CALIFORNIA HEALTH
BENEFIT EXCHANGE

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GOVERNOR

Solicitation HBEX4 – Request for CalHEERS Development and Operations Services

CalHEERS Solicitation

February ~~17~~22, 2012

ADDENDUM #~~3~~4

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1 INFORMATION AND BACKGROUND

1.1 PURPOSE OF THIS SOLICITATION

The purpose of this Solicitation is for the California Health Benefit Exchange (Exchange), in collaboration with the Department of Health Care Services (DHCS) and the Managed Risk Medical Insurance Board (MRMIB), to jointly solicit proposals that will provide the Exchange with a new System, the California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS). The Exchange has authority over the Health Benefit Exchange development and Operations, including the information technology (IT) Services required to Support it, and will conduct this Solicitation. DHCS administers and oversees a number of individual health care service delivery programs, and MRMIB administers and oversees several programs that serve lower income and medically uninsurable individuals. The Exchange, DHCS and MRMIB jointly sponsor the CalHEERS Project.

This Solicitation is requesting Proposals from qualified and experienced Vendor organizations that have demonstrated experience, expertise, leadership, and success in designing, implementing, and operating IT systems of similar size and scope as the CalHEERS.

1.1.1 Solicitation Objectives

Several objectives will drive the CalHEERS Project Development and Operations Services (CalHEERS Project) solicitation. The Exchange intends to:

- **Provide an open, fair, and accurate process that maximizes competition** while allowing the Exchange the flexibility to acquire the highest quality goods and Services.
- **Conduct a Solicitation** and Project to meet California and Federal deadlines, and deliver a high quality solution while minimizing risk.
- **Award a price-competitive Contract** for a solution that is compliant with federal requirements, including funding requirements.
- **Demonstrate effective leveraging of open source IT solutions** developed in other States with Affordable Care Act resources and make the solutions developed under this solicitation widely available to Support federal or other states' efforts to implement the Affordable Care Act.
- **Deliver a first-class consumer experience** that accommodates the needs of each type of consumer and facilitates an end-to-end process that attains and maintains health coverage, from eligibility and enrollment through plan comparison and selection to premium payment and long-term retention.

1.2 SCOPE OF THE SOLICITATION

The scope of this Solicitation is to acquire the Services of a Vendor to design, develop and deploy Software Functionality to meet the requirements of the Affordable Care Act, to maintain and operate the Software Functionality, and to provide other Services as defined. CalHEERS will include the following Applicable State Health Subsidy (ASHS) Programs:

- Modified Adjusted Gross Income (MAGI) Medi-Cal
- Non-MAGI Medi-Cal (for screening to a Statewide Automated Welfare System)

- Children's Health Insurance Program (CHIP)
- Access for Infants and Mothers (AIM)
- Advanced Premium Tax Credit (APTC)
- Cost Sharing Reductions (CSR)
- Basic Health Program (BHP) based on verified Application Data (if enacted)

The Project Sponsors desire innovation, optimal Services approaches, and have defined categories of Services for consideration:

- **A Baseline System** that includes all Core Functionality and Services identified in this Solicitation and establishes the technical and Functional foundation to accommodate the integration of the Medi-Cal Eligibility Data System (MEDS).
- **An Expanded System** that includes Core Enhancement Functionality and Services to Support the Core Functionality and Services and the State's strategic vision of integrating horizontal non-health social Services programs into CalHEERS.

The following Table provides a list of the desired Services and separately identifies those that are State Option to Buy. The term State Option to Buy means the Exchange may elect to purchase the development of identified Functionality or Services as part of this Solicitation or procure through other avenues.

If the State elects to purchase Core State Option to Buy Services, it will make that selection in writing as of the Execution Date for inclusion in the Baseline System to be designed, developed, and implemented by Contractor.

If the State elects to buy Core Enhanced Functionality, it will make that selection in writing within one year of the Execution Date to be designed, developed, and implemented by Contractor.

Table 1 – CalHEERS Services

Service	State Option to Buy
Development and Operations of CalHEERS Core Functionality (to meet the January 1, 2014 deadline)	
▪ Eligibility and Enrollment	
▪ Financial Management	
▪ Plan Management	
▪ Consumer Assistance (Customer Service and Education via Web Portal) in English and Spanish	
▪ Education and Outreach Tracking and Reporting	
▪ Forms, Notifications, and IVR in all Medi-Cal Managed Care Threshold Languages	
▪ Eligibility Transfer (i.e., pre-enrollment, pre-notification, and pre-population of applications)	
▪ Functional and Technical Foundation to accommodate the integration of MEDS and other eligibility program Functionality	
▪ Provider Directory with Linkages to Plan Selection	

Service	State Option to Buy
▪ Individual Premium Aggregation	✓
▪ Assister Management	✓
▪ Small Business Health Options Program **(**SHOP)	✓
▪ Organizational Change Management	✓
▪ Service Center Hardware, Software, and Facilities	✓
▪ Alternative Approach for Case Data Management	✓
Development and Operations of CalHEERS Core Enhancement Functionality (to meet the December 31, 2015 target)	
▪ Centralized Provider Directory Database	✓
▪ Other Health Services Programs (e.g., CDHP, BCCTP)	✓
▪ Other Non-Health Social Services Programs (e.g., CalFresh)	✓
▪ MEDS Integration	✓

The scope of Services and Deliverables to be completed by the Vendor are described in Section 4 – Vendor Scope of Work. All requirements relating to the Services, Deliverables, are contained in Attachment 2 – Requirements. Proposal submission instructions are contained in Section 5 – Proposal Preparation Instructions.

It is important to note that this Solicitation reflects current knowledge. There are still policies under consideration by the Exchange and other agencies, and federal guidance is pending. Vendors must be prepared to adapt to changes.

1.3 BACKGROUND

On March 23, 2010, President Obama signed into law the Patient Protection and Affordable Care Act (Affordable Care Act). On March 30, 2010, the Health Care and Education Reconciliation Act of 2010 was signed into law. The federal Affordable Care Act seeks to create a more competitive health insurance marketplace through the creation of state-based health insurance exchanges by 2014. As envisioned at the federal level, state-based exchanges will be "a mechanism for organizing the health insurance marketplace to help consumers and small businesses shop for coverage in a way that permits easy comparison of available plan options based on price, benefits and Services, and quality."[1] Federal goals for the Exchange include promoting efficiency, avoiding adverse selection, streamlined access and continuity of care, public outreach and stakeholder engagement, public accountability and transparency, and financial accountability.

In the fall of 2010, California enacted the first state law in the nation establishing a health benefit exchange under the Affordable Care Act, the California Patient Protection and Affordable Care Act. The Affordable Care Act included legislative intent for the creation of the Exchange to:

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[1] *Initial guidance to states on Exchanges.* Department of Health and Human Services. Center for Consumer Information and Insurance Oversight. November 18, 2010.

- **Reduce the number of uninsured** Californians by creating an organized, transparent marketplace for Californians to purchase affordable, quality health care coverage, to claim available federal tax credits and cost-sharing subsidies, and to meet the personal responsibility requirements imposed under the federal act.

- **Strengthen the health care delivery System**.

- **Guarantee the availability** and renewability of health care coverage through the private health insurance market to qualified individuals and qualified small employers.

- **Serve as an active purchaser**, including creating competitive processes to select participating carriers and other Contractors.

- **Require that health care service plans and health insurers** (collectively carriers) issuing coverage in the individual and small employer markets **compete** on the basis of price, quality, and service, and not on risk selection.

- **Meet the requirements of the federal act** and all applicable federal guidance and regulations.

1.3.1 Exchange Vision, Mission and Values

The vision of the California Health Benefit Exchange is to improve the health of all Californians by assuring their access to affordable, high quality care. Beginning in 2014, the California Health Benefit Exchange will allow individuals and small businesses to compare plans and buy health insurance on the private market. A successful Exchange will provide purchasers with a more stable risk pool, greater purchasing power, more competition among insurers and detailed information regarding the price, quality and service of health coverage. It will also streamline access for eligible individuals to programs that provide subsidies for health coverage. The Exchange will increase the number of insured Californians, improve health care quality, lower costs, and reduce health disparities through an innovative, competitive marketplace that empowers consumers to choose the health plan and providers that give them the best value.

- **Vision** – The vision of the California Health Benefit Exchange is to improve the health of all Californians by assuring their access to affordable, high quality care.

- **Mission** – The mission of the California Health Benefit Exchange is to increase the number of insured Californians, improve health care quality, lower costs, and reduce health disparities through an innovative, competitive marketplace that empowers consumers to choose the health plan and providers that give them the best value.

- **Values** – The California Health Benefit Exchange is guided by the following values:

  - *Consumer-focused* – At the center of the Exchange's efforts are the people it serves, including patients and their families, and small business owners and their employees. The Exchange will offer a consumer-friendly experience that is accessible to all Californians, recognizing the diverse cultural, language, economic, educational and health status needs of those we serve.

  - *Affordability* – The Exchange will provide affordable health insurance while assuring quality and access.

  - *Catalyst* – The Exchange will be a catalyst for change in California's health care System, using its market role to stimulate new strategies for providing high-quality, affordable health care, promoting prevention and wellness, and reducing health disparities.

  - *Integrity* – The Exchange will earn the public's trust through its commitment to accountability, responsiveness, transparency, speed, agility, reliability, and cooperation.

- **Partnership** – The Exchange welcomes partnerships, and its efforts will be guided by working with consumers, providers, health plans, employers and other purchasers, government partners, and other stakeholders.
- **Results** – The impact of the Exchange will be measured by its contributions to expanding coverage and access, improving health care quality, promoting better health and health equity, and lowering costs for all Californians**.**

California received a Level I Exchange Establishment grant for the period of July 1, 2011 to June 30, 2012 to continue planning and provide for early CalHEERS Implementation activities that enable California consumers to research their health coverage options and access federally-funded tax credits and cost sharing subsidies.

1.3.2 CalHEERS Project Governance

The CalHEERS is governed by the Exchange, DHCS and MRMIB. While the Project will have a single point of management, it will be guided by the Sponsors and its programmatic objectives. As described below, the Project Sponsors, Program Partners, Oversight Agencies, and other stakeholders have been involved throughout the CalHEERS planning process. Not all groups directly participate in the CalHEERS Project governance decisions and activities, however, Project Sponsors will collaborate with the team on matters relating to the CalHEERS and they will be affected by the Project's decisions and activities.

The CalHEERS Executive Steering Committee has overall authority for the Project and Project milestones, and is composed of a single representative from each of the Project Sponsors: the Exchange, DHCS, and MRMIB. It provides vision and direction for the Project and policy leadership and is responsible for ensuring that the Deliverables and Functionality of the CalHEERS Project are achieved. It approves changes to the Project scope, budget, and Schedule and promotes the success of the Project by assisting in removing barriers to timely attainment.

The following Table includes a listing of the Project Sponsors, Program Partners and Oversight Agencies involved with the CalHEERS Project.

Table 2 – Project Sponsors, Program Partners, and Oversight Agencies

Project Sponsors	
California Health Benefit Exchange (Exchange)	The Exchange has authority over all aspects of the Health Benefit Exchange development and Operations, including the IT Services required to support it. Its roles include:
	▪ Establishing and implementing many aspects of the California's Affordable Care Act policies and procedures
	▪ Providing a high-quality experience for individuals seeking health care coverage, as well as participants in the Exchange
	▪ Screening for and enrolling individuals
	▪ Certifying qualified health plans and negotiating with health plans on products to be offered in the Exchange
	▪ Coordinating with the Department of Health Care Services (DHCS), the Managed Risk Medical Insurance Board (MRMIB), and California counties to ensure that individuals are seamlessly enrolled and transitioned between coverage programs if their eligibility changes

	▪ Working with small employers on the choices and collection of payments for their employees ▪ Conducting the CalHEERS Procurement, managing the CalHEERS Project, and administering the CalHEERS Vendor Contract

Department of Health Care Services (DHCS)	The California Department of Health Care Services (DHCS) finances and administers a number of individual health care service delivery programs, including the California Medical Assistance Program (Medi-Cal), California Children's Services program, Child Health and Disability Prevention program, and Genetically Handicapped Persons Program serving approximately 7.5 million beneficiaries. Within DHCS:
	
	▪ Medi-Cal Eligibility Division has responsibility for developing Medi-Cal eligibility policy and the oversight of local county welfare departments that conduct Medi-Cal eligibility determinations on behalf of the department.
	
