



**California Health Benefit Exchange  
(Covered California)  
RFP 2013-08 Enterprise Analytics Solution**

**April 23, 2014**  
**Addendum 3 – November 25, 2014**



## Covered California's Call to Partnership On Behalf of Individuals Served by the Affordable Care Act

As a central part of the Affordable Care Act in California, Covered California is driving historic change for individuals and the health care system overall. Expansion of Medi-Cal, affordable insurance based on ability to pay rather than health status, standardized and essential benefits and a wide range of products and networks have been the starting point for this historic change. In order to sustain and accelerate these critical steps in health reform, as an active purchaser, Covered California requires a sophisticated analytics capacity to support a wide range of enterprise needs including product and benefit design, marketing, pricing, actuarial, access to care, health disparity reduction, quality and network management decisions and policy commitments.

Under all circumstances, ensuring enrollee privacy and security, consistent with HIPAA and all applicable regulations, is an essential covenant between Covered California and its enrollees. The partner chosen must demonstrate familiarity and credibility in all phases of privacy and security that will allow Covered California to drive critical change AND maintain enrollee privacy and security at all times.

Analytics capable of supporting a large purchasing organization is necessary, but not sufficient for new needs that have emerged. Tools, filters and analysis based on "metal tier", "rating regions", "premium subsidy level", "race, ethnicity and other demographics" and network analysis that incorporates concepts such as "essential community provider" are all examples of the new order of expectations. Further, Covered California's commitment to clinical quality and delivery system reform is well described in many public documents, is consistent with the "Triple Aim"<sup>1</sup>, and is the starting point for the selection of the right analytics partner.

With such new and sophisticated analytic needs, what is critical to the success of Covered California and its selected analytics partner is a true spirit of partnership that recognizes the limitations of current approaches and sees the new requirements as driving new competencies and strategic success. Further, while claims and encounter information from participating health plans will be a core input to the analysis needed by Covered California, early on the selected partner will distinguish itself by developing reproducible and scalable analyses based on data that are most readily available. For example, already available is information regarding enrollee demographics, residence ZIP Code, plan and metal tier selected, and provider availability in specific geographies. These rich information sources can be used to ensure appropriate product design, pricing, access to care, capacity, and demographic support for enrollees well ahead of claims information availability.

In sum, the selected organization will partner with Covered California to design the analytics that will support the future of the individual and small group markets, especially

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<sup>1</sup> The IHI Triple Aim is a framework developed by the Institute for Healthcare Improvement that describes an approach to optimizing health system performance by improving the patient experience of care (including quality and satisfaction), improving the health of populations, and reducing the per capita cost of health care.



those supported by subsidies available through the Affordable Care Act. This partnership should benefit Covered California and its enrollees, but should also be extremely beneficial to the vendor as public exchanges continue to grow.

With those objectives in mind, Covered California encourages all interested parties to fully review this Request for Proposals (RFP), and if qualified, to respond. Draft Technical Proposals are due at 3 pm PST on November 24, 2014. Final Proposals, including Cost Proposals, are due at 3 pm PST on [January 5, 2015](#). A contract award announcement is tentatively scheduled for January [20](#), 2015. A more detailed procurement schedule is outlined in Section 1.3.

Respondents should pay particular attention to Covered California's key business objectives in Section 1.4, which are closely related to the contractual requirements of Qualified Health Plans (Issuers) outlined in the Covered California QHP Contract for 2014 (included in the Procurement Library).

Please also carefully review the minimum qualification requirements in Section 4.3. If the Prime Vendor cannot demonstrate compliance with all of these requirements to Covered California, the Vendor's proposal may be rejected.

Covered California thanks you for your interest and potential participation in this process.



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## 1.0 General Information

### 1.1 Introduction

In order to meet its obligations under Federal Affordable Care Act (ACA) requirements and to fulfill its role as an “active purchaser” on behalf of enrollees, Covered California (CC) intends to procure a Vendor to provide an Enterprise Analytics Solution (EAS) that includes enrollment, retention, product and benefit design, pricing, access and health disparity information applicable to its enrollees, as well as data from the Qualified Health Plans (Issuers) and providers that serve them. While Issuer monitoring for contractual compliance and assessment of publicly available information are important methods for achieving some of these goals, “active purchasing” requires an independent capability for analytics using standard and normalized information sets, standardized risk adjustment, and cross-regional and cross-Issuer analysis. Similar to the California Department of Health Care Services (DHCS) and most large employers, Covered California seeks the capacity for independent analysis for key activities such as identification of at-risk enrollees and measurement of potential health disparities specific to a local geography served by multiple plans. Several capabilities are needed, including data aggregation, data analysis, software licenses, interface and transformation services, data storage, data security, data hosting and overall program and vendor management.

### 1.2 Sole Point of Contact

[Alisa Channell](#)

California Health Benefit Exchange

E-mail address: hbexsolicitation@covered.ca.gov

1601 Exposition Blvd.  
Sacramento, CA 95815

### 1.3 Procurement Schedule

The following table documents the critical procurement events. All dates are subject to change at Covered California’s discretion.

**Table 1. Procurement Schedule**

Procurement Schedule – Enterprise Analytics Solution RFP	
RFP Release Date	April 23, 2014
Vendor Questions Due	May 9, 2014, 3 pm PDT via email to Sole Point of Contact
RFP Addendum #2 Release Date	October 20, 2014



<b>Procurement Schedule – Enterprise Analytics Solution RFP</b>	
Vendor Questions Due	October 30, 2014, 3 pm PDT via email to Sole Point of Contact
Responses to Vendor Questions are Posted	November 6, 2014
Vendor Letter of Intent Due	November 10, 2014, 3 pm PST via email to Sole Point of Contact
Draft Technical Proposals Due	November 24, 2014, 3 pm PST
<a href="#"><u>RFP Addendum #3 Release Date</u></a>	<a href="#"><u>November 25, 2014</u></a>
Confidential Discussions with Vendors re: Draft Technical Proposals	December <a href="#"><u>16-19</u></a> , 2014
Final Proposals Due	<a href="#"><u>January 5, 2015</u></a> , 3 pm PST
Tentative Award Announcement	January <a href="#"><u>20</u></a> , 2015
Protest Deadline	January <a href="#"><u>27</u></a> , 2015, 3 pm PST
Anticipated Contract Start Date	February 2015

## 1.4 Project Overview and Objectives

Broadly, the mission of Covered California (the “Exchange”) is to increase the number of insured Californians, improve health care quality and access to care, promote better health, lower costs, and reduce health disparities through an innovative and competitive marketplace that empowers consumers to choose the health plans and providers that offer the best value. Robust data analytics capabilities are critical to Covered California accomplishing its mission, and EAS is a key component of the agenda to coordinate, enhance, and expand the analytic capabilities and toolsets for such a data-driven, active purchaser.

Covered California requires the services of a capable and experienced Vendor to aggregate health care data and provide analytic services.



Whether specific to EAS or related to the larger overall context of health data analytics capabilities, Covered California has identified the following business needs:

- Meaningful, accurate, reliable, and structured data;
- Enhanced data where applicable (e.g., via the use of groupers, episodes, etc.);
- Linked data sources (e.g., enrollment data support subsequent claims data);
- Standardized data for comparative analysis;
- Timely data;
- Customized data for Covered California use;
- Readily accessible data for selected staff and management; and
- Dependable data privacy and security.

The scope of work required for this RFP is detailed in Section 2.0.

## **1.5 Contract Information**

### **1.5.1 Contract Reviews**

All contracts are subject to review and approval by the Board, the Executive Director, and the Chief Information Officer of Covered California.

### **1.5.2 Contract Type and Terms**

Covered California will enter into a fixed price contract with the winning Vendor. The term of the contract will be five (5) years.

### **1.5.3 Contract Amount**

Responses from vendors shall not exceed \$10,000,000. Responses that exceed that amount will not be considered for selection.

### **1.5.4 External Factors**

External factors may affect the project, including budgetary and resource constraints. Any contract resulting from the RFP is subject to the availability of State and Federal funds. As of the issuance of this RFP, Covered California anticipates that budgeted funds will be available to reasonably fulfill the project requirements. If, however, funds are not available, Covered California reserves the right to withdraw the RFP or terminate the resulting contract without penalty.

## **1.6 Contract Requirements**

The winning Vendor must execute the EAS Vendor Contract that is included in the Procurement Library attached to this RFP. All proposals, including costs, must be based on the terms in this EAS Vendor Contract. Proposing Vendors must submit as part of their responses any exceptions to the EAS Vendor Contract that they wish to negotiate. Vendor exceptions must be documented in an attachment labeled "Proposal Contract Exceptions." All EAS Vendor Contract exceptions must be included in the Vendor Final





Proposal at the time of its submission. No additional exceptions may be presented during contract negotiations.

## **1.7 Addenda and Announcements Regarding this RFP**

Covered California will post all official communication regarding this RFP on its portal at <http://www.coveredca.com/hbex/solicitations/> including the notice of tentative award. Any changes, addenda, or clarifications will be made in the form of written responses to Vendor questions or addenda issued by Covered California on its website. Vendors should check the website frequently for notice of matters affecting the RFP.

Any contract resulting from this RFP will be between Covered California and the Vendor. Any requirements specified herein post-award are specifically by and between Covered California and the Vendor.

## **1.8 RFP Cancellation/Partial Award/Non-Award**

Covered California reserves the right to cancel this RFP, to make a partial award, or to make no award if it determines that such action is in the best interest of Covered California.

## **1.9 Right to Reject Proposals or Portions of Proposals**

Deviations, whether or not intentional, may cause a proposal to be non-responsive and not considered for award. Covered California may reject any or all proposals and may waive any immaterial deviation or defect in a proposal. Covered California's waiver of any immaterial deviation or defect shall in no way modify the RFP documents or excuse the Vendor from full compliance with the RFP specifications if awarded a contract.

**FINAL PROPOSALS NOT RECEIVED BY THE DATE AND TIME SPECIFIED IN SECTION 1.3 PROCUREMENT SCHEDULE OR NOT SEALED, will remain unopened and will be maintained by the contact listed in Section 1.2 separately from proposals that have been received by the date and time specified.**

Proposals received after expiration of the deadline shall not be submitted to the Evaluation Team nor considered except upon written approval of the Chief Deputy Executive Director, or his/her authorized designee, specifying the reason(s) for acceptance and consideration of the proposal(s) received after expiration of the deadline.

## **1.10 Submission of Proposals**

### **1.10.1 Preparation**

Proposals are to be prepared in such a way as to provide a straightforward, concise delineation of capabilities to satisfy the requirements of this RFP. Expensive bindings, colored displays, promotional materials, etc., are not necessary or desired. Emphasis should be concentrated on conformance to the RFP instructions, responsiveness to the RFP requirements, and completeness and clarity of content.



### **1.10.2 Vendor's Proposal Costs**

Costs for developing proposals or attending conferences with Covered California are entirely the responsibility of the Vendor and shall not be chargeable to Covered California.

### **1.10.3 Completion of Proposals**

Proposals must be complete in all respects as described in the requirements established within the RFP. A Final Proposal may be rejected if it is conditional or incomplete, or if it contains any alterations of form or other irregularities of any kind. A Final Proposal must be rejected if any such defect or irregularity constitutes a material deviation from the RFP requirements. The Final Proposal must contain all items required in the RFP.

### **1.10.4 False or Misleading Statements**

Proposals which contain false or misleading statements, or which provide references which do not support an attribute or condition claimed by the Vendor, may be rejected. If, in the opinion of Covered California, such information was intended to mislead Covered California in its evaluation of the proposal, and the attribute, condition, or capability is a requirement of this RFP, it will be the basis for rejection of the proposal.

### **1.10.5 Errors in Final Proposals**

An error in the Final Proposal may cause the rejection of that proposal; however, Covered California may, **IN ITS SOLE DISCRETION**, retain the proposal and make certain corrections. In determining if a correction will be made, Covered California will consider the conformance of the proposal to the format and content required by the RFP, and any unusual complexity of the format and content required by the RFP.

