the other functions of the System. The Statement shall be separated by type of activity of the Personnel.
 - 3.2.13.2.1. The Statement shall include all facilities and any other resources required to operate the System.
 - 3.2.13.2.2. The Statement shall be based on the Contractor's experience in the operation of the PBMS and shall include actual Contractor resources devoted to operations activities.
 - 3.2.13.2.2.1. DELIVERABLE: System Requirements Statement
 - 3.2.13.2.2.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.2.14. **RTBT Module Project Management:** Project management office and project management framework for the vendor project during all phases and activities.
 - 3.2.14.1. In collaboration with the Department's Contract Manager, Contractor shall maintain responsibility to manage all aspects of the Contract that affect price, schedule, performance (scope and quality), risks, issues, or opportunities, and applicable resources with transparency and direct communication.
 - 3.2.14.2. Contractor shall adhere to Department EPMO standards and protocols on all project management activities throughout the life of the Contract. This includes the use of tools and applications, as well as processes. The Contractor shall provide written project management recommendations, as identified, to improve processes and efficiencies. The Contractor shall work cooperatively with the EPMO and provide written weekly status updates to the Department and ESI Contractor during all phases of the Contract.

- 3.2.14.3. Contractor shall perform ongoing risk mitigation according to the approved Risk and Issue Management Plan throughout the operations and maintenance phase.
- 3.2.14.4. Contractor shall build and maintain the Project Work Breakdown Schedule that includes both Contractor and Department tasks throughout the duration of the project. All tasks shall be identified at a detailed level. The schedule shall include project-level schedules for all modules integrated into the RTBT Module and shall be maintained on a weekly basis to provide weekly project status reports.
 - 3.2.14.4.1. DELIVERABLE: Project Work Breakdown Schedule
 - 3.2.14.4.2. DUE: No later than thirty (30) Calendar Days after Contract execution
- 3.2.14.5. Contractor shall ensure all project and Contract documents are made available on a Contractor-provided, Department approved searchable electronic data repository and contain all versions of the document (including policy manuals, training materials, implementation memos and help instructions), as specified by the Department.
- 3.2.14.6. Contractor shall provide a single source tool to process, capture, and track all Transmittals that have been submitted, reviewed, and approved through the life of the Contract. A searchable inventory of all Transmittals shall be readily available to the Department, upon request.
- 3.2.14.7. Contractor shall provide all necessary software to support all electronic communication between the Contractor and the Department related to day-to-day activities associated with the Contract.
- 3.2.14.8. Contractor shall enable all assigned Contractor Personnel to easily exchange documents and electronic files with the Department in compatible formats.
 - 3.2.14.8.1. The Contractor shall maintain the same software and version of software as the Department including, but not limited to, the following:
 - 3.2.14.8.1.1. Microsoft Word.
 - 3.2.14.8.1.2. Microsoft Excel.
 - 3.2.14.8.1.3. Microsoft Project.
 - 3.2.14.8.1.4. Microsoft Access.
 - 3.2.14.8.1.5. Microsoft PowerPoint.
 - 3.2.14.8.2. The Contractor shall upgrade within thirty (30) Business Days of the Department's notification of upgrade.
- 3.2.14.9. Contractor shall provide an efficient and effective RTBT Module reporting process managed in accordance with §1.6 of Exhibit E. The Contractor shall maintain online access to selected management reports for the life of the Contract.
- 3.2.14.10. Contractor shall facilitate weekly status meetings in person or by telephone or video conference call, as approved by the Department, to review status reports at Contractor-provided meeting space or through a conference line or virtual meeting place for the Department and the Contractor.

- 3.2.14.11. Contractor shall participate in project status meetings that occur with other MES Contractors to ensure ESI oversight and enforcement of standards defined by the Department.
- 3.2.14.12. The Contractor shall develop and support dashboard reporting capabilities, which will be used by the Contractor and the Department to assess contract milestones, Deliverables, and performance. Dashboard reporting shall include real-time or near real-time performance data.
- 3.2.14.13. Contractor shall ensure that its staff attending applicable meetings between the Department and the Contractor have the authority to represent and commit the Contractor regarding work planning, problem resolution, and program development.
- 3.2.14.14. Contractor shall, in collaboration with the EPMO, provide written, no less than weekly, RTBT Module projects status reports. The use of real-time dashboard presentations shall be used to allow key metrics to be available in near real time. Weekly reports shall include the status of schedule, performance, scope, quality, risk, issues, opportunities, applicable resources, and other pertinent metrics related to System projects with transparency and direct communication to the Department.
 - 3.2.14.14.1. DELIVERABLE: RTBT Module projects status reports
 - 3.2.14.14.2. DUE: Weekly, no later than two (2) Business Days after the close of the week
- 3.2.14.15. Contractor shall notify the appropriate Department staff by phone or email within fifteen (15) minutes of any potential RTBT Module problems and the potential impact of those problems, including unscheduled downtime.
- 3.2.14.16. Contractor shall perform the research to identify impacts and root causes of RTBT Module problems and communicate to the Department a plan to resolve problems, then implement the plan to resolve problems and report the results to the Department.
- 3.2.14.17. Contractor shall capture and collect notification of undeliverable communication between the Contractor and the Department or other Contractors (e.g., return receipt notice from email, or undeliverable notice from mail) and update address information as appropriate.
- 3.2.14.18. In adherence to the EPMO Lessons Learned Model, the Contractor shall facilitate lessons learned for all RTBT Module projects and provide a walkthrough of all final documentation and recommendations. Modifications to the EPMO Lessons Learned Model shall require Department approval prior to execution.
- 3.2.15. **RTBT Module Contract Management:** Responsibilities for authority over contract adherence.
 - 3.2.15.1. As requested by the Department, the Contractor shall notify the Department's Contract Manager on Contract monitoring to ensure compliance to responsibilities and performance standards throughout the Contract.
 - 3.2.15.2. Contractor shall develop and submit to the Department a monthly Contract Management and Status report that includes the following:

- 3.2.15.2.1. Activities, by each function or unit of the Contractor organization.
- 3.2.15.2.2. Achievement of performance standards for the previous month and identify all performance standards that were not met.
- 3.2.15.2.3. Provide written response for improvement for any SLA that is not being met.
- 3.2.15.2.4. Summary of Contractor activities and key volume indicators for the month and cumulative to the fiscal year end.
- 3.2.15.2.5. The quarterly milestones and reporting schedule.
- 3.2.15.2.6. The Dispute process trigger mechanism (to submit an item for resolution via the dispute process via letter, email, phone, etc.).
- 3.2.15.2.7. Status of Enhancement Hours expended on a per project basis and hours remaining for the year.
- 3.2.15.2.8. Other activities necessary for the Department to monitor Contractor activities.
- 3.2.15.2.8.1. DELIVERABLE: Contract Management and Status report
- 3.2.15.2.8.2. DUE: Monthly, no later than seven (7) Business Days after the close of the month
- 3.2.15.3. Contractor shall maintain confidentiality and privacy in regard to information concerning internal policy discussions, contractual issues, price negotiations, State financial information, and advanced knowledge of potential or draft legislation.
- 3.2.15.4. Contractor shall obtain written permission from the Department before disclosing any privileged information outside of the Department. Contractor shall obtain information from the appropriate state legal authority before disclosing sensitive or privileged information.
- 3.2.15.5. Contractor shall provide transparency into its management plans and execution. The Department expects an approach such that “if the Contractor sees it, the Department sees it” to minimize asymmetric understanding of the Contract status.
- 3.2.16. **RTBT Module Contractor Relationship:** Relationship as Contractor and responsibilities related to Subcontractors.
- 3.2.16.1. Contractor shall establish and maintain agreements with at least two (2) Department approved Service Connectors for RTBI, eRx, and ePA throughout the life of the Contract.
- 3.2.16.2. Contractor shall be the prime Contractor if any work is subcontracted and shall be solely responsible for the integration of all work to be performed under this Contract. The prime Contractor shall work solely with the Department to perform all Contract administration activities of this Contract, including tasks for which a Subcontractor may be responsible. The amount of work subcontracted shall be in alignment with Appendix B - Draft Service Contract’s Exhibit E Contractor’s Administrative Requirements.
- 3.2.16.3. Contractor shall be responsible for working cooperatively with the prime Contractor for all other MES components, in cooperation with the ESI Contractor.

- 3.2.16.4. Contractor shall notify the Department of any changes in federal or State initiatives that may impact current requirements. The Contractor shall stay informed on federal and State initiatives and work in partnership with the Department to identify possible solutions and resolutions to meet changing requirements.
- 3.2.16.5. Contractor shall participate in workgroups including National Medicaid EDI Healthcare (NMEH), National Council for Prescription Drug Program (NCPDP), Workgroups on Electronic Data Interchange (WEDI), CMS, and other regulatory groups, national organizations, and initiatives.
- 3.2.16.6. Contractor shall work cooperatively with all Department staff, State staff, and other Contractors to ensure success of this Contract by identifying efficiencies for the Department that could be leveraged by altering requirements, changing functionality, adapting business processes, or making other changes to the architecture or overall solution.
- 3.2.16.7. Contractor will have insight into internal policy discussions, contractual issues, price negotiations, State financial information, and advanced knowledge of potential or draft legislation. As a result, the Contractor shall maintain confidentiality and privacy of this information.

3.3. **REAL-TIME BENEFIT INQUIRY REQUIREMENTS**

- 3.3.1. **RTBI Processing:** Transmission of accurate, real-time, Member-specific pharmacy benefit information (e.g., plan cost, drug coverage policies and medication alternatives) between Electronic Health Record (EHR) systems and the PBMS.
 - 3.3.1.1. Contractor shall provide an RTBI application which:
 - 3.3.1.1.1. Receives RTBI requests from Providers via EHR systems and routes the requests to the PBMS for processing.
 - 3.3.1.1.2. Receives RTBI responses from the PBMS and routes the responses to the requesting Provider and EHR system.
 - 3.3.1.2. Contractor shall ensure the RTBI application provides a secure transmission (HIPAA compliant) of Member eligibility information.
 - 3.3.1.3. Contractor shall utilize NCPDP Real-Time Pharmacy Benefit (RTPB) standards for the implementation and ongoing operations of the RTBI application.
 - 3.3.1.4. Contractor shall process and respond to all RTBI requests in accordance with the Department-approved RTBI performance measures.
 - 3.3.1.5. Contractor shall provide training, technical assistance, and promotion services in coordination with EHR vendors on the RTBI application. This includes facilitating meetings between EHR vendors, the Department, and Providers and developing Department-specific training materials.
 - 3.3.1.6. Contractor shall co-promote the RTBI module, with the Department during each State Fiscal Year (SFY) to increase the number of active Prescribers using RTBI by a Department and Contractor agreed upon percentage. Contractor shall be deemed to have met this requirement for any year where 85% of Prescribers are using RTBI.

- 3.3.1.7. Contractor shall co-promote the RTBI Module with EHR vendors during each SFY to increase the number of active Prescribers using RTBI within their EHR by a Department and Contractor agreed upon percentage. Contractor shall be deemed to have met this requirement for any year where 85% of the prescribers are using RTBI within their EHR.
- 3.3.2. **Eligibility Interfaces:** Maintenance of an automated eligibility interface connections.
 - 3.3.2.1. Contractor shall support Member eligibility inquiries submitted from EHR systems by:
 - 3.3.2.1.1. Receiving eligibility inquiries from EHR systems and routing them to the PBMS for processing.
 - 3.3.2.1.2. Receiving eligibility inquiry responses from the PBMS and routing the responses to the requesting Provider and EHR system.
 - 3.3.2.2. Contractor shall utilize NCPDP standards for electronic eligibility verifications.
- 3.3.3. **RTBI Reporting:** Reporting of RTBI activity and status.
 - 3.3.3.1. Contractor shall provide a monthly Provider Adoption Report. The report shall include the number of Providers actively using the Colorado Medicaid RTBI solution at the beginning of the month being measured, the number of Providers using the RTBI solution at the end of the month, and the percent increase or decrease of Provider adoption.
 - 3.3.3.1.1. DELIVERABLE: Monthly Provider Adoption Report
 - 3.3.3.1.2. DUE: No later than seven (7) Business Days following the end of the previous month for which the report covers.
 - 3.3.3.2. Contractor shall provide a Monthly Active Clinical User Report which includes Provider experience, Provider behavior, and Provider performance metrics.
 - 3.3.3.2.1. DELIVERABLE: Monthly Active Clinical User Report
 - 3.3.3.2.2. DUE: No later than seven (7) Business Days following the end of the previous month for which the report covers.
 - 3.3.3.3. Contractor shall provide a Monthly RTBT Cost Savings Report using the calculation of retail costs of prescriber submitted drug minus retail cost of alternative presented in RTBI response if the alternative is dispensed with includes refills.
 - 3.3.3.3.1. DELIVERABLE: RTBT Cost Savings Report
 - 3.3.3.3.2. DUE: Monthly, 15th Business Day following the end of the month for which the report covers.
 - 3.3.3.4. Contractor shall provide a Monthly PDL Compliance Report by Provider NPI.
 - 3.3.3.4.1. DELIVERABLE: PDL Compliance Report
 - 3.3.3.4.2. DUE: Monthly, 15th Business Day following the end of the month for which the report covers.

- 3.3.3.5. Contractor shall provide a Quarterly Net Cost Savings Report. This report includes the cost savings generated by the RTBI and ePA modules net of drug rebate.
- 3.3.3.5.1. DELIVERABLE: Net Cost Savings Report
- 3.3.3.5.2. DUE: Quarterly, four (4) weeks following the upload of quarterly rebate data to the Medicaid Drug Program system.
- 3.3.3.6. Contractor shall provide the ability to stratify RTBI reporting by unique Provider, clinic, hospital, health system, or other settings, geography, or Member demographics, drug or PDL grouping, as requested by the Department.
- 3.3.3.7. Contractor shall provide the necessary reporting to support the Provider Alternative Payment Model (APM).
- 3.3.3.7.1. DELIVERABLE: Provider APM Report
- 3.3.3.7.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 3.3.3.8. Contractor shall provide and maintain a RTBT Reporting Data Dictionary, developed through industry best practices and standards identified and cited by the Contractor and approved by Department Staff and the ESI Contractor.
- 3.3.3.8.1. At a minimum, the Data Dictionary shall contain for each field:
 - 3.3.3.8.1.1. Human readable, "plain English" field name.
 - 3.3.3.8.1.2. A field description.
 - 3.3.3.8.1.3. Database field name.
 - 3.3.3.8.1.4. Database table.
 - 3.3.3.8.1.5. Field type and length.
 - 3.3.3.8.1.6. Codes associated with the field.
 - 3.3.3.8.1.7. Descriptions of each code.
 - 3.3.3.8.1.8. Original field source (e.g., CBMS, 837, practitioner claim).
 - 3.3.3.8.1.9. Formulas for any report fields containing calculations.
- 3.3.3.8.2. DELIVERABLE: Data Dictionary
- 3.3.3.8.3. DUE: As defined in the approved Project Work Breakdown Schedule

3.4. **E-PRESCRIBING (ERX) REQUIREMENTS**

- 3.4.1. **ERX Processing:** Transmission of accurate, error-free and understandable prescription directly to a pharmacy from the point-of-care.
 - 3.4.1.1. Electronic generation and transmission of prescriptions.
 - 3.4.1.1.1. Contractor shall provide an eRx application which stores and transfers data between EHR systems and the PBMS to support the successful generation and transmission of electronic prescriptions from EHR systems to pharmacies.

- 3.4.1.1.2. The eRx application shall receive and route requests for Member eligibility inquiries, medication history and drug formulary data, from EHR systems to the PBMS and receive and return responses from the PBMS to the requesting Provider and applicable EHR system.
- 3.4.1.1.3. Contractor shall utilize NCPDP standards for the implementation and ongoing operations of the eRx application.
- 3.4.1.1.4. Contractor shall send and receive all Member data using a HIPAA-compliant secure transmission method.
- 3.4.1.1.5. Contractor shall transmit Member eligibility, medication history and drug formulary data in accordance with the Department-approved eRx performance measures.
- 3.4.1.1.6. Contractor shall ensure that the eRx application works with the necessary systems to conduct real-time and batch interfaces.
- 3.4.2. **eRx Reporting:** Reporting of electronic Rx activity and status.
 - 3.4.2.1. Contractor shall develop and provide an Eligibility Transaction Summary Report.
 - 3.4.2.1.1. DELIVERABLE: Eligibility Transaction Summary Monthly Report
 - 3.4.2.1.2. DUE: No later than seven (7) Business Days following the end of the previous month for which the report covers.
 - 3.4.2.2. Contractor shall develop and provide a Prescribers Utilizing eRx Report.
 - 3.4.2.2.1. DELIVERABLE: Prescribers Utilizing eRx Monthly Report
 - 3.4.2.2.2. DUE: No later than seven (7) Business Days following the end of the previous month for which the report covers.
 - 3.4.2.3. Contractor shall develop and provide a Top 10 Prescriber Ranking Report.
 - 3.4.2.3.1. DELIVERABLE: Top 10 Prescriber Ranking Monthly Report
 - 3.4.2.3.2. DUE: No later than seven (7) Business Days following the end of the previous month for which the report covers.
 - 3.4.2.4. Contractor shall develop and provide an eRx Eligibility Transaction Totals Report.
 - 3.4.2.4.1. DELIVERABLE: eRx Eligibility Transaction Totals Monthly Report
 - 3.4.2.4.2. DUE: No later than seven (7) Business Days following the end of the previous month for which the report covers.
 - 3.4.2.5. Contractor shall develop and provide an eRx History Transaction Totals Report.
 - 3.4.2.5.1. DELIVERABLE: eRx History Transaction Totals Monthly Report
 - 3.4.2.5.2. DUE: No later than seven (7) Business Days following the end of the previous month for which the report covers.

3.5. **E-PRIOR AUTHORIZATION (EPA) REQUIREMENTS**

- 3.5.1. **ePA Processing:** Electronic transmission of Member PA requests.

- 3.5.1.1. Contractor shall provide an ePA application that receives and routes PA requests for Members to the PBMS and receives and returns responses from the PBMS to the requesting Provider.
- 3.5.1.2. Contractor shall utilize NCPDP standards in the implementation and ongoing operations of the ePA application, including the following standard transactions:
 - 3.5.1.2.1. PA initiate request and response.
 - 3.5.1.2.2. PA request and response.
 - 3.5.1.2.3. PA cancel request and response.
- 3.5.1.3. Contractor shall receive and respond to ePA requests through both a web-based portal and EHR systems.
- 3.5.1.4. Contractor shall provide Member eligibility verification as part of ePA processing.
- 3.5.1.5. Contractor shall send and receive all Member data using a HIPAA-compliant secure transmission method.
- 3.5.1.6. Contractor shall process and respond to ePA inquiries in accordance with the Department-approved eRx performance measures.
- 3.5.2. **ePA Reporting:** Reporting of electronic PA activity and status.
 - 3.5.2.1. Contractor shall provide reports of ePA transactions as directed by the Department.
 - 3.5.2.2. Contractor shall provide a Monthly Electronic Prior Authorizations Change in Therapy Report (ePA CIT Report). This report shall include ePAs where a provider changed therapy from a non-preferred option using the electronic PA.
 - 3.5.2.2.1. DELIVERABLE: ePA CIT Report
 - 3.5.2.2.2. DUE: Monthly, 15th Business Day following the end of the month for which the report covers.
- 3.6. **RTBT MODULE SERVICE LEVEL AGREEMENTS (SLA)**
 - 3.6.1. RTBT Related Performance Measures and SLAS

SLA Category	Performance Measure	Amount Reduced By
SLA Category: Business Continuity	Contractor shall notify the Department of all priority level 1 incidents within fifteen (15) minutes of discovery of the incident. Contractor shall provide a plan for resolution within two (2) hours to the Department and resolve the incident within eight (8) hours of the notification. A root cause analysis will be provided to the Department within two (2) hours of resolution. Priority level 1 incident is defined as a major	\$500 for every 15 minutes or partial 15 minutes notification is late. \$1,000 for every 30 minutes or partial 30 minutes the root cause analysis or plan are late. \$5,000 for every hour or

	<p>impact on the project or business operations preventing the PBMS from operating to meet the mission critical business requirements and system components are unavailable to the user. There is no workaround available. Contractor will include incident reporting to the Department weekly.</p>	<p>partial hour past the 8 hours for resolution.</p>
<p>SLA Category: Business Continuity</p>	<p>Contractor shall notify the Department of all Priority Level 2 production incidents within fifteen (15) minutes of discovery of the incident. Contractor shall provide a plan for resolution within two (2) hours to the Department. A root cause analysis will be provided to the Department within two (2) hours of resolution. All core services that are required to be maintained with limited service disruption (Priority 2 as described in an approved Business Continuity and Disaster Recovery Plan) shall be recovered within twenty-four (24) hours following the event that resulted in those services being unavailable.</p>	<p>\$500 for every 15 minutes or partial 15 minutes notification is late.</p> <p>\$1,000 for every 30 minutes or partial 30 minutes the root cause analysis or plan are late.</p> <p>\$4,000 for every hour or partial hour past the 24 hours for resolution.</p>
<p>SLA Category: Business Continuity</p>	<p>Contractor shall notify the Department of all Priority Level 3 production incidents within fifteen (15) minutes of discovery of the incident. Contractor shall provide its plan for resolution within two (2) hours to the Department. A root cause analysis will be provided to the Department within two (2) hours of resolution. Systems and data where service disruption will cause serious injury to government operations, staff, or citizens (Priority 3 as described in an approved Business Continuity and Disaster Recovery Plan) shall be recovered within forty-eight (48) hours following any event that results in those services being unavailable.</p>	<p>\$500 for every 15 minutes or partial 15 minutes notification is late.</p> <p>\$1,000 for every 30 minutes or partial 30 minutes the root cause analysis or plan are late.</p> <p>\$3,000 for every hour or partial hour past the 48 hours for resolution.</p>
<p>SLA Category: Business</p>	<p>Contractor shall notify the Department of all Priority Level 4 production</p>	<p>\$500 for every 15 minutes or partial 15 minutes</p>