	▪ The Information Technology Services Division (ITSD) provides the IT environment and IT Services to Support the program and administrative objectives of the DHCS. ITSD Supports a portfolio of program applications, the largest of which is the Medi-Cal Eligibility Data System (MEDS)
	
	▪ The CA-MMIS Division has responsibility for oversight of the Medi-Cal claims Processing.
	
	▪ Medi-Cal Managed Care has responsibility for the Managed Care Counties including management of the Health Care Options (HCO) Contract. The HCO Vendor:
	
	    • Conducts enrollment broker Services for the California Medi-Cal population in the 16 HCO counties
	    • Provides for daily Operations of a call centers
	
	▪ DHCS will actively participate in the CalHEERS Project and will continue to administer and oversee its programs and ensure Medi-Cal determinations are consistent with federal and state requirements.

Managed Risk Medical Insurance Board (MRMIB)	The Managed Risk Medical Insurance Board (MRMIB) oversees the financing and the administration of four programs that serve lower income and medically uninsurable individuals, including the Healthy Families Program, the Access to Infants and Mothers (AIM) Program, Pre-Existing Condition Insurance Plan (PCIP), and Major Risk Medical Insurance Program (MRMIP). MRMIB implements programs via a contracted administrative Vendor. The administrative Vendor: ▪ Provides for daily Operations of multiple call centers ▪ Supports the electronic application and other systems ▪ Conducts premium billing and collections, application Processing, correspondence, annual eligibility review, disenrollment, and health plan coordination and reconciliation MRMIB will actively participate in the CalHEERS Project and will continue to administer and oversee its programs.
Program Partners	
Office of Systems Integration (OSI)	The Office of Systems Integration (OSI) provides Project management, oversight, Solicitation, and Support Services for large IT Projects for the Health and Human Services Agency
Department of	The California Department of Managed Health Care (DMHC) is a regulatory

Managed Health Care (DMHC)	body governing managed health care in California and a consumer rights organization that helps California consumers resolve problems with their health plan and works to provide a more stable and financially solvent managed health care System
California Department of Insurance (CDI)	The California Department of Insurance (CDI) is a regulator and oversight agency that is responsible for enforcing many of the State's insurance-related laws
California Technology Agency (CTA)	The California Technology Agency (CTA) is California's cabinet-level agency with statutory authority over IT strategic vision and planning, enterprise architecture, policy, and Project approval and oversight for the State's IT programs
Department of Social Services (CDSS)	The California Department of Social Services (CDSS) provides administration and oversight of programs that affect nearly three million of California's most vulnerable residents—foster children and youth, children and families receiving aid through the California Work Opportunities and Responsibility to Kids (CalWORKs) and CalFresh programs, adults and elderly in licensed community care Facilities, and aged, blind, and disabled recipients requiring In-Home Supportive Services or Supplementary Security Income/State Supplementary Payment (SSI-SSP) assistance
County Welfare Departments	County Welfare Departments are responsible for implementing and administering welfare programs in accordance with state and federal regulations
Statewide Automated Welfare System Consortia	The Consortia are responsible for maintaining the Statewide Automated Welfare Systems used by the counties to administer the welfare and Medi-Cal programs
Oversight Agencies	
Centers for Medicare and Medicaid Services (CMS)	The Centers for Medicare and Medicaid Services (CMS) is the federal agency responsible for overall oversight of Affordable Care Act Implementation including the Federal and State Exchanges. Design and Implementation activities of the Exchange are paid for with federal funds. CMS approves Exchange Establishment Grant proposals, Project approval documents, Solicitation documents and final contracts. Within CMS, the Center for Consumer Information and Insurance Oversight (CCIIO) is charged with helping implement many provisions of the Affordable Care Act. CCIIO oversees the Implementation of the provisions related to private health insurance. The Center for Medicaid and CHIP Services within CMS is responsible for oversight of California's Medi-Cal and CHIP programs.
California Health and Human Services Agency (CHHS)	The California Health and Human Services Agency (CHHS) oversees twelve departments that provide a range of health care and social Services, including the programs managed by DHCS
California Department of Finance (DOF)	The California Department of Finance (DOF) monitors and reviews State Projects' direction and progress and ensures appropriate funding for acquisition, development, and Implementation activities. The DOF has funding approval of all automated System Projects developed or contracted by state departments

1.3.3   Stakeholder Engagement

The Project Sponsors have sought and will continue to seek the input from consumers, consumer advocates, providers, county workers, brokers and many others on the CalHEERS System development, including health care consumers enrolled in health plans, individuals and entities with experience facilitating enrollment in health plans, representatives of small businesses and self-employed individuals, and advocates for enrolling hard-to-reach populations. Input is solicited through written comment, participation in small group sessions conducted across California, public comment at forums such as the Exchange and MRMIB public board meetings. In addition, as the CalHEERS Project begins, the Exchange will create a User Group, Supported by the Vendor, with particular focus on the website development and User interface.

1.4   BUSINESS NEED

CalHEERS must meet the needs of the Project Sponsors, comply with the federal and California Affordable Acts, Chapter 655, Statutes of 2010 (Assembly Bill No. 1602) and Chapter 659, Statutes of 2010 (Senate Bill 900). The Project Sponsors are committed to the timely and cost effective development and Implementation of CalHEERS, which will Support a high-quality customer experience, coordination among major health purchasers, collaboration and sharing within and among states, and adherence to industry standards.

As envisioned at the federal level, California's Exchange will be "a mechanism for organizing the health insurance marketplace to help consumers and small businesses shop for coverage in a way that permits easy comparison of available plan options based on price, benefits and Services, and quality." Federal goals for the Exchange include promoting efficiency, avoiding adverse selection, streamlined access and continuity of care, public outreach and stakeholder engagement, public accountability and transparency, and financial accountability.

1.4.1   Future Vision

The Project Sponsors have developed their vision for CalHEERS capabilities that will meet the Affordable Care Act goals and objectives. The following is a high-level summary. Details are contained in Section 4 - Vendor Scope of Work and in Attachment 2 - Requirements. The vision includes designing the System to deliver CalHEERS capabilities:

- **A Baseline System** that includes all Core Functionality and Services identified in this Solicitation and establishes the technical and Functional foundation to accommodate the integration of the Medi-Cal Eligibility Data System (MEDS).
- **An Expanded System** that includes Core Enhancement Functionality and Services to Support the Core Functionality and Services and the State's strategic vision of integrating horizontal non-health social Services programs into CalHEERS.

The Exchange expects the vendor to deliver a solution as follows:

- **Design, develop, test, and deliver** a fully integrated, automated System that:
  - Provides a first-class consumer experience and delivery of Services through a Web Portal format that:
    - ✘ Accommodates different consumers' access needs and facilitates and simplifies the end-to-end process to attain and maintain health coverage.

- Takes advantage of and/or exceeds the consumer experience and framework defined by the UX2014 Project.
- Presents content in a format that is culturally sensitive, navigation that is straightforward, and simple tools or methods to enable consumers to provide and obtain information.
- Is presented in English and Spanish, with links to phone, online chat, or IVR assistance in the Medi-Cal Managed Care Threshold languages.
- Enables access for persons with disabilities and Limited English Proficiency (LEP) and meets all Americans with Disabilities Act (ADA) requirements.
- Provides a mechanism for the webmaster to obtain feedback regarding accessibility improvements, general comments, and other recommendations.
- Enables customers to access consumer accounts via the CalHEERS Web Portal using role-based security.
- Utilizes the "no wrong door" service System that provides consistent consumer experiences for all entry points and enables customer service by phone, online access, or in-office to:
  - Allow individuals who wish to create an account to apply for and manage coverage easily.
  - Submit applications for healthcare coverage for enrollment and subsequent renewal with reduced consumer burden.
  - Provide subsequent information on how to disenroll, renew, transition between coverage programs, update case information (as required), or appeal an eligibility determination.
  - Allow application Processing across affordability programs for those families with members eligible for or enrolled in different programs.
  - Provide opportunities for Users to browse anonymously to assess their options.
  - Provide seamless and timely transition between health programs with no gaps in service.
  - Support consumers in making informed choices, including employees of small businesses in the SHOP exchange.
  - Provide the ability to shop and compare health plan options and select the plan that best meets their situation, (e.g., among Qualified Health Plans in the Exchange or among plans available based on Medi-cal eligibility).
- Provides ease of administration for small employers via the SHOP Functionality.
- Contains the Business Rules and technical capabilities to determine online, real-time eligibility for the CalHEERS, Healthy Families and for MAGI Medi-Cal income based eligibility. Counties will continue to determine eligibility and maintain case Data for non-MAGI Medi-Cal cases and other programs.
- Promotes transparency and accountability through compliance with federal guidelines and consistency of application of rules.
- Leverages existing Systems (where appropriate) and is built on an architecture that is scalable, flexible, modular, and dynamic.
- Is built on a single, comprehensive, and integrated Security and Privacy Framework that implements multiple federal and California state security and privacy policies and protects consumer information.
- Enables administrative Maintenance (e.g., record retention, secure destruction, and storage, etc.) and case Maintenance tasks.
- **Implement the automated System statewide**, which includes:

- Developing a statewide strategy for deploying CalHEERS with minimal business disruption.
- Conducting Organizational Change Management to prepare CalHEERS User groups and facilitate its Implementation.
- Developing and delivering System training to all business and technical Users of CalHEERS, including providing Facilities, Equipment, materials, organization, logistics, and Staffing.

■ **Operate and maintain the automated System** for the life of the Contract, which includes:

- Operating and maintaining CalHEERS in accordance with the Service Level Agreements (SLAs) identified in Appendix D – Model Contract.
- Providing Hosting Services for all Hardware, Software, Network, and Infrastructure components of the solution.

The Exchange expects Vendors to proactively monitor other State exchange developments and Implementations and to describe ways in which to incorporate public domain Software in their proposed solutions to this Solicitation. This expectation extends beyond the Proposal process into the Contract period. The Exchange is interested in continuous recommendations on ways in which to leverage other States' efforts and resulting cost savings. Correspondingly, the Exchange expects that the CalHEERS solution will be made available to other States as public domain Software.

1.4.2   Current Environment

Many requirements are intended to Support the Project Sponsors' emphasis on the customer experience and the availability of real-time eligibility determination for most applicants. Many of these Functions are available for the public programs in current automated systems, but none of these systems were developed with the performance objective of real-time eligibility determinations. In addition, employer Functions necessary for the SHOP Exchange have no directly analogous Functions in the public program systems. The following figure depicts California's current environment.