1. If the Vendor's intent, as determined by Covered California, is clearly established based on review of the complete Final Proposal submittal, Covered California may at its sole option correct an error based on that established intent.
2. Covered California may at its sole option correct obvious clerical errors.
3. Covered California may at its sole option correct discrepancies/errors on the basis that if intent is not clearly established by the complete Final Proposal submittal, the Master Copy shall have priority over additional copies.
4. The Vendor may modify a bid after submission by withdrawing its original bid and resubmitting a new bid prior to the bid submission deadline. Vendor modifications offered in any other manner, oral or written, will not be considered.
5. The Vendor may withdraw its bid by submitting a written withdrawal request to Covered California, signed by the Vendor or an authorized agent. The Vendor may thereafter submit a new bid prior to the bid submission deadline. Bids may not be withdrawn without cause subsequent to the bid submission deadline.
6. Covered California may modify the RFP prior to the date fixed for submission of bids by the issuance of an addendum to all parties.
7. Covered California reserves the right to reject any/all bids. Covered California is not required to award an agreement.



- 8. Before submitting a response to this solicitation, the Vendor should review, correct all errors, and confirm compliance with the RFP requirements.
- 9. No oral understanding or agreement shall be binding on either party.

**1.10.6 Contract Award**

Issuance of this RFP in no way constitutes a commitment by the State of California to award an agreement. Covered California reserves the right to reject any or all offers received if Covered California determines that it is in Covered California’s best interest to do so. Covered California may reject any offer that is conditional or incomplete. Assumptions made by the Vendor in responding to this RFP do not obligate Covered California in any way. Additionally, assumptions may make the offer conditional and be cause for the offer to be rejected. Responses to this RFP will be assessed based on determining the “Best Value” and the selection will be to a single Vendor. The SOW and the offer will be made a part of the resulting Agreement.

**1.11 Protest**

A protest may be submitted according to the procedures set forth below. If a Vendor has submitted a proposal which it believes to be totally responsive to the requirements of the solicitation process and believes that it should have been selected, according to Section 4.1 - ~~Evaluation Criteria and Methodology~~Evaluation Criteria and Methodology, and it believes Covered California has incorrectly selected another vendor for the award, the Vendor may submit a protest of the selection as described below. Protests regarding selection of the “successful Vendor” will be heard and resolved by Covered California’s Executive Director.

All protests must be made in writing, signed by an individual who is authorized to contractually bind the Vendor, and contain a statement of the reason(s) for protest, citing the law, rule, regulation, or procedures on which the protest is based. The protester must provide facts and evidence to support its claim. Certified or registered mail must be used. The final day to receive a protest is five (5) business days after Vendor selection. Protests must be mailed to:

<b>Mailing Address:</b>
California Health Benefit Exchange
Attn: Peter Lee, Executive Director
Protest – RFP 2013-08
1601 Exposition Blvd.
Sacramento, CA 95815

**1.12 Disposition of Bids**

Upon bid opening, all documents submitted in response to this RFP will become the property of the State of California, and subject to Government Code 100508. Certain documents may be considered public records under the California Public Records Act (Government Code Section 6250 et seq.).



### **1.13 Subsequent Solicitation**

At Covered California's sole discretion, after the contract award has been made and the agreement has been executed, if the agreement is terminated with or without cause after performance has begun, Covered California may engage the next-highest-ranked bidder without performing a subsequent solicitation.

### **1.14 Addition or Subtraction of Services**

At Covered California's sole discretion, the scope of work may be modified to add or remove services through an addendum. If bids have been submitted at the time Covered California posts the addendum, Covered California may restrict responses to the addendum so that only those Vendors that have submitted bids in response to the initial solicitation may respond to the addendum with the modified services.

### **1.15 Agreement Execution and Performance**

Performance shall start no later and no earlier than the effective date of the fully executed contract between the Vendor and Covered California after all approvals have been obtained and the agreement is fully executed. Should the Vendor fail to commence work at the agreed upon date and time, Covered California, upon five (5) days written notice to the Vendor, reserves the right to terminate the agreement. In addition, the Vendor shall be liable to Covered California for the difference between Vendor's bid price and the actual cost of performing work by the second lowest bidder or by another vendor.

All performance under the agreement shall be completed on or before the termination date of the agency contract agreement.



## 2.0 Scope of Work

### 2.1 Overview

Covered California seeks a Vendor that will provide the services and technical infrastructure necessary to support the functionality specified in this RFP. This will include data aggregation, data analysis, software licenses, interface and transformation services, data storage, data security, data hosting, and overall program and project management.

The scope of work requires the Vendor to establish initial and on-going data interfaces with multiple data partners. The table below illustrates the number of data partners, the projected data sources, and estimates regarding the number of unique enrollees and frequency of data sets.

**Table 2. Covered California Projected Data Sources and Volumes**

Item	EAS Implementation
Number of Issuers <sup>2</sup>	<ul style="list-style-type: none"> <li>• 11 Issuers in 2014 Plan Year</li> <li>• 10 Issuers in 2015 Plan Year</li> <li>• Add or remove approximately 2-3 Issuers for future Plan Years</li> <li>• Issuers and plan/product types for 2014/15 are included in the Products by Region documents (see Procurement Library)</li> </ul>
Types of data sets from Issuers <sup>3</sup>	<ul style="list-style-type: none"> <li>• Plan &amp; Product Info</li> <li>• Member</li> <li>• Member History</li> <li>• Contracted PMGs</li> <li>• Providers</li> <li>• Hospitals</li> <li>• Professional Claims</li> <li>• Hospital Claims Header</li> <li>• Hospital Claims Detail</li> <li>• Drug Claims<sup>4</sup></li> <li>• Capitation</li> <li>• Total Medical Expense Reporting (non-claims payments)</li> </ul>
Covered California-supplied data sets	<ul style="list-style-type: none"> <li>• Enrollment data set</li> </ul>

<sup>2</sup> Approximately 95% of Covered California enrollment is concentrated in four major commercial Issuer health plans.

<sup>3</sup> QHP Contract Attachments, Appendix 1 to Attachment 7, and Sample Data Sets (see Procurement Library) specify sample claims and data layouts. Actual number and format to be determined by Vendor, QHPs, and Covered California.

<sup>4</sup> Vendor should assume that pharmacy data sets may be supplied either by Issuers or by their Pharmacy Benefit Managers (PBMs); Covered California expects that most such data sets will be supplied by the Issuers themselves, however.



Item	EAS Implementation
Data submission no more frequent than	<ul style="list-style-type: none"> <li>• Monthly</li> </ul>
Number of unique enrollees	<ul style="list-style-type: none"> <li>• Approximately 3 million</li> </ul>
<b>Future Phase - Informational Only</b>	
External data feeds	<ul style="list-style-type: none"> <li>• OSHPD patient data</li> <li>• Medi-Cal claims/eligibility</li> </ul>
Covered California Supplied Data Feeds	<ul style="list-style-type: none"> <li>• Customer relationship mgmt.</li> <li>• Issuer performance mgmt.</li> <li>• Issuer organizational demographics</li> <li>• Premiums</li> </ul>
Issuer Supplied Data Feeds	<ul style="list-style-type: none"> <li>• Laboratory test values</li> <li>• Electronic Health Records (EHR)</li> <li>• Biometric data (including remote patient monitoring data)</li> <li>• Dental data</li> </ul>

For this RFP, Covered California has not procured any infrastructure, services, hardware or software.

### 2.1.1 Project Management

The Vendor will provide the project management services necessary to fulfill the requirements for the scope of this work effort and to comply with all of Covered California’s governance processes. The Vendor must have a knowledgeable and experienced project management team with the responsibility, authority and integrity to command the appropriate resources necessary to implement and deliver project services. The Vendor will employ, maintain, and execute a project management methodology that complies with the Project Management Institute (PMI) standards or equivalent industry standards.

Detailed project management requirements may be found in Template I – Non-Functional Requirements.

### 2.1.2 Data Aggregation

The data aggregation scope of work includes the collection, organization, normalization, profiling, and reporting of the data collected from the Issuers and Covered California’s internal systems. The Vendor, working with Covered California, will execute Business Associate Agreements with the Issuers and any other data suppliers, and take necessary steps to comply with all applicable Federal and State laws and regulations, including all privacy and security requirements related to Personally Identifiable Information, state regulations, and any other regulatory requirements.

Detailed data aggregation requirements may be found in Template G – Functional Requirements and Template I – Non-Functional Requirements.



### 2.1.3 Data Analytics

The Vendor shall provide an analytics platform that must support various analytic activities, such as rate negotiations, risk modeling, network evaluations (e.g., Essential Community Providers (ECPs)), provider quality, and utilization trends. Detailed data analytics requirements may be found in Template G – Functional Requirements.

Analytics services can be summarized in the following categories:

- **Reporting** - Covered California expects that upon go-live, many standard health care financial and utilization reports to support rate negotiations and monitor the overall status of Issuer plans. The solution should include the ability to profile any subset of the population and/or specific members, providers or Issuers by disease state, by cost (total and enrollee specific), by network utilization, by benefit or product design, by rating region, or by health status or risk category, as determined by the Vendor's identification and stratification methodologies.

EAS must also include business intelligence and analytic functionality enabling ad hoc queries. The analytic and reporting capabilities will include creation of queries and reports of varying detail levels, from high-level reports to measure general trends within and across the population to detailed reports that support drill-down capabilities, multiple cross-tabulations, portrayal of data subsets, and forecasting.

- **Modeling** – Covered California requires the ability to perform benefit and risk modeling across metal levels, populations, and plans using healthcare costs and utilization based on current or previous years' claims experience and risk scores. Covered California seeks to identify the health risks and disease state progression of individual members over time, using industry-accepted risk assessment and disease predictive modeling methodologies. The modeling capabilities desired include the ability to evaluate benefit modifications (i.e., co-pay, deductibles, etc.) and assess and predict migration movement among plan types and metal tiers.
- **Episodes of Care and Disease Severity** - Covered California requires the ability to analyze the cost and prevalence of diagnosis-based episodes of care from an industry-accepted methodology.
- **Provider Quality and Auditing** – EAS must enable the assessment of provider geography, cost, quality (e.g., HEDIS, CAHPS), utilization, performance, and risk. Covered California requires the ability to conduct this analysis per individual provider, provider type (e.g., physician, specialist, etc.), medical group, hospital/facility, health plan, and health plan type. For example, EAS users will apply evidence-based measures, compare patient outcomes, assess the provision of preventive services, and track referral patterns. Covered California seeks the ability to evaluate network adequacy and access to care, including ECPs, primacy care providers, and specialty providers.

Detailed data analytics requirements may be found in Template G – Functional Requirements.



### 2.1.4 Training

The Vendor shall provide initial and ongoing training, relevant training materials, and knowledge transfer to Covered California staff. It shall support Covered California with the ability to provide leadership- and executive-level support in the design of analytics and the interpretation of the results.

Detailed training requirements may be found in Template G – Functional Requirements and Template I – Non-Functional Requirements.

### 2.1.5 Maintenance and Operations

The Vendor shall maintain and operate EAS in the continental United States, and provide all hardware, software, security, privacy, and technical support to ensure that the Covered California data are fully secure, available 24/7 for reporting, and fully backed up. The Vendor will perform operational activities, including but not limited to monthly data refreshes, reporting, data quality feedback to data suppliers, security scans, installation of patches and upgrades, table maintenance, database tuning, performance monitoring, and help desk support.

Detailed maintenance and operations requirements may be found in Template I – Non-Functional Requirements.

## 2.2 Key Milestones and Tasks

Covered California has identified high-level milestones affiliated with completing the scope of work. Covered California expects the Vendor to meet (or exceed) these dates, or provide acceptable alternatives. The Vendor should provide its approach for achieving these and other milestones / tasks in Technical Proposal Sections H, J, and K.