Continuity	incidents within fifteen (15) minutes of discovery of the incident. Contractor shall provide a plan for resolution within two (2) hours to the Department. A root cause analysis will be provided to the Department within two (2) hours of resolution. Systems and data required for moderately critical agency services and IT functions where damage to government operations, staff, and citizens would be significant but not serious (priority 4 as described in the Business Continuity and Disaster Recovery Plan) shall be recovered within five (5) Business Days following any event that results in those services being unavailable -OR- no priority 4 services shall be interrupted during the month.	notification is late. \$1,000 for every 30 minutes or partial 30 minutes the root cause analysis or plan are late. \$2,000 for every day or partial day past the 5 Business Days for resolution.
SLA Category: Business Continuity	Contractor shall notify the Department of all Priority Level 5 production incidents within fifteen (15) minutes of discovery of the incident. Contractor shall provide a plan for resolution within two (2) hours to the Department. A root cause analysis will be provided to the Department within two (2) hours of resolution. Systems and data required for less critical support systems (Priority 5 as described in an approved Business Continuity and Disaster Recovery Plan) are all recovered on timeframe as mutually agreed upon by the Department and Contractor.	\$500 for every 15 minutes or partial 15 minutes notification is late. \$1,000 for every 30 minutes or partial 30 minutes the root cause analysis or plan are late. \$1,000 for every day or partial day past the agreed upon timeframe for resolution.
SLA Category: Operations	Contractor shall complete all transmittals within seven (7) Business Days of receipt of final criteria. Requests deemed urgent shall be completed within two (2) Business Days of receipt of final criteria. Contractor may request an extension of the due date on any complex transmittal or where other	\$500 every day or partial day until the transmittal is accepted by the Department as complete and accurate; \$1,000 every day or partial day for urgent transmittals.

	circumstances create a delay in processing. The Department may grant the Contractor an extension of the due date on any transmittal.	
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3.6.2. ePA Related Performance Measures and SLAs

SLA Category: ePA Operations	Contractor shall process and respond to ePA inquiries in accordance with an agreed upon transaction time for 99.9% of transactions per month.	\$5,000 per each 0.1% below the monthly average response time expectation of 99.9% for transactional processing.
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3.6.3. eRx Related Performance Measures and SLAs

SLA Category: eRx Operations	Contractor shall provide data to the eRx application in accordance with an agreed upon transaction time for 99.9% of transactions per month.	\$5,000 per each 0.1% below the monthly average response time expectation of 99.9% for transactional processing.
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3.6.4. RTBI Related Performance Measures and SLAs

SLA Category: RTBI Operations	Contractor shall process and respond to RTBI inquiries in accordance with an agreed upon transaction time for 99.9% of transactions per month.	\$5,000 per each one-tenth of a percentage point below the monthly average response time expectation of 99.9% for transactional processing.
SLA Category: RTBI Operations	- Biannual increase in active prescribers using RTBI by a Department and Contractor agreed upon percentage. - Biannual increase in active prescriber adoption of the RTBI within their EHR by a Department and Contractor agreed upon percentage.	\$1,000 for each one-tenth of a percentage below the agreed upon percentage for each measure.
SLA Category: RTBI	Monthly RTBI reports are due by the 15th Business Day of the Month following the end of the month covered by the report. The report	\$2,500.00 per late delivery.

Operations	shall include, but not be limited to: - Prescriber Adoption Rate - Number of active prescribers using RTBI - Percent change in active prescribers using RTBI. -RTBT Cost Savings Details	
SLA Category: RTBI Operations	Contractor shall provide 100% timely and accurate delivery of ad-hoc reports and data extracts to the Department or its designated entity	\$1,000 per business day past due date defined by the Department for Contractor generated ad-hoc reports requested by the Department.

3.7. PERSONNEL REQUIREMENTS

3.7.1. The Key Personnel for this module are as follows:

3.7.1.1. Account Manager

3.7.1.1.1. The Contractor shall provide a full-time Account Manager for all phases of the Contract, starting upon the Contract Effective Date. The Account Manager shall have responsibility for:

3.7.1.1.1.1. Serving as the Contractor's primary point of contact to maintain communication with the Department for activities related to contract administration, project management, and scheduling.

3.7.1.1.1.2. Correspondence between the Department and Contractor.

3.7.1.1.1.3. Status reporting to the Department.

3.7.1.1.1.4. Ensuring completion of all work in accordance with the Contract's requirements. This includes, but is not limited to, ensuring the accuracy, timeliness, and completeness of all work.

3.7.1.1.1.5. Managing ongoing operations.

3.7.1.2. Executive Sponsor

3.7.1.2.1. The Executive Sponsor shall be responsible for the following:

3.7.1.2.1.1. Resolving disputes between the Department and Contractor that cannot be resolved by the Account Manager.

3.7.1.2.1.2. Addressing requests and concerns of the Department's Executive Director and other senior management as determined by the Department.

4. PREFERRED DRUG LIST (PDL) PURCHASING POOL MODULE STATEMENT OF WORK

4.1. Contractor shall participate in or support the State's participation in a Medicaid rebate pool. Contractor shall solicit, evaluate and negotiate supplemental drug rebates, and rebates for durable medical equipment (DME), from manufacturers.

4.2. PDL REQUIREMENTS

4.2.1. **PDL Purchasing Pool Module Staffing:** Staffing related to the Contractor's contract activities and scope of work.

4.2.1.1. Contractor shall conduct normal business hours, Monday through Friday, from 8:00 a.m. to 5:00 p.m. Mountain Time (MT), each Business Day with the exception of days the Department is closed due to weather, Department-approved and pre-scheduled training sessions, and agreed holidays.

4.2.1.2. Contractor shall provide Department-approved virtual conferencing space to support coordination between among all Stakeholders, including Department and external Stakeholders.

4.2.1.3. Contractor shall have access to the email, calendar and communication tools used by Department staff, including, but not limited to Google Calendar, Google Chat, Google Meet, and Zoom.

4.2.1.4. For staff roles that are not designated to be on-site, they shall be located within the United States.

4.2.1.5. Contractor shall provide a Resource Management Plan for Department approval. The Resource Management Plan shall include, but is not limited to the following:

4.2.1.5.1. An Organization Chart that identifies positions and describes the organizational structure and team location(s) (specify in-State or out-of-State) and how this structure will contribute to project success.

4.2.1.5.2. A description for maintaining appropriate staffing levels throughout the term of the Contract and adjusting its resources as necessary to maintain the required level of service.

4.2.1.5.3. The approach to acquiring and retaining project staff.

4.2.1.5.4. Staff training and retention plan.

4.2.1.5.5. Identification of Subcontractors (if any).

4.2.1.5.6. Solution for communication with the Department when bringing on new Contractor staff (Key Personnel and non-Key Personnel).

4.2.1.5.7. Solution for communication with the Department when Contractor staff are leaving (Key Personnel and non-Key Personnel).

4.2.1.5.8. Solution for conducting and involving the Department in performance evaluations of Key Personnel.

4.2.1.5.9. Point of contact information for Contractor Key Personnel and Department project staff.

- 4.2.1.6. The Resource Management Plan shall include the following information for each position:
 - 4.2.1.6.1. Labor Category title.
 - 4.2.1.6.2. Position description.
 - 4.2.1.6.3. Required education, training, licensure, and certification.
 - 4.2.1.6.4. Required experience.
 - 4.2.1.6.5. Specific skills or knowledge required.
 - 4.2.1.6.6. Percent allocation to the contract scope of work.
- 4.2.1.7. Contractor shall update the Resource Management Plan and submit to the Department for approval at least annually and upon Key Personnel changes. The Department's approval of any resource plan does not imply that staffing levels are sufficient; the Contractor shall increase staffing as needed to meet Contract requirements at no additional cost to the Department. The update shall include, at a minimum:
 - 4.2.1.7.1. Human resource management approach for managing staffing requirements.
 - 4.2.1.7.2. Resource planning and reporting, current staffing levels and staffing needs, day to day management of project staff.
 - 4.2.1.7.2.1. DELIVERABLE: Resource Management Plan
 - 4.2.1.7.2.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 4.2.1.8. Contractor shall adhere to the approved Resource Management Plan. Key staff shall not be removed or replaced by the Contractor for use on other projects, without Department consent.
- 4.2.1.9. Contractor shall provide the Department the ability to conduct an exit interview with Contractor staff who resign, or the Department shall receive an exit questionnaire completed by the resigning employee.
- 4.2.1.10. Contractor shall provide resumes to the Department for approval of all Key Personnel roles and for any changes to Key Personnel during the contract term. The Department reserves the right to approve or deny Key Personnel assigned to the Contract.
 - 4.2.1.10.1. DELIVERABLE: Key Personnel Resumes
 - 4.2.1.10.2. DUE: No later than fifteen (15) Business Days after Contract execution
- 4.2.1.11. Contractor shall notify the Department of a vacancy in any of the listed Key Personnel positions within forty-eight (48) hours of receiving notice.
- 4.2.1.12. Contractor shall fill all Key Personnel vacancies or provide a Key Personnel Transition Plan, accepted by the Department, within thirty (30) Business Days, unless a longer period is approved by the Department.
- 4.2.1.13. Contractor shall provide documentation in response to a Department audit, within ten (10) Business Days, to confirm that all project positions are filled with staff

adequate for their project role, based on the experience, skills, location, and other requirements established by the Department.

- 4.2.1.14. Contractor shall provide evidence of completed background security checks through submission of results of background checks for all Contractor staff prior to assignment, as required by the Department.
- 4.2.1.15. Contractor shall make all Personnel available during the Department's business hours of 8:00 a.m. to 5:00 p.m. MT with the exception of days the Department is closed due to weather, Department-approved and pre-scheduled training sessions, and agreed holidays. In addition, Contractor shall make Key Personnel available for key meetings and special events (e.g., operational cutover) that are outside of these core hours, at no additional cost to the Department.
- 4.2.1.16. Key Personnel are subject to both initial and ongoing approval of the Department. Any substitutions shall not be assigned to perform work under the contract without prior approval of the Department. Key Personnel include:
 - 4.2.1.16.1. Account Manager
 - 4.2.1.16.2. Executive Sponsor
- 4.2.1.17. Key Personnel named in this section shall meet minimum qualifications unless an exception is granted by the Department. The minimum qualifications are as follows:
 - 4.2.1.17.1. College degree in related field, preferably a Bachelor's degree or higher.
 - 4.2.1.17.2. At least two (2) years of experience in the particular named service, such as account management, pharmacist, or systems management, preferably within in the health care industry.
 - 4.2.1.17.3. Demonstrated at least two (2) years of professional experience and knowledge of industry standards and best practices regarding large-scale and enterprise-level projects.
 - 4.2.1.17.4. Specific practical experience in their submitted area of expertise.
 - 4.2.1.17.5. At least two (2) years of experience in performing similar services.
- 4.2.1.18. Contractor shall provide an Account Manager full-time for all phases of the Contract, starting upon Contract effective date. The Account Manager shall have responsibility for:
 - 4.2.1.18.1. Serving as the Contractor's primary point of contact to maintain communication with the Department for activities related to contract administration, project management and scheduling.
 - 4.2.1.18.2. Correspondence between the Department and Contractor.
 - 4.2.1.18.3. Status reporting to the Department.
 - 4.2.1.18.4. Ensure completion of all work in accordance with the contract's requirements. This includes, but is not limited to, ensuring the accuracy, timeliness, and completeness of all work.

- 4.2.1.18.5. Managing ongoing operations.
- 4.2.1.19. Contractor shall designate an Executive Sponsor for all phases of the contract, starting upon Contract effective date. The Executive Sponsor's responsibilities include:
 - 4.2.1.19.1. Resolving disputes between the Department and Contractor that cannot be resolved by the Account Manager.
 - 4.2.1.19.2. Addressing requests and concerns of the Department's Executive Director and other senior management as determined by the Department.
- 4.2.1.20. The Contractor shall provide sufficient, qualified, resources to satisfy all requirements in the Contract and ensure technical and business operations are successful within the agreed upon timelines.
- 4.2.1.21. The use of Subcontractors shall be clearly explained in the Resource Management Plan, and any Subcontractor shall be identified by the organization's name. At a minimum, the Subcontractor information shall include the following for each Subcontractor:
 - 4.2.1.21.1. Name.
 - 4.2.1.21.2. Address.
 - 4.2.1.21.3. The general scope of work to be performed by each Subcontractor.
 - 4.2.1.21.4. Subcontractor's willingness to perform such work.
 - 4.2.1.21.5. Certification that the Subcontractor does not discriminate in its employment practices.
 - 4.2.1.21.6. The Contractor shall report to the Department annually any information on its use of Subcontractors, certifying that the Subcontractor meets the employment practices mandated by federal and State of Colorado statutes and regulations. Subcontractors are subject to the same location requirements as the Contractor.
 - 4.2.1.21.7. In the event that the Contractor hires a new Subcontractor within the annual time frame, the Contractor shall notify the Department within three (3) Business Days.
- 4.2.1.22. Contractor shall manage and be accountable for the actions, inactions, and performance of all Subcontractors. The Contractor is solely responsible for the work performed under this Contract including the work of Subcontractors.
- 4.2.1.23. Contractor shall act as the single point of contact for the Department with the Contractor's Subcontractors for the services under the Contract.
- 4.2.1.24. Contractor shall make Subcontractor contracts available for Department review upon request.
- 4.2.1.25. Contractor shall obtain Department approval for all Subcontractors engaged after award of the Contract using an agreed-upon approval process.
- 4.2.2. **PDL Purchasing Pool Module Deliverables:** Standards and process for Deliverables, including submission, review and approval.

- 4.2.2.1. Contractor shall adhere to the Deliverable submission, review, and approval process for all Deliverables, as described and approved by the Department within the Communication Management Plan, including processes for reporting, in alignment with Exhibit E in the Contract.
- 4.2.2.2. Contractor shall provide a Deliverable Expectations Document (DED) for Department review and approval for all Deliverables described in the Contract before submitting a Deliverable for Department review and approval. The DED will capture Department-approved standards, format, and outline format to represent the content that will be delivered. As applicable, the DED shall specify the number of copies and type of media for each deliverable.
 - 4.2.2.2.1. DELIVERABLE: DED
 - 4.2.2.2.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 4.2.2.3. Contractor shall implement, maintain and monitor an internal quality control process, in alignment with Exhibit E in the Contract, to ensure that all Deliverables, documents, and calculations are complete, accurate, easy to understand, and of high quality. This shall include a process to record and address corrective and preventive actions.
- 4.2.2.4. Contractor shall develop and provide standards and templates for all documentation and communication, in alignment with the DED process, for review and approval by the Department as defined in the Communication Management Plan. Documentation and communication include (but is not limited to):
 - 4.2.2.4.1. Status Reports.
 - 4.2.2.4.2. Meeting Agendas.
 - 4.2.2.4.3. Meeting Minutes.
 - 4.2.2.4.3.1. DELIVERABLE: Reporting and Meeting Templates
 - 4.2.2.4.3.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 4.2.2.5. Contractor shall comply with Deliverable standards, in alignment with Exhibit E in the Contract, such that all Contractor Deliverables meet the Department-approved standards, format, and content requirements. The Department will specify the number of copies and types of media for each Deliverable.
- 4.2.3. PDL Purchasing Pool Module Project Initiation Phase: Initial project planning and set-up activities.
 - 4.2.3.1. Contractor shall establish the project schedule following key project management practices:
 - 4.2.3.1.1. Manage the integration of services.
 - 4.2.3.1.2. Manage project risks and issues. All critical and high-rating risks require a mitigation strategy and are monitored weekly.
 - 4.2.3.1.3. Use a decision log to record all pertinent decisions that have a major impact on the project and are monitored weekly.

- 4.2.3.1.4. Manage changes to the project scope.
- 4.2.3.1.5. Manage quality.
- 4.2.3.2. The Contractor shall build and maintain the Project Work Breakdown Schedule that includes both Contractor and Department tasks throughout the duration of the project. All tasks shall be identified at a detailed level. The schedule shall include project-level schedules and shall be maintained on a weekly basis to provide weekly project status reports. The Contractor will comply in industry schedule quality standards and coordinate with Medicaid Enterprise Solutions Integration (ESI) reporting needs and standards.
 - 4.2.3.2.1. DELIVERABLE: Project Work Breakdown Schedule
 - 4.2.3.2.2. DUE: No later than thirty (30) Calendar Days after Contract execution
- 4.2.3.3. Contractor shall develop and submit for Department approval a Project Management Plan that uses a standard methodology based on best practices, including PMBOK and Scaled Agile Framework (SAFe) if applicable. The plan shall include at a minimum:
 - 4.2.3.3.1. Project Work Breakdown Structure for all planned Contract tasks or activities.
 - 4.2.3.3.2. Requirements Definition and Validation Plan.
 - 4.2.3.3.3. Requirements Traceability Matrix (RTM).
 - 4.2.3.3.4. Deliverable Management Tracking.
 - 4.2.3.3.5. Communication Management and Stakeholder Engagement.
 - 4.2.3.3.6. Decision Management Plan (Tracking Decisions and Decision Latency impacts).
 - 4.2.3.3.7. Status Reporting.
 - 4.2.3.3.8. Documentation Management Plan.
 - 4.2.3.3.9. Resource Management Plan.
 - 4.2.3.3.10. Risk and Issue Management Plan.
 - 4.2.3.3.11. Scope Management.
 - 4.2.3.3.12. Organizational Change Management.
 - 4.2.3.3.13. Training Plan.
 - 4.2.3.3.14. Quality Assurance Control and Quality Management Plan Transition and Implementation Plan.
 - 4.2.3.3.15. Post-implementation Operational Monitoring Plan.
 - 4.2.3.3.15.1. DELIVERABLE: PMP
 - 4.2.3.3.15.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 4.2.3.4. PMP Deliverable shall be reviewed, updated, and submitted for Department approval upon any change.

- 4.2.3.5. Contractor shall review, update, and submit PMP Deliverable for Department approval at least annually. If no changes have occurred, Contractor shall provide a summary report that indicates no changes have occurred.
- 4.2.3.6. Contractor shall develop and submit for Department approval, in collaboration with the Enterprise Project Management Office (EPMO), a Change Management Plan that addresses and defines processes for managing changes to the project. These processes shall include, but are not limited to, the processes to do all of the following:
- 4.2.3.6.1. Manage Change Requests, including but not limited to system changes, system tools, configuration and customization, and COTS product implementations.
- 4.2.3.6.2. Identify business needs from the Department and its designees, as directed by the Department.
- 4.2.3.6.3. Identify and document changes in the scope of work.
- 4.2.3.6.4. Develop formal amendment or Option Letter to this Contract for any change in the scope of work that requires additional funding beyond that shown in this Contract or explicitly modifies a requirement contained in this Contract.
- 4.2.3.6.5. Identify and document changes in business process definition.
- 4.2.3.6.6. Identify and document changes in federal or State regulatory change support.
- 4.2.3.6.7. Identify and document changes to the budget and procurement activities.
- 4.2.3.6.8. Manage changes in training needs.
- 4.2.3.6.9. Implement any changes only upon receiving Department approval of those changes.
- 4.2.3.6.10. Obtain Department review and approval of all updates to the Change Management Plan and materials prior to use.
- 4.2.3.6.11. Track all changes, even if they do not require a formal change request.
- 4.2.3.6.12. The Change Management Plan shall be implemented once approved and the Contractor shall adhere to the processes included in the plan.
- 4.2.3.6.12.1. DELIVERABLE: Change Management Plan
- 4.2.3.6.12.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 4.2.3.7. Contractor shall develop standard operating procedures and communication protocols with the Department, incumbent Contractors, and module contractors. The Contractor shall develop and submit for Department approval a Communication Management and Stakeholder Engagement Plan for the services outlined in the Contract. The Communication Management and Stakeholder Engagement Plan shall describe, at a minimum:
- 4.2.3.7.1. The Contractor's communication model with the Department and other entities.
- 4.2.3.7.2. The Contractor's approach to meeting the communication requirements throughout the course of the Contract performance period.