Figure 1 – CalHEERS Current Environment – Eligibility and Enrollment
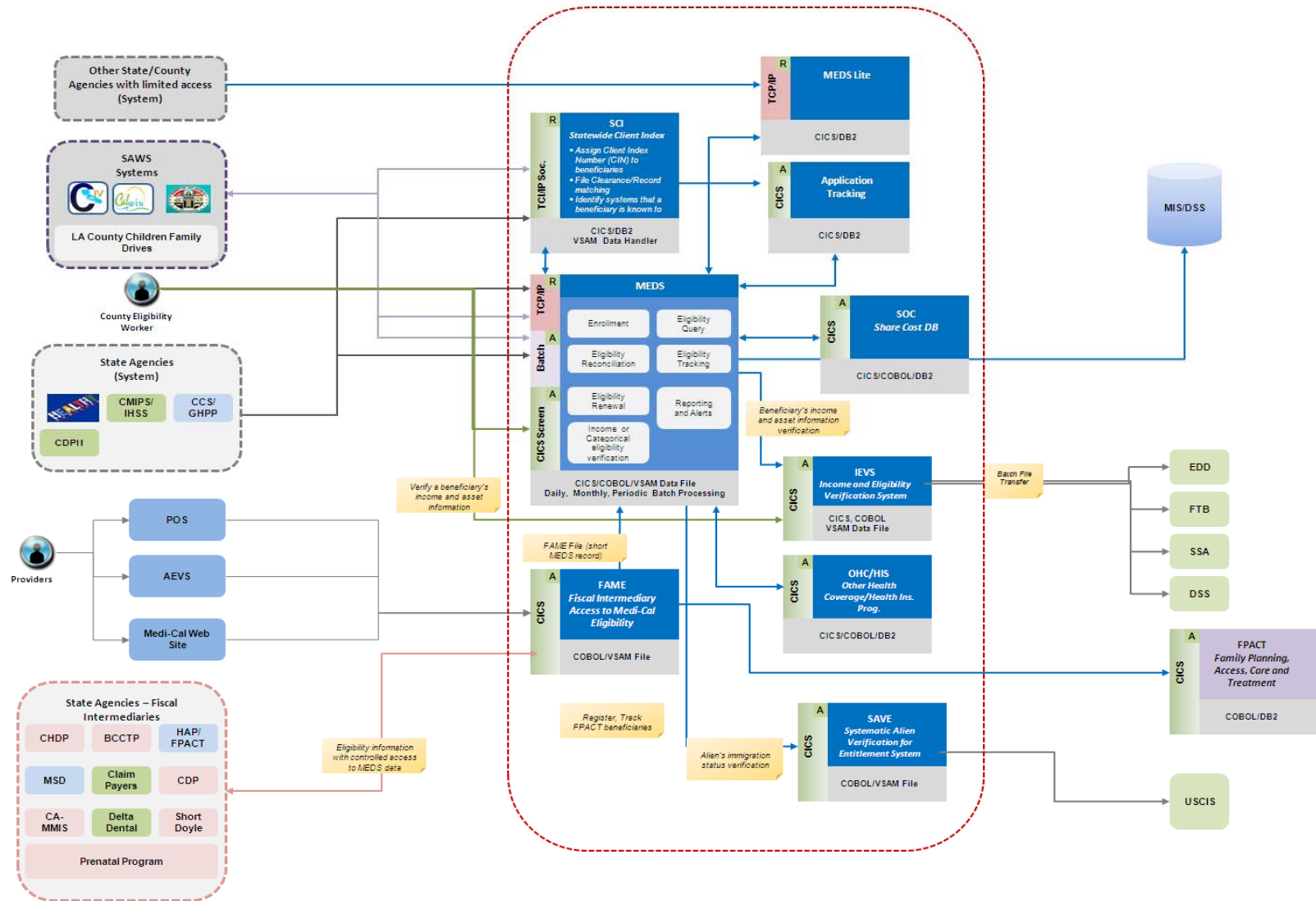
California has examined the capabilities available in current systems that perform similar Functions to those that will be performed by CalHEERS.

1.4.2.1 Medi-Cal Eligibility Data System (MEDS)

An enterprise of Databases, applications, Networks, people, and procedures work together to Support delivery of health care Services to Medi-Cal, County Medical Services Program and Related Health Program clients. The Medi-Cal Eligibility Data System consolidates information on all individuals receiving public benefits in California into a central Database and performs a variety of Functions based upon that information. MEDS and its related systems meet the need for consolidated, current, and accessible information on beneficiary eligibility in an environment where eligibility is determined on a decentralized basis, mostly by county welfare departments. The Data maintained within the MEDS Database originates from counties, state agencies, and federal agencies, and non-governmental organizations, such as health plans. Access to the Database is securely provided to authorized county, state and Vendor Staff involved in the administration of health and human Services programs. Refer to the CalHEERS Solicitation Library for detailed information on the MEDS System.

1.4.2.2 Publicly Available Websites

California has several publicly available websites that Support a range of public and county based Functions. The Sites are:

- **Benefits CalWIN** Supports application initial submission and other client self-service Functions for Medi-Cal and other public programs in 18 counties.
- **C4Yourself** Supports application initial submission and other client self-service Functions for Medi-Cal and other public programs in 39 counties.
- **YourBenefitsNow!** Supports application initial submission and other client self-service Functions for Medi-Cal and other public programs for residents of Los Angeles County.
- **Health-e-App/Public Access** Supports initial application submission and other client self-service Functions for Healthy Families, statewide.

1.4.2.3 Medi-Cal and Healthy Families Eligibility Determination and Case Management Systems

- **CalWIN** Supports county administration of Medi-Cal and other public programs in 18 counties.
- **C-IV** Supports county administration of Medi-Cal and other public programs in 39 counties.
- **LEADER** Supports county administration of Medi-Cal and other public programs in Los Angeles County.
- **MAXe2** Supports statewide administration of the Healthy Families program and screens for Medi-Cal eligibility. MAXe2 is operated under Contract to MRMIB and is a proprietary System operated by an administrative Services Vendor.

The county Medi-Cal eligibility systems and websites are all maintained and operated by vendors under contracts with the counties.

1.4.3 Gap Analysis

There are gaps between the capabilities of the existing systems and the federal and California Exchange requirements. None of the current systems can provide the full complement of Functions needed for CalHEERS. Principal gaps can be summarized as follows:

- **Online, Real-Time Eligibility Determination and Information Verification** – The existing systems provide real-time eligibility determination for their current programs, but do not include real-time determination for tax credits, cost-sharing reductions, exemptions, or small business eligibility. Additionally, and to some degree as a consequence, online verification of customer-submitted information is limited.

- **Integration of Plan Choice After Found Eligible** – Current public program websites have little or no Functionality to Support reviewing and comparing health plan information online and making related cost calculations. While Health-e-App offers Functionality to Support plan selection, it does not Support plan comparison.

- **Support for SHOP and Employer-Related Functions** – With no analogous Function in the public program environment, these systems offer no Functionality in this area.

- **Support for New Programs, Eligibility Determination, Financial, Reporting, and Other Administrative Processing** – As is true elsewhere, System logic to Support premium tax credits, reduced cost-sharing, MAGI Processing and other Affordable Care Act-specific Functionality does not exist in current systems.

- **Integration of Plan Management Functionality** – Current public program systems have no Functionality to Support robust management of a program to help consumers choose a health plan. Medi-Cal managed care program has some System Support for premium Processing, as do the Healthy Family programs.

- **Functionality to Support Assisters** – New Functionality will need to be developed. Certain Support is currently being developed, and the long history of application assisters using the website in the Healthy Families program provides a relevant model. Likewise, expanded Functionality for submitting coverage and managing the renewal process are in the development for the current systems.

Refer to the Solicitation Library for the California Application Level 1 Establishment Grant for more details about California's current environment and gaps in System Functionality.

1.5 SOLICITATION INSTRUCTIONS

This Solicitation contains the instructions governing the content and format of Proposals submitted by interested Vendors. It includes information regarding the process, preparation, submittal, evaluation, requirements, as well as the Vendor's responsibilities.

To minimize the risk of submitting a noncompliant Proposal, Vendors should do all of the following:

- Carefully read the Solicitation.
- Ask appropriate questions in a timely manner, if clarification is necessary.
- Submit all required responses by the required dates and times.
- Accurately follow and appropriately address all procedures and requirements of the Solicitation.

Responses to this Solicitation will be evaluated based on each Proposing Vendor's total Proposal. The total Proposal will include multiple Services that the Project Sponsors may or

may not ultimately purchase (i.e., State Option to Buy elements). The award, if made, will be to a single Proposing Vendor. This Solicitation features evaluation of Proposing Vendors across a number of categories, including but not limited to, cost.

The scope of Services and Deliverables to be completed by the Vendor are described in Section 4 – Vendor Scope of Work. All requirements relating to the Services, Deliverables, and Proposal submission are contained in Attachment 2 - Requirements. Every Requirement is mandatory and must be met.

Note: The Requirements described in this Solicitation do not reflect the final policies of the federal government or, in some cases, of the Project Sponsors. The Vendor is required to develop plans to satisfy all requirements as described with the understanding that some requirements may be modified or eliminated to reflect final policy determinations.

The following types of Requirements are used in this Solicitation.

Table 3 – Requirements Definition

ID	Definition
PR	Identifies Proposal Requirements (i.e., those related specifically to the submission of the Vendor proposals).
PMR	Identifies Project Management and Staffing Requirements the successful Vendor must meet during the Term of the Contract.
BR	Identifies Business Requirements the successful Vendor must meet during the Term of the Contract.
SR	Identified SHOP Requirements the successful Vendor must meet during the Term of the Contract.
UR	Identifies Usability Requirements the successful Vendor must meet during the Term of the Contract.
TR	Identifies Technical Requirements the successful Vendor must meet during the Term of the Contract.
DIR	Identifies Development and Implementation Requirements the successful Vendor must meet during the Term of the Contract.
OMR	Identifies Operations and Maintenance Requirements the successful Vendor must meet during the Term of the Contract.
DR	Identifies Deliverable Requirements (i.e., those related specifically to Deliverables the successful Vendor will submit during the Term of Contract).

1.5.1 Solicitation Document Sections

This Solicitation Document is divided into the following six (6) Sections:

- **Section 1** – **Information and Background** provides basic information about the purpose of this Solicitation Document, the CalHEERS Project, and the scope of this Solicitation, and general responsibilities.

- **Section 2** – **Solicitation Process and Schedule** outlines the overall Solicitation process and conditions, including the anticipated Solicitation Schedule, the process for handling questions from the Vendor community, the process for issuing addenda if necessary, the CalHEERS Solicitation Library, the Pre-bid Vendor Conference, confidentiality

Requirements, the appeal Process, and general procedures for contacting the Exchange concerning this Solicitation.

- **Section 3** – **Vendor Qualifications** contains corporate and Key Staff qualifications and experience.
- **Section 4** – **Vendor Scope of Work** outlines the various Services required from the Vendor including the Deliverables, work products, tasks and Support Services.
- **Section 5** – **Proposal Preparation Instructions** describes the Proposal format and submission Requirements.
- **Section 6** – **Evaluation Criteria** describes the overall methodology to be employed by the Exchange in evaluating Proposals and selecting the successful Vendor.

1.5.2 Appendices

Appendices to this Solicitation include:

- **Appendix A** – **Glossary** provides a listing of terms and acronyms that are used in this Solicitation Document and/or in Documents stored in the Procurement Library.
- **Appendix B** – **Collaborative Environment and Life Cycle Governance – Reference Architecture Supplement** provides a detailed description of the CalHEERS System Development Life Cycle or Exchange Life Cycle.
- **Appendix C** – **Solicitation Library Index** lists the contents of the CalHEERS Solicitation Library at the time of the Release of the Solicitation Document.
- **Appendix D** – **Model Contract** provides the Contract that will be used to govern the resultant Vendor Contract.
- **Appendix E** – **Federal and State ACA Regulations and Guidance** provides a listing of and links to the proposed regulations, relevant laws, policies, and guidance pertaining to the Affordable Care Act.

1.5.3 Proposal Attachments

The following Attachments (i.e., forms, checklists, and matrices to Support proposal submission) are provided with this Solicitation:

- **Attachment 1** – **Confidentiality Statement** is a statement that must be signed by an authorized representative of the Proposing Vendor.
- **Attachment 2** – **Requirements** contains all mandatory requirements that must be met by the Vendor. It contains a cross-reference column that provides the standardized and consistent format in which the proposing Vendor will track its responses to the Requirements within this Solicitation Document.
- **Attachment 3** – **Certification Checklist** must be completed, signed by a representative of the proposing Vendor who has the authority to bind the firm, and submitted as part of Attachments to the Vendor Proposal.
- **Attachment 4** – **Corporate Information and Experience Matrix** captures information about the Vendor's business structure, financial information and experience related specifically to the subject of this Solicitation.
- **Attachment 5** – **Key Staff Experience Matrix** is a form that captures information about specific work experience for each proposed Key Staff member.