**Table 3. Key Milestones and Tasks**

Key Milestones and Tasks	Start Date	End Date
<b>Contract Administration</b>		
Start contract	February 2015	NA
Complete Business Associate Agreements	NA	May 2015
<b>Data Aggregation</b>		
Complete design, as evidenced by Covered California approval of Design Document deliverable	NA	May 2015
Initiate testing, as evidenced by Covered California's approval of Test Plan deliverable	August 2015	NA





Key Milestones and Tasks	Start Date	End Date
Load 2014 and available 2015 data into production environment, on a flow basis	NA	January 2016
<b>Data Analytics</b>		
Provide interim data sets, if available, to support the Covered California 2016 rate negotiations	March 2015	June 2015
Initiate training of analytic staff, as evidenced by Covered California’s approval of Knowledge Transfer and Training Plan deliverable	August 2015	NA
<b>Maintenance and Operations</b>		
Start maintenance and operations with monthly data feeds	January – February 2016	NA

## 2.3 Project Organizational Approach

This project will be managed by Covered California and its resources. The sections below outline the responsibilities for the separate organizations.

### 2.3.1 Covered California Project Responsibilities

Covered California’s project team will perform a number of roles and carry out a number of responsibilities throughout the life of this project. Specifically, during both the implementation and operations phases, Covered California will at least:

1. Define the goals and objectives of the project and services throughout implementation and ongoing operations.
2. Communicate the goals and objectives of the program and project to all stakeholders.
3. Oversee the project management approach that will govern the project.
4. Review the draft deliverables and final deliverables developed by the Vendor and provide feedback and required changes for the Vendor to make until Covered California is satisfied with the resulting deliverable and outcomes.
5. Approve final deliverables developed and revised by the Vendor.
6. Provide access to Covered California management and Subject Matter Experts (SMEs) for the approval of the deliverables required to meet the goals and objectives of the project.
7. Monitor Vendor performance according to contractual obligations, provide improvement requests, and approve invoices as detailed in the final Contract.



### **2.3.2 Vendor Roles and Responsibilities**

The Vendor will provide the resources to complete the following activities:

1. Work collaboratively to prepare, submit and obtain approval for individual project management approaches and plans.
2. Work collaboratively to execute and maintain individual project management approaches and plans.
3. Work collaboratively and take a lead role in establishing initial and on-going data feeds with data suppliers.
4. Prepare and submit the draft deliverables for Covered California review and comment in accordance with the Project Work Plan.
5. Prepare and submit the final deliverables for Covered California review and approval in accordance with the Project Work Plan.
6. Abide by the goals, objectives and requirements contained in this RFP and the resulting Contract, including all service level agreements.
7. Confirm the understanding of the goals, objectives and requirements contained in this RFP and the resulting Contract.
8. Prepare and conduct requirements confirmation sessions with all necessary Covered California management, SMEs and other designated vendors.
9. Prepare and submit for approval to Covered California the Project Management Plan.
10. Manage all activities defined in the approved Project Management Plan.
11. Submit for review and approval all changes to the approved Project Management Plan.
12. Participate with other designated vendors and partners, Covered California management and SMEs in the creation of the Enterprise Analytics integrated Project Management Plan.
13. Review and confirm Vendor roles and responsibilities which are part of any other business process which are the responsibility of other vendors or Covered California.
14. Collaborate with Covered California and other designated vendors to define quality measures to monitor the required service level objectives outlined in this RFP.
15. Manage all business processes using a continual improvement approach and submit improvements to Covered California for review and approval.
16. Comply with all laws, policies, procedures, and standards dictated by Covered California in meeting the goals and objectives.
17. Provide an estimate of the number and type of Covered California resources required.



## **2.4 Vendor Key Project Personnel Roles and Minimum Qualifications**

The term “Key Project Personnel,” for purposes of this procurement, means Vendor personnel deemed by Covered California as being both instrumental and essential to the Vendor’s satisfactory performance of all requirements contained in this RFP. Covered California expects that these Key Project Personnel will be engaged throughout both the implementation and operations periods.

Covered California will consider suggestions for alternative alignment of duties within the submitted bid offerings. Changes to the proposed positions and responsibilities will only be allowed with prior written permission from Covered California, unless a specific exemption is granted. If the Vendor believes that an alternative organizational design could improve service levels or decrease costs, discuss these options and their benefits within the response templates for this RFP.

With the exception of the Account Director / Executive, Key Project Personnel are to be full-time and dedicated solely to the Covered California account unless the Vendor provides alternative solutions that meet with Covered California’s approval.

The Vendor must include names and resumes for proposed Key Project Personnel as part of its proposal, which will become a part of the contract entered into as a result of this RFP. The Vendor must ensure Key Project Personnel have, and maintain, relevant current license(s) and/or certification(s).

The Vendor shall remove Key Project Personnel, if requested by Covered California, as well as develop a plan for the replacement of that Key Project Personnel, all within two (2) weeks of the request for removal.

1. The Vendor shall not reassign personnel assigned to the Agreement during the term of the Agreement without prior written approval of Covered California. If a Vendor employee is unable to perform duties due to illness, resignation, or other factors beyond the Vendor’s control, the Vendor shall make every reasonable effort to provide suitable substitute personnel.
2. Substitute personnel shall not automatically receive the hourly rate of the individual or position being replaced. Covered California and the Vendor shall negotiate the hourly rate of any substitute personnel to the Agreement. The hourly rate negotiated shall be dependent, in part, upon the experience and individual skills of the proposed substitute personnel. The negotiated rate cannot exceed the hourly rate stated in the Agreement.

The following table provides Key Project Personnel positions, corresponding roles and responsibilities for the project, and minimum qualifications for each. Other positions may be proposed at the Vendor’s discretion.



**Table 4. Key Project Personnel**

Title	Roles and Responsibilities	Qualifications
<p><b>Account Director/ Executive</b></p>	<ul style="list-style-type: none"> <li>■ Primary point of contact with Covered California’s Contract Administrator and other Covered California Executive Sponsors for activities related to contract administration, overall project management and scheduling, correspondence between Covered California and the Vendor, dispute resolution, and status reporting to Covered California for the duration of the contract.</li> <li>■ Authorized to commit the resources of the Vendor in matters pertaining to performance of the contract.</li> <li>■ Responsible for addressing any issues that cannot be resolved with the Vendor’s Account Manager.</li> <li>■ Does not have to work 100% on-site with Covered California.</li> </ul>	<ul style="list-style-type: none"> <li>■ Bachelor’s degree or equivalent work experience<sup>5</sup></li> <li>■ At least five (5) years providing executive level direction on large client accounts. For the purposes of this RFP, a large client is defined as a client with more than 50,000 members and 15 system users; or contract value of at least \$2 million annually and more than a three (3) year contract term.</li> <li>■ At least five (5) years overseeing and managing an account team and providing contract issue resolutions to ensure fulfillment of client expectations and contract obligations.</li> <li>■ At least six (6) years fulfilling contract requirements for health care data analytics or equivalent business areas, including adherence to HIPAA data privacy and security rules.</li> <li>■ At least five (5) years working with large Issuers.</li> </ul> <p>Vendors should also highlight the following desirable qualifications in their responses, if applicable:</p> <ul style="list-style-type: none"> <li>■ Experience working with accountable care organizations and other healthcare reform programs and initiatives.</li> <li>■ Experience working with health benefit plan sponsors or public sector health benefit plan purchasers.</li> <li>■ Membership in industry organizations, such as the Healthcare Information Management Systems Society (HIMSS).</li> </ul>

<sup>5</sup> For the purposes of this RFP, either a) an Associate degree plus four (4) years of relevant work experience, or b) six (6) years of relevant work experience serves as equivalent work experience for the Bachelor’s degree.



Title	Roles and Responsibilities	Qualifications
<p><b>Account/ Project Manager</b></p>	<ul style="list-style-type: none"> <li>■ Manages the Vendor project and is the chief Vendor liaison to Covered California for project activities.</li> <li>■ Authorized to make day-to-day project decisions for the Vendor.</li> <li>■ Executes the project management processes, organizes the project, and manages team work consistent with the approved work plan.</li> <li>■ Directs all Vendor planning, design, development, implementation, and maintenance/operations activities.</li> <li>■ Ensures accurate and timely completion of Vendor work, and helps coordinate similar completion of work by other parties (e.g., Issuers and other data sources).</li> <li>■ Ensures that required information and project documents comply with applicable rules, regulations, and external/internal Covered California and Vendor policies and procedures.</li> <li>■ Schedules and reports project activities, coordinates use of personnel resources, documents and resolves issues and risks, solves problems, and facilitates EAS implementation.</li> <li>■ Conducts weekly status meetings, monthly milestone meetings, and any required interim meetings. Assigns Vendor staff to those meetings as appropriate. Provides advance meeting agendas and subsequent meeting minutes.</li> <li>■ Helps develop, implement, and maintain cost-effective programs and strategies to provide value added services to Covered California.</li> <li>■ Provides expert guidance ensuring that policy and business rules are correctly implemented in the Vendor's solution.</li> <li>■ Is expected to work on-site with Covered California staff at least 50%.</li> </ul>	<ul style="list-style-type: none"> <li>■ Bachelor's degree or equivalent work experience.</li> <li>■ Project Management Institute certification as a Project Management Professional (PMP).</li> <li>■ At least four (4) years fulfilling contract requirements.</li> <li>■ At least four (4) years organizing and managing teams of Vendor experts to fulfill client expectations and contract obligations.</li> <li>■ At least four (4) years fulfilling contract requirements for health care data analytics projects.</li> <li>■ At least four (4) years working directly with large Issuers to obtain data for client analytic needs.</li> <li>■ At least five (5) years supporting ad hoc reporting and querying for business processes and decisions.</li> </ul> <p>Vendors should also highlight the following desirable qualifications in their responses, if applicable:</p> <ul style="list-style-type: none"> <li>■ Understanding of information technology best practices, systems architecture, and the system development life cycle.</li> <li>■ Understanding of relational database design and the ability to produce tabular and graphical displays of data using automated applications.</li> <li>■ Experience working with health benefit plan sponsors or public sector health benefit plan purchasers.</li> <li>■ Membership in industry organizations, such as the Healthcare Information Management Systems Society (HIMSS).</li> </ul>



Title	Roles and Responsibilities	Qualifications
<p><b>Technical Lead</b></p>	<ul style="list-style-type: none"> <li>■ Ensures that all Covered California data aggregation and reporting requirements are met.</li> <li>■ Interfaces with Issuers and other data sources.</li> <li>■ Ensures aggregated data integrity.</li> <li>■ Establishes, manages, and monitors data aggregation and data quality procedures.</li> <li>■ Manages data aggregation requests and associated activities.</li> <li>■ Manages informational resources pertaining to inquiries, system configuration, and data files.</li> <li>■ Establishes the principles by which data management activities are executed and defines the goals, objectives, and standards of the required information architecture.</li> <li>■ Creates, documents, reconciles, and maintains logical and physical data models.</li> <li>■ Captures, integrates, and publishes descriptive metadata across the various applications and tools (modeling, integration, etc.).</li> <li>■ Analyzes and measures data quality levels, identifies data quality issues, and works with data stewards, users, and other IT functions to improve data quality.</li> </ul>	<ul style="list-style-type: none"> <li>■ Bachelor's degree or equivalent work experience.</li> <li>■ At least four (4) years working with health data (i.e., enrollment, claims, providers, etc.).</li> <li>■ At least four (4) years of information technology, data architecture, and management experience for a government or private sector health care payer or provider, including at least three (3) years on a project similar in scope and size to EAS.</li> <li>■ Significant experience designing, constructing, modifying, maintaining, and operating interfaces and integrating data submissions for the Vendor's technology.</li> <li>■ Significant experience working with the data structures and processing capabilities of the Vendor's technology.</li> </ul>
<p><b>Analytics Lead</b></p>	<ul style="list-style-type: none"> <li>■ Leads or is an active participant in project data analysis activities, with an emphasis on supplying Covered California staff with necessary training and Vendor solution knowledge.</li> <li>■ Leads the development of, or develops, ad hoc reports and special data analyses.</li> <li>■ Documents report / query / analytic results and their interpretations, and presents them to Covered California.</li> <li>■ Responds to Covered California questions and both one-time and iterative analytical needs.</li> </ul>	<ul style="list-style-type: none"> <li>■ Bachelor's degree or equivalent work experience.</li> <li>■ At least four (4) years performing health data analytics for a government or private sector health care payer or provider, including at least two (2) years on a project similar in scope and size to EAS.</li> <li>■ At least two (2) years working with the Vendor's health care analytics models, tools, and technology.</li> <li>■ Excellent and demonstrated interpersonal skills, including teamwork, facilitation, negotiation, and communication (i.e., written and verbal) skills.</li> </ul>



### 2.4.1 Location of Contracted Functions and Personnel

The Vendor Key Project Personnel must be available to participate in-person during Covered California-related meetings and activities and must be located at Vendor offices located in California. Regardless of California location of vendor offices, Key Project Personnel must be capable of meeting in the Covered California offices in Sacramento regularly and frequently on short notice (one (1) business day or less). Covered California will not necessarily provide facilities for Vendor Key Project Personnel to perform daily work at Covered California, but this will be determined in partnership with the Vendor. Work must be performed during normal business hours, 8:00 AM until 5:00 PM Pacific Time, Monday through Friday except any federal and state holidays.