- 4.2.3.7.3. Approach to maintaining telephone and email contact with the Department's designated staff throughout the Contract period.
- 4.2.3.7.4. During critical transition and operational readiness phases, approach to maintaining daily contact with the Department's project managers, as appropriate.
- 4.2.3.7.5. The Project Stakeholders.
- 4.2.3.7.6. The frequency and breadth of communication.
- 4.2.3.7.7. Communication methods.
- 4.2.3.7.8. The individuals responsible for communication including valid and after-hour contact information.
- 4.2.3.7.9. The review and approval process, including a process for facilitating a Department review of each Deliverable outline and draft documents to ensure common understanding of the purpose and content of documentation prior to final delivery.
- 4.2.3.7.10. The quarterly milestone reporting schedule.
- 4.2.3.7.11. The trigger mechanism for initiating the Dispute Process (e.g., formal letter, email, phone contact).
 - 4.2.3.7.11.1. DELIVERABLE: Communication Management and Stakeholder Engagement Plan
 - 4.2.3.7.11.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 4.2.3.8. Contractor shall develop and submit for Department approval a Business Continuity and Disaster Recovery Plan that meets the requirements in Appendix B - Draft Service Contract's Exhibit E, Contractor's Administrative Requirements including:
 - 4.2.3.8.1. Timely failover and redundancy.
 - 4.2.3.8.2. Data recovery.
 - 4.2.3.8.3. Short and long-term continuity operations.
 - 4.2.3.8.4. Remote access.
 - 4.2.3.8.5. An alternate business site if the primary business site becomes unsafe or inoperable.
 - 4.2.3.8.6. Provide data backup.
 - 4.2.3.8.7. Schedule and process for testing of the Business Continuity and Disaster Recovery Plan.
 - 4.2.3.8.8. Reference the Colorado System Security Plan for additional information.
 - 4.2.3.8.8.1. DELIVERABLE: Business Continuity and Disaster Recovery Plan
 - 4.2.3.8.8.2. DUE: As defined in the approved Project Work Breakdown Schedule

- 4.2.3.9. Contractor shall develop and submit for Department approval, a Training Plan that is updated and delivered annually, which includes:
 - 4.2.3.9.1. Training approach.
 - 4.2.3.9.2. Training methodologies (face-to-face, online, webinar, other).
 - 4.2.3.9.3. Process for identifying training needs.
 - 4.2.3.9.4. Process for communicating and scheduling training.
 - 4.2.3.9.5. Training deployment during transition and operational readiness and operations phases.
 - 4.2.3.9.6. How Contractor will meet the learning needs of authorized system users.
 - 4.2.3.9.6.1. DELIVERABLE: Training Plan
 - 4.2.3.9.6.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 4.2.3.10. Contractor shall provide a Documentation Management Plan for Department review and approval for all documents to be submitted to the Department. The Document Management Plan shall describe, at a minimum:
 - 4.2.3.10.1. Approach to ensure project continuity.
 - 4.2.3.10.2. Retention period for document reference and retrieval.
 - 4.2.3.10.3. Process for the Department to retrieve documents.
 - 4.2.3.10.4. Knowledge repository for project related documents.
 - 4.2.3.10.5. Document management standards, procedures, processes, tools, and templates.
 - 4.2.3.10.6. Adherence to the CMS Documentation Standard and Condition guidelines.
 - 4.2.3.10.7. Maintenance of a Documentation Library throughout the life of the Contract.
 - 4.2.3.10.7.1. DELIVERABLE: Document Management Plan
 - 4.2.3.10.7.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 4.2.3.11. The Contractor shall provide a Scope Management Plan for Department review and approval. The document shall describe, at a minimum:
 - 4.2.3.11.1. Approach to confirm project requirements are clearly defined and managed.
 - 4.2.3.11.2. Approach to change management process.
 - 4.2.3.11.3. Scope control process.
 - 4.2.3.11.4. Process to monitor and measure scope performance against the scope baseline and project schedule.
 - 4.2.3.11.5. Reporting and communicating Scope with ESI, Medicaid Enterprise Solutions (MES) Contractors, and the Department.
 - 4.2.3.11.5.1. DELIVERABLE: Scope Management Plan
 - 4.2.3.11.5.2. DUE: As defined in the approved Project Work Breakdown Schedule

- 4.2.3.11.6. As approved by the Department, the Contractor shall develop and submit for Department approval a Risk and Issue Management Plan that describes how risks are identified, analyzed, mitigated, communicated, and solutions to identified risks are effectively executed throughout the life of the contract.
- 4.2.3.11.6.1. DELIVERABLE: Risk and Issue Management Plan
- 4.2.3.11.6.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 4.2.3.12. Contractor shall develop and maintain a RTM to ensure that detailed requirements comply with Contract requirements and that all functional requirements have bi-directional traceability.
- 4.2.3.12.1. DELIVERABLE: RTM
- 4.2.3.12.2. DUE: No later than thirty (30) Calendar Days after Contract execution
- 4.2.3.13. Contractor shall provide price and schedule estimates to support proposed legislation, budget requests, and other initiatives, as directed by the Department.
- 4.2.3.13.1. After receiving notification and requirements from the Department, Contractor shall respond within five (5) business days for any requests made outside of the Colorado Legislative Session, or as agreed to by the Department. Under limited extenuating circumstances, the Contractor may be required to respond the same day or within 24 hours.
- 4.2.3.14. Contractor shall develop and maintain a process to provide assistance (technical and business process related) as needed to assist users in researching problems, reviewing production outputs and understanding report formats.
- 4.2.3.15. Contractor shall identify and track all errors and discrepancies found in Deliverables, notify the Department, and correct the errors and discrepancies.
- 4.2.3.16. Provide training on software upgrades to authorized system users, as necessary.
- 4.2.3.17. Contractor shall provide reasonable access to, and the ability to inspect, all facilities (or any site) in which the Contractor or Subcontractor(s) performs any Work related to this Contract or maintains any records related to this Contract and provide assistance to the federal and State representatives during audits, inspections and evaluations.
- 4.2.3.18. Contractor shall provide a PDL Purchasing Pool solution that provides secure data exchange within the MES, as directed by the Department.
- 4.2.3.19. Contractor shall provide audit support to the Department, including selection of samples, production of hard-copy documents, and gathering of other required data. The Contractor shall assist Department staff in responding to all federal and State auditing agencies in a timeframe specified by the Department. This level of support shall also be provided to all other State and federal audit agencies or their designees.
- 4.2.3.20. Contractor shall maintain in accordance with 45 CFR Part 74, accounting books, accounting records, documents, and other evidence pertaining to the administrative costs and expenses of this Contract to the extent and in such detail as shall properly reflect all revenues; all net costs, direct and apportioned; and other costs and

expenses, of whatever nature, that relate to performance of contractual duties under the provisions of this Contract, in alignment with Appendix E - Draft Service Contract's Contract Exhibit E Contractor's Administrative Requirements. The Contractor's accounting procedures and practices shall conform to generally accepted accounting principles, and the costs properly applicable to this Contract shall be readily ascertainable.

- 4.2.3.21. Contractor shall assist Department staff and the Department's Contractors with research, resolution, and response to issues related to the PDL Purchasing Pool, including those brought to the Department's attention.
- 4.2.3.22. Contractor shall support the Department and its Contractor(s) in Independent Verification and Validation (IV&V) activities associated with the Contract.
- 4.2.4. **PDL Purchasing Pool Module Turnover:** Activities for turnover of contract or operations to the Department or another vendor upon conclusion of contract.
 - 4.2.4.1. Contractor shall develop a System Turnover Plan at no additional cost to the Department, no later than six (6) months prior to the end of the Contract, including:
 - 4.2.4.1.1. Proposed approach to Turnover.
 - 4.2.4.1.2. Tasks and subtasks for Turnover.
 - 4.2.4.1.3. Schedule for Turnover.
 - 4.2.4.1.4. Entrance and exit criteria.
 - 4.2.4.1.5. Readiness walkthrough process.
 - 4.2.4.1.6. Documentation update procedures during Turnover.
 - 4.2.4.1.7. Description of Contractor coordination activities that will occur during the Turnover Phase that will be implemented to ensure continued functionality of a PDL Purchasing Pool and services as deemed appropriate by the Department.
 - 4.2.4.1.7.1. Deliverable: Turnover Plan
 - 4.2.4.1.7.2. DUE: As defined in the approved Project Work Breakdown Schedule
- 4.2.5. **PDL Purchasing Pool Module Project Management:** Project management office and project management framework for the vendor project during all phases and activities.
 - 4.2.5.1. In collaboration with the Department's Contract Manager, Contractor shall maintain responsibility to manage all aspects of the Contract that affect price, schedule, performance (scope and quality), risks, issues, or opportunities, and applicable resources with transparency and direct communication.
 - 4.2.5.2. Contractor shall adhere to Department EPMO standards and protocols on all project management activities throughout the life of the Contract. This includes the use of tools and applications, as well as processes. The Contractor shall provide written project management recommendations, as identified, to improve processes and efficiencies. The Contractor shall work cooperatively with the EPMO and provide written weekly status updates to the Department and ESI Contractor during all phases of the Contract.

- 4.2.5.3. Contractor shall perform ongoing risk mitigation according to the approved Risk and Issue Management Plan throughout the operations and maintenance phase.
- 4.2.5.4. Contractor shall ensure all project and Contract documents are made available on a Contractor-provided, Department approved searchable electronic data repository and contain all versions of the document (including policy manuals, training materials, implementation memos and help instructions), as specified by the Department.
- 4.2.5.5. Contractor shall provide a single source tool to process, capture, and track all Transmittals that have been submitted, reviewed, and approved through the life of the Contract. A searchable inventory of all Transmittals shall be readily available to the Department, upon request.
- 4.2.5.6. Contractor shall provide all necessary software to support all electronic communication between the Contractor and the Department related to day-to-day activities associated with the Contract.
- 4.2.5.7. Contractor shall enable all assigned Contractor Personnel to easily exchange documents and electronic files with the Department in compatible formats.
 - 4.2.5.7.1. The Contractor shall maintain the same software and version of software as the Department including, but not limited to, the following:
 - 4.2.5.7.1.1. Microsoft Word.
 - 4.2.5.7.1.2. Microsoft Excel.
 - 4.2.5.7.1.3. Microsoft Project.
 - 4.2.5.7.1.4. Microsoft Access.
 - 4.2.5.7.1.5. Microsoft PowerPoint.
 - 4.2.5.7.2. The Contractor shall upgrade within thirty (30) Business Days of the Department's notification of upgrade.
- 4.2.5.8. Contractor shall, in collaboration with the EPMO, provide written, no less than weekly, PDL Purchasing Pool Module projects status reports. Weekly reports shall include the status of schedule, performance, scope, quality, risk, issues, opportunities, applicable resources, and other pertinent metrics related to System projects with transparency and direct communication to the Department.
 - 4.2.5.8.1. DELIVERABLE: PDL Purchasing Pool projects status reports
 - 4.2.5.8.2. DUE: Weekly, no later than two (2) Business Days after the close of the week
- 4.2.5.9. Contractor shall facilitate weekly status meetings in person or by telephone or video conference call, as approved by the Department, to review status reports at Contractor-provided meeting space or through a conference line or virtual meeting place for the Department and the Contractor.
- 4.2.5.10. Contractor shall participate in project status meetings that occur with other MES Contractors to ensure ESI oversight and enforcement of standards defined by the Department.

- 4.2.5.11. The Contractor shall develop and support dashboard reporting capabilities, which will be used by the Contractor and the Department to assess contract milestones, Deliverables, and performance. Dashboard reporting shall include real-time or near real-time performance data.
- 4.2.5.12. Contractor shall ensure that its staff attending applicable meetings between the Department and the Contractor have the authority to represent and commit the Contractor regarding work planning, problem resolution, and program development.
- 4.2.5.13. Contractor shall capture and collect notification of undeliverable communication between the Contractor and the Department or other Contractors (e.g., return receipt notice from email, or undeliverable notice from mail) and update address information as appropriate.
- 4.2.6. **PDL Purchasing Pool Module Contract Management:** Responsibilities for authority over contract adherence.
 - 4.2.6.1. As requested by the Department, the Contractor shall notify the Department's Contract Manager on Contract monitoring to ensure compliance to responsibilities and performance standards throughout the Contract.
 - 4.2.6.2. Contractor shall develop and submit to the Department a monthly Contract Management and Status report that includes the following:
 - 4.2.6.2.1. Activities, by each function or unit of the Contractor organization.
 - 4.2.6.2.2. Achievement of performance standards for the previous month and identify all performance standards that were not met.
 - 4.2.6.2.3. Provide written response for improvement for any SLA that is not being met.
 - 4.2.6.2.4. Summary of Contractor activities and key volume indicators for the month and cumulative to the fiscal year end.
 - 4.2.6.2.5. The quarterly milestones and reporting schedule.
 - 4.2.6.2.6. The Dispute Process trigger mechanism (to submit an item for resolution via the dispute process via letter, email, phone, etc.).
 - 4.2.6.2.7. Status of Enhancement Hours expended on a per project basis and hours remaining for the year.
 - 4.2.6.2.8. Other activities necessary for the Department to monitor Contractor activities.
 - 4.2.6.2.8.1. DELIVERABLE: Contract Management and Status report
 - 4.2.6.2.8.2. DUE: Monthly, no later than seven (7) Business Days after the close of the month.
 - 4.2.6.3. Contractor shall maintain confidentiality and privacy in regard to information concerning internal policy discussions, contractual issues, price negotiations, State financial information, and advanced knowledge of potential or draft legislation.
 - 4.2.6.4. Contractor shall obtain written permission from the Department before disclosing any privileged information outside of the Department. Contractor shall obtain

information from the appropriate state legal authority before disclosing sensitive or privileged information.

- 4.2.6.5. Contractor shall provide transparency into its management plans and execution. The Department expects an approach such that “if the Contractor sees it, the Department sees it” to minimize asymmetric understanding of the Contract status.
- 4.2.7. **PDL Purchasing Pool Module Contractor Relationship:** Relationship as Contractor and responsibilities related to Subcontractors.
- 4.2.7.1. Contractor shall be the prime Contractor if any work is subcontracted and shall be solely responsible for the integration of all work to be performed under this Contract. The prime Contractor shall work solely with the Department to perform all Contract administration activities of this Contract, including tasks for which the Subcontractor may be responsible. The amount of work subcontracted shall be in alignment with Appendix B – Draft Service Contract’s Exhibit E Exhibit E Contractor’s Administrative Requirements.
- 4.2.7.2. Contractor shall be responsible for working cooperatively with the prime Contractor for all other MES components, in cooperation with the ESI Contractor.
- 4.2.7.3. Contractor shall notify the Department of any changes in federal or State initiatives that may impact current requirements. The Contractor shall stay informed on federal and State initiatives and work in partnership with the Department to identify possible solutions and resolutions to meet changing requirements.
- 4.2.7.4. Contractor will have insight into internal policy discussions, contractual issues, price negotiations, State financial information, and advanced knowledge of potential or draft legislation. As a result, the Contractor shall maintain confidentiality and privacy of this information.

4.3. **PDL REQUIREMENTS**

- 4.3.1. **PDL Support Services:** Supplemental drug rebates.
- 4.3.1.1. Contractor shall solicit and negotiate rebate offers with drug manufacturers as directed by the Department.
- 4.3.1.2. Contractor shall research, develop, compile, and prepare drug utilization and financial analyses at least quarterly in alignment with the Department’s PDL drug class review schedule.
- 4.3.1.3. Contractor shall make recommendations regarding preferred drugs and potential PDL classes, PDL program best practices and contract acceptance for all supplemental rebates.
- 4.3.1.4. Contractor shall present PDL and rebate offer recommendations at least quarterly to the Department.
- 4.3.1.5. Contractor shall meet with drug manufacturers and shall be responsible for receiving and reporting on their recommendations. The Contractor shall send all escalations to the Department.
- 4.3.2. **DME:** DME rebates.

- 4.3.2.1. Contractor shall solicit and negotiate rebate offers with DME manufacturers as directed by the Department.
- 4.3.2.2. Contractor shall research, develop, compile, and prepare DME utilization and financial analyses at an agreed upon frequency for review and evaluation by the Department.
- 4.3.2.3. Contractor shall present DME recommendations at an agreed upon frequency to the Department to make determinations on accepting DME rebate offers.
- 4.3.2.4. Contractor shall meet with DME manufacturers and shall be responsible for receiving and reporting on their recommendations. The Contractor shall send all escalations to the Department.

4.4. PDL PURCHASING POOL MODULE SERVICE LEVEL AGREEMENTS (SLA)

4.4.1. PDL Related Performance Measures and SLAs

SLA Category	Performance Measure	Amount Reduced By
SLA Category: PDL Purchasing Pool	Contractor shall research, develop, compile, and prepare drug utilization and financial analyses at least quarterly in alignment with the Department’s PDL drug class review schedule.	\$2500 per quarterly report missed.
SLA Category: PDL Purchasing Pool	Contractor shall research, develop, compile, and prepare DME utilization and financial analyses at an agreed upon frequency for review and evaluation by the Department.	\$2500 per late delivery.

4.5. PERSONNEL REQUIREMENTS

4.5.1. The Key Personnel for this module are as follows:

4.5.1.1. **Account Manager**

4.5.1.1.1. The Contractor shall provide a full-time Account Manager for all phases of the Contract, starting upon the Contract Effective Date. The Account Manager shall have responsibility for:

4.5.1.1.1.1. Serving as the Contractor's primary point of contact to maintain communication with the Department for activities related to contract administration, project management, and scheduling.

- 4.5.1.1.1.2. Correspondence between the Department and Contractor.
- 4.5.1.1.1.3. Status reporting to the Department.
- 4.5.1.1.1.4. Ensuring completion of all work in accordance with the Contract's requirements. This includes, but is not limited to, ensuring the accuracy, timeliness, and completeness of all work.
- 4.5.1.1.1.5. Managing ongoing operations.
- 4.5.1.1.2. The Department prefers this position to be local.
- 4.5.1.2. **Executive Sponsor**
- 4.5.1.2.1. The Executive Sponsor shall be responsible for the following:
 - 4.5.1.2.1.1. Resolving disputes between the Department and Contractor that cannot be resolved by the Account Manager.
 - 4.5.1.2.1.2. Addressing requests and concerns of the Department's Executive Director and other senior management as determined by the Department.

5. COMPENSATION AND INVOICING

5.1. Compensation

- 5.1.1. The compensation under the Contract shall consist of following:
 - 5.1.1.1. Deliverable Based Payments.
 - 5.1.1.2. Phase Completion Payments.
 - 5.1.1.3. Monthly Fixed Fee.
 - 5.1.1.4. Incentive Payment.
- 5.1.2. The Start-up Phase, Design, Development, and Implementation Phase shall solely consist of Deliverable Based payment and Phase Completion Payments.
 - 5.1.2.1. Deliverable Based payment shall be dependent upon delivery to the Department by the mutually agreed upon time and Department acceptance of the Deliverable.
 - 5.1.2.1.1. Deliverables that are delivered to the Department after the agreed upon due date shall be reduced by one (1) percent for each Calendar Day past the original due date. This reduction shall not exceed twenty-five (25) percent of the on-time cost.
 - 5.1.2.1.2. The Contractor may request a Deliverable Due Date Extension from the Department to extend the due date of any Deliverable. A request received by the Department shall be reviewed and a transmittal of the Department's decision will be returned to the Contractor.
 - 5.1.2.1.3. The Department shall not consider a Deliverable late if the Department's inaction or lack of response caused the delay in Deliverable delivery.
 - 5.1.2.2. Phase Completion Payment
 - 5.1.2.2.1. Phase Completion Payments shall apply to the following modules:

- 5.1.2.2.1.1. PBMS
- 5.1.2.2.1.2. Rebate
- 5.1.2.2.1.3. RTBT
- 5.1.2.2.2. The Contractor shall be eligible to invoice the Department for a one-time, Phase Completion Payment during the Start-up Period once all Deliverables for that Phase have been accepted by the Department.
- 5.1.2.2.3. Phase description and completion criteria are found in the following Phase Completion Table
- 5.1.2.2.4.

One-time Phase Completion Table		
Phase	Release Criteria	Payment Amount
1- Requirements and Design Phase	Business Requirements Document and Technical Design Specifications are complete for all requirements and approved by the Department.	10%
2- Testing Phase	Business Functions have achieved the 90% pass rate with no Severity 1 or Severity 2 Defects and the System is ready for the Department to begin UAT.	10%
3- Operational Readiness and Go-Live	Regression, parallel like activities, data migration, and operational readiness activities are completed and approved by the Department.	10%
4- Post Implementation	Achievement of steady state operations through Department approval of post implementation activities included in the post implementation checklist.	10%
5- Certification	System achieves CMS certification in accordance with the criteria and timelines established by CMS.	10%

- 5.1.2.2.5. Phase Completion Payments shall be ten (10) percent of the sum of all Deliverables for the corresponding phase. Phase Deliverables can be found for each module in Exhibit C: Rates.
- 5.1.3. Monthly Ongoing-Operations
- 5.1.3.1. Ongoing Operations is defined as the period following the Start-up Period when the module is live.
- 5.1.3.2. Ongoing Operations compensation shall consist of Flat Fee, Deliverable Based Payment, and Incentive Payment.

5.1.3.3. The Contractor shall indicate in the Pricing Sheet, the Flat Fee for providing the services described in the RFP.

5.1.3.4. Deliverable base payment shall be dependent upon delivery to the Department by the mutually agreed upon time and Department acceptance of the Deliverable.

5.1.4. Incentive Payment

5.1.4.1. The Contractor will not be liable for any failed Performance Measures and SLAs caused by circumstances beyond its control, and that could not be avoided or mitigated through the exercise of prudence and ordinary care, provided that the Contractor immediately notifies the Department in writing, takes all steps necessary to minimize the effect of such circumstances, and resumes its performance of the Work as soon as possible and in accordance with the Performance Measures and SLAs.

5.1.4.2. Incentive Payment shall apply to the following modules:

5.1.4.2.1. PBMS Module

5.1.4.2.2. RTBT Module

5.1.4.2.3. Rebate Module

5.1.4.2.4. PDL Purchasing Pool

5.1.4.3. Incentive Payment shall be adjusted based on the Contractor’s performance on the Performance Measures and SLAs described in the Service Level Agreements Section of each module.

5.1.5. PBMS Enhancement Projects

5.1.5.1. PBMS Enhancement Project Rate Table

Customization Staff	\$94.81 per hour
Configuration Staff	\$49.20 per hour
Technical Writing	\$52.88 per hour
Testing Staff	\$47.28 per hour
Business Analyst	\$55.60 per hour
Project Management Staff	\$85.80 per hour

5.1.5.2. The Department shall pay the Contractor for each Enhancement project for the hours described in the Department approved requirements for that Enhancement Project.

5.1.5.3. All Enhancement project hours shall be paid on the rates as follows:

5.1.5.3.1. The base hourly rates shown in the Enhancement Project Rates Table above are valid for SFY 2023-24.

5.1.5.3.2. For each SFY after 2023-24, the base hourly rate shall increase by three percent (3%) per SFY.

5.1.5.4. The base hourly rate shall apply to hours actually expended directly on the Enhancement project work, as accounted for by the Contractor.