- **Attachment 6** – **Client Reference Form** is for Vendors to provide required references, and for each Customer Organization to rate the Vendor's performance.

- **Attachment 7** – **Resume Form** provides a standardized and consistent format in which Key Staff résumés must be submitted.

- **Attachment 8** – **Cost Schedules** is the required form for presenting the costs for all Deliverables and Services proposed in response to this Solicitation Document.

- **Attachment 9** – **Proposal Contract Exceptions Table** is used by Vendors in their Proposals to identify and document exceptions Vendors may have in the Model Contract.

- **Attachment 10** – **Darfur Contracting Act Certification**, pursuant to Public Contract Code section 10478, is a required form. If a bidder or proposer currently or within the previous three years has had business activities or other Operations outside of the United States, it must certify that it is not a "scrutinized" company as defined in Public Contract Code section 10476.

- **Attachment 11 – DVBE and Small/Micro Business Participation Forms** are required to document Vendor's proposed planned use for and Documentation of DVBEs and Small/Micro Businesses.

- **Attachment 12 – Workers Compensation Certification Form** is used to certify Vendor's intention to comply with California Labor Code.

- **Attachment 13 – Form 700 Fair Political Practices Commission** requires use of this form for conflict of interest Certification.

- **Attachment 14 – Iran Contracting Act of 2010** pursuant to Public Contract Code Sections 2200 through 2208, includes preclusions for bidders if invested in activities in Iran.

See Section 5.5.4 for the full list of Attachments to be returned with Vendor proposals.

1.6   INTERPRETIVE CONVENTIONS

Whenever the terms "shall", "must", or "will" are used in this Solicitation in conjunction with a specification or performance Requirement, the specification, or Requirement is mandatory. A Proposing Vendor's failure to address or meet any mandatory Requirement may be cause for rejection of the Proposal. The term "day" shall mean calendar day unless otherwise stated. The terms "include," "includes," or "including" are intended to be expansive and unrestrictive, not restrictive or limiting.

1.7   CONTRACT TYPE

The successful Vendor will be awarded a Goods and Services Contract with Information Technology components. During the Design, Development and Implementation Phases, the Contract will be Deliverable-based, with corresponding payment milestones, and payments will be based on the Acceptance of these Services, Deliverables, and milestones. During the Operations and Maintenance Phase, payments will be based on a combination of Services, transactions and adherence to Service Level Agreements.

1.8   VENDOR COMPENSATION

A single Vendor must be the Prime Contractor for the entire term of the Contract. The Vendor will be responsible and compensated for the design, development, integration, coordination,

installation, Implementation, management, and service and Support of the entire solution as well as for delivery of all proposed elements and results.

1.9 TERM OF CONTRACT

The Term of Contract will be for five (5) years and is anticipated to begin April 18, 2012 and to end on April 17, 2017. The Exchange may, at its discretion, extend the Term of Contract that will result from this Solicitation for up to three (3) one-year extensions. Prior to authorizing an extension, the Exchange will take into consideration the continued need for such Services, the availability of funds, Vendor performance, and other relevant factors.

1.10 AVAILABILITY

The Equipment, Services, Facilities, and/or Software proposed to meet the requirements of the Solicitation must be installed, tested, and fully Operational as specified in Section 4 – Vendor Scope of Work.

2 SOLICITATION PROCESS AND SCHEDULE

The overall objective of this Solicitation is to provide an open, fair, and accurate process that maximizes competition while allowing the Exchange the flexibility to acquire the highest quality Goods and Services at the best available price.

2.1 SOLICITATION SINGLE POINT OF CONTACT

Vendors may <u>only</u> contact the Exchange Single Point of Contact as noted in Table 1 – Solicitation Single Point of Contact for any matters related to the CalHEERS Solicitation Project and this Solicitation.

Vendors are specifically directed not to contact the Exchange, the Exchange Board Members, the Health and Human Services Agency, the Department of Health Care Services (DHCS), the Managed Risk Medical Insurance Board (MRMIB), the Department of Managed Care and the Department of Insurance with any questions or issues related to this Solicitation.

Failure to adhere to this policy shall result in elimination of the Vendor's Proposal from further consideration.

Table 4 – Solicitation Single Point of Contact

Name	**Bill Fackenthall, Procurement Manager**
Physical Address	**California Health Benefit Exchange** **2535 Natomas Park Drive, Suite 120** **Sacramento, CA 95833**
Mailing Address	**California Health Benefit Exchange** **Attention: Solicitation Officer** **CalHEERS Project Development and Operations Services Solicitation** **2535 Capitol Oaks Drive, Suite 120** **Sacramento, CA 95833**
Fax	(916) 263-5634
E-mail	hbexsolicitation@hbex.ca.gov

2.2 SOLICITATION PROCESS

A multi-step Solicitation process will be used to select the CalHEERS Vendor. The major steps include:

- Draft Solicitation
- Notice of Intent to Respond
- Voluntary Pre-Bid Vendor Conference
- Confidential/Concept Presentation and Draft Contract Exceptions
- Proposal Submission
- Key Staff Interviews and Oral Presentations

- Best and Final Offer
- Notice of Intent to Enter into Negotiations
- Contract Award

These steps are identified in Section 2.2.1 – Solicitation Schedule and described in the subsequent subsections.

2.2.1   Solicitation Schedule

Table 5– Key Action Dates outlines the Schedule for important Activities and Dates. Unless otherwise stated, the deadline for all Scheduled Activities is 4:00 p.m., Pacific Time (PT) on the specified date. If the Exchange finds it necessary to change any of the dates prior to Final Proposal submission, it will be accomplished through an addendum to this Solicitation. Addendums will be posted on the Exchange web Site. All dates subsequent to the Final Proposal submission date are approximate and may be adjusted as conditions dictate without an addendum to this Solicitation. The Solicitation Schedule is as follows:

Table 5 – Key Action Dates

	Activity	Date
1.	Draft Solicitation Released for Public Comment	12/20/2011
2.	Notice of Intent to Respond Due	12/30/2011
3.	Public Comments Due	12/30/2011 **5:00 PM**
4.	CalHEERS Solicitation Library Available to Vendors	01/18/2012
5.	**Solicitation Released**	**01/18/2012**
6.	Deadline to Schedule Confidential Concept Presentations	01/2-7/2012 **5:00 PM**
7.	**Model Contract and Amendment 1 Released**	**01/26/2012**
8.	Voluntary Pre-bid Vendor Conference	01/27/2012
9.	Confidential Concept Presentations	01/30 - 02/3/2012
10.	Deadline to Schedule Confidential Model Contract Discussions	01/31/2012 **5:00 PM**
11.	Deadline to Schedule Cost Schedules Webinar	01/30/2012
12.	Last day to submit Written Questions on Cost Schedules	01/31/2012
13.	Cost Schedule Webinar	02/01/2012
14.	Confidential Model Contract Discussions	02/6 - 02/10/2012
15.	Possible Addendum Released	02/8 - 02/13/2012
16.	Last day to submit Written Questions on Solicitation	02/14/2012 **12:00 pm**
17.	Last day to respond to Questions on Solicitation	02/16/2012
18.	**Proposal Submission Deadline**	~~02/29~~03/05**/2012**

	Activity	Date
		4:00 pm
19.	Earliest Start of Key Staff Interview and Oral Presentation Period	03/05/2012
20.	Release of Notice of Intent to Enter into Negotiations (tentative)	04/04/2012
21.	Contract Award (tentative)	04/17/2012
22.	**Vendor Start** (tentative)	**04/18/2012**

2.2.2   Draft Solicitation

The Exchange welcomes and invited comments on this solicitation and its requirements from the public and Vendors. This Draft Solicitation was released to allow the public and Vendors to provide input in advance of the final Solicitation release. Public comments were submitted to the Exchange, and Vendor questions accepted by the Exchange according to Section 2.2.1 – Solicitation Schedule and following instructions included in Section 5 – Proposal Submission Instructions. The public and Vendors were advised to submit their comments on the form posted to the Exchange's website, www.hbex.ca.gov, and to carefully follow the form completion instructions. Based on public and Vendor comments, the Exchange refined the Solicitation prior to formal release.

2.2.3   Notice of Intent to Respond

Vendors may submit the Notice of Intent to Respond (www.hbex.ca.gov) by the date and time specified in Section 2.2.1 – Solicitation Schedule. This is a voluntary step. The Notice of Intent to Respond must identify a single contact person for the Solicitation Process, and email address, phone, and fax number for that person. All communication between the Vendor and the Exchange must be through that single point of contact. The Exchange will not respond to communiqués from other Vendor Staff. It shall be the Vendor's responsibility to notify the Exchange single point of contact identified in Section 2.1 – Solicitation Single Point of Contact, in writing, regarding any changes to the contact information. The Exchange is not responsible for Proposal correspondence not received by the Vendor if the Vendor fails to provide updated contact information as soon as administratively possible.

2.2.4   Voluntary Pre-Bid Vendor Conference

A Pre-Bid Vendor Conference will be held, and vendors are encouraged to attend, but attendance is not required. Vendor Conference information:

- **Date:** January 27, 2012
- **Time:** 9:00 AM – 12:00 PM
- **Location:** East End Complex
  Auditorium
  1500 Capitol Avenue
  Sacramento, California 95814

The Exchange will deliver an informative presentation including topics ranging from the vision of CalHEERS to completion of cost Schedules and key Contract terms. The Exchange will accept oral questions during the conference and will make a reasonable attempt to provide answers during the conference. Oral answers shall not be binding on the Exchange.

The Exchange will provide reasonable accommodations, including the provision of informational material in an alternative format, for qualified individuals with disabilities upon request. Requests for such accommodations shall be made to the Exchange at info@hbex.ca.gov in advance of the conference.

2.2.5   Confidential/Concept Presentation

Prime Vendors who submit a Notice of Intent to Respond may attend a confidential meeting with the Exchange and deliver a confidential Conceptual Presentation of the Vendor's initial solution. The confidential discussion will afford the Vendor an opportunity to identify issues, raise concerns, and pose questions.

Vendors are responsible for requesting a two-hour session timeslot by emailing their request to the Solicitation Single Point of Contact in Section 2.1 no later than **5:00 p.m., January 27, 2012**. Vendors may use the first 1.5 hours of the timeslot as they wish to convey their initial solution effectively. The remaining time will be reserved to summarize the session. Prime Vendors remain the single point of contact for this Solicitation; however, Prime Vendors may use their discretion and include Subcontractors to attend the confidential discussions.

2.2.6   Cost Schedule Webinar

The Exchange will host a Cost Schedules Webinar with the expressed purpose of providing a detailed walk-through and explanation of the Cost Schedules and facilitate a thorough understanding of the completion requirements. Vendors are requested to submit their questions following the Inquiry Format included in Section 2.5.2 – What to Include in an Inquiry, and by the dates specified in Section 2.2.1 Solicitation Schedule. Questions are to be submitted to the Solicitation Point of Contact 2.1. Oral comments made by the Exchange during this Webinar are not binding.

Vendors are responsible for scheduling attendance at the Cost Schedule Webinar by emailing their request to the Solicitation Single Point of Contact in Section 2.1 no later than **5:00 p.m., January 30, 2012.**

2.2.7   Confidential Model Contract Exceptions

Prime Vendors who submit a Notice of Intent to Respond may attend a confidential meeting with the Exchange to identify issues, raise concerns, and pose questions related to the Model Contract and SLAs. Vendors shall document and justify exceptions to Contract language with proposed alternative language in the structured format provided with Attachment 09 - Proposal Contract Exception Matrix. **Exceptions must be submitted to the Exchange prior to the Scheduled Confidential/Concept discussions.**

Vendors are responsible for requesting a two-hour session timeslot by emailing their request to the Solicitation Single Point of Contact in Section 2.1 no later than **5:00 p.m., January 31, 2012**. Proposed exceptions and proposed alternative language will form the agenda for the timeslot. Vendors must submit proposed alternative language two (2) business days prior to their timeslot. Prime Vendors remain the single point of contact for this Solicitation; however, Prime Vendors may use their discretion and include Subcontractors to attend the Contract discussions.