Covered California will not permit project work or business operations services to be performed offshore (i.e., outside the continental United States). At no time shall the Vendor maintain, use, transmit, or cause to be transmitted outside the United States and its territories any Covered California information governed by privacy laws and regulations.

Covered California and the Vendor will establish appropriate protocols to ensure that physical property / facility security and data confidentiality safeguards are maintained.

## 2.5 Proposed Project Schedule

Covered California anticipates that the awarded Vendor will begin EAS implementation activities, configuring its technology and operations, by February 2015. See also Section 2.2 Key Milestones and Tasks.

## 2.6 Scope of Work - Deliverables

### 2.6.1 Consolidated Deliverables List

The following table lists the deliverables Covered California expects the Vendor to produce during implementation as well as after the system and processes are operational.

**Table 5. Consolidated Deliverables List**

Task	Deliverable	Requirement
Project Monitoring and Status Reporting	Weekly Progress Status Reporting	PM.05
	Monthly Progress Status Reporting	PM.06
Project Initiation and Planning	Project Kickoff Presentation	PM.01
	Project Management Plan	PM.02
	Project Work Plan and Schedule	PM.03, PM.04
	Completed Business Associate Agreements with Data Exchange Partners	RSA.04
	Design Document	DDC.01
Security	Security Plan	RSA.01 – 03
	Annual SSAE 16 Type II Audit Results	RSA.05
	Quarterly Penetration Testing Results	RSA.06



Task	Deliverable	Requirement
Testing	Test Plan	DDC.03
	Test Results	DDC.06
	User Acceptance Test Results	DDC.08
Training	Knowledge Transfer and Training Plan	KN.01
	Training (including materials)	KN.02 – 12
Deployment	Maintenance and Operations Plan (including SLA)	DDC.10
Transition	Transition Plan	TR.01

### 2.6.2 Deliverables Expectations Document (DED)

The Vendor must develop Deliverables Expectations Documents (DEDs), in an approved Covered California form and format; project deliverables need to adhere to the information within the DED. No work will be performed by the Vendor on any deliverable until the DED has been approved in writing by Covered California. As each project deliverable is submitted, the Vendor must include a copy of the associated Deliverable Expectation Document.

### 2.6.3 Acceptance

All concluded work must be submitted to Covered California for review and approval. This will be a deliverable based contract, but certain tasks will be paid on a time and materials basis as described in the EAS Vendor Contract attached to this RFP. It will be Covered California's sole determination as to whether any tasks have been successfully completed and are acceptable.

Throughout the contract, Covered California will review and validate services performed. In addition, Covered California's Project Manager will verify and approve the Vendor's invoices. Signed acceptance is required from Covered California's Project Manager to approve an invoice for payment.

Deliverable acceptance criteria consist of the following:

- Deliverable specific work was completed as specified and the final deliverable product/service was rendered.
- Plans, schedules, designs, documentation, digital files, photographs and reports (deliverables) were completed as specified and approved.
- All deliverable documentation and artifact gathering have been completed.
- All deliverables are in a format useful to Covered California and Covered California's other contractors and vendors.
- If a deliverable is not accepted, Covered California will provide the reason, in writing, within ten (10) business days of receipt of the deliverable.

## 2.7 Project Assumptions and Constraints

1. The Vendor's work hours must be consistent with Covered California's key staff Monday through Friday, except for standard holidays.





2. Overtime rates and travel will not be reimbursed under this agreement.
3. Any modifications to tasks within the Scope of Work (SOW) of the attached EAS Vendor Contract will be defined, documented, and mutually agreed upon by the Vendor and Covered California's Project Manager prior to starting work on the modified task. Amendments to the contract for tasks within the SOW are limited to an extension of time or tasks directly related to the SOW.
4. Covered California's Project Manager reserves the right to renegotiate the services deemed necessary to meet the needs of this project according to Covered California's priorities. Covered California and the Vendor must mutually agree to all changes. Renegotiated services outside the scope of the original contract will require contract amendment prior to commencement of work.
5. Covered California and the Vendor are mutually obligated to keep open and regular channels of communication in order to ensure the successful execution of this contract. Both parties are responsible for communicating any potential problem or issue to Covered California's Project Manager and the Vendor's Account / Project Manager, respectively, within 48 hours of becoming aware of the problem.

## **3.0 General Instruction and Proposal Requirements**

### **3.1 Letter of Intent to Bid**

Vendors are required to submit Letters of Intent to Bid by 3:00 pm PST on November 10, 2014 to the sole point of contact listed in Section 1.2. The letter should indicate the Vendor's name and address, RFP number, the Vendor's single point of contact and the contact's phone number, email address, and be signed by an authorized individual.

### **3.2 Questions and Comments**

Any Vendor requiring clarification of any section of this proposal or wishing to comment or take exception to any requirements or other portion of the RFP must submit specific questions in writing no later than the date listed in Section 1.3 of this RFP. Questions may be emailed to the sole point of contact listed in Section 1.2 of this RFP. Any objection to the RFP or to any provision of the RFP that is not raised in writing on or before the last day of the question period is deemed waived. Covered California will make every effort to post responses by November 6, 2014, 5 pm PST, contingent on the number and complexity of the questions.

At its discretion, Covered California may contact an inquirer to seek clarification of any inquiry received. Vendors that fail to report a known or suspected problem with the RFP or fail to seek clarification and/or correction of the RFP shall submit proposals at their own risk.

### **3.3 Draft Technical Proposal**

#### **3.3.1 Submission of Draft Technical Proposal**

The Draft Technical Proposal allows each Vendor to obtain feedback to determine, at an early stage, whether the proposal is responsive to the requirements, and if not, what changes may be necessary and acceptable.

The Draft Technical Proposal consists of the following completed items:

- Template A – Cover Letter and Executive Summary
- Template G – Functional Requirements
- Template H – Functional Requirements Approach
- Template I – Non-Functional Requirements
- Template J – Non-Functional Requirements Approach
- Template O – Confidential Discussion Matrix

The Draft Technical Proposals will be reviewed by an evaluation team of subject matter experts to identify and document areas where the Vendor appears to be, among other things, non-responsive, defective, unclear, deficient, or risky.



The information requested must be provided in the prescribed format. Responses that deviate materially from the prescribed format may lead to the rejection of the proposal. Covered California retains sole discretion in determining what constitutes a material deviation.

### **3.3.2 Confidential Discussion Matrix**

Vendors are required to complete Template O – Confidential Discussion Matrix, which indicates the corresponding Section(s), subsection(s), and subparagraph(s) of the RFP requirements that the Vendors would like to address in the confidential discussion as described below.

## **3.4 Confidential Discussions**

Covered California will hold confidential discussions in person with certain Vendors that have submitted their Draft Technical Proposals. Covered California requires that Vendors include the completed Template O – Confidential Discussion Matrix with their Draft Technical Proposals.

Upon review of the Vendors' Draft Technical Proposals, Covered California staff will contact the Vendors deemed to have met minimum qualifications, in the order of receipt of their Draft Technical Proposals, to schedule their individual confidential discussions. Covered California will send an agenda to each such Vendor. Vendors shall bring staff who can answer questions, provide clarification, and address reservations Covered California may have regarding any aspects of the Draft Technical Proposals.

These confidential and mandatory discussions enable Covered California to request clarification and ask questions of the Vendors without having to communicate said discussions with other Vendors. Vendors may also request clarification and ask questions of Covered California during these discussions.

The first portion of each confidential discussion will address the Vendor's questions, and the second will address Covered California's feedback and/or questions. Questions related to the EAS Vendor Contract (see Procurement Library) and the Cost Proposal will not be addressed during these confidential discussions.

Covered California's review of the Draft Technical Proposals, and feedback provided during the confidential discussions, shall in no way imply a warranty that all potential defects in the Draft Technical Proposals have been detected and discussed or that the Vendor's bid will continue to be considered.

## **3.5 Modification or Withdrawal of Proposal**

Prior to the Final Proposal submission deadline set forth in Section 1.3, a Vendor may withdraw its proposal by submitting a written request to the Covered California point of contact.

Covered California will not accept any modifications to a proposal after the Final Proposal due date listed in Section 1.3 once it has been submitted.

## **3.6 News Releases**

Prior to tentative award, a Vendor may not issue a press release or provide any information for public consumption regarding its participation in the procurement. After



tentative award, a Vendor must receive prior written approval from Covered California before issuing a press release or providing information for public consumption regarding its participation in the procurement. Requests should be directed to the Covered California point of contact identified in Section 1.2.

This does not preclude business communications necessary for a Vendor to develop a proposal, or required reporting to shareholders or governmental authorities.

### **3.7 Incomplete Proposals**

Covered California will reject without further consideration a proposal that does not include a complete, comprehensive, or total solution as requested by the RFP. Please refer to the proposal checklist based on the requirements in this proposal.

### **3.8 Covered California Use Ideas**

Covered California reserves the right to use any and all ideas presented in a proposal unless the Vendor presents a valid legal case that such ideas are trade secrets or proprietary information, and Vendor must designate any information within its response as such. A Vendor may not object to the use of ideas that are not the Vendor's intellectual property and so designated in the proposal that: (1) were known to Covered California before the submission of the proposal, (2) were in the public domain through no fault of Covered California, or (3) became properly known to Covered California after proposal submission through other sources.

### **3.9 Multiple Responses**

The Vendor may only submit one proposal as a prime Vendor. If the Vendor submits more than one proposal, Covered California may reject one or more of the submissions. This requirement does not limit a Subcontractor's ability to collaborate with one or more Vendors submitting proposals.

### **3.10 No Joint Proposals**

Covered California will not consider joint or collaborative proposals that require a contract with more than one prime Vendor.

### **3.11 Use of Subcontractors**

Subject to the conditions listed in this RFP, the Vendor may propose to use a Subcontractor(s) to make a complete offer to perform all services. Any prospective Subcontractor that is not a wholly owned subsidiary of the Vendor will be subject to these conditions.

The conditions for proposing to use Subcontractors include, but are not limited to, the following:

1. Prior to any communication or distribution of Covered California confidential information to the potential Subcontractor, the Vendor must provide Covered California with the name of the potential Subcontractor in advance and in writing. The Vendor will also provide contact information for the potential Subcontractor.



Covered California must give its written approval prior to the Vendor providing any Covered California confidential information to a potential Subcontractor or another entity.

2. If selected, the Vendor will be the prime Vendor for services provided to Covered California by approved Subcontractors
3. The Vendor will be ultimately responsible for the provision of all services, including Subcontractor’s compliance with the service levels, if any.
4. Any Subcontractor’s cost will be included within the Vendor’s pricing and invoicing.

No subcontract under the contract may relieve the Vendor of the responsibility for ensuring the requested services are provided. Vendors planning to subcontract all or a portion of the work to be performed must identify each of the proposed Subcontractors.