5.2. Detailed Invoicing and Payment Procedures

5.2.1. Contractor shall invoice the Department on a monthly basis, by the 15th Business Day of the month following the month for which the invoice covers. Contractor shall not invoice the Department for a month prior to the last day of that month.

5.2.2. The invoice shall contain all of the following for the month for which the invoice covers:

5.2.2.1. An itemized list of Deliverables approved by the Department for payment during the month the invoice covers.

5.2.2.2. An itemized list of Service Level Agreements including whether they were Met or Not Met.

5.2.2.3. Any other information necessary for the Department to determine the accuracy of the invoice and properly pay the invoice to the Contractor.

5.2.2.4. The Contractor shall submit to the Department all invoices in a format approved by the Department.

5.3. Closeout Payments

5.3.1. Notwithstanding anything to the contrary in this Contract, all payments for the final month of this Contract shall be paid to Contractor no sooner than 10 days after the Department has determined that Contractor has completed all of the requirements of the Closeout Period.

5.3.2. Contractor shall be responsible for performing any data transformations to ensure that any data provided from the module to the ESI Contractor is compliant with the ESI data model, subject to any data model exceptions that have been approved in writing by the Data Governance Board.

5.3.3. The Contractor shall be responsible for performing defect identification and data cleansing activities for all data submitted to the ESI Platform prior to submission. Such defect identification and data cleansing shall be performed in accordance with guidance documents/processes provided by the Data Governance Board.

5.3.4. For Contractors overseeing the replacement of an old module with a new module, the Contractor shall convert data from the old module to the new module, then perform the data cleansing, data mapping and transformation requirements outlined above to generate clean, ESI-compliant data for submission to the ESI Contractor.

5.3.5. Contractor shall implement daily backups to the Department's standard data structures submitted through the ESI Platform.

5.3.6. Contractor shall use Mapping Document tools that align the planning efforts.

5.3.7. Contractor shall provide mapping and transformation processes for inbound and outbound Integration and Interface transmissions.

- 5.3.8. Contractor shall work with the ESI Contractor to create or update the Mapping Documents, along with source and target information.
- 5.3.9. Contractor shall deliver Mapping Documents to the Department for review and approval.
 - 5.3.9.1. DELIVERABLE: Mapping Documents
 - 5.3.9.2. DUE: As identified in the Project Schedule
- 5.4. Data Integration Incidents
 - 5.4.1. The Contractor shall work with the ESI Contractor to resolve Data Integration production incidents according to SLA performance standards and requirements of the ESI Integration Platform.
 - 5.4.2. The Contractor shall work with the ESI Contractor to document the Root Cause Analysis (RCA) and Corrective Action Plans (CAP).

EXHIBIT C, RATES

1. ONE-TIME PAYMENTS TO CONTRACTOR

1.1. One-time deliverable payments

- 1.1.1. The Department will pay Contractor a Fixed Payment for each of the following Deliverables and Phase Completion payments that are approved by the Department:

DELIVERABLES	FIXED PRICE PAID UPON ACCEPTANCE OF DELIVERABLE
Management Plans All Modules	
Phase 1	
Resource Management Plan	\$70,116.62
Key Personnel Resumes	\$70,116.62
Configuration Management Plan	\$104,414.11
Change Management Plan	\$119,848.80
Quality Assurance Control and Quality Management Plan	\$119,848.80
Communication Management and Stakeholder Management Plan	\$71,133.15
Business Continuity and Disaster Recovery Plan	\$71,133.15
Training Plan	\$119,848.80
Document Management Plan	\$119,848.80
Scope Management Plan	\$119,848.80
Risk and Issue Management Plan	\$119,848.80
Environmental Architecture and Implementation Plan	\$104,414.11
Physical System and Security Plan	\$55,698.46
Phase 3	
Relocation Risk and Contingency Plan	\$48,715.65
Organizational Change Management Plan	\$48,715.65
Implementation and Roll Out Plan	\$97,431.31
Phase 4	
Post Implementation Operational Monitoring Plan	\$97,431.31
Phase 5	
CMS Certification Plan	\$146,146.96
Total	\$1,704,559.93
PBMS	
Phase 1	
Deliverable Expectations Document (DED)	\$72,785.78

Project Work Breakdown Schedule	\$106,744.86
Requirements Definition and Validation Plan	\$72,785.78
Draft Requirements Specification Document (RSD)	\$72,785.78
Final RSD	\$72,785.78
Business Rules Traceability Matrix	\$72,785.78
Requirements Traceability Matrix (RTM)	\$72,785.78
Detailed System Design Plan per Module or system	\$72,785.78
Detailed System Design Meeting Notes	\$72,785.78
Draft DSD incorporating comments from Sessions	\$72,785.78
Phase 2	
Final DSD	\$101,877.23
Unit Test Checklist Template and Unit Test Plan	\$101,877.23
Unit Testing and reported via Unit Test Checklist (100%) Complete	\$101,877.23
Data Conversion Plan	\$101,877.23
System Administrative Documentation	\$67,918.15
System Testing	\$169,795.38
Master Testing Strategy and Management Plan	\$101,877.23
Phase 3	
Transition Plan	\$67,918.15
Parallel Testing Plan	\$67,918.15
Perform and Report on Parallel Testing Outcomes	\$67,918.15
Deliverable Walkthroughs	\$67,918.15
Operational Readiness Walkthrough(s)	\$67,918.15
Final Operational Readiness Assessment Document	\$67,918.15
Implementation Strategy	\$67,918.15
Go Live Support Plan	\$33,959.08
Phase 4	
Obtain Department Approval for Implementation	\$33,959.08
Post Implementation Evaluation Report	\$67,918.15
Production ready integration Platform with all contingent environments	\$67,918.16
Phase 5	
CMS Certification Payment	\$237,713.53
Total	
	\$2,425,811.61

Rebate Administration	
Phase 1	
Deliverable Expectations Document (DED)	\$25,949.58
Project Work Breakdown Schedule	\$38,056.67
Requirements Definition and Validation Plan	\$25,949.58
Draft Requirements Specification Document (RSD)	\$25,949.58
Final RSD	\$25,949.58
Business Rules Traceability Matrix	\$25,949.58
Requirements Traceability Matrix (RTM)	\$25,949.58
Detailed System Design Plan per Module or system	\$25,949.58
Detailed System Design Meeting Notes	\$25,949.58
Draft DSD incorporating comments from Sessions	\$25,949.58
Phase 2	
Final DSD	\$36,321.27
Unit Test Checklist Template and Unit Test Plan	\$36,321.27
Unit Testing and reported via Unit Test Checklist (100%) Complete	\$36,321.27
Data Conversion Plan	\$36,321.27
System Administrative Documentation	\$24,214.18
System Testing	\$60,535.45
Master Testing Strategy and Management Plan	\$36,321.27
Phase 3	
Transition Plan	\$24,214.18
Parallel Testing Plan	\$24,214.18
Perform and Report on Parallel Testing Outcomes	\$24,214.18
Deliverable Walkthroughs	\$24,214.18
Operational Readiness Walkthrough(s)	\$24,214.18
Final Operational Readiness Assessment Document	\$24,214.18
Implementation Strategy	\$24,214.18
Go Live Support Plan	\$12,107.09
Phase 4	
Obtain Department Approval for Implementation	\$12,107.09
Post Implementation Evaluation Report	\$24,214.18
Production ready integration Platform with all contingent environments	\$24,214.18
Phase 5	

CMS Certification Payment	\$84,749.62
Total	\$864,850.29
RTBT	
Phase 1	
Deliverable Expectations Document (DED)	\$5,678.75
Project Work Breakdown Schedule	\$8,328.24
Requirements Definition and Validation Plan	\$5,678.75
Draft Requirements Specification Document (RSD)	\$5,678.75
Final RSD	\$5,678.75
Business Rules Traceability Matrix	\$5,678.75
Requirements Traceability Matrix (RTM)	\$5,678.75
Detailed System Design Plan per Module or system	\$5,678.75
Detailed System Design Meeting Notes	\$5,678.75
Draft DSD incorporating comments from Sessions	\$5,678.75
Phase 2	
Final DSD	\$7,948.47
Unit Test Checklist Template and Unit Test Plan	\$7,948.47
Unit Testing and reported via Unit Test Checklist (100%) Complete	\$7,948.47
Data Conversion Plan	\$7,948.47
System Administrative Documentation	\$5,298.98
System Testing	\$13,247.45
Master Testing Strategy and Management Plan	\$7,948.47
Phase 3	
Transition Plan	\$5,298.98
Parallel Testing Plan	\$5,298.98
Perform and Report on Parallel Testing Outcomes	\$5,298.98
Deliverable Walkthroughs	\$5,298.98
Operational Readiness Walkthrough(s)	\$5,298.98
Final Operational Readiness Assessment Document	\$5,298.98
Implementation Strategy	\$5,298.98
Go Live Support Plan	\$2,649.49
Phase 4	
Obtain Department Approval for Implementation	\$2,649.49
Post Implementation Evaluation Report	\$5,298.98

Production ready integration Platform with all contingent environments	\$5,298.98
Phase 5	
CMS Certification Payment	\$18,546.40
Total	\$189,261.97
PDL Purchasing Pool	
Deliverable Expectations Document (DED)	\$14,883.45
Project Work Breakdown Schedule	\$14,883.45
Requirements Traceability Matrix (RTM)	\$15,434.69
Total	\$45,201.59
Total	\$5,229,685.39

1.2. One-time Phase Completion Payments

- 1.2.1. Upon completion of the deliverables outlined in the table above for each phase, the Contractor shall be eligible to request Phase Completion Payments through invoices.
- 1.2.2. The Department will pay the Contractor a Fixed Phase Completion payment for each phase completed by the Contractor:

PBMS	
Phase 1	\$146,058.32
Phase 2	\$74,709.97
Phase 3	\$64,522.25
Phase 4	\$23,771.35
Phase 5	\$33,959.07
Total	\$343,020.96
Rebate	
Phase 1	\$52,072.71
Phase 2	\$26,635.60
Phase 3	\$23,003.47
Phase 4	\$8,474.96
Phase 5	\$12,107.09
Total	\$122,293.83
RTBT	
Phase1	\$11,395.48
Phase 2	\$5,828.88
Phase 3	\$5,034.03
Phase 4	\$1,854.64
Phase 5	\$2,649.49
Total	\$26,762.52

2. OPERATIONS PAYMENTS

2.1. Monthly PBMS Operations Payments

2.1.1. Fixed Monthly Operations Payments

2.1.1.1. The Department will pay the Contractor a Fixed Monthly Operations Payment each month as follows, upon the Department’s acceptance of Contractor’s invoice for that month:

Call Center	\$150,445.84 per month
PBMS Operations	\$45,925.57 per month
PBMS System and Interface	\$68,888.36 per month
PDL Support	\$19,101.77 per month
Encounter Claims	\$3,959.10 per month
Prior Authorizations	\$122,732.13 per month
Pro-DUR	\$3,959.10 per month
Staffing	\$24,177.17 per month

2.1.2. Fixed Monthly Deliverable Payments

2.1.2.1. The Department will pay the Contractor a Monthly Deliverable Payment for each of the following Deliverables that are accepted by the Department:

Weekly Agendas	\$1,208.86 per month
Meeting Minutes	\$1,208.86 per month
Contract Manager’s Report	\$1,208.86 per month
Monthly Reports	\$1,208.86 per month
Annual updates to System Documentation	\$1,208.86 per month

2.1.3. Incentive Payments

2.1.3.1. The Department will pay the Contractor an Incentive Payment every six months not to exceed \$853,600.00 for meeting the Service Level Agreements outlined in Exhibit B §1.6.

2.2. Monthly Rebate Administration Payment

2.2.1. Fixed Monthly Payments

- 2.2.2. The Department shall pay the Contractor a Fixed Monthly Operations Payment each month as follows, upon the Department's acceptance of Contractor's invoice for that month:

Rebate Reporting	\$4,415.69 per month
Rebate Collection	\$7,590.24 per month
Rebate Disputes	\$11,385.36 per month
Legacy and Aging Receivables	\$7,540.95 per month

- 2.2.3. Fixed Monthly Deliverables

- 2.2.3.1. The Department shall pay the Contractor a Monthly Deliverable Payment for each of the following Deliverables that are accepted by the Department:

Meeting Agenda	\$714.16 per month
Meeting Minutes	\$714.16 per month
Contract Manager's Report	\$714.16 per month
Monthly Reports	\$6,111.95 per month
Annual Updates to System Documentation	\$813.33 per month

- 2.2.4. Incentive Payments

- 2.2.4.1. The Department shall pay the Contractor an Incentive Payment every six months not to exceed \$110,000.00 for meeting the Service Level Agreements outlined in Exhibit B §2.4.

- 2.3. Monthly Real-Time Benefit Tool Payment

- 2.3.1. Fixed Monthly Payments

- 2.3.1.1. The Department shall pay the Contractor a Fixed Monthly Operations Payment each month as follows, upon the Department's acceptance of Contractor's invoice for that month:

RTBI Operations	\$7,000.00 per month
eRX Operations	\$7,000.00 per month
ePA Operations	\$7,000.00 per month

- 2.3.2. Fixed Monthly Deliverables

- 2.3.2.1. The Department shall pay the Contractor a Monthly Deliverable Payment for each of the following Deliverables that are accepted by the Department:

Meeting Agenda	\$500.00 per month
Meeting Minutes	\$500.00 per month
Contract Manager’s Report	\$875.00 per month
Monthly Reports	\$875.00 per month
Annual updates to System Documentation	\$1,250.00 per month

2.3.3. Incentive Payments

2.3.3.1. The Department shall pay the Contractor an Incentive Payment every six months not to exceed \$100,000.00 for meeting the Service Level Agreements outlined in Exhibit B §3.6.

2.4. Monthly PDL Purchasing Pool Payment

2.4.1. Fixed Monthly Payments

2.4.1.1. The Department shall pay the Contractor a Fixed Monthly Operations Payment each month as follows, upon the Department’s acceptance of Contractor’s invoice for that month:

PDL Support Services	\$6,416.67 per month
DME	\$6,416.67 per month

2.4.2. Fixed Monthly Deliverable Payments

2.4.2.1. The Department shall pay the Contractor a Monthly Deliverable Payment for each of the following Deliverables that are accepted by the Department:

Weekly Agendas	\$1,100.00 per month
Meeting Minutes	\$1,100.00 per month
Contract Manager’s Report	\$1,100.00 per month
Monthly Reports	\$1,100.00 per month
Annual updates to System Documentation	\$1,100.00 per month

2.4.3. Incentive Payments

2.4.3.1. The Department shall pay the Contractor an Incentive Payment every six months not to exceed \$15,000.00 for meeting the Service Level Agreements outlined in Exhibit B §4.4.

EXHIBIT D, TERMINOLOGY

1. TERMINOLOGY

- 1.1. In addition to the terms defined in §3 of this Contract, the following list of terms shall be construed and interpreted as follows:
 - 1.1.1. Business Interruption – Any event that disrupts Contractor’s ability to complete the Work for a period of time, and may include, but is not limited to a Disaster, power outage, strike, loss of necessary personnel or computer virus.
 - 1.1.2. Child Health Plan Plus (CHP+) – Colorado’s public low-cost health insurance for certain children and pregnant women. It is for people who earn too much to qualify for Health First Colorado (Colorado's Medicaid Program), but not enough to pay for private health insurance.
 - 1.1.3. Closeout Period – The period beginning on the earlier of 90 days prior to the end of the last Extension Term or notice by the Department of its decision to not exercise its option for an Extension Term, and ending on the day that the Department has accepted the final deliverable for the Closeout Period, as determined in the Department-approved and updated Closeout Plan, and has determined that the closeout is complete.
 - 1.1.4. Colorado Revised Statutes (C.R.S.) – The legal code of Colorado; the legal codified general and permanent statutes of the Colorado General Assembly.
 - 1.1.5. Consumer Price Index- Urban (CPI-U) – The Consumer Price Index for All Urban Consumers published by the US Department of Labor, Bureau of Labor Statistics.
 - 1.1.6. Data – State Confidential Information and other State information resources transferred to the Contractor for the purpose of completing a task or project assigned in the Statement of Work.
 - 1.1.7. Deliverable – Any tangible or intangible object produced by Contractor as a result of the work that is intended to be delivered to the Department, regardless of whether the object is specifically described or called out as a “Deliverable” or not.
 - 1.1.8. Disaster – An event that makes it impossible for Contractor to perform the Work out of its regular facility or facilities, and may include, but is not limited to, natural disasters, fire or terrorist attacks.
 - 1.1.9. Fraud – An intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to that person or some other person and includes any act that constitutes fraud under any federal or state law.
 - 1.1.10. Health First Colorado – Colorado’s Medicaid Program.
 - 1.1.11. Health Insurance Portability and Accountability Act (HIPAA) – The Health Insurance Portability and Accountability Act of 1996, as amended.
 - 1.1.12. Key Personnel – The position or positions that are specifically designated as such in this Contract.
 - 1.1.13. Member – Any individual enrolled in the Colorado Medicaid program, Colorado’s

CHP+ program or the Colorado Indigent Care Program, as determined by the Department.

- 1.1.14. Operational Start Date – When the Department authorizes Contractor to begin fulfilling its obligations under the Contract.
- 1.1.15. Other Personnel – Individuals and Subcontractors, in addition to Key Personnel, assigned to positions to complete tasks associated with the Work.
- 1.1.16. Provider – Any health care professional or entity that has been accepted as a provider in the Colorado Medicaid program, Colorado’s CHP+ program or the Colorado Indigent Care Program, as determined by the Department.
- 1.1.17. Start-Up Period – The period starting on the Effective Date and ending on the Operational Start Date.

2. ACRONYMS AND ABBREVIATIONS

- 2.1. The following list is provided to assist the reader in understanding certain acronyms and abbreviations used in this Contract:
 - 2.1.1. CFR – Code of Federal Regulations
 - 2.1.2. CHP+ – Child Health Plan Plus
 - 2.1.3. CORA – Colorado Open Records Act, C.R.S. §24–72–200.1, et. seq.
 - 2.1.4. C.R.S. – Colorado Revised Statutes
 - 2.1.5. CPI – Consumer Price Index
 - 2.1.6. CPI-U – CPI for all urban consumers
 - 2.1.7. HIPAA – Health Insurance Portability and Accountability Act of 1996, as amended.
 - 2.1.8. MFCU – the Colorado Medicaid Fraud Control Unit in the Colorado Department of Law
 - 2.1.9. PCI – Payment Card Information
 - 2.1.10. PHI – Protected Health Information
 - 2.1.11. PII – Personally Identifiable Information
 - 2.1.12. SFY – State Fiscal Year
 - 2.1.13. U.S.C. – United States Code
 - 2.1.14. VARA – Visual Rights Act of 1990

EXHIBIT E, CONTRACTOR'S ADMINISTRATIVE REQUIREMENTS

1. CONTRACTOR'S GENERAL REQUIREMENTS

- 1.1. The Department will contract with only one organization, the Contractor, and will work solely with that organization with respect to all tasks and deliverables to be completed, services to be rendered and performance standards to be met under this Contract.
- 1.2. Contractor may be privy to internal policy discussions, contractual issues, price negotiations, confidential medical information, Department financial information, advance knowledge of legislation and other Confidential Information. In addition to all other confidentiality requirements of the Contract, the Contractor shall also consider and treat any such information as Confidential Information and shall only disclose it in accordance with the terms of the Contract.
- 1.3. The Contractor shall work cooperatively with Department staff and, if applicable, the staff of other State contractors to ensure the completion of the Work. The Department may, in its sole discretion, use other contractors to perform activities related to the Work that are not contained in the Contract or to perform any of the Department's responsibilities. In the event of a conflict between Contractor and any other State contractor, the State will resolve the conflict and Contractor shall abide by the resolution provided by the State.
- 1.4. The Contractor shall inform the Department on current trends and issues in the healthcare marketplace and provide information on new technologies in use that may impact the Contractor's responsibilities under this Contract.
- 1.5. The Contractor shall maintain complete and detailed records of all meetings, system development life cycle documents, presentations, project artifacts, and any other interactions or Deliverables related to the Work described in the Contract. The Contractor shall make such records available to the Department upon request throughout the term of the Contract.
- 1.6. Deliverables
 - 1.6.1. All Deliverables shall meet Department-approved format and content requirements. The Department will specify the number of copies and media for each Deliverable.
 - 1.6.1.1. Contractor shall submit each Deliverable to the Department for review and approval and shall adhere to the following Deliverable process such for any documentation creation, review, and acceptable cycle, the Contractor shall:
 - 1.6.1.1.1. Gather and document requirements for the Deliverable.
 - 1.6.1.1.2. Create a draft in the Department-approved format for the individual Deliverable.
 - 1.6.1.1.3. Perform internal quality control review(s) of the Deliverable, including, but not limited to:
 - 1.6.1.1.3.1. Readability.
 - 1.6.1.1.3.2. Spelling.
 - 1.6.1.1.3.3. Grammar.