2.2.8 Proposal Submission

The Proposal must be complete, including all cost information and required signatures. Refer to Section 5 - Proposal Preparation Instructions.

2.2.9 Key Staff Interviews and Oral Presentations

Key Staff identified in Section 3.2 – Vendor Key Staff Qualifications will be required to participate in interviews by the Exchange. The questions to be asked of the personnel will include background and relevant experience, together with situational business related questions. Oral Presentations will be conducted in conjunction with the Key Staff interviews. The presentations will focus on the response to a standard set of questions that will be provided to all invited Vendors.

2.2.10 Best and Final Offer

The Exchange reserves the right to request one or more than one Best and Final Offer (BAFO) from any or all Proposing Vendors. The request may include:

- Notice that this is the opportunity to submit a Best and Final Offer.
- A cut-off date and time that allows a reasonable opportunity for submission of written Best and Final Offers.
- Notice that, if any modification is submitted, it must be received by the date and time specified by the Exchange.

2.2.11 Notice of Intent to Enter into Negotiations

The Exchange may require the apparently successful Vendor to participate in Contract negotiations and to submit revisions to pricing, technical information, or items from its Proposal that may result from these negotiations.

Contract negotiations will be held at a Site designated by the Exchange. The apparently successful Vendor must be available to begin negotiations within five (5) days following mailing of the Notification of Intent to Enter into Negotiations. If a satisfactory Contract cannot be negotiated within a reasonable time as determined by the Exchange, the Exchange may, at its sole discretion, terminate negotiations with the apparently successful Vendor and initiate negotiations with the next highest scoring Vendor.

2.2.12 Contract Award

Award of Contract, if made, will be in accordance with the Section 6 - Evaluation Criteria and to the responsive Vendor whose Proposal complies with all the requirements of the Solicitation document and any addenda thereto, except for such immaterial defects as may be waived by the Exchange. Award, if made, will be made within one hundred eighty (180) days after the Scheduled date for Contract Award specified in Section 2.2.1 – Solicitation Schedule; however, a Vendor may extend the offer beyond 180 days in the event of a delay of Contract award.

The Exchange reserves the right to determine the successful Vendor either on the basis of individual items or on the basis of all items included in its Solicitation. The Exchange reserves the right to modify or cancel in whole or in part this Solicitation.

2.3   PROPOSAL SUBMISSION

To be considered, all Proposals must be submitted in the manner set forth in Section 5 - Proposal Preparation Instructions**.** It is the proposer's responsibility to ensure that its Proposal arrives on or before the specified time. All Proposals and materials submitted become the property of the Exchange. The lack of response to this Solicitation will not prevent inclusion in future procurements.

2.4   EXAMINATION OF THE SOLICITATION

Vendors should carefully examine this entire Solicitation and any addenda thereto, and all related materials and Data referenced in this Solicitation or otherwise available to the Vendors, and should become fully aware of the nature and location of the work, the quantities of the work, and the conditions to be encountered in performing the work.

2.5   VENDOR QUESTIONS

The Exchange will accept written questions or concerns related to this Solicitation and/or its accompanying materials, instructions, or requirements, until the date and time specified in Section 2.2.1 – Solicitation Schedule. The only questions or concerns that will receive response are those submitted in accordance with Section 2.2.1 – Solicitation Schedule. **Vendors are encouraged to send questions on a flow basis.** The question and answer period will be ongoing until the question period ends. During this period, the Exchange will provide continual feedback. The Exchange will not respond to questions received after the deadline unless it is in the best interest of the Exchange to do so.

Proposing Vendors must notify the Exchange of any ambiguity, conflict, discrepancy, exclusionary specification, omission, or other error in this Solicitation by the deadline for submitting questions and comments. If a Proposing Vendor fails to notify the Exchange of these issues, the Proposing Vendor will submit a Proposal at its own risk, and if awarded a Contract: 1) shall have waived any claim of error or ambiguity in this Solicitation or resultant Contract; 2) shall not contest the Exchange's interpretation of such provision(s); and 3) shall not be entitled to additional compensation, relief, or time by reason of the ambiguity, error, or it later correction.

If Vendor questions or concerns indicate significant problems with the requirements of this Solicitation, the Exchange may, at its sole discretion, amend this Solicitation accordingly.

Following the question submission deadline, the Exchange may summarize all general questions and issues raised and post to the Exchange website, mail, email, or fax the summary and responses to all Vendors that submitted a Notice of Intent to Respond. The Exchange will also post such questions and responses on its public website. To the extent practical, inquiries will remain as submitted. However, the Exchange may consolidate and/or paraphrase similar or related inquiries. No inference should be drawn from any questions to which the Exchange does not respond in writing.

2.5.1   What to Include in an Inquiry

All questions and comments regarding this Solicitation must be sent to the Single Point of Contact (Section 2.1) and include the following elements:

- Vendor identification, including:
  - Vendor Name

- Mailing Address
- Inquirer's Name
- Mailing Address
- Email Address
- Telephone and Fax Numbers

■ A description of the subject or issue in question or discrepancy found.

■ The Solicitation Section, page number, or other information useful in identifying the specific problem or issue in question.

■ Remedy sought, if any.

Inquiries must be formatted as follows:

Table 6 – Inquiry Example

ID	Section	Page	Requirement	Question / Comment	Remedy Sought
1.	*Indicate the section or sub-section number (e.g., 3.1) or indicate the appendix or attachment number*	*Indicate the page number (e.g., 3-5)*	*Indicate the requirement number (e.g., TR134), if applicable*	*Provide question or comment here, providing further identification of the paragraph or bullet number for accurate referencing and response. Use "General" if a general question or "Solicitation" if the question deals with a section, appendix, or attachment within the Solicitation.*	*Describe the remedy sought, if applicable.*

2.6   INTERPRETATIONS AND ADDENDA

Any interpretation of or change in this Solicitation shall:

■ Be made by addendum.
■ Be sent to each Vendor that has submitted a Notice of Intent to Respond.
■ Become a part of this Solicitation and of any Contract awarded.

The Exchange will respond to written questions or requests for clarifications submitted to the Exchange Contact by the deadline stated in Section 2.2.1 – Solicitation Schedule. If, as a result of a question, the Exchange determines a change to this Solicitation is warranted, an addendum to this Solicitation will be issued and sent to all Vendors that have submitted a Notice of Intent to Respond and posted on the Exchange public website. The Exchange will not be responsible for any other method of explanation or interpretation.

2.7   SOLICITATION LIBRARY

A Solicitation Library will be established for use by Vendors in developing their Proposals in response to the final release of this Solicitation. Vendors will be required to obtain access to the library by following instructions posted on the Exchange Website. Vendors should carefully examine the entire Solicitation and any Addenda thereto, and all related materials contained in the CalHEERS Solicitation Library. The library is accessible at www.hbex.ca.gov. A Solicitation Library Index (Appendix C) provides a listing of the contents of the CalHEERS Solicitation

Library at the time of the Solicitation or addenda release. Documents are listed by document name, file name, and posting date.

Requirements specified in this Solicitation take precedence over any Solicitation Library Documentation.

The CalHEERS Solicitation Library will continue to be updated as further Documentation related to this Solicitation becomes available. Amendments to this Solicitation or the Solicitation Library Index (Appendix C) will not be issued when new information is posted to the Solicitation Library. Vendors are encouraged to continuously monitor the CalHEERS Solicitation Library.

2.8   CONFIDENTIALITY

During the term of Contract, the Vendor will have access to and may become acquainted with Confidential Information maintained in the records of the Exchange and/or its Stakeholders. The Vendor is required to protect from unauthorized use or disclosure names or other identifying information concerning persons receiving Services through the Exchange, the Exchange, and its stakeholders.

To preserve the integrity of the security and confidentiality measures integrated into the Exchange's information systems, each Vendor is required to sign the Confidentiality Statement (Attachment 1) and to submit it with its Proposal.

Similarly, any Vendor awarded a Contract as a result of this Solicitation will be required to exercise security precautions as described in the Contract to protect the confidentiality of information that may be acquired.

2.9   DETERMINATION OF CAPACITY/RESPONSIBILITY

Inquiries to determine the capacity of a Proposing Vendor may be conducted by the Exchange based upon information provided in the Proposal or as otherwise deemed necessary by the Exchange. The failure of a Vendor to supply information promptly in connection with such inquiry by the Exchange, including information regarding past performance and ability to perform on Schedule may be grounds for a determination of non-responsiveness and may result in elimination of the Vendor's Proposal from further consideration, as determined solely by the Exchange.

2.10 EXCLUSION FOR CONFLICT OF INTEREST

Each Vendor bidding on this Solicitation shall ensure that no conflict of interest exists between it and 1) its officers, employees, or Subcontractors; 2) the Exchange; and 3) the Exchange and its Vendors or Subcontractors. Vendors shall prevent employees, consultants, or members of governing bodies from using their positions for purposes that are, or give the appearance of, being motivated by a desire for private gain for themselves or others such as those with whom they have family, business, or other ties.

Officers, employees, and agents of cities, counties, districts, and other local agencies are subject to applicable conflict of interest codes and State law, including Section 23-602 (Code of Conduct) of Chapter 23-600 of the California Department of Social Services (CDSS) Manual of Policies and Procedures. In the event that the Exchange determines that a conflict of interest situation exists, any increase in costs associated with the conflict of interest situation shall be

disallowed by the Exchange, and such conflict shall in the Exchanges' discretion constitute grounds for termination of the Contract.

This provision shall not be construed to prohibit employment of persons with whom Vendor's officers, employees, or agents have family, business, or other ties so long as the employment of such persons does not result in increased costs over those associated with the employment of any other equally qualified applicant.

2.11 INACCURACIES OR MISREPRESENTATIONS

If, in the course of this Solicitation or in the administration of a resulting Contract, the Exchange determines that a Proposing Vendor has made a material misstatement or misrepresentation, or that materially inaccurate information has been provided to the Exchange, the Proposing Vendor may be terminated immediately from the Solicitation Process. In the event a Contract has been awarded, the Contract may be immediately terminated at the sole discretion of the Exchange.

2.12 IMPROPER CONSIDERATION

Vendors shall not offer (either directly or through an intermediary) any improper considerations including cash, discounts, Services, the provision of travel or entertainment, or any items of value to any officer, employee, or agent of the Exchange, the Health and Human Services Agency, the Department of Health Care Services, the Managed Risk Medical Insurance Board, the Office of Systems Integration, the Department of Managed Care and the Department of Insurance in an attempt to secure favorable treatment regarding this Solicitation.

Vendors shall immediately report any attempt by an Exchange officer, employee, or agent to solicit (either directly or through an intermediary) improper consideration from the Vendor. The report shall be made to the Exchange's single point of contact as defined in Section 2.1 – Solicitation Single Point of Contact or a higher authority within the Exchange.

The Exchange, by written notice, may immediately terminate the Contract if it determines that any improper consideration, as described in the preceding paragraph, was offered to any officer, employee, or agent of the Exchange with respect to any amendment, extension, or evaluation Process once a Contract has been awarded.

2.13 NOTICE REGARDING PUBLIC DISCLOSURE OF PROPOSAL CONTENTS

All responses to this Solicitation shall become the exclusive property of the Exchange. At such time as the Exchange recommends a Vendor to the Exchange, all Proposals submitted in response to this Solicitation shall become a matter of public record.