### 3.12 Proposal Instructions

#### 3.12.1 Number of Copies

This RFP requires Bidder(s) to submit both a Draft Technical Proposal and a Final Proposal. Final Proposals shall contain all required Administrative and Technical Attachments and Exhibits. Both the Draft Technical Proposal and Final Proposal are to be submitted in a sealed envelope/container when shipped to Covered California by the dates and times shown in Section 1.3 Procurement Schedule. The sealed package must be plainly marked with the (1) RFP number and title, (2) firm name and address, and (3) must be marked with “DO NOT OPEN”, as shown in the following example:

**Mailing Address**

RFP 2013-08  
Enterprise Analytics Solution  
Attention: [Alisa Channell](#)  
California Health Benefit Exchange  
1601 Exposition Blvd.  
Sacramento, CA 95815  
DO NOT OPEN

**In-Person Delivery**

RFP 2013-08  
Enterprise Analytics Solution  
Attention: [Alisa Channell](#)  
California Health Benefit Exchange  
1601 Exposition Blvd.  
Sacramento, CA 95815  
DO NOT OPEN

Hardcopy proposals shall be on standard 8 ½” x 11” paper. Electronic versions shall be stored in a Covered California-designated central repository and remain the sole property of Covered California.

Bidder shall provide CD ROM with all applicable Attachments and Exhibits in searchable text format (e.g., Word, Excel, and/or searchable PDF).

Covered California will not accept emailed or facsimile proposals. Any disparities between the contents of the original printed proposal and the CD proposal will be interpreted in favor of Covered California.



### **3.12.1.1 Draft Technical Proposal**

The Draft Technical Proposal should include a Technical Response only, consisting of the items identified in Sections 3.3 Draft Technical Proposal and 3.12.2 Proposal Format.

Bidder shall submit:

1. One (1) complete original signed and printed proposal marked “Master” (without Cost Proposal)
2. Six (6) printed copies (without Cost Proposal)
3. One (1) digital copy on a CD (without Cost Proposal)

### **3.12.1.2 Final Proposal**

The Final Proposal should include a Technical Response and a separate Cost Response.

Bidder shall submit:

1. One (1) complete original signed and printed proposal marked “Master” (without Cost Proposal)
2. Six (6) printed copies (without Cost Proposal)
3. One (1) digital copy on a CD (without Cost Proposal)

The Cost Sheet shall be submitted in a separately sealed envelope from the rest of the proposal. The separately sealed Cost Proposal envelope may be included within the box containing the overall proposal. This envelope must be clearly marked “Cost Proposal” and shall contain:

1. One (1) complete original signed and printed Cost Proposal marked “Master”
2. Six (6) printed copies of the Cost Proposal
3. One (1) digital copy of the Cost Proposal on a CD.

### **3.12.2 Proposal Format**

Proposals must address all the requirements of the RFP in the order and format specified in this section. Each RFP requirement response in the Proposal must reference the unique identifier for the requirement in the RFP.

It is the Vendor’s responsibility to ensure its Proposal is submitted in a manner that enables the Evaluation Team to easily locate all response descriptions and exhibits for each requirement of this RFP. Page numbers should be located in the same page position throughout the proposal. Figures, tables, charts, etc. should be assigned index numbers and should be referenced by these numbers in the proposal text and in the proposal Table of Contents. Figures, etc. should be placed as close to text references as possible.

Hard copy proposals are to be assembled in loose-leaf, three-hole punch binders with appropriate tabs for each volume and section. Do not provide proposals in glue-bound binders or use binding methods that make the binder difficult to remove.



At a minimum, the following should be shown on each page of the proposal:

- RFP #
- Name of Vendor
- Page number

Proposals in response to this RFP must be divided into two appropriately labeled and sealed packages marked Technical Proposal (applies to both the Draft Technical Proposal and Final Proposal submissions) and Cost Proposal (applies only to the Final Proposal submission). All proposal submissions should be clearly labeled with the RFP number.

The contents of each package must be as follows:

- Package 1 — Technical Proposal and Administrative Requirements
  - For the Draft Technical Proposal, this package addresses all requirements specified in the RFP using Templates A, G – J, and O.
  - For the Final Proposal, this package addresses all requirements specified in the RFP using Templates A – M.
- Package 2 — Cost Proposal (Final Proposal only)
  - Cost Proposal using the form provided in Template N – Cost Workbook.

### ***3.12.2.1 Package 1 — Technical Proposal and Administrative Requirements***

This package of the Vendor's response must include the following, with each section corresponding to the template designated with the same letter:

- For the Draft Technical Proposal – Sections A, G – J, and O as described below.
- For the Final Proposal – Sections A – M as described below.

#### **Section A. Cover Letter and Executive Summary (Draft Technical and Final Proposal)**

This section of the Vendor's Technical Proposal must include a cover letter, cover sheet, table of contents, executive summary, Vendor contact/location information (including Subcontractor(s), if applicable), and confirmation that the Vendor meets minimum qualifications. Submission of this section must comply with the instructions detailed in Template A – Cover Letter and Executive Summary.

If the Vendor wishes to propose an exception to any Standard Covered California Provision for Contracts and Grants or Terms and Conditions for Technology Contracts, it must notify Covered California in the cover letter. Failure to note exceptions will be deemed to be acceptance of the Standard Covered California Provision for Contracts and Grants. If exceptions are not noted in the RFP response but raised during contract negotiations, Covered California reserves the right to cancel the negotiation if deemed to be in the best interests of Covered California.



**Section B. Vendor Experience (Final Proposal Only)**

This section of the Vendor's Technical Proposal must include an overview of the Vendor's organization (including Subcontractor(s), if applicable), corporate background and experience, and information regarding financial stability. Submission of this section must comply with the instructions detailed in Template B – Vendor Experience.

**Section C. Vendor References (Final Proposal Only)**

This section of the Vendor's Technical Proposal must include at least three (3) references from projects performed within the last five (5) years that demonstrate the Vendor's ability to perform the Scope of Work described in the RFP. If the proposal includes the use of Subcontractor(s), provide three references for each. Submission of this section must comply with the instructions detailed in Template C – Vendor References.

**Section D. Subcontractor (Final Proposal Only)**

This section of the Vendor's Technical Proposal must include a letter from each proposed Subcontractor. Required Subcontractor information includes identifiers, locations, contacts, a description of the work to be performed, commitment to perform the work, and confirmation that the Subcontractor has read and understood the RFP and will comply with its requirements. Submission of this section must comply with the instructions detailed in Template D – Subcontractor Letters.

**Section E. Organization and Staffing (Final Proposal Only)**

This section of the Vendor's Technical Proposal must include a narrative of the Vendor's proposed project organization and staffing approach, including project organization plan and chart, identification of key personnel (including key Subcontractor staff), staff contingency / management / training / retention plans, and the Vendor's approach to working with Covered California staff. Submission of this section must comply with the instructions detailed in Template E – Vendor Project Organization and Staffing.

**Section F. Staff Experience (Final Proposal Only)**

This section of the Vendor's Technical Proposal must provide the identity, anticipated roles, relevant experience, and resumes of key project staff members (including Subcontractor(s)). Submission of this section must comply with the instructions detailed in Template F – Staff Experience.

**Section G. Functional Requirements (Draft Technical and Final Proposal)**

This section of the Vendor's Technical Proposal must include a response to specific data aggregation and analytics requirements. Submission of this section must comply with the instructions detailed in Template G – Functional Requirements.

**Section H. Functional Requirements Approach (Draft Technical and Final Proposal)**

This section of the Vendor's Technical Proposal must provide a narrative overview of how the proposed solution will meet Covered California's functional requirements.





Submission of this section must comply with the instructions detailed in Template H – Functional Requirements Approach.

**Section I. Non-Functional Requirements (Draft Technical and Final Proposal)**

This section of the Vendor's Technical Proposal must include a response to specific project management, methodological (including implementation, training, and transition out), and technological requirements. Submission of this section must comply with the instructions detailed in Template I – Non-Functional Requirements.

**Section J. Non-Functional Requirements Approach (Draft Technical and Final Proposal)**

This section of the Vendor's Technical Proposal must provide a narrative overview of how the proposed solution will meet Covered California's non-functional requirements. Submission of this section must comply with the instructions detailed in Template J – Non-Functional Requirements Approach.

**Section K. Work Plan (Final Proposal Only)**

This section of the Vendor's Technical Proposal must include a work plan that will be used to create a consistent and coherent management plan. This work plan will demonstrate that the Vendor has a thorough understanding of the scope of work and what must be done to satisfy the project requirements. Submission of this section must comply with the instructions detailed in Template K – Work Plan.

The work plan must include detail sufficient to give Covered California an understanding of how the Vendor's knowledge and approach will:

- Manage the work;
- Guide work execution;
- Document planning assumptions and decisions;
- Facilitate communication among stakeholders; and
- Define key management review as to content, scope, and schedule.

**Section L. Proposal Checklist and Supplements (Final Proposal Only)**

This section of the Vendor's Technical Proposal must include the completed checklist verifying that all the RFP response requirements including templates listed in Section 3.12.2.1 of this document and any RFP Attachments have been completed. Submission of this section must comply with the instructions detailed in Template L – Response Checklist.

**Section M. Administrative Requirements (Final Proposal Only)**

All Final Proposals must include the following administrative requirements:

1. A Certificate of Liability Insurance equal to or greater than \$1,000,000.
2. Proof of Workers' Compensation Liability Insurance.



3. Attachment A1 – signed Federal Debarment Certification.
4. Attachment A2 - a completed certification form showing, upon award of the contract, the Vendor agrees to provide a completed Title 22, California Code of Regulations 1230000 Statement of Economic Interests, Form 700.
5. Attachment A3 - signed Payee Data Record form STD. 204.
6. Attachment A4 – signed Iran Contracting Act Certification.
7. Attachment A5 – completed DVBE declaration if applicable.
8. Attachment A6 – completed bidder declaration.
9. Attachment A7 – bidder instructions and information, which need not be signed and returned with the Vendor's proposal.
10. Attachment A8 – completed TACPA certification.

All attachments are available in the Procurement Library located at:

<http://hbex.coveredca.com/solicitations/2013-08/>

**Section O. Confidential Discussion Matrix (Draft Technical Proposal Only)**

See Sections 3.3.2 Confidential Discussion Matrix and 3.4 Confidential Discussions regarding this item and its purpose.

**3.12.2.2 Package 2 — Cost Proposal (Final Proposal Only)**

This package of the Vendor's response must include Template N – Cost Workbook as described below.

**Section N. Cost Proposal Instructions (Final Proposal Only)**

The Cost Proposal response will be provided by the submission of Template N – Cost Workbook. Vendors must complete this workbook as instructed and place it in a separate, sealed package, clearly marked as the Cost Proposal with the Vendor's name, the RFP number, and the RFP submission date.

Vendors must base their Cost Proposals on the Scope of Work described in Section 2.0 and associated sections of this RFP. The Cost Proposals must include any business, economic, legal, programmatic, or practical assumptions that underlie the Cost Proposal. Covered California reserves the right to accept or reject any assumptions. All assumptions not expressly identified and incorporated into the contract resulting from this RFP are deemed rejected by Covered California.

EAS must include one-time implementation services, ongoing maintenance and operations services (including software licensing and maintenance/operations), and additional services as needed. The Vendor must include all one-time and ongoing costs in the Cost Proposal. Total Costs are required by Covered California for evaluation and budget purposes. The additional detail of costs is required for Covered California's understanding.

Costs must be based on the terms and conditions of the RFP, including Covered California's General Provisions and Mandatory Requirements of the RFP (not the Vendor's exceptions to the terms and conditions). The Vendor is required to state all



other assumptions upon which its pricing is based in Template N – Cost Workbook. Assumptions must not conflict with the RFP terms and conditions including Covered California’s General Provisions or Mandatory Requirements of this RFP.

Vendors must provide firm-fixed price (FFP) costs for one-time implementation services, including a proposed payment schedule based on deliverables. In addition, the Vendor must provide fixed Hourly Labor Rates which may be used for Work Authorizations / Unanticipated Tasks.