- 1.6.1.1.3.4. Completion.
- 1.6.1.1.4. Adhere to all required templates or development of templates.
- 1.6.1.1.5. Perform modifications that include version control and tracked changes.
- 1.6.1.2. The Department will review the Deliverable and may direct Contractor to make changes to the Deliverable. Contractor shall make all changes within five Business Days following the Department's direction to make the change unless the Department provides a longer period in writing.
 - 1.6.1.2.1. Changes the Department direct include, but are not limited to, modifying portions of the Deliverable, requiring new pages or portions of the Deliverable, requiring resubmission of the Deliverable or requiring inclusion of information or components that were left out of the Deliverable.
 - 1.6.1.2.2. The Department may also direct Contractor to provide clarification or provide a walkthrough of any Deliverable to assist the Department in its review. Contractor shall provide the clarification or walkthrough as directed by the Department.
- 1.6.1.3. Once the Department has received an acceptable version of the Deliverable, including all changes directed by the Department, the Department will notify Contractor of its acceptance of the Deliverable in writing. A Deliverable shall not be deemed accepted prior to the Department's notice to Contractor of its acceptance of that Deliverable.
- 1.6.2. Contractor shall employ an internal quality control process to ensure that all Deliverables are complete, accurate, easy to understand and of high quality, as described herein. Contractor shall provide Deliverables that, at a minimum, are responsive to the specific requirements for that Deliverable, organized into a logical order, contain accurate spelling and grammar, are formatted uniformly, and contain accurate information and correct calculations. Contractor shall retain all draft and marked-up documents and checklists utilized in reviewing Deliverables for reference as directed by the Department.
- 1.6.3. In the event any due date for a Deliverable falls on a day that is not a Business Day, the due date shall be automatically extended to the next Business Day, unless otherwise directed by the Department.
- 1.6.4. All due dates or timelines that reference a period of days, months or quarters shall be measured in calendar days, months and quarters unless specifically stated as being measured in Business Days or otherwise. All times stated in the Contract shall be considered to be in Mountain Time, adjusted for Daylight Saving Time as appropriate, unless specifically stated otherwise.
- 1.6.5. No Deliverable, report, data, procedure or system created by Contractor for the Department that is necessary to fulfilling Contractor's responsibilities under the Contract, as determined by the Department, shall be considered proprietary.
- 1.6.6. If any Deliverable contains ongoing responsibilities or requirements for the Contractor, such as Deliverables that are plans, policies or procedures, then Contractor shall comply with all requirements of the most recently approved version of that Deliverable.

Contractor shall not implement any version of any such Deliverable prior to receipt of the Department's written approval of that version of that Deliverable. Once a version of any Deliverable described in this subsection is approved by the Department, all requirements, milestones and other Deliverables contained within that Deliverable shall be considered to be requirements, milestones and Deliverables of this Contract.

1.6.6.1. Any Deliverable described as an update of another Deliverable shall be considered a version of the original Deliverable for the purposes of this subsection.

1.7. Stated Deliverables and Performance Standards

1.7.1. Any section within this Statement of Work headed with or including the term "DELIVERABLE" or "PERFORMANCE STANDARD" is intended to highlight a Deliverable or performance standard contained in this Statement of Work and provide a clear due date for the Deliverables. The sections with these headings are for ease of reference not intended to expand or limit the requirements or responsibilities related to any Deliverable or performance standard, except to provide the due date for the Deliverables.

1.8. Communication with the Department

1.8.1. The Contractor shall enable all Contractor staff to exchange documents and electronic files with the Department staff in formats compatible with the Department's systems. The Department currently uses Microsoft Office 2016 and/or Microsoft Office 365 for PC. If the Contractor uses a compatible program, then the Contractor shall ensure that all documents or files delivered to the Department are completely transferrable and reviewable, without error, on the Department's systems.

1.8.2. The Department will use a transmittal process to provide the Contractor with official direction within the scope of the Contract. The Contractor shall comply with all direction contained within a completed transmittal. For a transmittal to be considered complete, it must include, at a minimum, all of the following:

1.8.2.1. The date the transmittal will be effective.

1.8.2.2. Direction to the Contractor regarding performance under the Contract.

1.8.2.3. A due date or timeline by which the Contractor shall comply with the direction contained in the transmittal.

1.8.2.4. The signature of the Department employee who has been designated to sign transmittals.

1.8.2.4.1. The Department will provide the Contractor with the name of the person it has designated to sign transmittals on behalf of the Department, who will be the Department's primary designee. The Department will also provide the Contractor with a list of backups who may sign a transmittal on behalf of the Department if the primary designee is unavailable. The Department may change any of its designees from time to time by providing notice to the Contractor through a transmittal.

1.8.3. The Department may deliver a completed transmittal to the Contractor in hard copy, as a scanned attachment to an email or through a dedicated communication system, if such

a system is available.

- 1.8.3.1. If a transmittal is delivered through a dedicated communication system or other electronic system, then the Department may use an electronic signature to sign that transmittal.
- 1.8.4. If the Contractor receives conflicting transmittals, the Contractor shall contact the Department's primary designee, or backup designees if the primary designee is unavailable, to obtain direction. If the Department does not provide direction otherwise, then the transmittal with the latest effective date shall control.
- 1.8.5. In the event that the Contractor receives direction from the Department outside of the transmittal process, it shall contact the Department's primary designee, or backup designees if the primary designee is unavailable, and have the Department confirm that direction through a transmittal prior to complying with that direction.
- 1.8.6. Transmittals may not be used in place of an amendment, and may not, under any circumstances be used to modify the term of the Contract or any compensation under the Contract. Transmittals are not intended to be the sole means of communication between the Department and the Contractor, and the Department may provide day-to-day communication to the Contractor without using a transmittal.
- 1.8.7. The Contractor shall retain all transmittals for reference and shall provide copies of any received transmittals upon request by the Department.

1.9. Start-Up Period

- 1.9.1. With input from the Department, the Contractor shall complete all of the following during the Start-Up Period:
 - 1.9.1.1. Schedule and facilitate a Kickoff Meeting that includes the following:
 - 1.9.1.1.1. Key Personnel.
 - 1.9.1.1.2. Department Leadership.
 - 1.9.1.1.3. Department Project Team Members.
 - 1.9.1.1.4. Any other relevant and needed persons or organizations.
 - 1.9.1.2. Develop Kickoff Meeting materials and an agenda that contains, at a minimum, the following:
 - 1.9.1.2.1. Initial timelines for starting the Work and creating initial Deliverables.
 - 1.9.1.2.2. Establishment of Communication channels to describe how the Work is to be completed.
 - 1.9.1.2.3. Transmission methods and specific Deliverable templates or requirements.
 - 1.9.1.2.4. Any other item required to initiate and ensure Work is started and completed on time.
 - 1.9.1.3. Prepare Kickoff Meeting Minutes and deliver them to the Department for review and approval.
 - 1.9.1.3.1. **DELIVERABLE:** Kickoff Meeting Agenda & Materials

- 1.9.1.3.2. DUE: Within three Business Days after the Kickoff Meeting
- 1.9.1.4. Create a Policy and Procedures Manual that contains the policies and procedures for all systems and functions necessary for the Contractor to complete its obligations under the Contract.
- 1.9.1.5. Prepare all documents, forms, training materials, and any other documents, information and protocols that require approval by the Department prior to the end of the Start-Up Period and are necessary for the Contractor to begin work on the Operational Start Date. The Contractor shall deliver all documents, forms, training materials, and any other documents, information and protocols that require approval by the Department to the Department for review and approval in a timely manner that allows the Department to review and approve those documents prior to end of the Start-Up Period.
 - 1.9.1.5.1. DELIVERABLE: Policies & Procedures Manual
 - 1.9.1.5.2. DUE: No later than the Operational Start Date
- 1.10. Operations Guide
 - 1.10.1. Contractor shall not engage in any Work under the Contract, other than the Work described in this Sections 1.9 and 1.10, prior to the Operational Start Date. The Department shall not be liable to the Contractor for, and Contractor shall not receive, any payment for any period prior to the Operational Start Date under this Contract.
 - 1.10.2. The Contractor shall create and implement an Operations Guide. The Operations Guide shall include the creation and management of the following:
 - 1.10.2.1. Communication Plan.
 - 1.10.2.2. Business Continuity Plan.
 - 1.10.2.3. Start-Up Plan.
 - 1.10.2.4. Closeout Plan.
 - 1.10.3. The Contractor shall submit the Operations Guide to the Department for review and approval.
 - 1.10.3.1. DELIVERABLE: Operations Guide
 - 1.10.3.2. DUE: Within 30 Business Days after the Effective Date
 - 1.10.4. The Contractor shall review its Operations Guide on annual basis and determine if any modifications are required to account for any changes in the Work, in the Department's processes and procedures or in the Contractor's processes and procedures and update the Guide as appropriate to account for any changes. The Contractor shall submit an Annual Operations Guide Update that contains all changes from the most recently approved prior Operations Guide or Annual Operations Guide Update or shall note that there were no changes.
 - 1.10.4.1. DELIVERABLE: Annual Operations Guide Update
 - 1.10.4.2. DUE: Annually, by June 30th of each year

1.10.5. The Operational Start Date shall not occur until Contractor has completed all requirements of the Operations Guide, unless the Department provides written approval otherwise.

1.10.6. Communication with Members, Providers, and Other Entities

1.10.6.1. The Contractor shall create a Communication Plan that includes, but is not limited to, all of the following:

1.10.6.1.1. A description of how the Contractor will communicate to Members any changes to the services those Members will receive or how those Members will receive the services.

1.10.6.1.2. A description of the communication methods, including things such as email lists, newsletters and other methods, that the Contractor will use to communicate with Providers and Subcontractors.

1.10.6.1.3. The specific means of immediate communication with Members and a method for accelerating the internal approval and communication process to address urgent communications or crisis situations.

1.10.6.1.4. A general plan for how the Contractor will address communication deficiencies or crisis situations, including how the Contractor will increase staff, contact hours or other steps the Contractor will take if existing communication methods for Members or Providers are insufficient.

1.10.6.1.5. A listing of the following individuals within the Contractor's organization, including cell phone numbers and email addresses:

1.10.6.1.5.1. An individual who is authorized to speak on the record regarding the Work, the Contract or any issues that arise that are related to the Work.

1.10.6.1.5.2. An individual who is responsible for any website or marketing related to the Work.

1.10.6.1.5.3. Back-up communication staff that can respond in the event that the other individuals listed are unavailable.

1.10.7. Business Continuity Plan

1.10.7.1. The Contractor shall create a Business Continuity Plan that the Contractor will follow in order to continue operations after a Disaster or a Business Interruption. The Business Continuity Plan shall include, but is not limited to, all of the following:

1.10.7.1.1. How the Contractor will replace staff that are lost or unavailable during or after a Business Interruption so that the Work is performed in accordance with the Contract.

1.10.7.1.2. How the Contractor will back-up all information necessary to continue performing the Work, so that no information is lost because of a Business Interruption.

1.10.7.1.2.1. In the event of a Disaster, the plan shall also include how the Contractor will make all information available at its back-up facilities.

- 1.10.7.1.3. How the Contractor will maintain complete back-up copies of all data, databases, operating programs, files, systems, and software pertaining to enrollment information at a Department-approved, off-site location.
- 1.10.7.1.4. How the Contractor will minimize the effects on Members of any Business Interruption.
- 1.10.7.1.5. How the Contractor will communicate with the Department during the Business Interruption and points of contact within the Contractor's organization the Department can contact in the event of a Business Interruption.
- 1.10.7.1.6. Planned long-term back-up facilities out of which the Contractor can continue operations after a Disaster.
- 1.10.7.1.7. The time period it will take to transition all activities from the Contractor's regular facilities to the back-up facilities after a Disaster.

1.10.8. Start-Up Plan

- 1.10.8.1. The Contract shall create a Start-Up Plan that contains, at a minimum, the following:
 - 1.10.8.1.1. A description of all steps, timelines, and milestones necessary to fully transition the services described in the Contract from a prior contractor to the Contractor.
 - 1.10.8.1.2. A description of all steps, timelines, milestones, and Deliverables necessary for the Contractor to be fully able to perform all Work by the Operational Start Date.
 - 1.10.8.1.3. A listing of all personnel involved in the start-up and what aspect of the start-up they are responsible for.
 - 1.10.8.1.4. An operational readiness review for the Department to determine if the Contractor is ready to begin performance of all Work.
 - 1.10.8.1.5. The risks associated with the start-up and a plan to mitigate those risks.

1.10.9. Closeout Plan

- 1.10.9.1. The Contractor shall create a Closeout Plan that describes all requirements, steps, timelines, milestones, and Deliverables necessary to fully transition the services described in the Contract from the Contractor to the Department or to another contractor selected by the Department to be the contractor after the termination of the Contract.
 - 1.10.9.1.1. The Closeout Plan shall also designate an individual to act as a closeout coordinator who will ensure that all requirements, steps, timelines, milestones, and deliverables contained in the Closeout Plan are completed and work with the Department and any other contractor to minimize the impact of the transition on Members and the Department.
 - 1.10.9.1.2. The Contractor shall deliver the Closeout Plan to the Department for review and approval.
- 1.10.9.2. The Contractor shall provide weekly updates to the Department throughout the

creation of and the performances within the Operations Guide, that show the Contractor's status toward meeting the milestones described herein.

1.10.9.3. The Contractor shall be ready to perform all Work by the Operational Start Date.

1.11. Closeout Period

1.11.1. During the Closeout Period, the Contractor shall complete all of the following:

1.11.1.1. Implement the most recent Closeout Plan or Closeout Plan Update as approved by the Department in the Operations Guide, as described herein and complete all steps, Deliverables and milestones contained in the most recent Closeout Plan or Closeout Plan Update that has been approved by the Department.

1.11.1.2. Provide to the Department, or any other contractor at the Department's direction, all reports, data, systems, Deliverables and other information reasonably necessary for a transition as determined by the Department or included in the most recent Closeout Plan or Closeout Plan Update that has been approved by the Department.

1.11.1.3. Ensure that all responsibilities under the Contract have been transferred to the Department, or to another contractor at the Department's direction, without significant interruption.

1.11.1.4. Notify any Subcontractors of the termination of the Contract, as directed by the Department.

1.11.1.5. Notify all Stakeholders that Contractor will no longer be utilized as directed by the Department. Contractor shall create these notifications and deliver them to the Department for approval. Once the Department has approved the notifications, Contractor shall deliver these notifications to all Stakeholders, but in no event shall Contractor deliver any such notification prior to approval of that notification by the Department.

1.11.1.5.1. DELIVERABLE: Stakeholder Notifications

1.11.1.5.2. DUE: 30 days prior to termination of the Contract

1.11.1.6. Continue meeting each requirement of the Contract as described in the Department-approved and updated Closeout Plan, or until the Department determines that specific requirement is being performed by the Department or another contractor, whichever is sooner. The Department will determine when any specific requirement is being performed by the Department or another contractor, and will notify the Contractor of this determination for that requirement.

1.11.1.7. The Closeout Period may extend past the termination of the Contract. The Department will perform a closeout review to ensure that Contractor has completed all requirements of the Closeout Period. If Contractor has not completed all of the requirements of the Closeout Period by the date of the termination of the Contract, then any incomplete requirements shall survive termination of the Contract.

1.12. Performance Reviews

1.12.1. The Department may conduct performance reviews or evaluations of the Contractor in relation to the Work performed under the Contract.

- 1.12.2. The Department may work with the Contractor in the completion of any performance reviews or evaluations or the Department may complete any or all performance reviews or evaluations independently, at the Department's sole discretion.
- 1.12.3. The Contractor shall provide all information necessary for the Department to complete all performance reviews or evaluations, as determined by the Department, upon the Department's request. The Contractor shall provide this information regardless of whether the Department decides to work with the Contractor on any aspect of the performance review or evaluation.
- 1.12.4. The Department may conduct these performance reviews or evaluations at any point during the term of the Contract, or after termination of the Contract for any reason.
- 1.12.5. The Department may make the results of any performance reviews or evaluations available to the public, or may publicly post the results of any performance reviews or evaluations.

1.13. Renewal Options and Extensions

- 1.13.1. The Department may, within its sole discretion, choose to not exercise any renewal option in the Contract for any reason. If the Department chooses to not exercise an option, it may reprocur the performance of the Work in its sole discretion.
- 1.13.2. The Parties may amend the Contract to extend beyond five years, in accordance with the Colorado Procurement Code and its implementing rules, in the event that the Department determines the extension is necessary to align the Contract with other Department contracts, to address state or federal programmatic or policy changes related to the Contract, or to provide sufficient time to transition the Work.
- 1.13.3. In the event that the Contract is extended beyond five years, the annual maximum compensation for the Contract in any of those additional years shall not exceed the Contract maximum amount for the prior State Fiscal Year (SFY) plus the annual percent increase in the Consumer Price Index for All Urban Consumers (CPI-U) for the Denver-Boulder-Greeley metropolitan area for the calendar year ending during that prior SFY. If the CPI-U for Denver-Boulder-Greeley is for some reason not available as specified in this subsection, the increase shall be equal to the percent increase in the CPI-U (U.S.) for the same period.
- 1.13.4. The limitation on the annual maximum compensation in this Contract shall not include increases made specifically as compensation for additional Work added to the Contract.

1.14. Department System Access

- 1.14.1. In the event that the Contractor requires access to any Department computer system to complete the Work, the Contractor shall have and maintain all hardware, software, and interfaces necessary to access the system without requiring any modification to the Department's system. The Contractor shall follow all Department policies, processes, and procedures necessary to gain access to the Department's systems.
- 1.14.2. The Contractor shall be responsible for any costs associated with obtaining and maintaining access to systems needed to perform the Work under this solicitation, as determined by the Department. The Department will not reimburse the Contractor for any costs associated with obtaining and maintaining access to Department systems.

1.15. Provider Fraud

- 1.15.1. Contractor shall notify the Department and the Colorado Medicaid Fraud Control Unit of the Colorado Department of Law (MFCU) if it identifies or suspects possible Provider Fraud as a result of any activities in its performance of this Contract.
 - 1.15.2. Upon identification or suspicion of possible Provider Fraud, the Contractor shall complete the Contractor Suspected Fraud Written Notice Form provided by the Department.
 - 1.15.2.1. For each incident of identified or suspected Provider Fraud, Contractor shall provide all of the following, at a minimum:
 - 1.15.2.1.1. Written documentation of the findings.
 - 1.15.2.1.2. Information on any verbal or written reports.
 - 1.15.2.1.3. All details of the findings and concerns, including a chronology of Contractor actions which resulted in the reports, in a format agreed to by the Department.
 - 1.15.2.1.4. Information on the identification of any affected claims that have been discovered.
 - 1.15.2.1.5. Any claims data associated with its report (in a mutually agreed upon format, if possible).
 - 1.15.2.1.6. Any additional information as required by the Department.
 - 1.15.3. For each incident of identified or suspected Provider Fraud, Contractor shall deliver the completed Contractor Suspected Fraud Written Notice Form to the Department and the MFCU.
 - 1.15.3.1. DELIVERABLE: Completed Contractor Suspected Fraud Written Notice Form
 - 1.15.3.2. DUE: Within three Business Days following the initial discovery of the Fraud or suspected Fraud
 - 1.15.4. Contractor shall revise or provide additional information related to the Contractor Suspected Fraud Written Notice Form as requested by the Department or the MFCU.
 - 1.15.4.1. DELIVERABLE: Contractor Suspected Fraud Written Notice Revisions and Additional Information
 - 1.15.4.2. DUE: Within three Business Days following the Department's or the MFCU's request, unless the Department or MFCU provides for a different period in its request.
- ### 1.16. Member Fraud
- 1.16.1. Contractor shall notify the Department if it identifies or suspects possible Member Fraud as a result of any activities in its performance of this Contract.
 - 1.16.2. Upon identification or suspicion of possible Member Fraud, the Contractor shall complete the Contractor Suspected Fraud Written Notice Form provided by the Department.

- 1.16.2.1. For each incident of identified or suspected Member Fraud, Contractor shall provide all of the following, at a minimum:
 - 1.16.2.1.1. All verbal and written reports related to the suspected fraud.
 - 1.16.2.1.2. All details of the findings and concerns, including a chronology of Contractor actions which resulted in the reports, and the Member's State ID number, and Member's date of birth if applicable.
 - 1.16.2.1.3. Information on the identification of any affected claims that have been discovered.
 - 1.16.2.1.4. Any claims data associated with its report in a format agreed to by the Department.
 - 1.16.2.1.5. Any additional information as required by the Department.
- 1.16.3. For each incident of identified or suspected Member Fraud, Contractor shall deliver the completed Contractor Suspected Fraud Written Notice Form to the Department at report.clientfraud@state.co.us, or at such other email address as provided by the Department from time to time.
 - 1.16.3.1. DELIVERABLE: Completed Contractor Suspected Fraud Written Notice Form
 - 1.16.3.2. DUE: Within three Business Days following the initial discovery of the Fraud or suspected Fraud
- 1.16.4. Contractor shall revise or provide additional information related to the Contractor Suspected Fraud Written Notice Form as requested by the Department.
 - 1.16.4.1. DELIVERABLE: Contractor Suspected Fraud Written Notice Revisions and Additional Information
 - 1.16.4.2. DUE: Within three Business Days following the Department's request, unless the Department provides for a different period in its request.

2. CONTRACTOR PERSONNEL

2.1. Personnel General Requirements

- 2.1.1. Contractor shall provide qualified Key Personnel and Other Personnel as necessary to perform the Work throughout the term of the Contract.
 - 2.1.1.1. Contractor shall provide the Department with a final list of individuals assigned to the Contract and appropriate contact information for those individuals.
 - 2.1.1.1.1. DELIVERABLE: Final list of individuals assigned to the Contract
 - 2.1.1.1.2. DUE: Within five Business Days after the Effective Date
 - 2.1.1.2. Contractor shall update this list upon the Department's request to account for changes in the individuals assigned to the Contract.
 - 2.1.1.2.1. DELIVERABLE: Updated list of individuals assigned to the Contract
 - 2.1.1.2.2. DUE: Within five Business Days after the Department's request for an update
- 2.1.2. Contractor shall not permit any individual proposed for assignment to Key Personnel

positions to perform any Work prior to the Department's approval of that individual to be assigned as Key Personnel.