All information submitted in the Proposal or in response to a request for additional information is subject to disclosure under the provisions of the California Public Records Act, Government Code section 6250. The Exchange assumes no responsibility for disclosure or use of Data included in Vendor Proposals for any purpose. The Exchange will exercise care in applying this confidentiality standard but will not be held liable for any damage or injury that may result from any disclosure that may occur. The Proposing Vendor will indemnify, defend, and hold harmless the Exchange from any third party claims, actions, expenses, liabilities, action, and litigation arising from or regarding disclosure of such Data or information.

2.14 RIGHT TO CHANGE OR TERMINATE THIS SOLICITATION

The Exchange reserves the right to change or terminate this Solicitation, in whole or in part, at any time and for any reason whatsoever without any liability resulting from such action.

2.15 LOSS LEADER ADMONITION

The following statement is made in accordance with California Public Contract Code 10344(e)(1):

> *"It is unlawful for any person engaged in business within this state to sell or use any article or product as a "loss leader" as defined in Section 10730 of the Business and Professions Code."*

2.16 ACCEPTANCE OR REJECTION OF PROPOSALS

Proposals shall remain open, valid, and subject to Acceptance anytime within 180 calendar days after the Scheduled award date (see Section 2.2.1 – Proposal Schedule). The Exchange realizes that conditions other than price are important and will award a Contract based on the Proposal that best meets the needs of the Project Sponsors, Program Partners and Control Agencies. The Exchange may reject any or all Proposals, or any portion of a Proposal, and may waive any informality or immaterial irregularities in a Proposal. Any rejected portion of a Proposal will be deemed to be non-responsive for that Proposal only. If the Exchange determines there is non-responsiveness by all Proposing Vendors that appears to have been caused by a general misunderstanding of this Solicitation, the Exchange may, at its discretion, waive the related portion of all Proposals or issue a clarification and request a Best and Final Offer (BAFO).

2.17 PROPOSAL PREPARATION COSTS

Costs for developing Proposals are the responsibility entirely of the Proposing Vendor and shall not be chargeable to the Exchange.

2.18 RECYCLED PAPER PRODUCTS

Vendors are required to use recycled paper for any printed or photocopied material created as a result of this Solicitation or the resultant Contract with the Exchange. Vendors are also required to use both sides of paper sheets for Deliverables and work products submitted to the Exchange whenever practical.

2.19 PROPOSING VENDOR AS PRIME

The Exchange requires that the CalHEERS Contract be issued to one (1) Vendor who shall be responsible for successful performance of the work specified in this Solicitation. The selected Vendor, as Prime Contractor, must accept full responsibility for coordinating and controlling all aspects of the Contract, including Support or activities to be performed by any Subcontractor, if applicable. The selected Prime Contractor shall be responsible for successful performance of all Subcontractors. The Prime Contractor shall be the sole point of contact with regard to contractual matters related to Subcontractors and payment of any and all charges resulting from work completed.

2.20 SUBCONTRACTOR CONTRACTS

If the Vendor intends to subcontract any part of the proposed effort, it must be clearly delineated in the Proposal. All requirements as set forth in this Solicitation shall apply to proposed Subcontractors in the same manner as to the Prime Contractor.

The tasks, or portions thereof, that are intended to be subcontracted must be identified and defined. The Subcontractor(s) responsible shall be identified by name, responsible point of contact, address, and phone number. The rationale for selection of the Subcontractor(s) must be stated. The exact type and amount of work to be done by each Subcontractor must be identified and defined. Copies of the subcontract(s) shall be submitted to the Exchange within ten (10) days of their execution.

2.21 FINAL AUTHORITY

The final authority to award a Contract resulting from this Solicitation rests solely with the Exchange.

2.22 PROTEST PROCESS

The CalHEERS Solicitation protest process shall be the Alternative Protest Process administered by the Department of General Services. Subject to the clarifications below, the protest process is governed by California Code of Regulations, Title 1, Sections 1400–1440.

With respect to Section 1404, the Exchange has the discretion to award a contract in response to the CalHEERS Solicitation, and commence work on that contract while a protest to the selection is pending, without approval by either the Director of the Department of General Services or the California Technology Agency.

With respect to Section 1418(b), the value of the bond required if a protest is determined frivolous shall be 10% of the Estimated Contract Value.

2.23 RELEASE OF INFORMATION

No news releases, advertisements, public announcements, or photographs arising out of this Solicitation, the resultant Contract or Vendor's relationship with the Exchange may be made or used without prior written approval of the Solicitation Official listed in Section 2.1 - Solicitation Single Point of Contact.

2.24 RESTRICTIONS ON LOBBYING

The Vendor certifies, to the best of its knowledge and belief, that:

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

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

The Vendor shall require that the contents of this Certification be collected from the recipients of all subawards, exceeding $100,000, at all tiers (including subcontracts, subgrants, etc.) and shall be maintained for three years following final payment/settlement of those agreements.

This Certification is a material representation of fact upon which reliance was placed when the Contract was made and/or entered into. The making of the above Certification is a prerequisite for making or entering into the Contract pursuant to 31 U.S.C. 1352 (45 CFR 93). Any person who fails to file the required Certification shall be subject to a civil penalty of not less $10,000 and not more than $100,000 for each such failure.

The Standard Form-LLL may be obtained from various agencies and federally World Wide Web Internet Sites or from the Exchange upon request.

2.25 DISPOSITION OF PROPOSALS

All materials submitted in response to this Solicitation upon submission are the property of the Exchange and will be returned only at the Exchange's option and at the Proposing Vendor's expense. At a minimum, the Master Copy of the Proposal shall be retained for official files and will become a public record after the Notification of Intent to Enter into Negotiations as specified in Section 2.2.1 – Solicitation Schedule. Materials that the Exchange considers to be Confidential Information may be returned to the Vendor upon the request of the Proposing Vendor.

3 VENDOR QUALIFICATIONS

3.1 MINIMUM VENDOR QUALIFICATIONS

The Vendor's ability to perform and successfully deliver the CalHEERS solution is, to a great extent, dependent on past experience in similar endeavors. Each proposing Vendor must meet the following minimum qualifications for the CalHEERS Project:

- Ability and commitment to meet the required California and federal timelines.
- At least five (5) years of verifiable successful experience developing and implementing large-scale statewide or multiple entity government systems, preferably in the health and human Services and/or insurance areas.
- At least three (3) years of verifiable successful experience maintaining and operating large-scale statewide or multiple entity government systems, preferably in the health and human Services and/or insurance areas.
- At least three (3) years of verifiable successful experience establishing and implementing large-scale statewide or multiple entity Call Centers or Service Centers, preferably in the health and human Services and/or insurance areas.
- At least two (2) years of verifiable successful experience maintaining and operating large-scale statewide or multiple entity Call Centers or Service Centers, preferably in the health and human Services and/or insurance areas.

The above qualifications may be met through a combination of years of experience of the Prime Vendor and Major Subcontractors (as defined in Section 5.5.2.3).

The Vendor must also possess and be able to provide the following:

- Ability and commitment to rapidly mobilize, deploy, and train a large Project development and Implementation team consisting of Vendor, State, and other Staff.
- Ability and commitment to quickly prepare and equip a large Project development Site.
- Flexibility and commitment to rapidly respond to and address changing conditions and requirements.
- Ability and commitment to adhere to and fulfill all Contract terms and conditions as specified in Appendix D – Model Contract.
- Evidence of financial wherewithal and stability as reflected in financial statements.
- Valid business license in the State of California.

3.2 VENDOR KEY STAFF QUALIFICATIONS

The Vendor Staff assigned to the CalHEERS Project is ultimately responsible for ensuring the objectives of the Exchange and the requirements of this Solicitation are met. The Vendor Key Staff are expected to Function as trusted advisors to the Exchange team in their respective roles. The Exchange, its Project Sponsors, and Program Partners will be interacting with the Vendor Key Staff on a day-to-day basis for the next several years. For these reasons, the Exchange places a great deal of emphasis on the expertise, experience, and capabilities of the proposed Key Staff.

The Exchange considers the following positions as Key Staff for the Development and Implementation (D&I) phase:

- Project Manager
- PMO Manager
- Application Development Manager
- Technical Manager
- System Architect
- Implementation Manager

The Exchange considers the following positions as Key Staff for the Operations and Maintenance (O&M) phase:

- Project Manager
- O&M Manager
- PMO Manager
- Application Maintenance Manager
- Technical Manager
- Service Center Manager

3.2.1   General Key Staff Qualifications

The Vendor must provide convincing evidence that the proposed Key Staff can effectively carry out their duties and responsibilities. Convincing evidence includes substantiated resume information, Key Staff interviews, oral presentations, and reference checks. All Key Staff must meet the following minimum qualifications.

- Demonstrated leadership experience in a similar role on one or more Projects of similar magnitude and complexity.

3.2.2   Project Manager Key Staff Qualifications

The proposed Vendor Project Manager must, at a minimum, meet the following qualifications:

- Demonstrated leadership experience as a Project Manager on one or more Projects of similar magnitude and complexity.
- Possess the authority within the Vendor organization to make and fulfill Staffing commitments.
- Possess the authority within the Vendor organization to negotiate changes to requirements or other changes in scope.

4 VENDOR SCOPE OF WORK

The intent of this section is to provide the parameters for the scope of work to be performed and the outcomes to be achieved (i.e., Functionality and Services to be delivered and minimum technical capability to Support each). To accomplish the scope of work identified in this section, the Vendor must adhere to all requirements identified in Attachment 2 – Requirements.

Vendors must respond to all Functionality and requirements identified in this Solicitation (as instructed in Section 5). The California Health Benefit Exchange (Exchange) retains the option to purchase any or all Functionality or Services identified as State Option to Buy.

4.1 OVERVIEW

The Exchange seeks to procure a Vendor to design, develop, deploy, operate, and maintain the California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS) and provide other Services as defined and directed by the Exchange. The Exchange also seeks Vendor solutions and development methodologies that are creative and leverage innovations from other States and existing systems; specifically, the expectation is for the Vendor to proactively monitor exchange developments and Implementations in other States and provide recommendations for leveraging other State efforts in their System design and delivery.

The Vendor is expected to implement:

- **A Baseline System that includes** all Core Functionality and Services identified in this Solicitation and establishes the technical and Functional foundation to accommodate the integration of the Medi-Cal Eligibility Data System (MEDS) and other eligibility programs.
- **An Expanded System that includes** Core Enhancement Functionality and Services to Support the Core Functionality and Services and the State's strategic vision for CalHEERS.

The Baseline System is to be available for coverage enrollment as early as July 1, 2013, but no later than September 28, 2013, and fully Operational on January 1, 2014 to meet the federally-imposed deadline for creating an Operational Exchange and to enroll newly eligible individuals in California's Applicable State Health Subsidy (ASHS) Programs. The expanded System is expected to be delivered by December 31, 2015.

This section outlines the:

- Project Schedule for the key milestones for delivering Development and Implementation (D&I) Services and the timeframes for providing Operations and Maintenance (O&M) Services for the Baseline System.
- Business/Functional Scope of the Baseline System (Core Functionality and Services), Baseline System Alternative (Core Functionality and Services with a Case Data Management alternative approach), and Expanded System (Core Enhancement Functionality and Services).
- Technical Scope and capabilities required to effectively deliver and operate the required and selected business Functionality.
- Project Management Services to be provided as part of D&I and O&M Services.
- Development and Implementation Services required as part of designing, developing, and deploying CalHEERS.

- Deliverables to be produced and submitted as part of the D&I Services.
- Operations and Maintenance Services required as part of operating and maintaining CalHEERS.

4.2 PROJECT SCHEDULE

The following sections detail the anticipated high-level Schedules for the Baseline and Expanded CalHEERS.

4.2.1 Baseline System Schedule

The Exchange expects the Vendor to develop and implement the Baseline System within the timeframes outlined in the following tables. The first table includes key milestones and dates and is <u>not</u> a complete listing of all milestones and dates. See Section 4.5.5 – Schedule and Work Plan Management for information pertaining to the detailed Schedule to be provided by the Vendor for completing all D&I and O&M tasks and milestones.