Vendors must provide responses for all components of the costs, as required in Template N – Cost Workbook, following the instructions provided in the first tab of that workbook.

Vendors are responsible for entering cost data in the format prescribed by the Cost Workbook. Formulas have been inserted in the appropriate cells of the worksheets to automatically calculate summary numbers, and should not be altered. Further instructions for entering cost data are included in the worksheets. It is the sole responsibility of the Vendor to ensure that all mathematical calculations are correct and that the Total Costs reflect the Bid Amount for this RFP.

Completion of the Cost Workbook and worksheets is mandatory. Applicable purchase, delivery, tax, services, safety, license, travel, per diem, Vendor’s staff training, Project facility, and any other expenses associated with the delivery and implementation of the proposed items must be included in the Vendor’s costs and fixed Hourly Rates.

The Cost Proposal **MUST BE A SEPARATE SUBMISSION**. No cost information may appear in the Technical Proposal submission. If there is cost information in the Technical Proposal submission, the Vendor may be disqualified from consideration.

### 3.12.3 Proposal Crosswalk — Mandatory Templates

The table below lists the mandatory templates that the Vendor will submit as part of its Technical and Cost Proposals. In general, Vendors should utilize templates in the format supplied (i.e., Vendors should not delete instructions), and are responsible for ensuring that all requested information is provided.

**Table 6. Mandatory Templates**

Response Template	Template/Attachment Elements	Submitted with Which Proposal
Template A	Cover Letter and Executive Summary	Draft Technical and Final
Template B	Vendor Experience	Final
Template C	Vendor References	Final
Template D	Subcontractor Letters	Final
Template E	Vendor Project Organization and Staffing	Final
Template F	Staff Experience	Final



Response Template	Template/Attachment Elements	Submitted with Which Proposal
Template G	Functional Requirements	Draft Technical and Final
Template H	Functional Requirements Approach	Draft Technical and Final
Template I	Non-Functional Requirements	Draft Technical and Final
Template J	Non-Functional Requirements Approach	Draft Technical and Final
Template K	Work Plan	Final
Template L	RFP Response Checklist	Final
Template M	Administrative Requirements	Final
Template N	Cost Workbook	Final
Template O	Confidential Discussion Matrix	Draft Technical



### 3.12.4 Order of Precedence

In the event of any conflict or contradiction between or among these documents, the documents shall control in the following order of precedence:

1. The final executed Agreement, attachments, Covered California General Provisions, and all amendments thereto;
2. This RFP, as clarified by amendments, attachments, Vendor questions and Covered California's official responses thereto; and
3. Vendor's response/proposal to this RFP.

### 3.12.5 Procurement Library

The table below describes the documents that are available in the Procurement Library for reference purposes. Additional documents may be added to the library after the RFP is released, and Vendors are encouraged to check the website frequently for updates:

<http://hbex.coveredca.com/solicitations/2013-08/>

**Table 7. Procurement Library**

File #	Procurement Library Item Filename
1	QHP Contract Attachments
2	QHP Contract for 2014
3	Security Controls
4	Template M Attachments
5	Sample Data Sets
6	EAS Vendor Contract
7	QHP Products by Region – Individual 2014
8	QHP Products by Region – Individual 2015

Other public information potentially useful to Vendors is located at <http://hbex.coveredca.com/data-research/>.

## 3.13 Additional Terms and Conditions

### 3.13.1 Warranties

Vendors will be expected to make the following warranties:

1. The Vendor has all requisite power and authority to execute, deliver and perform its obligations under the Contract and the execution, delivery and performance of the Contract by the Vendor has been duly authorized by the Vendor.



2. There is no outstanding litigation, arbitrated matter or other dispute to which the Vendor is a party which, if decided unfavorably to the Vendor, would reasonably be expected to have a material adverse effect on the Vendor's ability to fulfill its obligations under the Contract.
3. The Vendor will comply with all laws applicable to its performance of the services and otherwise to the Vendor in connection with its obligations under the Contract.
4. All deliverables will be free from material errors and shall perform in accordance with the specifications there for.
5. The Vendor owns or has the legal right to use all intellectual property reasonably necessary for and related to delivery of the services and provision of the deliverables as set forth in the Contract and none of the deliverables or other materials or technology provided by the Vendor to Covered California will infringe upon or misappropriate the intellectual property rights of any third party.
6. All services shall be performed in a timely, diligent, and professional manner, in accordance with the highest professional or technical standards applicable to such services, by qualified people with the technical skills, training, expertise, and experience to perform such services in the planned environment. At its own expense and without limiting any other rights or remedies of Covered California hereunder, the Vendor shall re-perform any services that Covered California has determined to be unsatisfactory in its reasonable discretion, or the Vendor will refund that portion of the fees attributable to each such deficiency.
7. The Vendor has adequate resources to fulfill its obligations under the Contract.
8. Virus Protection – Vendor warrants and represents that any time software is delivered to Covered California, whether delivered via electronic media or the Internet, no portion of such software or the media upon which it is stored or delivered will have any type of software routine or other element which is designed to facilitate unauthorized access to or intrusion upon; or unrequested disabling or erasure of; or unauthorized interference with the operation of any hardware, software, data or peripheral equipment of or utilized by Covered California.

### **3.13.2 Proof of Insurance Coverage**

The Vendor will furnish the Covered California Contract Manager original Certificates of Insurance evidencing the required coverage to be in force on the date of award, and renewal certificates of insurance, or such similar evidence, if the coverage has expiration or renewal date occurring during the term of the Agreement. The Vendor will submit evidence of insurance prior to Agreement award. The failure of Covered California to obtain such evidence from the Vendor before permitting the Vendor to commence work will not be deemed to be a waiver by Covered California, and the Vendor will remain under continuing obligation to maintain and provide proof of the insurance coverage.

The insurance specified below will be carried until all services required to be performed under the terms of the Agreement are satisfactorily completed. Failure to carry or keep such insurance in force will constitute a violation of the Agreement, and Covered California maintains the right to stop work until proper evidence of insurance is provided.



The insurance will provide for thirty (30) calendar days prior written Notice to be given to Covered California in the event coverage is substantially changed, canceled, or non-renewed. The Vendor must submit a new coverage binder to Covered California to ensure no break in coverage.

The Vendor shall require its Subcontractor(s), other than units of local government which are similarly self-insured, to maintain adequate insurance coverage for general liability and automobile liability including non-owned auto liability, and further, the Vendor shall require its Subcontractor(s) to hold the Vendor and Covered California harmless. The Subcontractors' Certificate of Insurance shall also have the Vendor, not the State, as the certificate holder and additional insured. The Vendor shall maintain certificates of insurance for its Subcontractor(s).

The Vendor may provide the coverage for any or all Subcontractors, and, if so, the evidence of insurance submitted will so stipulate.

The Parties expressly understand and agree that any insurance coverage and limits furnished by the Vendor will in no way expand or limit the Vendor's liabilities and responsibilities specified within the contract documents or by applicable law.

The Vendor and each Subcontractor agree that insurer will waive their rights of subrogation against Covered California.

If the Vendor, or its Subcontractor(s), desire additional coverage, higher limits of liability, or other modifications for its own protection, the Vendor and each of its Subcontractors will be responsible for the acquisition and cost of such additional protection.

Vendor shall maintain the following insurance coverage types and amounts:

- Commercial General Liability: \$1,000,000 per occurrence; Umbrella: \$25,000,000 per occurrence and in aggregate
- Professional Liability: \$30,000,000 per occurrence and in aggregate
- Errors & Omissions Liability (include cyber liability, breach notification cost coverage, network security and privacy liability coverage): \$30,000,000 per occurrence and in aggregate
- Third-Party Fidelity/Crime: \$5,000,000 each occurrence
- Worker's compensation: minimum limits as required by law



## 4.0 Proposal Evaluation

Covered California will use a formal evaluation process to select the successful Vendor. Covered California will consider capabilities or advantages that are clearly described in the proposal, which may be confirmed by key personnel interviews, oral presentations, site visits, demonstrations, and references contacted by the Covered California. Covered California reserves the right to contact individuals, entities, or organizations that have had dealings with the Vendor or proposed staff, whether or not identified in the proposal.

Covered California will more favorably evaluate proposals that offer no or few exceptions, reservations, or limitations to the terms and conditions of the RFP, including Covered California's General Provisions.

### 4.1 Evaluation Criteria and Methodology

Covered California will evaluate proposals based on the following best value evaluation criteria:

1. Vendor Experience: Scoring for this factor shall be based on the similarity and depth of Vendor experience as compared to the needs of the Project.
2. Project Staff and Project Organization, including:
  - a. Project Organization: Scoring for this factor shall be based on the level of integration with the organization's staff, trading partners and commitment to on-site performance of work.
  - b. Key Project Personnel Experience: Scoring for this factor shall be based on the similarity and depth of staff experience as compared to the needs of the Project and key personnel.
3. Business Solution, including:
  - a. Functional: Scoring for this factor shall be based on the extent to which the solution meets defined needs, demonstrates thoroughness in its approach and plans, and highlights the Vendor's knowledge, clear understanding of scope and responsibilities, and commitment to minimizing harmful and maximizing beneficial impact to Covered California operations, in the following areas:
    - i. Aggregation (including Data Hosting, Storage, and Management; and Transformation and Delivery);
    - ii. Analytics, Reporting, and Usability;
    - iii. Modeling (including Benefit Modeling, Enrollment Analysis Modeling, and Risk Assessment Predictive Modeling);
    - iv. Episodes of Care and Disease Severity; and
    - v. Provider Quality and Auditing.
  - b. Non-Functional: Scoring for this factor shall be based on the extent to which the solution meets defined needs, demonstrates thoroughness in its approach and plans, and highlights the Vendor's knowledge, clear understanding of scope and responsibilities, and commitment to minimizing





harmful and maximizing beneficial impact to Covered California operations, in the following areas:

- i. Methodology (including Project Management; Design, Development, and Customization; Knowledge Transfer and Training; and Transition); and
  - ii. Technology (including Service Level and Performance; and Regulatory, Security, and Audit).
4. Cost
- a. One-time implementation services; and
  - b. Ongoing maintenance and operations services.

The following table outlines the weight and maximum points available for the major sections of the Vendor proposals:

**Table 8. Evaluation Criteria Weighting and Points**

Criteria	Sub-Criteria/Description	Weight	Maximum Points
Minimum Qualifications	Vendor meets minimum qualifications	Pass/Fail	P/F
Vendor Experience	Relevant Vendor Experience	5%	50
Project Staff and Project Organization	Project Organization	5%	50
	Key Project Personnel Experience	10%	100
Business Solution	Functional	30%	300
	Non-Functional	20%	200
Cost	Total Cost Points Calculation	30%	300
<b>TOTAL</b>			<b>1,000</b>

The evaluation team will assign a score for each sub-criterion between 0 and 10 with 10 being the highest attainable score. The table below describes the guidelines used for scoring proposals.



**Table 9. Scoring Guidelines**

Rating	Relation to Requirements	Strengths	Deficiencies	Weaknesses	Likelihood of Success	Score
Excellent	Superior attainment of all requirements	Numerous and significant in key areas	None	Minor, if any	Very High	10.0
Good	Expected to meet all requirements	Some and significant in key areas	None	Minor, but are far outweighed by strengths	High	7.5
Acceptable	Capable of meeting all requirements	Some in non-key areas	Minor	Minor, but are outweighed by strengths	Fair	5.0
Marginal	May not be capable of meeting all requirements	None, or some that are outweighed by weaknesses / deficiencies	Significant	Significant	Poor	2.5
Unacceptable	Not likely to meet all requirements	None, or some that are far outweighed by weaknesses / deficiencies	Needs major revision	Needs major revision	None	0

Cost proposals will be scored as described below:

The lowest cost proposal will receive the maximum point total of 300. The remaining cost proposal scores will then be applied in accordance with the following formula:

$$\text{Bidder's cost score} = (\text{Lowest cost proposal} \div \text{Bidder's total cost}) \times 300$$

## 4.2 Initial Compliance Screening

Covered California will perform an initial screening of all proposals received. Unsigned proposals and proposals that do not include all required forms and sections are subject to rejection without further evaluation. Covered California reserves the right to waive minor informalities in a proposal and award contracts that are in the best interest of Covered California

Initial screening will check for compliance with various content requirements and minimum qualification requirements defined in the RFP. Covered California through Covered California also reserves the right to request clarification from Vendors who fail to meet any initial compliance requirements prior to rejecting a proposal for material deviation from requirements or non-responsiveness.