- 2.1.3. Contractor shall not voluntarily change individuals in Key Personnel positions without the prior written approval of the Department. Contractor shall supply the Department with the name, resume and references for any proposed replacement whenever there is a change to Key Personnel. Any individual replacing Key Personnel shall have qualifications that are equivalent to or exceed the qualifications of the individual that previously held the position, unless otherwise approved in writing by the Department.
 - 2.1.3.1. DELIVERABLE: Name(s), resume(s) and references for the person(s) replacing anyone in a Key Personnel position during a voluntary change
 - 2.1.3.2. DUE: At least five Business Days prior to the change in Key Personnel
- 2.1.4. If any individual filling a Key Personnel position leaves employment with Contractor, Contractor shall propose a replacement person to the Department. The replacement person shall have qualifications that are equivalent to or exceed the qualifications of the individual that previously held the position, unless otherwise approved, in writing, by the Department.
 - 2.1.4.1. DELIVERABLE: Name(s), resume(s) and references for the person(s) replacing anyone in a Key Personnel position who leaves employment with Contractor
 - 2.1.4.2. DUE: Within 10 Business Days after Contractor's receipt of notice that the person is leaving employment, unless the Department allows for a longer time in writing for Contractor to recruit a replacement.
- 2.1.5. Contractor's Key Personnel shall perform the majority of their work and responsibilities on this project in the Denver metropolitan area, unless the Department grants permission otherwise in writing.
- 2.1.6. If any of Contractor's Key Personnel or Other Personnel are required to have and maintain any professional licensure or certification issued by any federal, state or local government agency, then Contractor shall submit copies of such current licenses and certifications to the Department.
 - 2.1.6.1. DELIVERABLE: All current professional licensure and certification documentation as specified for Key Personnel or Other Personnel
 - 2.1.6.2. DUE: Within five Business Days of receipt of updated licensure or upon request by the Department
- 2.2. Personnel Availability
 - 2.2.1. Contractor shall ensure Key Personnel and Other Personnel assigned to the Contract are available for meetings with the Department during the Department's normal business hours, as determined by the Department. Contractor shall also make these personnel available outside of the Department's normal business hours and on weekends with prior notice from the Department.
 - 2.2.2. Contractor's Key Personnel and Other Personnel shall be available for all regularly scheduled meetings between Contractor and the Department, unless the Department has granted prior written approval otherwise.

- 2.2.3. Contractor shall ensure that the Key Personnel and Other Personnel attending all meetings between the Department and Contractor have the authority to represent and commit Contractor regarding work planning, problem resolution and program development.
- 2.2.4. At the Department's direction, the Contractor shall make its Key Personnel and Other Personnel available to attend meetings as subject matter experts with stakeholders both within the State government and external private stakeholders.
- 2.2.5. All of Contractor's Key Personnel and Other Personnel that attend any meeting with the Department or other Department stakeholders shall be physically present at the location of the meeting, unless the Department gives prior, written permission to attend by telephone or video conference. If Contractor has any personnel attend by telephone or video conference, Contractor shall provide all additional equipment necessary for attendance, including any virtual meeting space or telephone conference lines.
- 2.2.6. The Contractor shall respond to all telephone calls, voicemails, and emails from the Department within two Business Days of receipt by the Contractor.

2.3. Key Personnel

- 2.3.1. Contractor shall designate people to hold the following Key Personnel positions:

- 2.3.1.1. Project Lead

- 2.3.1.1.1. The Project Lead shall be responsible for all of the following:

- 2.3.1.1.1.1. Serving as Contractor's primary point of contact for the Department.

- 2.3.1.1.1.2. Ensuring the completion of all Work in accordance with the Contract's requirements. This includes, but is not limited to, ensuring the accuracy, timeliness and completeness of all work.

- 2.3.1.1.1.3. Overseeing all other Key Personnel and Other Personnel and ensuring proper staffing levels throughout the term of the Contract.

- 2.3.1.2. Additional Key Personnel

- 2.3.2. Contractor shall not allow for any individual to fill more than one of the roles defined as Key Personnel.

2.4. Other Personnel Responsibilities

- 2.4.1. Contractor shall use its discretion to determine the number of Other Personnel necessary to perform the Work in accordance with the requirements of this Contract. If the Department determines that Contractor has not provided sufficient Other Personnel to perform the Work in accordance with the requirements of this Contract, Contractor shall provide all additional Other Personnel necessary to perform the Work in accordance with the requirements of this Contract at no additional cost to the Department.

- 2.4.2. Contractor shall ensure that all Other Personnel have sufficient training and experience to complete all portions of the Work assigned to them. Contractor shall provide all necessary training to its Other Personnel, except for State-provided training specifically described in this Contract.

- 2.4.3. Contractor may subcontract to complete a portion of the Work required by the Contract. The conditions for using a Subcontractor or Subcontractors are as follows:
 - 2.4.3.1. Contractor shall not subcontract more than 40% of the Work.
 - 2.4.3.2. Contractor shall provide the organizational name of each Subcontractor and all items to be worked on by each Subcontractor to the Department.
 - 2.4.3.2.1. DELIVERABLE: Name of each Subcontractor and items on which each Subcontractor will work
 - 2.4.3.2.2. DUE: The later of 30 days prior to the Subcontractor beginning work or the Effective Date
 - 2.4.3.3. The Contractor shall obtain prior consent and written approval for any use of Subcontractor(s).

3. ADMINISTRATIVE REPORTING REQUIREMENTS

- 3.1. The Contractor shall provide all reports listed in this section in the format directed by the Department and containing the information requested by the Department.
- 3.2. Administrative Reporting
 - 3.2.1. The Contractor shall provide an Administrative Report to the Department, upon the Department's request, covering the period directed by the Department.
 - 3.2.1.1. The Administrative Report shall contain all information regarding the Contractor's staffing, expenses and revenues relating to the Work, as directed by the Department for the period that the report covers. This information may include, but is not limited to, all of the following:
 - 3.2.1.1.1. Number of Full Time Equivalent per position category, as determined by the Department, and total salary expenditure for that position category.
 - 3.2.1.1.2. Operating expenses broken out by category, as determined by the Department.
 - 3.2.1.1.3. Number of staff that were newly hired and separated and number of vacant positions, broken out by position category, as determined by the Department.
 - 3.2.1.1.4. Administrative revenues, such as payments by debt and interest revenues, broken out by source as directed by the Department.
 - 3.2.1.1.5. Administrative expenditures, such as payments to Subcontractors and Providers, broken out by source as directed by the Department.
 - 3.2.1.1.6. Remaining cash-on-hand at the end of the period.
 - 3.2.1.2. The Contractor shall deliver the Administrative Report to the Department within 10 Business Days following the request by the Department for that report. The Department may create a fixed schedule for the Contractor's submission of the Administrative Report by delivering the schedule to the Contractor in writing. The Department may change or terminate any fixed schedule it creates by notifying the Contractor in writing of the change or termination.
 - 3.2.1.2.1. DELIVERABLE: Administrative Report

- 3.2.1.2.2. DUE: Within 10 Business Days after the Department's request. If the Department has delivered a fixed schedule to the Contractor, then the Contractor shall deliver the report as described in the most recent version of that schedule.

4. INFORMATION TECHNOLOGY RELATED REQUIREMENTS

4.1. Protection of System Data

- 4.1.1. In addition to the requirements of the main body of this Contract, if Contractor or any Subcontractor is given access to State Records by the State or its agents in connection with Contractor's performance under the Contract, Contractor shall protect all State Records in accordance with this Exhibit. All provisions of this Exhibit that refer to Contractor shall apply equally to any Subcontractor performing work in connection with the Contract.
- 4.1.2. For the avoidance of doubt, the terms of this Exhibit shall apply to the extent that any of the following statements is true in regard to Contractor access, use, or disclosure of State Records:
 - 4.1.2.1. Contractor provides physical or logical storage of State Records.
 - 4.1.2.2. Contractor creates, uses, processes, discloses, transmits, or disposes of State Records.
 - 4.1.2.3. Contractor is otherwise given physical or logical access to State Records in order to perform Contractor's obligations under this Contract.
- 4.1.3. Contractor shall, and shall cause its Subcontractors, to do all of the following:
 - 4.1.3.1. Provide physical and logical protection for all hardware, software, applications, and data that meets or exceeds industry standards and the requirements of this Contract.
 - 4.1.3.2. Maintain network, system, and application security, which includes, but is not limited to, network firewalls, intrusion detection (host and network), annual security testing, and improvements or enhancements consistent with evolving industry standards.
 - 4.1.3.3. Comply with State and federal rules and regulations related to overall security, privacy, confidentiality, integrity, availability, and auditing.
 - 4.1.3.4. Provide that security is not compromised by unauthorized access to workspaces, computers, networks, software, databases, or other physical or electronic environments.
 - 4.1.3.5. Promptly report all Incidents, including Incidents that do not result in unauthorized disclosure or loss of data integrity, to the State.
- 4.1.4. Colorado Information Security Policy (CISP) Compliance
 - 4.1.4.1. Contractor shall assess its compliance with the CISPs, in effect at the time of the assessment, issued by the Governor's Office of Information Technology ("OIT") posted at www.oit.state.co.us/about/policies under Information Security.

- 4.1.4.2. For the purposes of reviewing and assessing compliance with the CISPs, the Contractor shall consider itself to be both the Information Technology Service Provider (ITSP) and Business Owner.
- 4.1.4.3. Contractor shall deliver to the State the signed CISP Attestation, on a form provided by the Department, indicating that Contractor has assessed its compliance with the CISPs and has developed a plan to correct, in a timely manner, any security vulnerabilities identified during the assessment.
 - 4.1.4.3.1. DELIVERABLE: CISP Attestation
 - 4.1.4.3.2. DUE: Within 30 Business Days after the Effective Date
- 4.1.4.4. Contractor shall assess its compliance with the CISPs on an annual basis and deliver to the State the signed CISP Attestation, on a form provided by the Department.
 - 4.1.4.4.1. DELIVERABLE: Annual CISP Attestation
 - 4.1.4.4.2. DUE: Annually, by June 30th of each year
- 4.1.4.5. Contractor shall cause its Subcontractors to comply with the CISPs and to assess their compliance on at least an annual basis. If any Subcontractor's assessment determines that the Subcontractor is not in compliance, then Contractor shall ensure that Subcontractor corrects, in a timely manner, any security vulnerabilities identified during the assessment. This shall apply to those Subcontractors whose specific duties obligate them to comply with CISP requirements.
- 4.1.5. Health and Human Services HIPAA Security Rule Risk Assessments
 - 4.1.5.1. Contractor shall deliver to the State a signed Initial HHS Attestation, on a form provided by the Department, indicating that Contractor has conducted a risk assessment of its operations related to the services provided under this Contract that satisfies the requirement of 45 CFR. §164.308(a)(1)(ii)(A) (the "HIPAA Security Rule"), and that Contractor has developed a plan to correct, in a timely manner, any vulnerabilities in administrative, technical, or physical safeguards identified during the assessment.
 - 4.1.5.1.1. DELIVERABLE: Initial HHS Attestation
 - 4.1.5.1.2. DUE: Within 30 Business Days after the Effective Date
 - 4.1.5.2. Contractor shall conduct an annual risk assessment of its operations related to the services provided under this Contract that satisfies the requirement of the HIPAA Security Rule and deliver to the State the signed Annual HHS Attestation, on a form provided by the Department.
 - 4.1.5.2.1. DELIVERABLE: Annual HHS Attestation
 - 4.1.5.2.2. DUE DATE: Annually, by June 30th of each year
 - 4.1.5.3. Contractor shall cause its Subcontractors to comply with the HIPAA Security Rule and assess their compliance on at least an annual basis. If any Subcontractor's assessment determines that the Subcontractor is not in compliance, then Contractor shall ensure that Subcontractor corrects, in a timely manner, any vulnerabilities in administrative, technical, or physical safeguards identified during the assessment.

- 4.1.6. Subject to Contractor's reasonable access security requirements and upon reasonable prior notice, Contractor shall provide the State with scheduled access for the purpose of inspecting and monitoring access and use of State Records, maintaining State systems, and evaluating physical and logical security control effectiveness.
- 4.1.7. Contractor shall perform background checks on all of its respective employees and agents performing services or having access to State Records provided under this Contract. A background check performed during the hiring process shall meet this requirement. Contractor shall perform a background check on any employee if the Contractor becomes aware of any reason to question the employability of an existing employee. Contractor shall require all Subcontractors to meet the standards of this requirement.
 - 4.1.7.1. Contractor shall deliver to the State the signed Background Check Attestation, on a form provided by the Department, indicating that background checks have been completed on employees participating in operations related to this Contract.
 - 4.1.7.1.1. DELIVERABLE: Background Check Attestation
 - 4.1.7.1.2. DUE: Within 30 Business Days of the Effective Date
- 4.2. Data Handling
 - 4.2.1. The State, in its sole discretion, may securely deliver State Records directly to Contractor. Contractor shall maintain these State Records only within facilities or locations that Contractor has attested are secure, including for the authorized and approved purposes of backup and disaster recovery purposes. Contractor may not maintain State Records in any data center or other storage location outside the United States for any purpose without the prior express written consent of the State.
 - 4.2.2. Upon request by the State made any time prior to 60 days following the termination of this Contract for any reason, whether or not the Contract is expiring or terminating, Contractor shall make available to the State a complete and secure download file of all data that is encrypted and appropriately authenticated. This download file shall be made available to the State within 10 Business Days of the State's request, and shall contain, without limitation, all State Records, Work Product, and system schema and transformation definitions, or delimited text files with documents, detailed schema definitions along with attachments in its native format. Upon the termination of Contractor's provision of data processing services, Contractor shall, as directed by the State, return all State Records provided by the State to Contractor, and the copies thereof, to the State or destroy all such State Records and certify to the State that it has done so. If legislation imposed upon Contractor prevents it from returning or destroying all or part of the State Records provided by the State to Contractor, Contractor shall guarantee the confidentiality of all State Records provided by the State to Contractor and will not actively process such data anymore.

EXHIBIT F, SAMPLE OPTION LETTER**OPTION LETTER**

State Agency Department of Health Care Policy and Financing	Option Letter Number Insert the Option Number (e.g. "1" for the first option)
Contractor Insert Contractor's Full Legal Name, including "Inc.", "LLC", etc...	Original Contract Number Insert CMS number or Other Contract Number of the Original Contract
Current Contract Maximum Amount Initial Term State Fiscal Year 20xx \$0.00	Option Contract Number Insert CMS number or Other Contract Number of this Option
Extension Terms State Fiscal Year 20xx \$0.00 State Fiscal Year 20xx \$0.00 State Fiscal Year 20xx \$0.00 State Fiscal Year 20xx \$0.00	Contract Performance Beginning Date The later of the Effective Date or Month Day, Year
Total for All State Fiscal Years \$0.00	Current Contract Expiration Date Month Day, Year

1. Options

- A. Option to extend for an Extension Term.
- B. Option to change the quantity of Goods under the Contract.
- C. Option to change the quantity of Services under the Contract.
- D. Option to modify the Contract rates.
- E. Option to initiate next phase of the Contract.

2. Required Provisions

- A. **For use with Option 1(A):** In accordance with Section(s) Number of the Original Contract referenced above, the State hereby exercises its option for an additional term, beginning Insert start date and ending on the current contract expiration date shown above, at the rates stated in the Original Contract, as amended.
- B. **For use with Options 1(B and C):** In accordance with Section(s) Number of the Original Contract referenced above, the State hereby exercises its option to Increase/Decrease the quantity of the Goods/Services or both at the rates stated in the Original Contract, as amended.
- C. **For use with Option 1(D):** In accordance with Section(s) Number of the Original Contract referenced above, the State hereby exercises its option to modify the Contract rates specified in Exhibit/Section Number/Letter. The Contract rates attached to this Option Letter replace the rates in the Original Contract as of the Option Effective Date of this Option Letter.
- D. **For use with Option 1(E):** In accordance with Section(s) Number of the Original Contract referenced above, the State hereby exercises its option to initiate Phase indicate which Phase: 2, 3, 4, etc, which shall begin on Insert start date and end on Insert ending date at the cost/price specified in Section Number.
- E. **For use with all Options that modify the Contract Maximum Amount:** The Contract Maximum Amount table on the Contract's Signature and Cover Page is hereby deleted and replaced with the Current Contract Maximum Amount table shown above.

3. Option Effective Date

- a. The Effective Date of this Option Letter is upon approval of the State Controller or the Effective Date of this Option Letter, whichever is later.

<p style="text-align: center;">STATE OF COLORADO Jared S. Polis, Governor Department of Health Care Policy and Financing Kim Bimestefer, Executive Director</p> <hr/> <p style="text-align: center;">By: Kim Bimestefer, Executive Director</p> <p>Date: _____</p>	<p>In accordance with C.R.S. §24-30-202, this Option is not valid until signed and dated below by the State Controller or an authorized delegate.</p> <p style="text-align: center;">STATE CONTROLLER Robert Jaros, CPA, MBA, JD</p> <hr/> <p style="text-align: center;">By: Jerrod Cotosman, Controller, Department of Health Care Policy and Financing</p> <p>Option Effective Date: _____</p>
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EXHIBIT G, FEDERAL PROVISIONS

1. APPLICABILITY OF PROVISIONS.

- 1.1. The Contract to which these Federal Provisions are attached has been funded, in whole or in part, with an Award of Federal funds. In the event of a conflict between the provisions of these Federal Provisions, the Special Provisions, the body of the Contract, or any attachments or exhibits incorporated into and made a part of the Contract, the provisions of these Federal Provisions shall control.

2. FFATA AND UNIFORM GUIDANCE REQUIREMENTS

2.1. Definitions.

- 2.1.1. For the purposes of these Federal Provisions, the following terms shall have the meanings ascribed to them below.

- 2.1.1.1. “Award” means an award of Federal financial assistance, and the Contract setting forth the terms and conditions of that financial assistance, that a non-Federal Entity receives or administers.

- 2.1.1.1.1. Awards may be in the form of:

- 2.1.1.1.1.1. Grants;

- 2.1.1.1.1.2. Contracts;

- 2.1.1.1.1.3. Cooperative Contracts, which do not include cooperative research and development Contracts (CRDA) pursuant to the Federal Technology Transfer Act of 1986, as amended (15 U.S.C. 3710);

- 2.1.1.1.1.4. Loans;

- 2.1.1.1.1.5. Loan Guarantees;

- 2.1.1.1.1.6. Subsidies;

- 2.1.1.1.1.7. Insurance;

- 2.1.1.1.1.8. Food commodities;

- 2.1.1.1.1.9. Direct appropriations;

- 2.1.1.1.1.10. Assessed and voluntary contributions; and

- 2.1.1.1.1.11. Other financial assistance transactions that authorize the expenditure of Federal funds by non-Federal Entities.

- 2.1.1.1.1.12. Any other items specified by OMB in policy memoranda available at the OMB website or other source posted by the OMB.

- 2.1.1.1.2. Award *does not* include:

- 2.1.1.1.2.1. Technical assistance, which provides services in lieu of money;

- 2.1.1.1.2.2. A transfer of title to Federally-owned property provided in lieu of money; even if the award is called a grant;

- 2.1.1.1.2.3. Any award classified for security purposes; or

- 2.1.1.1.2.4. Any award funded in whole or in part with Recovery funds, as defined in section 1512 of the American Recovery and Reinvestment Act (ARRA) of 2009 (Public Law 111-5).
- 2.1.1.2. “Contract” means the Contract to which these Federal Provisions are attached and includes all Award types in §2.1.1.1.1 of this Exhibit.
- 2.1.1.3. “Contractor” means the party or parties to a Contract funded, in whole or in part, with Federal financial assistance, other than the Prime Recipient, and includes grantees, subgrantees, Subrecipients, and borrowers. For purposes of Transparency Act reporting, Contractor does not include Vendors.
- 2.1.1.4. “Data Universal Numbering System (DUNS) Number” means the nine-digit number established and assigned by Dun and Bradstreet, Inc. to uniquely identify a business entity. Dun and Bradstreet’s website may be found at: <http://fedgov.dnb.com/webform>.
- 2.1.1.5. “Entity” means all of the following as defined at 2 CFR part 25, subpart C;
 - 2.1.1.5.1. A governmental organization, which is a State, local government, or Indian Tribe;
 - 2.1.1.5.2. A foreign public entity;
 - 2.1.1.5.3. A domestic or foreign non-profit organization;
 - 2.1.1.5.4. A domestic or foreign for-profit organization; and
 - 2.1.1.5.5. A Federal agency, but only a Subrecipient under an Award or Subaward to a non-Federal entity.
- 2.1.1.6. “Executive” means an officer, managing partner or any other employee in a management position.
- 2.1.1.7. “Federal Award Identification Number (FAIN)” means an Award number assigned by a Federal agency to a Prime Recipient.
- 2.1.1.8. “Federal Awarding Agency” means a Federal agency providing a Federal Award to a Recipient as described in 2 CFR §200.37.
- 2.1.1.9. “FFATA” means the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109-282), as amended by §6202 of Public Law 110-252. FFATA, as amended, also is referred to as the “Transparency Act.”
- 2.1.1.10. “Federal Provisions” means these Federal Provisions subject to the Transparency Act and Uniform Guidance, as may be revised pursuant to ongoing guidance from the relevant Federal or State of Colorado agency or institutions of higher education.
- 2.1.1.11. “OMB” means the Executive Office of the President, Office of Management and Budget.
- 2.1.1.12. “Prime Recipient” means a Colorado State agency or institution of higher education that receives an Award.
- 2.1.1.13. “Subaward” means an award by a Recipient to a Subrecipient funded in whole or in part by a Federal Award. The terms and conditions of the Federal Award flow

down to the Award unless the terms and conditions of the Federal Award specifically indicate otherwise in accordance with 2 CFR §200.38. The term does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program.