Table 7 – CalHEERS Key D&I Milestones for Baseline System

CalHEERS Key D&I Milestones for Baseline System	Expected Completion
Vendor Starts Work	04/18/12
Mandatory Milestone: Project Baseline Review (PBR)	Vendor Proposed
Mandatory Milestone: Preliminary Design Review (PDR)	Vendor Proposed
Mandatory Milestone: Detailed Design Review (DDR)	Vendor Proposed
Mandatory Milestone: Final Detailed Design Review (FDDR)	Vendor Proposed
Mandatory Milestone: Pre-Operational Readiness Review (PORR)	Vendor Proposed
Mandatory Milestone: Operational Readiness Review (ORR)	Vendor Proposed
Launch Comparison Tool with Pricing Information	07/01/13
Launch Enrollment Functionality	07/01/13

In meeting and proposing the dates for the key milestones listed above, it is of critical importance that a minimum of 60 calendar days be Scheduled for User Acceptance Testing (UAT) by the Exchange Staff.

While health coverage under the Affordable Care Act will not be effective until January 1, 2014, CalHEERS must be Operational to enable early enrollment as early as July 1, 2013, but no later than September 28, 2013.

Table 8 – CalHEERS Key Start-up Periods for Baseline System

CalHEERS Key Start-up Periods for Baseline System	Expected Start	Expected Completion
Initial O&M Period	07/01/13	12/31/13
Initial Open Enrollment Period	07/01/13	12/31/13
First Effective Date of Coverage	01/01/14	N/A

In addition to the initial open enrollment period listed in the above table, the Exchange envisions an annual open enrollment period not to exceed 90 calendar days.

The following table provides the O&M time period, including transition and optional O&M periods for the Baseline System.

Table 9 – CalHEERS O&M Periods for Baseline System

CalHEERS O&M Periods for Baseline System	Expected Start	Expected Completion
O&M Period	01/01/14	04/30/17
Optional One-Year O&M Period	05/01/17	04/30/18
Optional One-Year O&M Period	05/01/18	04/30/19
Optional One-Year O&M Period	05/01/19	04/30/20
Transition Period (Will begin six months prior to the end of the O&M Period.)	TBD	TBD

4.2.2 Expanded System Schedule

The Exchange expects the Vendor to develop and implement the Expanded System within the timeframes outlined in the following tables. Table 10 includes key milestones and dates and is not a complete listing of all milestones and dates. See Section 4.5.5 - Schedule and Work Plan Management for information pertaining to the detailed Schedule to be provided by the Vendor for completing all D&I and O&M tasks and milestones. **It is of critical importance to the Exchange that delivery of the Baseline System by the federally imposed dates not be jeopardized by the Implementation of the Expanded System Functionality.**

Table 10 – CalHEERS Key D&I Milestones for Expanded System

CalHEERS Key D&I Milestones for Expanded System	Expected Completion
Vendor Starts Work on Expanded System	Vendor Proposed
Mandatory Milestone: Project Baseline Review (PBR)	Vendor Proposed
Mandatory Milestone: Preliminary Design Review (PDR)	Vendor Proposed
Mandatory Milestone: Detailed Design Review (DDR)	Vendor Proposed

CalHEERS Key D&I Milestones for Expanded System	Expected Completion
Mandatory Milestone: Final Detailed Design Review (FDDR)	Vendor Proposed
Mandatory Milestone: Pre-Operational Readiness Review (PORR)	Vendor Proposed
Mandatory Milestone: Operational Readiness Review (ORR)	Vendor Proposed
Deliver Completed Expanded System	12/31/15

The following table provides the O&M time period, including transition and optional O&M periods for the Baseline System.

Table 11 – CalHEERS O&M Periods for Expanded System

CalHEERS O&M Periods for Expanded System	Expected Start	Expected Completion
Initial O&M Period	07/01/15	12/31/15
O&M Period	01/01/16	04/30/17
Optional One-Year O&M Period	05/01/17	04/30/18
Optional One-Year O&M Period	05/01/18	04/30/19
Optional One-Year O&M Period	05/01/19	04/30/20
Transition Period (Will begin six months prior to the end of the O&M Period.)	TBD	TBD

4.3 BUSINESS/FUNCTIONAL SCOPE

The primary business objective of CalHEERS is to provide a "one-stop shop" to determine eligibility for non-subsidized coverage for individuals in the Exchange and subsidized coverage for individuals eligible for the following Applicable State Health Subsidy (ASHS) Programs:

- Modified Adjusted Gross Income (MAGI) Medi-Cal
- Non-MAGI Medi-Cal (for screening to a Statewide Automated Welfare System)
- Children's Health Insurance Program (CHIP)
- Access for Infants and Mothers (AIM)
- Advanced Premium Tax Credit (APTC) in the Exchange
- Cost Sharing Reductions (CSR) in the Exchange
- Basic Health Program (BHP), if enacted, based on verified Application Data

The Vendor is expected to deliver the Functionality identified in this section while meeting all business needs and the future vision of CalHEERS as identified in Section 1.4. The business Functionality and Services to be provided are categorized and defined as follows:

- **Core Business Functionality and Services** are the System features and Services that must 1) be provided as part of the Baseline System and 2) meet the federal timeframes, as indicated in Section 4.2.
- **Core Enhancement Functionality and Services** are the System features and Services that must be provided as part of the Expanded System.

The following table provides a summary of the Functionality and Services to be delivered as part of the Baseline System (Core), Baseline System (Core with Case Data Alternative Approach), and Expanded System (Core Enhancement), indicating with a check mark which ones are included in each and identifying which ones are at the State's Option to Buy. If the State elects to purchase Core State Option to Buy Services, it will make that selection in writing as of the Execution Date for inclusion in the Baseline System to be designed, developed and implemented by Contractor.

If the State elects to buy Core Enhanced Functionality, it will make that selection in writing within one year of the Execution Date to be designed, developed, and implemented by Contractor.

Within the table, there are a number of Functionality/Service areas. While the majority of the areas are intended to serve all Applicable State Health Subsidy (ASHS) Programs, areas pertaining to Plan Management and Financial Management are intended to Support the Exchange only. These areas are designated as such.

Table 12 – Business/Functional Scope

Functionality / Service	Baseline System (Core)	Baseline System (Core - Case Data Alt)	Expanded System (Core Enhancement)	State Option to Buy
	01/01/2014		**12/31/2015**	
Eligibility and Enrollment				
Application Submission and Update	✓	✓		
Application Information Verification	✓	✓		
Eligibility Determination	✓	✓		
Exemption	✓	✓		
Enrollment/Disenrollment	✓	✓		
Provider Directory with Linkage to Plan Selection	✓	✓		
Renewal	✓	✓		
Appeal	✓	✓		

Functionality / Service	01/01/2014		12/31/2015	
	Baseline System (Core)	Baseline System (Core - Case Data Alt)	Expanded System (Core Enhancement)	State Option to Buy
Case Management	✓	✓		
Other Health Services Programs (horizontal integration)			✓	✓
Other Non-Health Services Programs (horizontal integration)			✓	✓
Case Data Management for MAGI- Medi-Cal cases, case Data is centralized and operated by the Exchange and accessible to all Users. Non-MAGI case Data remains operated by counties within their SAWS.	✓			
Case Data Management for both MAGI- and non-MAGI Medi-Cal case Data remains operated by the counties or State within the SAWS or MRMIB System, respectively.		✓		✓
Financial Management (Exchange only)				
Exchange Accounting	✓	✓		
Premium Processing	✓	✓		
Individual Premium Aggregation	✓	✓		✓
Risk Spreading	✓	✓		
Plan Assessment Fees	✓	✓		
Assister Financial Transactions (shared among programs)	✓	✓		
Issuer Financial Transactions	✓	✓		
Plan Management (Exchange only)				
Certify/Recertify/Decertify QHP	✓	✓		
Monitor Compliance	✓	✓		
Maintain Operational Data	✓	✓		
Rate Review	✓	✓		

Functionality / Service	01/01/2014		12/31/2015	State Option to Buy
	Baseline System (Core)	Baseline System (Core - Case Data Alt)	Expanded System (Core Enhancement)	
Reporting				
Reports	✓	✓		
Notices	✓	✓		
Consumer Assistance				
Web Portal Online Help	✓	✓		
Plan and Benefit Assistance	✓	✓		
Assister Registration	✓	✓		
Assister Management	✓	✓		
Education and Outreach				
Reporting and Tracking	✓	✓		
Survey	✓	✓		
Small Business Health Options Program (SHOP)				
Application	✓	✓		✓
Verification	✓	✓		✓
Eligibility Determination	✓	✓		✓
Appeals	✓	✓		✓
Enrollment/Disenrollment	✓	✓		✓
Renewals	✓	✓		✓
Exception Processing	✓	✓		✓
Premium Processing	✓	✓		✓
Case Management	✓	✓		✓

Functionality / Service	01/01/2014		12/31/2015	
	Baseline System (Core)	Baseline System (Core - Case Data Alt)	Expanded System (Core Enhancement)	State Option to Buy
Assister Fees	✓	✓		✓
Small Employer Premium Payment Transactions	✓	✓		✓
Establish SHOP Issuer and Plan Renewal and Recertification	✓	✓		✓
Notices	✓	✓		✓
Reports	✓	✓		✓
Consumer Assistance	✓	✓		✓
Small Business/Employer Tools	✓	✓		✓
Services				
Centralized Provider Directory Database			✓	✓
Eligibility Transfer (i.e., pre-enrollment, pre-notification, and pre-population of applications), as described in Section 4.6.1.3.1 - Conversion.	✓	✓		
Service Center Equipment, Software, and Facilities, as described in Section 4.8.6 - Service Center.	✓	✓		✓
Organizational Change Management, as described in Section 4.6.4 - Implementation.	✓	✓		✓
Integration of MEDS, as described in Section 4.3.8 - MEDS Functionality.			✓	✓

4.3.1   Baseline System Functionality

As described above, the Baseline System includes the Core Functionality and Services to Support the federally mandated exchange Functionality and establish the technical and Functional foundation to accommodate the integration of the Medi-Cal Eligibility Data System (MEDS) and other eligibility programs. This section describes the Core Functionality and Services, and the following chart provides a high-level overview of the Baseline System Functionality.