## 4.3 Minimum Qualifications

### 4.3.1 Minimum Qualifications- Mandatory

If the Vendor cannot demonstrate compliance with all of these requirements to Covered California, the Vendor proposal will be rejected. The minimum qualifications' intent is to ensure the Vendor has existing and significant experience with health plan enrollment files (also known as member files) and claims files. Covered California is not seeking a Third Party Administrator. The Vendor, inclusive of any Subcontractor(s), may satisfy the minimum qualifications, provided that the subcontractor arrangement is not



severable during the term of the contract, unless mutually agreed to by Covered California and the Vendor:

1. Multi-payer business: Vendor claims/enrollment data services clients include at least one multi-payer arrangement defined as an All Payer Claims Database (APCD), CMS Qualified Entity, private health exchange, Medicaid program that involves multi-payer data services, or a "bundled client arrangement" such as a benefits administrator services entity with multiple participating health plans or employers.
2. California Issuer business: Vendor claims/enrollment data services clients include at least two (2) of the Covered California Issuers that include claims and enrollment data set services, including Anthem Blue Cross of California, Blue Shield of California, Chinese Community Health Plan, Health Net, Kaiser, LA Care, Molina, Sharp Health Plan, Valley Health Plan, and Western Health Advantage. It is desirable, but not mandatory, that Vendor has built interfaces to at least half of the Issuers contracted with Covered California.
3. Client base: Vendor claims/enrollment data services clients account for a minimum of 10 million lives.
4. Company size expressed in revenue, age, profits and headcount meets all of the following: \$20M in revenue, profitable for on average 75% of the quarters for the last five years or for the company's existence if less than five years, and more than 200 employees. Companies that have been acquired in the last five years should report their profitability as an independent company prior to acquisition.

The Vendor must use Template A – Cover Letter and Executive Summary to demonstrate compliance with the mandatory requirements. If the Vendor's Proposal meets or exceeds the mandatory requirements, the Vendor's Proposal may be included in the next part of the technical evaluation phase of this RFP — the Competitive Field Determination.

#### **4.4 Competitive Field Determinations**

Covered California may determine that certain proposals are within the field of competition for admission to discussions. The field of competition consists of the proposals that receive the highest or the most satisfactory evaluation results. Covered California may, in the interest of administrative efficiency, limit the number of proposals admitted to the field of competition.

Proposals that do not receive at least 70% of the evaluation points for each of the evaluation criteria may, at the sole discretion of Covered California, be eliminated from further consideration.

#### **4.5 Best and Final Offers**

Covered California may, but is not required to, permit Vendors to prepare one or more revised offers. For this reason, Vendors are encouraged to treat their original proposals, and any revised offers requested by Covered California, as best and final offers.

## 4.6 Discussions with Vendors

Covered California may, but is not required to, conduct discussions with all, some, or none of the Vendors admitted to the field of competition for the purpose of obtaining the best value for Covered California. It may conduct discussions for the purpose of:

- Obtaining clarification of proposal ambiguities;
- Requesting modifications to a proposal; and/or
- Obtaining a best and final offer.

## 4.7 Preference Programs

### 4.7.1 Small Business Preference

Small Business Regulations: This RFP does not include a minimum Small Business (SB) participation preference. However, bidders are encouraged to sub-contract with small businesses.

Small Business Preferences: Bidders claiming the 5% preference must be certified by California as a small business or must commit to subcontract at least 25% of the net bid price with one or more California Certified Small Businesses (CCSB). Certification must be obtained no later than 5:00 p.m. on the bid due date.

Section 14835, et seq. of the California Government Code (GC) requires a 5% preference be given to bidders who qualify as a SB. The rules and regulations of this law, including the definition of a small business for the delivery of goods and services, are contained in California Code of Regulations (CCR's), Title 2, Section 1896, and et seq. The SB preference is for California-based Certified SB only.

To claim the CCSB preference, which may not exceed 5% for any bid, the firm must have its principal place of business located in California, have a complete application (including proof of annual receipts) on file with the State Office of Small Business and DVBE Services (OSDS) by 5:00 p.m. on the bid due date (see Section 1.3) and be verified by such office.

### 4.7.2 Disabled Veteran Business Enterprise (DVBE) – Declaration & Program Incentive

This RFP does not require bidders to meet the minimum DVBE participation percentage or goal, however there is a 5% DVBE participation incentive. All bidders must complete and submit the Bidder Declaration with its proposal package and indicate if they will be participating in this incentive. Failure to complete and submit the required attachment as instructed may render the bid non-responsive. Pursuant to Military and Veterans Code Section 999.2, each State department has a participation goal of not less than 3% for disabled veteran business enterprises. These goals apply to the overall dollar amount expended each year by the awarding department.

If applicable, the bidder's score will be adjusted to include preference points for the designated participation levels in the table below.



**Table 10. Small Business and DVBE Preference Points**

Preference Programs if applicable	Points
Small Business	15
DVBE Participation 5% or Over	15
DVBE Participation 4% to 4.99% inclusive	12
DVBE Participation 3% to 3.99% inclusive	9
DVBE Participation 2% to 2.99% inclusive	6
DVBE Participation 1% to 1.99% inclusive	3

### 4.7.3 Commercially Useful Function (CUF)

Only State of California, Office of Small Business and DVBE Services (OSDS), certified DVBEs who perform a Commercially Useful Function (CUF) relevant to this solicitation may be used to satisfy the DVBE participation goal. The criteria and definition for performing a CUF are below. When responding to this RFP, bidders will need to verify each DVBE subcontractor’s certification with OSDS to ensure DVBE eligibility.

CUF Definition California Code of Regulations, Title 2, § 1896.61(l): The term "DVBE contractor, subcontractor or supplier" means any person or entity that satisfies the ownership (or management) and control requirements of §1896.61(f); is certified in accordance with §1896.70; and provides services or goods that contribute to the fulfillment of the contract requirements by performing CUF.

As defined in Military Veterans Code §999, a person or an entity is deemed to perform a "CUF" if a person or entity does all of the following:

- Is responsible for the execution of a distinct element of the work of the contract.
- Carries out the obligation by actually performing, managing, or supervising the work involved.
- Performs work that is normal for its business services and functions.
- Is not further subcontracting a portion of the work that is greater than that expected to be subcontracted normal industry practices.

A contractor, subcontractor, or supplier will not be considered to perform a CUF if the contractor's, subcontractor's, or supplier's role is limited to that of an extra participant in a transaction, contract, or project through which funds are passed in order to obtain the appearance of DVBE participation

### 4.7.4 TACPA

Preference will be granted to California-based Vendors in accordance with California Government Code Section 4530 et seq., whenever contract for goods and services are in excess of \$100,000 and the Vendor meets certain requirements as defined in the California Code of Regulations (Title 2, Section 1896.30) regarding labor needed to produce the goods or provide the services being procured. Bidders desiring to claim



Target Area Contract Preferences Act shall complete Std. Form 830 and submit it with the Final Proposal. Refer to the following website link to obtain the appropriate form with instructions:

<http://www.documents.dgs.ca.gov/dgs/fmc/pdf/std830.pdf>

A bidder who has claimed a TACPA preference(s) and is awarded the contract will be obligated to perform in accordance with the preference(s) requested, provided that the TACPA preference(s) was granted in obtaining the contract.

If there is no intention of claiming this preference, the Bidder does not need to submit the STD Form 830.

Bidders seeking the TACPA preference must complete and submit the required form and all necessary attachments with their bids.

## 5.0 Appendix 1 — Glossary of Acronyms and Terms

Please refer to the Procurement Library's QHP Contract for 2014 (Article 13) for definitions. Terms not defined there appear below, and wherever used in the RFP, shall be construed as follows:

1. "Access control" means a security measure restricting access to a resource to those who are authorized.
2. "Accountability" (a security quality subfactor) means the ability to trace actions affecting a secure resource to the responsible actor or condition.
3. "Accountable Care Organization (ACO)" means the groups of doctors, hospitals and other healthcare providers who voluntarily give coordinated healthcare to their Medicare patients. Coordinated care is to ensure that patients, especially the chronically ill, get the right care at the right time, while avoiding unnecessary duplication of services and preventing medical errors.
4. "All Payer Claims Database (APCD)" means a database, usually created by state mandate (although some voluntary databases exist), that typically includes data derived from medical, provider, pharmacy, and dental claims, along with supplemental eligibility and provider files, from private and public payers.
5. "American Recovery and Reinvestment Act (ARRA)" means the American Recovery and Reinvestment Act of 2009, including any subsequent laws, rules, mandates, etc. derived from it, as interpreted by the State of California.
6. "Analytic file" means the set of files that is created from Covered California submissions. Analytic Files may include information created through the application of analytic tools or derived from other data sources.
7. "Applicant" means an individual or organization that requests health care data and information in accordance with the procedures and requirements instituted by the Department pursuant to these regulations.
8. "Attack detection" means a security measure related to the active or passive monitoring of behaviors and conditions for evidence of an attack.
9. "Authentication" means verification by the solution of a claim of identity or origin against some source known to and trusted by the solution. Authentic data are confirmed to have come from a valid source.
10. "Authorization" means a part of access control in which the solution determines whether the actor is permitted to access the requested data or service.
11. "Availability" (a security quality subfactor) means the presence and accessibility of data and services when they are requested. If interrupted, a solution recovers and continues secure operation as quickly as possible without adverse side effects.
12. "Boundary protection" means services protecting the components of a solution that are exposed to the outside world. Boundary protection limits the means by which an external threat can penetrate the solution.



13. “Business Associate Agreement (BAA)” means a contract between a HIPAA covered entity and a HIPAA business associate that is used to protect Personal Health Information (PHI) in accordance with HIPAA guidelines. Please refer to the Procurement Library’s (1) EAS Vendor Contract, Exhibit F, and (2) QHP Contract for 2014 and Attachments.
14. “Business Intelligence (BI)” means the set of techniques and tools for the transformation of raw data into meaningful and useful information for business analysis purposes.
15. “Business to Business (B2B)” means commercial transactions between businesses, such as between a manufacturer and a wholesaler, or between a wholesaler and a retailer. Related terms are business-to-consumer (B2C) and business-to-government (B2G).
16. “Centers for Medicare and Medicaid Services (CMS)” means the federal agency that administers the Medicare program and works with the state government agencies to administer the Medicaid programs. In addition, this agency also ensures the administrative simplification of HIPAA and quality standards in long term care facilities, etc. among other areas of focus.
17. “Confidentiality” (a security quality subfactor) means the protection of sensitive information against unauthorized disclosure. This includes privacy, the protection of personal information.
18. “Conformance” (a security quality subfactor) means the operation of software as intended and without variation. It reliably performs the necessary tasks, no more and no less. The solution does not contain vulnerabilities that can be exploited to cause unwanted behavior.
19. “Consumer Assessment of Healthcare Providers and Systems (CAHPS)” means the survey results data that are available based on consumers and patients report and evaluations of their experience with healthcare
20. “Continuity of Care Document (CCD)” means an HL7 XML-based markup standard intended to specify the encoding, structure, and semantics of a patient summary clinical document for exchange.
21. “Data aggregator/data aggregation” means a vendor selected by Covered California that has a contract to act on behalf of Covered California to collect and process health care data.
22. “Data breach” means any access, destruction, loss, theft, use, modification or disclosure of data by an unauthorized party or that is in violation of Contract terms and/or applicable state or federal law.
23. “Data dictionary” means a centralized repository of information about data such as meaning, relationships to other data, origin, usage, and format.
24. “Data model” means a form to explain the structure and relationships of data that is independent of their storage method.
25. “Database administration (DBA)” means the set of activities and tasks performed by a database administrator to install, configure, administer, monitor, and maintain databases in an organization.