- 2.1.1.14. “Subrecipient” means a non-Federal Entity (or a Federal agency under an Award or Subaward to a non-Federal Entity) receiving Federal funds through a Prime Recipient to support the performance of the Federal project or program for which the Federal funds were awarded. A Subrecipient is subject to the terms and conditions of the Federal Award to the Prime Recipient, including program compliance requirements. The term “Subrecipient” includes and may be referred to as Subgrantee. The term does not include an individual who is a beneficiary of a federal program.
- 2.1.1.15. “Subrecipient Parent DUNS Number” means the subrecipient parent organization’s 9-digit Data Universal Numbering System (DUNS) number that appears in the subrecipient’s System for Award Management (SAM) profile, if applicable.
- 2.1.1.16. “System for Award Management (SAM)” means the Federal repository into which an Entity must enter the information required under the Transparency Act, which may be found at <http://www.sam.gov>.
- 2.1.1.17. “Total Compensation” means the cash and noncash dollar value earned by an Executive during the Prime Recipient’s or Subrecipient’s preceding fiscal year and includes the following:
- 2.1.1.17.1. Salary and bonus;
 - 2.1.1.17.2. Awards of stock, stock options, and stock appreciation rights, using the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2005) (FAS 123R), Shared Based Payments;
 - 2.1.1.17.3. Earnings for services under non-equity incentive plans, not including group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of Executives and are available generally to all salaried employees;
 - 2.1.1.17.4. Change in present value of defined benefit and actuarial pension plans;
 - 2.1.1.17.5. Above-market earnings on deferred compensation which is not tax-qualified;
 - 2.1.1.17.6. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the Executive exceeds \$10,000.
- 2.1.1.18. “Transparency Act” means the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109-282), as amended by §6202 of Public Law 110-252. The Transparency Act also is referred to as FFATA.
- 2.1.1.19. “Uniform Guidance” means the Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, which supersedes requirements from OMB Circulars A-21, A-87, A-110, and A-122, OMB Circulars A-89, A-102, and A-133, and the guidance in Circular

A-50 on Single Audit Act follow-up. The terms and conditions of the Uniform Guidance flow down to Awards to Subrecipients unless the Uniform Guidance or the terms and conditions of the Federal Award specifically indicate otherwise.

2.1.1.20. “Vendor” means a dealer, distributor, merchant or other seller providing property or services required for a project or program funded by an Award. A Vendor is not a Prime Recipient or a Subrecipient and is not subject to the terms and conditions of the Federal award. Program compliance requirements do not pass through to a Vendor.

2.2. Compliance.

2.2.1. Contractor shall comply with all applicable provisions of the Transparency Act, all applicable provisions of the Uniform Guidance, and the regulations issued pursuant thereto, including but not limited to these Federal Provisions. Any revisions to such provisions or regulations shall automatically become a part of these Federal Provisions, without the necessity of either party executing any further instrument. The State of Colorado may provide written notification to Contractor of such revisions, but such notice shall not be a condition precedent to the effectiveness of such revisions.

2.3. System for Award Management (SAM) and Data Universal Numbering System (DUNS) Requirements.

2.3.1. SAM. Contractor shall maintain the currency of its information in SAM until the Contractor submits the final financial report required under the Award or receives final payment, whichever is later. Contractor shall review and update SAM information at least annually after the initial registration, and more frequently if required by changes in its information.

2.3.2. DUNS. Contractor shall provide its DUNS number to its Prime Recipient, and shall update Contractor’s information in Dun & Bradstreet, Inc. at least annually after the initial registration, and more frequently if required by changes in Contractor’s information.

2.4. Total Compensation.

2.4.1. Contractor shall include Total Compensation in SAM for each of its five most highly compensated Executives for the preceding fiscal year if:

2.4.1.1. The total Federal funding authorized to date under the Award is \$25,000 or more; and

2.4.1.2. In the preceding fiscal year, Contractor received:

2.4.1.2.1. 80% or more of its annual gross revenues from Federal procurement contracts and subcontracts and/or Federal financial assistance Awards or Subawards subject to the Transparency Act; and

2.4.1.2.2. \$25,000,000 or more in annual gross revenues from Federal procurement contracts and subcontracts and/or Federal financial assistance Awards or Subawards subject to the Transparency Act; and

2.4.1.3. The public does not have access to information about the compensation of such Executives through periodic reports filed under section 13(a) or 15(d) of the

Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d) or § 6104 of the Internal Revenue Code of 1986.

2.5. Reporting.

2.5.1. Contractor shall report data elements to SAM and to the Prime Recipient as required in this Exhibit if Contractor is a Subrecipient for the Award pursuant to the Transparency Act. No direct payment shall be made to Contractor for providing any reports required under these Federal Provisions and the cost of producing such reports shall be included in the Contract price. The reporting requirements in this Exhibit are based on guidance from the US Office of Management and Budget (OMB), and as such are subject to change at any time by OMB. Any such changes shall be automatically incorporated into this Contract and shall become part of Contractor's obligations under this Contract.

2.6. Effective Date and Dollar Threshold for Reporting.

2.6.1. Reporting requirements in §2.7 below apply to new Awards as of October 1, 2010, if the initial award is \$25,000 or more. If the initial Award is below \$25,000 but subsequent Award modifications result in a total Award of \$25,000 or more, the Award is subject to the reporting requirements as of the date the Award exceeds \$25,000. If the initial Award is \$25,000 or more, but funding is subsequently de-obligated such that the total award amount falls below \$25,000, the Award shall continue to be subject to the reporting requirements.

2.6.2. The procurement standards in §2.8 below are applicable to new Awards made by Prime Recipient as of December 26, 2015. The standards set forth in §2.10 below are applicable to audits of fiscal years beginning on or after December 26, 2014.

2.7. Subrecipient Reporting Requirements.

2.7.1. If Contractor is a Subrecipient, Contractor shall report as set forth below.

2.7.1.1. **To SAM.** A Subrecipient shall register in SAM and report the following data elements in SAM *for each* Federal Award Identification Number no later than the end of the month following the month in which the Subaward was made:

2.7.1.1.1. Subrecipient DUNS Number;

2.7.1.1.2. Subrecipient DUNS Number + 4 if more than one electronic funds transfer (EFT) account;

2.7.1.1.3. Subrecipient Parent DUNS Number;

2.7.1.1.4. Subrecipient's address, including: Street Address, City, State, Country, Zip + 4, and Congressional District;

2.7.1.1.5. Subrecipient's top 5 most highly compensated Executives if the criteria in §4 above are met; and

2.7.1.1.6. Subrecipient's Total Compensation of top 5 most highly compensated Executives if criteria in §4 above met.

2.7.1.2. **To Prime Recipient.** A Subrecipient shall report to its Prime Recipient, upon the effective date of the Contract, the following data elements:

- 2.7.1.2.1. Subrecipient's DUNS Number as registered in SAM.
- 2.7.1.2.2. Primary Place of Performance Information, including: Street Address, City, State, Country, Zip code + 4, and Congressional District.
- 2.8. Procurement Standards.
 - 2.8.1. Procurement Procedures. A Subrecipient shall use its own documented procurement procedures which reflect applicable State, local, and Tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in the Uniform Guidance, including without limitation, §§200.318 through 200.326 thereof.
 - 2.8.2. Procurement of Recovered Materials. If a Subrecipient is a State Agency or an agency of a political subdivision of the State, its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.
- 2.9. Access to Records
 - 2.9.1. A Subrecipient shall permit Recipient and auditors to have access to Subrecipient's records and financial statements as necessary for Recipient to meet the requirements of §200.331 (Requirements for pass-through entities), §§200.300 (Statutory and national policy requirements) through 200.309 (Period of performance), and Subpart F-Audit Requirements of the Uniform Guidance. 2 CFR §200.331(a)(5).
- 2.10. Single Audit Requirements
 - 2.10.1. If a Subrecipient expends \$750,000 or more in Federal Awards during the Subrecipient's fiscal year, the Subrecipient shall procure or arrange for a single or program-specific audit conducted for that year in accordance with the provisions of Subpart F-Audit Requirements of the Uniform Guidance, issued pursuant to the Single Audit Act Amendments of 1996, (31 U.S.C. 7501-7507). 2 CFR §200.501.
 - 2.10.1.1. **Election.** A Subrecipient shall have a single audit conducted in accordance with Uniform Guidance §200.514 (Scope of audit), except when it elects to have a program-specific audit conducted in accordance with §200.507 (Program-specific audits). The Subrecipient may elect to have a program-specific audit if Subrecipient expends Federal Awards under only one Federal program (excluding research and development) and the Federal program's statutes, regulations, or the terms and conditions of the Federal award do not require a financial statement audit of Prime Recipient. A program-specific audit may not be elected for research and development unless all of the Federal Awards expended were received from Recipient and Recipient approves in advance a program-specific audit.

- 2.10.1.2. **Exemption.** If a Subrecipient expends less than \$750,000 in Federal Awards during its fiscal year, the Subrecipient shall be exempt from Federal audit requirements for that year, except as noted in 2 CFR §200.503 (Relation to other audit requirements), but records shall be available for review or audit by appropriate officials of the Federal agency, the State, and the Government Accountability Office.
- 2.10.1.3. **Subrecipient Compliance Responsibility.** A Subrecipient shall procure or otherwise arrange for the audit required by Part F of the Uniform Guidance and ensure it is properly performed and submitted when due in accordance with the Uniform Guidance. Subrecipient shall prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with Uniform Guidance §200.510 (Financial statements) and provide the auditor with access to personnel, accounts, books, records, supporting documentation, and other information as needed for the auditor to perform the audit required by Uniform Guidance Part F-Audit Requirements.
- 2.11. Contract Provisions for Subrecipient Contracts
- 2.11.1. If Contractor is a Subrecipient, then it shall comply with and shall include all of the following applicable provisions in all subcontracts entered into by it pursuant to this Contract.
- 2.11.1.1. **Equal Employment Opportunity.** Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of “federally assisted construction contract” in 41 CFR Part 60-1.3 shall include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.
- 2.11.1.1.1. During the performance of this contract, the contractor agrees as follows:
- 2.11.1.1.1.1. Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.
- 2.11.1.1.1.2. Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will

receive consideration for employment without regard to race, color, religion, sex, or national origin.

- 2.11.1.1.1.3. Contractor will send to each labor union or representative of workers with which he has a collective bargaining Contract or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- 2.11.1.1.1.4. Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- 2.11.1.1.1.5. Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- 2.11.1.1.1.6. In the event of Contractor's non-compliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- 2.11.1.1.1.7. Contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the contractor may request the United States to enter into such litigation to protect the interests of the United States.”
- 2.11.1.2. **Davis-Bacon Act.** Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, “Labor Standards Provisions

Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or Subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

- 2.11.1.3. **Rights to Inventions Made Under a Contract or Contract.** If the Federal Award meets the definition of “funding Contract” under 37 CFR §401.2 (a) and Subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding Contract,” Subrecipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Contracts,” and any implementing regulations issued by the awarding agency.
- 2.11.1.4. **Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended.** Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
- 2.11.1.5. **Debarment and Suspension (Executive Orders 12549 and 12689).** A contract award (see 2 CFR 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.
- 2.11.1.6. **Byrd Anti-Lobbying Amendment (31 U.S.C. 1352).** Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier

certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

2.12. Certifications.

2.12.1. Unless prohibited by Federal statutes or regulations, Recipient may require Subrecipient to submit certifications and representations required by Federal statutes or regulations on an annual basis. 2 CFR §200.208. Submission may be required more frequently if Subrecipient fails to meet a requirement of the Federal award. Subrecipient shall certify in writing to the State at the end of the Award that the project or activity was completed or the level of effort was expended. 2 CFR §200.201(3). If the required level of activity or effort was not carried out, the amount of the Award must be adjusted.

2.13. Exemptions.

2.13.1. These Federal Provisions do not apply to an individual who receives an Award as a natural person, unrelated to any business or non-profit organization the individual may own or operate in their name.

2.13.2. A Contractor with gross income from all sources of less than \$300,000 in the previous tax year is exempt from the requirements to report Subawards and the Total Compensation of its most highly compensated Executives.

2.13.3. There are no Transparency Act reporting requirements for Vendors.

2.14. Event of Default.

2.14.1. Failure to comply with these Federal Provisions shall constitute an event of default under the Contract and the State of Colorado may terminate the Contract upon 30 days prior written notice if the default remains uncured five calendar days following the termination of the 30-day notice period. This remedy will be in addition to any other remedy available to the State of Colorado under the Contract, at law or in equity.

3. NONDISCRIMINATION UNDER FEDERAL AND STATE AUTHORITY

3.1. In addition to the statutes described in section 2.11 above, the Contractor shall also at all times during the term of this Contract strictly adhere to, and comply with, all applicable Federal and State laws, and their implementing regulations, as they currently exist and may hereafter be amended, which are incorporated herein by this reference as terms and conditions of this Contract. The Contractor shall also require compliance with these statutes and regulations in subcontracts and subgrants permitted under this Contract. Applicable Federal and State law and regulations include:

Age Discrimination Act of 1975, as amended	42 U.S.C. 6101, et seq., 45 CFR 90, 45 CFR 91
Age Discrimination in Employment Act of 1967	29 U.S.C. 621-634
Americans with Disabilities Act of 1990 (ADA)	42 U.S.C. 12101, et seq., 28 CFR Part 35
Equal Pay Act of 1963	29 U.S.C. 206(d)
Federal Water Pollution Control Act, as amended	33 U.S.C. 1251, et seq.
Immigration Reform and Control Act of 1986	8 U.S.C. 1324b
Section 504 of the Rehabilitation Act of 1973, as amended	29 U.S.C. 794, 45 CFR 84, 45 CFR 85
Section 508 of the Rehabilitation Act of 1973	29 USC 794, 36 CFR 1194
Title VI of the Civil Rights Act of 1964, as amended	42 U.S.C. 2000d, 45 CFR 80
Title VII of the Civil Rights Act of 1964	42 U.S.C. 2000e, 29 CFR 1606.2
Title IX of the Education Amendments of 1972, as amended	20 U.S.C. 1681
Civil Rights Division	Section 24-34-301, CRS, <i>et seq.</i>

- 3.2. The Contractor also shall comply with any and all laws and regulations prohibiting discrimination in the specific program(s) which is/are the subject of this Contract. In consideration of and for the purpose of obtaining any and all federal and/or state financial assistance, the Contractor makes the following assurances, upon which the State relies.
- 3.2.1. The Contractor shall not discriminate against any person on the basis of race, color, ethnic or national origin, ancestry, age, sex, gender, sexual orientation, gender identity and expression, religion, creed, political beliefs, or disability, including Acquired Immune Deficiency Syndrome (AIDS) or AIDS-related conditions, in performance of Work under this Contract
- 3.2.2. At all times during the performance of this Contract, no qualified individual with a disability shall, by reason of such disability, be excluded from participation in, or denied benefits of the service, programs, or activities performed by the Contractor, or be subjected to any discrimination by the Contractor.
- 3.2.3. All websites and web content must meet Web Content Accessibility Guidelines (WCAG) 2.1 Level AA standards, as issued by the World Wide Web Consortium.
- 3.3. Procurement Provisions

- 3.3.1. The Contractor shall take all necessary affirmative steps, as required by 45 C.F.R. 92.36(e), Colorado Executive Order and Procurement Rules, to assure that small and minority businesses and women's business enterprises are used, when possible, as sources of supplies, equipment, construction, and services purchased under this Contract.

4. FEDERAL FINANCIAL PARTICIPATION RELATED INTELLECTUAL PROPERTY OWNERSHIP

- 4.1. In addition to the intellectual property ownership rights specified in the Contract, the following subsections enumerate the intellectual property ownership requirements the Contractor shall meet during the term of the Contract in relation to federal financial participation under 42 CFR §433.112 and 45 CFR §95.617.
 - 4.1.1. The Contractor shall notify the State before designing, developing, creating or installing any new data, new software or modification of a software using Contract Funds. The Contractor shall not proceed with such designing, development, creation or installation of data or software without express written approval from the State.
 - 4.1.2. If the Contractor uses Contract Funds to develop necessary materials, including, but not limited to, programs, products, procedures, data and software to fulfill its obligations under the Contract, the Contractor shall document all Contract Funds used in the development of the Work Product, including, but not limited to the materials, programs, procedures, and any data, software or software modifications.
 - 4.1.2.1. The terms of this Contract will encompass sole payment for any and all Work Product and intellectual property produced by the Contractor for the State. The Contractor shall not receive any additional payments for licenses, subscriptions, or to remove a restriction on any intellectual property Work Product related to or developed under the terms of this Contract.
 - 4.1.3. The Contractor shall provide the State comprehensive and exclusive access to and disclose all details of the Work Product produced using Contract Funds.
 - 4.1.4. The Contractor shall hereby assign to the State, without further consideration, all right, interest, title, ownership and ownership rights in all work product and deliverables prepared and developed by the Contractor for the State, either alone or jointly, under this Contract, including, but not limited to, data, software and software modifications designed, developed, created or installed using Contract Funds, as allowable in the United States under 17 U.S.C.S. §201 and §204 and in any foreign jurisdictions.
 - 4.1.4.1. Such assigned rights include, but are not limited to, all rights granted under 17 U.S.C.S §106, the right to use, sell, license or otherwise transfer or exploit the Work Product and the right to make such changes to the Work Product as determined by the State.
 - 4.1.4.2. This assignment shall also encompass any and all rights under 17 U.S.C.S §106A, also referred to as the Visual Artists Rights Act of 1990 (VARA), and any and all moral rights to the Work Product.

- 4.1.4.3. The Contractor shall require its employees and agents to promptly sign and deliver any documents and take any action the State reasonably requests to establish and perfect the rights assigned to the State or its designees under these provisions.
- 4.1.4.4. The Contractor shall execute the assignment referenced herein immediately upon the creation of the Work Product pursuant to the terms of this Contract.
- 4.1.5. The State claims sole ownership and all ownership rights in all copyrightable software designed, developed, created or installed under this contract, including, but not limited to:
 - 4.1.5.1. Data and software, or modifications thereof created, designed or developed using Contract Funds.
 - 4.1.5.2. Associated documentation and procedures designed and developed to produce any systems, programs, reports and documentation.
 - 4.1.5.3. All other Work Products or documents created, designed, purchased, or developed by the Contractor and funded using Contract Funds.
- 4.1.6. All ownership and ownership rights pertaining to Work Product created in the performance of this Contract will vest with the State, regardless of whether the Work Product was developed by the Contractor or any Subcontractor.
- 4.1.7. The Contractor shall fully assist in and allow without dispute, both during the term of this Contract and after its expiration, registration by the State of any and all copyrights and other intellectual property protections and registrations in data, software, software modifications or any other Work Product created, designed or developed using Contract Funds.
- 4.1.8. The State reserves a royalty-free, non-exclusive and irrevocable license to produce, publish or otherwise use such software, modifications, documentation and procedures created using Contract Funds on behalf of the State, the Federal Department of Health and Human Services (HHS) and its contractors. Such data and software includes, but is not limited to, the following:
 - 4.1.8.1. All computer software and programs, which have been designed or developed for the State, or acquired by the Contractor on behalf of the State, which are used in performance of the Contract.
 - 4.1.8.2. All internal system software and programs developed by the Contractor or subcontractor, including all source codes, which result from the performance of the Contract; excluding commercial software packages purchased under the Contractor's own license.
 - 4.1.8.3. All necessary data files.
 - 4.1.8.4. User and operation manuals and other documentation.
 - 4.1.8.5. System and program documentation in the form specified by the State.
 - 4.1.8.6. Training materials developed for State staff, agents or designated representatives in the operation and maintenance of this software.

EXHIBIT H, PII CERTIFICATION

STATE OF COLORADO THIRD PARTY ENTITY / ORGANIZATION CERTIFICATION FOR ACCESS TO PII THROUGH A DATABASE OR AUTOMATED NETWORK

Pursuant to § 24-74-105, C.R.S., I, Krista Kelley, on behalf of Mediimpact Healthcare Systems, Inc. (legal name of entity / organization) (the "Organization"), hereby certify under the penalty of perjury that the Organization has not and will not use or disclose any Personal Identifying Information, as defined by § 24-74-102(1), C.R.S., for the purpose of investigating for, participating in, cooperating with, or assisting Federal Immigration Enforcement, including the enforcement of civil immigration laws, and the Illegal Immigration and Immigrant Responsibility Act, which is codified at 8 U.S.C. §§ 1325 and 1326, unless required to do so to comply with Federal or State law, or to comply with a court-issued subpoena, warrant or order. I hereby represent and certify that I have full legal authority to execute this certification on behalf of the Organization.

DocuSigned by:
Krista Kelley
Signature: Krista Kelley
Printed Name: Krista Kelley
Title: VP/GM Sales
Date: 5/2/2024 | 17:14 PDT

EXHIBIT I, ENTERPRISE SOLUTION INTEGRATION (ESI) REQUIREMENTS

1. DATA INTEGRATION REQUIREMENTS

- 1.1. The Contractor shall be responsible for providing, developing, managing, and supporting full interoperability APIs including search, business operations, reporting, exchange, backups, views, and updates (CRUD) for all business data the Module is responsible for.
 - 1.1.1. Contractor shall provide API(s) associated for each environment including non-production environments and production environments. This would be for API/batch capabilities for all environments.
- 1.2. The Contractor's Solution shall provide, at minimum, all the following data integration functionality:
 - 1.2.1. The ability to accept, receive, and process different types of healthcare data files e.g., batch, HL7, FHIR, APIs, interfaces.
 - 1.2.2. The ability to integrate with the Enterprise Solution Integration (ESI) Platform to transmit data between the Medicaid Enterprise Solutions (MES) Modules.
 - 1.2.3. The ability to exchange data with the ESI Platform and between the Medicaid Enterprise Solution Modules via the ESI Platform to improve stability and performance of data and integration exchanges.
- 1.3. Contractor shall establish and maintain an Interface(s) or API(s) in collaboration with the ESI vendor through the ESI Platform to the designated MES modules to transmit data, as defined by the Department's programmatic policies.

2. INTEGRATION DESIGN AND DEVELOPMENT

- 2.1. Contractor shall follow the approved Department's SDLC process in collaboration with the ESI vendor.
- 2.2. Contractor shall develop, manage, and support a Solution Integration Plan to integrate with the ESI Platform, in compliance with the MES Roadmap and the MES Governance Plan maintained by the ESI Contractor.
- 2.3. The Solution Integration Plan is a planning document to be used by the ESI Contractor to collect requirements and design specifications from MES module Contractors about their data interface requirements, data dictionary, data conversion, and security.
- 2.4. Contractor shall provide a Service Catalog of APIs to the ESI Contractor.
 - 2.4.1. DELIVERABLE: API Service Catalog
 - 2.4.2. DUE DATE: Not later than 30 days of Contract effective date
- 2.5. The Contractor shall publish, enable, and maintain approved APIs to the ESI platform.
- 2.6. The Contractor shall publish new APIs to the service catalog immediately within the ESI platform.

- 2.7. Contractor shall facilitate a meeting(s) with the ESI Contractor during the planning phase of Interface(s) and API(s) development to ensure collaboration and alignment with the ESI Integration Platform.
- 2.8. Contractor's Solution Integration Plan shall include, at a minimum but not limited to, the following components. These components are based off of the ESI Vendor's Data and Quality Management Plan tailored for their specific module.
 - 2.8.1. Data Management Plan.
 - 2.8.2. Integration Data Dictionaries.
 - 2.8.3. Data Conversion Approach.
 - 2.8.4. Data Integration Testing Approach.
 - 2.8.4.1. DELIVERABLE: Vendor Solution Integration Plan (VSIP)
 - 2.8.4.2. DUE DATE: Not later than 60 days of Contract effective date
 - 2.8.5. Contractor shall update the Solution Integration Plan to reflect any changes made that impact the Interface(s) or API(s) for the Department and ESI Contractor review and approval.
 - 2.8.5.1. DELIVERABLE: Updated Vendor Solution Integration Plan
 - 2.8.5.2. DUE DATE: Not later than Five Days after a change is identified

3. INTERFACE CONTROL DOCUMENTS (ICD)

- 3.1. Contractor shall develop an ICD for every data integration project that will be implemented using the ICD format as provided by the ESI Contractor. At a minimum, each ICD shall include all the following:
 - 3.1.1. The name and purpose of the Interface.
 - 3.1.2. Metrics, including size and frequency.
 - 3.1.3. The definition and or description of the type of data exchange transactions.
 - 3.1.4. Source and Target contact information.
 - 3.1.5. Formatting and valid values.
 - 3.1.6. Data dictionary related to the Integration.
 - 3.1.7. A description of triggers that initiate communication.
 - 3.1.8. The identification of when the information contained in the ICD will be implemented.
- 3.2. Contractor shall attend ICD workgroups, as directed by the Department.
- 3.3. Contractor shall provide a three-day written notice to the Department and the ESI Contractor if they are not able to participate in scheduled workgroups.
 - 3.3.1. DELIVERABLE: ICD for Each Data Integration Project
 - 3.3.2. DUE: As identified in the Project Schedule

- 3.4. Contractor shall update the ICD to reflect any changes made to the interface or API for the Department and ESI Contractor review and approval.
 - 3.4.1. DELIVERABLE: Updated ICD
 - 3.4.2. DUE: Not later than Five Days after a change is identified
- 3.5. Contractor shall provide approved ICD document(s), including any and all Updated ICD(s), to the Department via a shared repository.

4. DATA INTEGRATION TESTING

- 4.1. The Contractor shall communicate and coordinate all testing activities as deemed applicable by the Enterprise Testing team.
- 4.2. Contractor shall develop Data Integration Test Cases and data sets and submit to the Department and the ESI Contractor for prior approval before execution for the Contractor's Solution.
- 4.3. Contractor shall perform Data Integration Testing of the Contractor's Solution, as required by the Department or the ESI Contractor and provide documentation and test results for all testing phases, in accordance with the CMS Testing Framework.
- 4.4. The Contractor shall be responsible for establishing, curating, and resetting any test data in the non-Production environments. There will be points in the project where data will need to be reset to an original state in order to perform a test or set of test cases again.
- 4.5. The Contractor shall not use any production data in non-production environments.
- 4.6. To ensure module data passes all testing processes performed before, during, and after implementation, Contractor shall provide Data Integration Testing Support for Defect Resolution of the Contractor's Solution, which includes but is not limited to:
 - 4.6.1. Pre-production data submissions.
 - 4.6.2. Implementing defect fixes.
 - 4.6.3. Data model updates.
 - 4.6.4. Data corrections.
 - 4.6.5. Other changes, as required by the Department and the ESI Contractor.
- 4.7. The Contractor shall coordinate with the Enterprise Testing team before changes are released in the production environment, if there is multiple MES module impact.
- 4.8. The Department requires the Contractor to coordinate with the Enterprise Testing team, for testing of end-to-end business processes across all solutions that need to be integrated with the Department's Medicaid Enterprise Solution.
- 4.9. Contractor shall report on their test progress and results, as defined in the Contractor's test plan, to the Enterprise Testing team for transparent governance.

5. INTEGRATION IMPLEMENTATION AND MONITORING

- 5.1. Contractor shall maintain an inventory of all consumers of their APIs, and implement a notification and communications process for any updates, changes, new versions, errors, and outages.

- 5.2. After implementation of an integration, Contractor shall provide written, weekly reporting of data monitoring and analysis to monitor the consistency, quality, and overall health of the data for the purpose of maintaining accuracy and completeness of the data.

6. ENTERPRISE GOVERNANCE

- 6.1. Contractor shall adhere to the Department's MES Governance Plan that is managed by the Department's ESI Contractor.
- 6.2. Contractor shall participate in the MES Governance boards and councils as defined by the MES Governance Plan, for all data integration activities necessary to operations and functionality of the Contractor's Solution.
- 6.3. Contractor shall attend, adhere to, and provide verbal and written input to the MES Governance boards and councils, as requested by the Department.
- 6.4. Contractor shall present all changes and enhancements to the appropriate Governance board or council for approval.
- 6.5. Contractor shall respond within 24-hours to emergency data integration change requests initiated by the ESI Contractor and shall implement any required changes in the timeframe required by the Change Request Board.
- 6.6. Contractor shall allow authorized System users, with approval from the appropriate Governance board or council, to add and update valid values without the need for customization.

7. SCHEDULE MANAGEMENT

- 7.1. Contractor shall work with the Department and ESI Contractor to incorporate Solution's data integration schedule into the integrated master schedule (IMS), which shall include, at a minimum, all tasks, dependencies, resources, and planned hours.
- 7.2. Contractor shall work against the baselined schedule without delay.
- 7.3. Contractor shall provide written notification to the Department and ESI Contractor of any schedule changes one (1) month in advance to mitigate impacts to the IMS.
- 7.4. Contractor shall attend the schedule development and ongoing schedule monitoring meetings regarding the Solution's data integration with the ESI Integration Platform.
- 7.5. Contractor shall provide written input on tasks, resources, and changes at least three days prior to the ongoing schedule monitoring meetings.

8. DATA INTEGRATION RESOURCES

- 8.1. Contractor shall provide dedicated and qualified resources to discuss Data Integration of the Contractor's Solution with the Department and ESI Contractor throughout the life of the Contract.
- 8.2. Contractor shall provide dedicated and qualified resources to support the Solution Integration Plan throughout the life of the Contract.

9. DATA MANAGEMENT

- 9.1. Contractor shall be responsible for managing data and resetting data for the Contractor's Solution, as defined by the ESI Data Governance Council.
- 9.2. Contractor shall submit ESI-Compliant Data. The Contractor is responsible for submitting data to the ESI Contractor that is compliant with the ESI data model.
- 9.3. Contractor shall be responsible for mapping the module data model (i.e., data dictionary) to the ESI data model in accordance with guidance documents/processes provided by the Data Governance Board.
- 9.4. Contractor shall be responsible for performing any data transformations to ensure that any data provided from the module to the ESI Contractor is compliant with the ESI data model, subject to any data model exceptions that have been approved in writing by the Data Governance Board.
- 9.5. The Contractor shall be responsible for performing defect identification and data cleansing activities for all data submitted to the ESI Platform prior to submission. Such defect identification and data cleansing shall be performed in accordance with guidance documents/processes provided by the Data Governance Board.
- 9.6. For Contractors overseeing the replacement of an old module with a new module, the Contractor shall convert data from the old module to the new module, then perform the data cleansing, data mapping and transformation requirements outlined above to generate clean, ESI-compliant data for submission to the ESI Contractor.
- 9.7. Contractor shall implement daily backups to the Department's standard data structures submitted through the ESI Platform.
- 9.8. Contractor shall use Mapping Document tools that align the planning efforts.
- 9.9. Contractor shall provide mapping and transformation processes for inbound and outbound Integration and Interface transmissions.
- 9.10. Contractor shall work with the ESI Contractor to create or update the Mapping Documents, along with source and target information.
- 9.11. Contractor shall deliver Mapping Documents to the Department for review and approval.
 - 9.11.1. DELIVERABLE: Mapping Documents
 - 9.11.2. DUE: As identified in the Project Schedule

10. DATA INTEGRATION INCIDENTS

- 10.1. The Contractor shall work with the ESI Contractor to resolve Data Integration production incidents according to SLA performance standards and requirements of the ESI Integration Platform.
- 10.2. The Contractor shall work with the ESI Contractor to document the Root Cause Analysis (RCA) and Corrective Action Plans (CAP).

EXHIBIT J, INFORMATION TECHNOLOGY PROVISIONS

This Exhibit regarding Information Technology Provisions (the “Exhibit”) is an essential part of the agreement between the State and Contractor as described in the Contract to which this Exhibit is attached. Unless the context clearly requires a distinction between the Contract and this Exhibit, all references to “Contract” shall include this Exhibit. If there is language in the main body of this Contract or any other exhibit referencing “Force Majeure”, this Exhibit shall not be subject to the “Force Majeure” language. The provisions of this Exhibit are of vital importance to the State and the security of the State.

1. PROTECTION OF SYSTEM DATA

- A. In addition to the requirements of the main body of this Contract, if Contractor or any Subcontractor is given access to State Information Technology resources or State Records by the State or its agents in connection with the Contractor’s performance under the Contract, Contractor shall protect such Information Technology resources and State Records in accordance with this Exhibit. All provisions of this Exhibit that refer to Contractor shall apply equally to any Subcontractor performing work in connection with the Contract.
- B. The terms of this Exhibit shall apply to the extent that Contractor’s obligations under this Contract include the provision of Information Technology goods or services to the State. Information Technology is computer-based equipment and related services designed for the storage, manipulation, and retrieval of data, and includes, without limitation:
 - i. Any technology, equipment, or related services described in 24-37.5-102(2), C.R.S.;
 - ii. The creation, use, processing, disclosure, transmission, or disposal of State Records, including any data or code, in electronic form; and
 - iii. Other existing or emerging technology, equipment, or related services that may require knowledge and expertise in Information Technology.
- C. Contractor shall, and shall cause its Subcontractors to meet all of the following:
 - i. Provide physical and logical protection for all hardware, software, applications, and data that meets or exceeds industry standards and the requirements of this Contract.
 - ii. Maintain network, system, and application security, which includes, but is not limited to, network firewalls, intrusion detection (host and network), annual security testing, and improvements or enhancements consistent with evolving industry standards.
 - iii. Comply with State and federal rules and regulations related to overall security, privacy, confidentiality, integrity, availability, and auditing.
 - iv. Provide that security is not compromised by unauthorized access to workspaces, computers, networks, software, databases, or other physical or electronic environments.
 - v. Promptly report all Incidents, including Incidents that do not result in unauthorized disclosure or loss of data integrity, to a designated representative of the State’s Office of Information Security (“OIS”).

- vi. Comply with all rules, policies, procedures, and standards issued by the Governor's Office of Information Technology ("OIT"), including change management, project lifecycle methodology and governance, technical standards, documentation, and other requirements posted at <https://oit.colorado.gov/standards-policies-guides/technical-standards-policies>.
- D. Subject to Contractor's reasonable access security requirements and upon reasonable prior notice, Contractor shall provide the State with scheduled access for the purpose of inspecting and monitoring access and use of State Records, maintaining State systems, and evaluating physical and logical security control effectiveness.
- E. Contractor shall perform current background checks in a form reasonably acceptable to the State on all of its respective employees and agents performing services or having access to State Records provided under this Contract, including any Subcontractors or the employees of Subcontractors. A background check performed within 30 days prior to the date such employee or agent begins performance or obtains access to State Records shall be deemed to be current.
 - i. Upon request, Contractor shall provide notice to a designated representative for the State indicating that background checks have been performed. Such notice will inform the State of any action taken in response to such background checks, including any decisions not to take action in response to negative information revealed by a background check.
 - ii. If Contractor will have access to Federal Tax Information under the Contract, Contractor shall agree to the State's requirements regarding Safeguarding Requirements for Federal Tax Information and shall comply with the background check requirements defined in IRS Publication 1075 and §24-50-1002, C.R.S.

2. DATA HANDLING

- A. Contractor may not maintain or forward these State Records to or from any other facility or location, except for the authorized and approved purposes of backup and disaster recovery purposes, without the prior written consent of the State. Contractor may not maintain State Records in any data center or other storage location outside the Continental United States for any purpose without the prior express written consent of OIS.
- B. Contractor shall not allow remote access to State Records from outside the Continental United States, including access by Contractor's employees or agents, without the prior express written consent of OIS. Contractor shall communicate any request regarding non-U.S. access to State Records to the Security and Compliance Representative for the State. The State shall have the sole discretion to grant or deny any such request.
- C. Upon request by the State made any time prior to 60 days following the termination of this Contract for any reason, whether or not the Contract is expiring or terminating, Contractor shall make available to the State a complete download file of all State data.
 - i. This download file shall be made available to the State within 10 Business Days of the State's request, shall be encrypted and appropriately authenticated, and shall contain without limitation, all State Records, Work Product, and system schema and transformation definitions, or delimited text files with documents, detained schema definitions along with attachments in its native format.

- ii. Upon the termination of Contractor's provision of data processing services, Contractor shall, as directed by the State, return all State Records provided by the State to Contractor, and the copies thereof, to the State or destroy all such State Records and certify to the State that it has done so. If any legal obligation imposed upon Contractor prevents it from returning or destroying all or part of the State Records provided by the State to Contractor, Contractor shall guarantee the confidentiality of all State Records provided by the State to Contractor and will not actively process such data anymore. Contractor shall not interrupt or obstruct the State's ability to access and retrieve State Records stored by Contractor.

- D. The State retains the right to use the established operational services to access and retrieve State Records stored on Contractor's infrastructure at its sole discretion and at any time. Upon request of the State or of the supervisory authority, Contractor shall submit its data processing facilities for an audit of the measures referred to in this Exhibit in accordance with the terms of this Contract.

3. DELIVERY AND ACCEPTANCE

- A. Contractor shall provide and maintain a quality assurance system acceptable to the State for any Work or Deliverables under this Contract and shall provide to the State only such Work or Deliverables that have been inspected and found to conform to the specifications identified in this Contract and any applicable solicitation, bid, offer, or proposal from which this Contract results.
- B. Contractor's delivery of any Work or Deliverables to the State shall constitute certification that such Work or Deliverable has been determined to conform to the applicable specifications, and Contractor shall make records of such quality assurance available to the State upon request during the term of the Contract or at any time within three years following expiration or termination of the Contract.
- C. For any Work or Deliverables other than the purchase or license of commercially available goods or software, acceptance of the Work or Deliverable shall require affirmative written communication from the State to the Contractor that such Work or Deliverable has been accepted by the State. Such communication shall be provided within a reasonable time period from the delivery of the Work or Deliverable and shall not be unreasonably delayed or withheld. Acceptance by the State shall be final, except in cases of Contractor's failure to conduct proper quality assurance, latent defects that could not reasonably have been detected upon delivery, or Contractor's gross negligence or willful misconduct.

4. WARRANTY

- A. Notwithstanding the acceptance of any Work or Deliverable, or the payment of any invoice for such Work or Deliverable, Contractor warrants that any Work or Deliverable provided by Contractor under this Contract shall be free from material defects and shall function in material accordance with the applicable specifications. Contractor warrants that any Work or Deliverable shall be, at the time of delivery, free from any harmful or malicious code, including without limitation viruses, malware, spyware, ransomware, or other similarly function designed to interfere with or damage the normal operation of Information Technology resources. Contractor's warranties under this section shall apply to any defects

or material nonconformities discovered within 180 days following delivery of any Work or Deliverable.

- B. Upon notice during the warranty term or any defect or material nonconformity, Contractor shall submit to the State in writing within 10 business days of the notice one or more recommendations for corrective action with sufficient documentation for the State to ascertain the feasibility, risks, and impacts of each recommendation. The State's remedy for such defect or material non-conformity shall be:
- i. Contractor shall re-perform, repair, or replace such Work or Deliverable in accordance with any recommendation chosen by the State. Contractor shall deliver, at no additional cost to the State, all documentation required under the Contract as applicable to the corrected Work or Deliverable; or
 - ii. Contractor shall refund to the State all amounts paid for such Work or Deliverable, as well as pay to the State any additional amounts reasonably necessary for the State to procure alternative goods or services or substantially equivalent capability, function, and performance.
- C. Any Work of Deliverable delivered to the State as a remedy under this section shall be subject to the same quality assurance, acceptance, and warranty requirements as the original Work or Deliverable. The duration of the warranty for any replacement or corrected Work of Deliverable shall run from the date of the corrected or replacement Work or Deliverable.

5. COMPLIANCE

- A. In addition to the compliance obligations imposed by the main body of the Contract, Contractor shall comply with:
- i. All Colorado Office of Information Security (OIS) policies and procedures which OIS has issued pursuant to §§24-37.5-401 through 406, C.R.S. and 8 CCR § 1501-5 and posted at <https://oit.colorado.gov/standards-policies-guides/technical-standards-policies>.
 - ii. All information security and privacy obligations imposed by any federal, state, or local statute or regulation, or by any specifically incorporated industry standards or guidelines, as applicable based on the classification of the data relevant to Contractor's performance under the Contract. Such obligations may arise from:
 - a. Health Information Portability and Accountability Act (HIPAA)
 - b. IRS Publication 1075
 - c. Payment Card Industry Data Security Standard (PCI-DSS)
 - d. FBI Criminal Justice Information Service Security Addendum
 - e. CMS Minimum Acceptable Risk Standards for Exchanges
 - f. Electronic Information Exchange Security Requirements and Procedures For State and Local Agencies Exchanging Electronic Information With The Social Security Administration
 - iii. Contractor shall implement and maintain all appropriate administrative, physical, technical, and procedural safeguards necessary and appropriate to ensure compliance with the standards and guidelines applicable to Contractor's performance under the Contract.

- iv. Contractor shall allow the State reasonable access and shall provide the State with information reasonably required to assess Contractor's compliance. Such access and information shall include:
 - a. An annual SOC2 Type II audit including, at a minimum, the Trust Principles of Security, Confidentiality, and Availability, or an alternative audit recommended by OIS; or HITRUST Certification Validation.
 - b. The performance of security audit and penetration tests, as requested by OIS.
- v. To the extent Contractor controls or maintains information systems used in connection with State Records, Contractor will provide OIS with the results of all security assessment activities when conducted on such information systems, including executive summaries of any code-level vulnerability scans, application level risk assessments, and other security assessment activities as required by the Contract or reasonable requested by OIS. Contractor will make reasonable efforts to remediate any vulnerabilities or will request a security exception from the State. The State will work with Contractor and OIS to prepare any requests for exceptions from the security requirements described in this Contract and its Exhibits, including mitigating controls and other factors, and OIS will consider such requests in accordance with their policies and procedures referenced herein.

6. TRANSITION OF SERVICES

- A. Upon request by the State prior to expiration or earlier termination of this Contract of any Services provided in this Contract, Contractor shall provide reasonable and necessary assistance to accomplish a complete transition of the Services designated by the State. All services related to such transition shall be performed at no additional cost beyond what would be paid for the Services in this Contract.

7. LICENSE OR USE AUDIT RIGHTS

- A. To the extent that Contractor, through this Contract or otherwise as related to the subject matter of this Contract, has granted to the State any license or otherwise limited permission to use any Contractor Property, the terms of this section shall apply.
- B. Contractor shall have the right at any time during and throughout the Contract Term, but not more than once per Fiscal Year, to request via written notice in accordance with the notice provisions of the Contract that the State audit its use of and certify to its compliance with any applicable license or use restrictions and limitations contained in this Contract (an "Audit Request"). The Audit Request shall specify the time period to be covered by the audit, which shall not include any time periods covered by a previous audit. The State shall complete the audit and provide certification of its compliance to Contractor ("Audit Certification") within 120 days following the State's receipt of the Audit Request.
- C. If upon receipt of the State's Audit Certification, the Parties reasonably determine that; (i) the State's use of licenses, use of software, use of programs, or any other use during the audit period exceeded the use restrictions and limitations contained in this Contract ("Overuse") and (ii) the State would have been or is then required to purchase additional maintenance and/or services ("Maintenance"). Contractor shall provide written notice to the State in accordance with the notice provisions of the Contract identifying any Overuse or required

Maintenance and request that the State bring its use into compliance with such use restrictions and limitations.