26. "Database management system (DBMS)" means the software that handles the organization, cataloging, storage, retrieval, and querying of data.
27. "De-identified health information" means information that does not identify an individual provider, patient, member or enrollee. De-identification means that such health information shall not be individually identifiable and shall require the removal of direct personal identifiers associated with patients, members or enrollees.
28. "Deliverable" means any unique and verifiable product, result, or capability to perform a service that is required to be produced to complete a process, phase, or project.
29. "Detection" means the monitoring of solution activities for incidents in progress. Upon detecting an incident, the solution will issue a notification or automatically initiate a response.
30. "Deterrence" (also known as prevention) means the protection of assets from malicious attack by making the attack as difficult as possible. The means by which an attacker can gain access to and compromise the asset are limited.
31. "Direct Personal Identifier" means any information, as to a member, other than case or code numbers used to create anonymous or encrypted data, that plainly discloses the identity of an individual, including:
  - (a) Names;
  - (b) Business names when that name would serve to identify a person;
  - (c) All elements of dates (except year) for dates directly related to an individual, including birth dates, admission date, discharge date, date of death, and all ages over 89 and all elements of dates (including year) indicative of such age, except that such ages and elements may be aggregated into a single category of age 90 or older;
  - (d) All geographic subdivisions smaller than a state, except for ZIP Codes that meet the criteria set out in 45 C.F.R. 164.514(b);
  - (e) Specific latitude and longitude or other geographic information that would be used to derive postal address;
  - (f) Telephone and fax numbers;
  - (g) Electronic mail addresses;
  - (h) Social Security numbers;
  - (i) Vehicle identifiers and serial numbers, including license plate numbers;
  - (j) Medical record numbers;
  - (k) Health plan beneficiary numbers;
  - (l) Account numbers;
  - (m) Certificate/license numbers;
  - (n) Personal Internet protocol (IP) addresses and uniform resource locators (URL), including those that identify a business that would serve to identify a person;
  - (o) Device identifiers and serial numbers;
  - (p) Biometric identifiers, including finger and voice prints; and
  - (q) Personal photographic images;



- (r) Any other unique patient identifying number, characteristic, but not including the Encrypted Unique Identifier.
32. "Disclosure" means the release, transfer, provision of access to, or divulging in any other manner of information outside the entity holding the information.
  33. "Encrypted unique identifier" means a code or other means of record identification to allow each patient, member or enrollee to be tracked across the data set, including across payers and over time, without revealing direct personal identifiers. Encrypted unique identifiers are assigned to each patient, member or enrollee in order that all direct personal identifiers can be removed from the data when data are submitted. Using the encrypted unique identifier, all records relating to a patient, member or enrollee can be linked for analytical, public reporting and research purposes without identifying the patient, member or enrollee.
  34. "Encrypted unique identifier vendor" means a vendor selected and approved by the Director to collect demographic data only from Insurers, assign an encrypted unique identifier to each patient, member, or enrollee, and transmit that identifier to the Insurer.
  35. "Encryption" means a method by which the true value of data has been disguised in order to prevent the identification of persons or groups, and which does not provide the means for recovering the true value of the data.
  36. "Essential Community Providers (ECP)" means the providers that predominately serve low-income medically underserved individuals as defined by Covered California.
  37. "eValue8" means the annual healthcare accountability and quality improvement assessment process and survey used by employers and coalition partners to gather healthcare data from plans across the nation.
  38. "Hashing" means a one-way method by which the true value of data has been transformed (through the conversion of the information into an unrecognizable string of characters) in order to prevent the identification of persons or groups. True value of hashed elements is deliberately non-recoverable by any recipient, including the Data Aggregator.
  39. "Health benefit plan" means a policy, contract, certificate or agreement entered into, or offered by an Insurer to provide, deliver, arrange for, pay for, or reimburse any of the costs of covered health care services.
  40. "Health care data set" means a collection of individual data files, including medical claims files, member eligibility files and provider files, whether in electronic or manual form.
  41. "Health care provider" means any person or entity licensed to provide or lawfully providing health care services, including, but not limited to, a physician, hospital, intermediate care facility or other health care facility, dentist, nurse, optometrist, podiatrist, physical therapist, psychiatric social worker, pharmacist or psychologist, and any officer, employee, or agent of that provider acting in the course and scope of his or her employment or agency related to or supportive of health care services.



42. "Identification" means a part of access control in which the solution identifies an actor before interacting with it.
43. "Individual" means any health plan that is sold to individuals or families through the California Health Benefit Exchange.
44. "Insurer" means any entity subject to the insurance laws and regulations of California, that contracts or offers to contract to provide, deliver, arrange for, pay for, or reimburse any of the costs of health care services, including, without limitation, an insurance company offering accident and sickness insurance, a health maintenance organization.
45. "Integrity" (a security quality subfactor) means the protection of data against unauthorized modification and fabrication.
46. "Intensive Outpatient Care Program (IOCP)" means a program that provides care coordination and intensive support for identified high risk individuals with medically complex needs.
47. "Issuer" means an insurer or licensed health care service plan which offers Qualified Health Plans through Covered California.
48. "Medical claims file" means all submitted and non-denied adjudicated claims for each billed service paid by an Insurer as defined in §18 on behalf of a Member as defined in §17 regardless of where the service was provided. This data file includes but is not limited to service level remittance information including, but not limited to, member encrypted unique identifier, provider information, charge/payment information, and clinical diagnosis/procedure codes
49. "Member" means a California resident who is a subscriber and any spouse or dependent who is covered by the subscriber's policy under contract with an Insurer. "Member" and "enrollee" are used interchangeably in the RFP.
50. "Member eligibility file" means a data file containing demographic information for each individual member eligible for medical benefits, for one or more days of coverage at any time during the reporting month.
51. "Metal tier" means a category of health plan— Catastrophic (Minimum Coverage), Bronze, Silver, Gold, Platinum — based on the percentage the plan pays of the average overall cost of providing essential health benefits to members. Catastrophic or Minimum Coverage does not cover any benefits other than three primary care visits per year before the deductible is met. The percentages the plans will spend, on average, are 60% (Bronze), 70% (Silver), 80% (Gold), and 90% (Platinum).
52. "Nonrepudiation" means a security measure related to the monitoring of events and recording of relevant information to disprove an actor's false denial of involvement in an incident.
53. "Office of Statewide Health Planning and Development (OSHPD)" means the California agency responsible for collecting data and disseminating information about California's healthcare infrastructure, promoting an equitably distributed healthcare workforce, and publishing valuable information about healthcare outcomes.
54. "Patient" means any person in the data set that is the subject of the activities of the claim submitted to and/or paid by the Insurer or covered by the health benefits plan.



55. “Per Member Per Month (PMPM)” means the dollar amount paid to a provider (hospital or healthcare worker) each month for each person for whom the provider is responsible for providing services
56. “Physical protection” means a security measure related to protection from physical threats such as theft, tampering, or destruction of equipment, including defenses against accidents and disasters.
57. “Primary Care Medical Home (PCMH)” means the model for transforming an organization and delivery of primary care to improve quality, efficiency, safety and effectiveness of healthcare. This is also referred to as the Patient Centered Medical Home, advanced primary care and the healthcare home.
58. “Privacy” means the protection of personal information; an aspect of confidentiality.
59. “Product type” means network product design; Health Maintenance Organization (HMO), Preferred Provider Organization (PPO), or Exclusive Provider Organization (EPO).
60. “Project Communications Management Plan” means the document that describes the processes that are required to ensure timely and appropriate planning, collection, creation, distribution, storage, retrieval, management, control, monitoring, and the ultimate disposition of project information. A Project Communications Management Plan may be part of an overall Project Management Plan.
61. “Project Cost Management” means the processes involved in planning, estimating, budgeting, financing, funding, managing, and controlling costs so that the project can be completed within the approved budget.
62. “Project Human Resource Management” means the processes that organize, manage, and lead the project team.
63. “Project Integration Management” means the processes and activities to identify, define, combine, unify, and coordinate the various processes and project management activities within the Project Management Process Groups.
64. “Project Management Plan” means the document that describes how the project will be executed, monitored, and controlled.
65. “Project Management Process Group” means a logical grouping of project management inputs, tools and techniques, and outputs. The Project Management Process Groups include initiating processes, planning processes, executing processes, monitoring and controlling processes, and closing processes. Project Management Process Groups are not project phases.
66. “Project Procurement Management” means the processes necessary to purchase or acquire products, services, or results needed from outside the project team.
67. “Project Quality Management” means the processes and activities of the performing organization that determine quality policies, objectives, and responsibilities so that the project will satisfy the needs for which it was undertaken.
68. “Project Risk Management” means the processes of conducting risk management planning, identification, analysis, response planning, and controlling risk on a project.
69. “Project Schedule” means an output of a schedule model that presents linked activities with planned dates, durations, milestones, and resources.



70. "Project Scope Management" means the processes required to ensure that the project includes all the work required, and only the work required, to complete the project successfully.
71. "Project Time Management" means the processes required to manage the timely completion of the project.
72. "Rating Region" means the 19 geographic regions that Insurers use for the purposes of premium rating.
73. "Recovery" means actions taken to correct any damage done and return to secure operation after a harmful incident.
74. "Recovery Point Objective (RPO)" means the point in time to which data can be recovered and/or systems restored when service is restored after an interruption. The Recovery Point Objective is expressed as a length of time between the interruption and the most proximate backup of data immediately preceding the interruption. The RPO is detailed in the Service Level Agreement.
75. "Recovery Time Objective (RTO)" means the period of time within which information technology services, systems, applications and functions must be recovered following an unplanned interruption. The RTO is detailed in the Service Level Agreement.
76. "Response" means actions taken to minimize an incident's impact when a potential attack or accident is detected.
77. "Schedule Model" means a representation of the plan for executing the project's activities including durations, dependencies, and other planning information, used to produce a project schedule along with other scheduling artifacts.
78. "Security measure" means a generic, implementation-independent form of security control that dictates what the solution should do to provide a secure environment. It describes security in a behavioral sense, not as a design decision.
79. "Security policy" means a set of rules or practices that a solution must enforce. It specifies how a solution should handle its assets in a secure manner.
80. "Security quality subfactor" means a specific systemic property under the security quality attribute that contributes to a state of security.
81. "Subscriber" means the individual responsible for payment of premiums to an Insurer or whose employment is the basis for eligibility for membership in a health benefit plan.
82. "Survivability" (also known as resilience) means a solution's ability to withstand attacks or accidents and continue to operate in a secure manner; an aspect of availability.
83. "System recovery" means a security measure related to services that minimize the effects of a security failure by restoring the system (i.e., solution) to a secure state during or after an attack or accident.
84. "Third-party payer" means a state agency that pays for health care services, or an Insurer, carrier, including a carrier that provides only administrative services for plan sponsors, nonprofit hospital, medical services organization, or managed care organization licensed in California.



85. “Trading Partner” means any entity that is itself or through a subcontractor transmitting or receiving HIPAA Compliant X12 Electronic Transactions.
86. “Work Authorization” means a permission and direction, typically written, to begin work on a specific schedule activity or work package or control account. It is a method for sanctioning project work to ensure that the work is done by the identified organization, at the right time, and in the proper sequence.
87. “Work Authorization System” means a subsystem of the overall project management system. It is a collection of formal documented procedures that defines how project work will be authorized (committed) to ensure that the work is done by the identified organization, at the right time, and in the proper sequence. It includes the steps, documents, tracking system, and defined approval levels needed to issue work authorizations.
88. “Work Breakdown Structure (WBS)” means a hierarchical decomposition of the total scope of work to be carried out by the project team to accomplish the project objectives and create the required deliverables.
89. “Work Breakdown Structure Component” means an entry in the Work Breakdown Structure that can be at any level.
90. “Work Package” means the work defined at the lowest level of the Work Breakdown Structure for which cost and duration can be estimated and managed.