CalHEERS Baseline System Business Functionality

Figure 2 – CalHEERS Baseline System Business Functionality

Eligibility and Enrollment		Financial Management		Plan Management		Reporting		Consumer Assistance	
Application Submission and Update	Renewal	Exchange Accounting	Plan Assessment Fees	Certify/Recertify/ Decertify QHP	Maintain Operational Data	Reports	Notices	Web Portal Online Help	Assister Registration
Application Information Verification	Appeal	Premium Processing	Assister Financial Transactions	Monitor Compliance	Rate Review	Education and Outreach		Plan and Benefit Assistance	Assister Management
Eligibility Determination	Case Management	Individual Premium Aggregation	Issuer Financial Transactions			Reporting and Tracking	Surveys	SHOP	
Exemption	Other Health Services Programs	Risk Spreading						Application	Case Management
Enrollment/ Disenrollment	Other Non-Health Services Programs							Verification	Assister Fees
Plan and Benefit Selection								Eligibility Determination	Small Employer Premium Payment Transactions
								Appeals	SHOP Issuer and Plan Renewal and Recertification
								Enrollment/ Disenrollment	Notices
								Renewals	Reports
								Exception Processing	Consumer Assistance
								Premium Processing	Small Business/ Employer Tools

4.3.1.1 Eligibility and Enrollment

Eligibility and Enrollment occurs uniquely for individuals seeking individual eligibility for subsidized coverage through the Exchange and those seeking MAGI Medi-Cal and their subsequent health and appropriate dental plan choice. A central component of the Affordable Care Act is its expectation of immediate enrollment and Maintenance of enrollment in whatever program individuals may be eligible. This is to be primarily achieved through a verification process in which an applicant or enrollee can declare, affirm, or document the eligibility requirements have been met so that enrollment in coverage occurs at the time of application or renewal. The following describes the eligibility and enrollment for both subsidized and non-subsidized coverage:

Eligibility and Enrollment	
Application Submission and Update	Renewals
Application Information Verification	Appeals
Eligibility Determination	Case Management
Exemption	Other Health Services Programs
Enrollment/ Disenrollment	Other Non-Health Services Programs
Plan and Benefit Selection	

- **Application Submission and Update** – Key Functionality includes:
  - Enabling the information entered via the Web Portal during an individual's anonymous shopping and comparing of plans to be retained upon completion of an individual's eligibility for coverage determination.
  - Making available a calculator for individual applicants to compare costs across plan options.
  - Requesting the applicant to consent to having their application form pre-populated with available Data, which may be available from multiple sources.
  - Allowing customers to bypass the application for subsidized health coverage and navigate directly to Exchange QHP screening questions. Including allowing anonymous shopping before applying for coverage.
  - Enabling the consumer to:
    - Enter information, save work at any point in the process, access saved work, and restart where the consumer left off at the time of their last save.
    - Exit any screen without saving changes.
    - Understand that plan availability will vary based on program or subsidized level for which they are eligible.
    - Officially designate an Assister to Support their enrollment.
  - Enabling the consumers or designated Assisters to access and directly update or report changes to their case information through multiple service channels (e.g., mail, email, web portal, and phone).
  - Verifying in real-time whether an individual is already eligible and receiving benefits for subsidized healthcare via MEDS interface.

- Enabling an applicant to self-attest application Data and to provide an online signature that complies with State and federal requirement standards.
- Electronically storing all documents submitted with an application and tracking and displaying to the User the progress/status of receiving Documentation and information. Documents will be stored in a central location and accessible by authorized Users.
- Collecting optional and voluntarily provided demographic Data, including, but not limited to ethnicity, primary language, disability and health status, and other categories identified by Project Sponsors.

- **Application Information Verification** – Key Functionality includes:
  - Supporting field-level validation and verification and interfacing with the State and/or federal systems to conduct verifications of specified fields (i.e., income, citizenship, tribal affiliation, incarceration).
  - Verifying if the applicant has already established an individual case or is currently receiving benefits for subsidized programs.
  - Notifying the customer of the application status and identifying any outstanding items.

- **Eligibility Determination** – Key Functionality includes:
  - Processing in real-time, online eligibility for subsidized health and/or dental coverage. The eligibility determination process calculates the APTC and CSRs and displays gross enrollee obligation and the net premiums. Results from determining eligibility are to be displayed online to the applicant.
  - Provide the Functionality to notify the applicant that they may be eligible for other State programs and directing them to the appropriate links (i.e., CalWORKs and CalFresh).

- **Exemption** – Key Functionality includes:
  - Receiving and verifying individual exemption renewals.
  - Processing individual application exemption requests (i.e., new and renewal) and notifying CMS.

- **Enrollment/Disenrollment** – Key Functionality includes:
  - Enabling the qualification of an individual for an enrollment period and collecting individual plan preferences.
  - Presenting the individual with the detailed comparisons of QHPs and qualified standalone dental plans (if in the Exchange or the respective plan options available to the individual in Medi-Cal or Healthy Families) filtered on individual plan preferences (e.g., subsidized/non-subsidized), presenting detailed comparisons and online premium calculations, and Supporting the individual's selection of a health plan.
  - Supporting QHP and /or stand-alone qualified dental health plan selection by providing approved Medi-Cal, CHIP, AIM and other subsidized health plans for selection on the web portal in the same fashion as other QHPs.
  - Determining plan availability, calculating plan cost including estimated out-of-pocket cost, and displaying monthly plan costs and annual out-of-pocket costs.
  - Displaying for each plan selected, the plan quality rating, one or more quality indicators and one or more customer service indicators, as determined by the Exchange.
  - Allowing individuals to select a new plan due to plan decertification.
  - Sending and receiving Issuer notifications.
  - Supporting the online calculation of the gross and net premium of selected plans based on eligibility for ASHS Programs.

- Notifying individuals who select APTC subsidies of penalties and/or liabilities that may occur at time of tax filing due to increase in income.
- Enabling an individual to disenroll from ASHS Programs and from their health plan at any time, notifying the individual of insurance requirements and penalties upon disenrollment and other healthcare options, and notifying a health plan provider and CMS of an individual's disenrollment.
- Enabling an individual to disenroll due to change in circumstance (e.g., moved to SHOP or employer coverage) or to be disenrolled due to non-payment of premium.

- **Plan and Benefit Selection** – Key Functionality includes:
  - Displaying Provider Directories for each plan selected for comparison and ability to search for a specific doctor or facility.
  - Displaying provider quality information within the provider directory and for the selected provider.
  - Providing health plan quality ratings from reliable third parties, such as Healthcare Effectiveness Data and Information Sets (HEDIS) and National Committee for Quality Assurance (NCQA).
  - Gathering individual plan preferences, presenting the consumer the detailed comparisons of qualified health plans filtered on individual plan preferences, and presenting appropriate MAGI Medi-Cal, AIM, CHIP, and BHP (if enacted) plans for which an applicant is eligible to enroll.
  - Supporting individual selection of a Qualified Health Plan in the Exchange or of the health plan for which they are eligible in MAGI Medi-Cal, AIM or Healthy Families (which may be determined by geographic location and/or region).
  - Determining plan availability, calculating plan cost, and displaying their results, including average monthly premium costs and estimated annual out of pocket, net costs, gross costs (net savings), and at risk costs.
  - Estimating average monthly and annual costs (premium plus out of pocket cost) for each plan selected for comparison and displaying the QHP summary of benefits and coverage as specified by ACA regulations.
  - Enabling Users to hide and unhide plan selection criteria and cost components.
  - Displaying for each plan selected, the plan quality rating, one or more quality indicators, and one or more customer service indicators, as determined by the Exchange.
  - Enabling applicants to select multiple QHPs or qualified stand-alone dental plans and sorting the results by premium, quality rating, deductible amount, out of pocket limits, average monthly or annual costs, quality indicators, and customer service indicators.

- **Renewal** – Key Functionality includes:
  - Providing rules, work flows, and other tools to Support redetermination of eligibility for the subsidized health coverage when new information is received (e.g., either through an interface or from individual updates) and be posted on-line.
  - Notifying enrollees of the annual enrollment period based on preferences (e.g., mail, email, phone, or text) pre-populated with consumers forms and/ communications Data.
  - Receiving and Processing eligibility criteria, either from the consumer or other external Data sources and re-determine eligibility at any time.
  - Presenting available plans and allowing enrollee to change plans during annual renewal period.

- Annual, periodic, and on-going automatic re-determination of annual eligibility based on current Data from incoming correspondence and System Interfaces.
- Producing written notification/request for individuals to verify key eligibility factors (e.g., income, household composition, residency, etc.) for the purposes of annual eligibility redetermination or enrollment renewal and report changes, if necessary.
- Receiving and verifying individual enrollment renewal responses/updates.
- Notifying Issuer about changes in enrollee information and renewal.

■ **Appeal** – Key Functionality includes:

- Processing an individual appeal request, capturing and tracking the disposition of appeals (including status, assignments, and relevant case notes), and enabling the referral or routing of appeal requests to entities outside of the Exchange, DHCS, or designated agency.
- Providing a formal written notice to an individual of an appeal decision.
- Enabling the adjustment of eligibility determination based on appeal outcomes.
- Sending notification to the appropriate parties, such as the client, regarding the result of the appeal.
- Notifying CMS of any completed appeals decisions.

■ **Case Management** – Key Functionality includes:

- Enabling authorized Users to manage the consumer's application information and Processing and update accounts/cases with updated information.
- Providing flexible and customizable workflow Functionality to Support multiple service delivery models (e.g., case management model versus task-oriented model).
- Enabling the assignment of Staff to case work based on flexible criteria (e.g., type, caseload, task, queue, etc.), monitoring of caseload size per assigned Staff, and the creation of caseload reports and statistics.
- Enabling the online retention of health coverage history by type of health coverage (e.g., subsidized, non-subsidized) and enrollment effective dates for a period of 36 months.
- Uniquely recording and tracking individuals and providing the ability to associate individuals with one or more cases into a unified case view, in a manner that facilitates case management yet allows for both duplicated and unduplicated caseload counts.
- Ability for authorized Users to view any Documentation that may be uploaded by the clients and/or notices that were produced.

■ **Other Health Services Programs** – Functionality described here is part of the Core Functionality and NOT considered State Option to Buy. Refer to *Proposed Logical Integration Architecture for CalHEERS and SAWS* document in the Solicitation Library. Key Functionality includes:

- Providing Functionality to:
  - ✗ Screen for potential eligibility for non-MAGI Medi-Cal
  - ✗ Send and receive application, case Data, and Documentation to/from SAWS.
  - ✗ Interface seamlessly with SAWS on the disposition of non-MAGI eligibility determination.
  - ✗ Keep households that contain MAGI and non-MAGI members as a unified case in the member account features.

      ✗   Enable health plan shop/compare/select Functionality to non-MAGI persons for recipients in mixed eligibility households.

- Collecting and sending the application Data to the System of record to the following programs to complete the application process.

■ **Other Non-Health Services Programs** – Functionality described here is part of the Core Functionality and NOT considered State Option to Buy. Key Functionality includes:

- Providing the Functionality to notify the applicant that they may be eligible for other State programs and directing them to the appropriate links (e.g., CalWORKs and CalFresh).

- Collecting and sending the basic application Data, along with any documents provided by the applicant, to the System of record for that program to complete the application process.

4.3.1.2 Financial Management

The financial solution Functionality includes Supporting the requirements for the Exchange to process financial transactions for individual enrollees of QHPs and payments and fees for Exchange Health Plan Issuers as follows:

■ **Exchange Accounting** – Key Functionality includes:

- Maintaining accounts receivable to track Issuer Plan Assessment Fees due to the Exchange.

- Accounts receivable Functionality to allow for automated reconciliation of individual and Issuer receivable balances.

- Maintaining accounts payable of all premium refunds due to enrollees and fees due to Assisters

Financial Management	
Exchange Accounting	Plan Assessment Fees
Premium Processing	Assister Financial Transactions
Individual Premium Aggregation	Tax Credits and Cost Sharing Financial Transactions
Risk Spreading	Issuer Financial Transactions

■ **Premium Processing** – Key Functionality includes providing the ability to:

- Invoice and track premiums.

- Receive, process, remit, and reconcile individual premium payments.

- Process premiums for the Medi-Cal 250% Working Disabled program.

- Collect premium payments for the Healthy Families and AIM programs and coordinate any refund process that is required to the applicant/subscriber.

- Generate a report of all individuals enrolled in QHPs for the upcoming month along with the amounts of APTC and CSR associated with the individuals and transmit to CMS electronically.

- Receive an electronic report of APTC and CSR payments from the CMS Federal Data Hub and record and reconcile these payments with CalHEERS Data.

- Receive payment history from the Issuer and reconcile Issuer premium payment history.

- Send an electronic report to the CMS Federal Data Hub of all current enrollees determined eligible for APTC and CSR subsidies for the upcoming month, along with the current Second Lowest Cost Silver Plan (SLCSP) premium amounts.

- Reconcile premium payments to Issuers and allow authorized Users to make manual adjustments.

■ **Individual Premium Aggregation** – Key features of this Functionality includes the ability to receive, process, remit, and reconcile aggregated individual premium payments.

■ **Risk Spreading** – Key Functionality includes providing the ability to:

- Extract, print, and electronically send enrollee and plan Data (including premium information) to appropriate State entities and CMS for reinsurance and risk adjustment calculations.

- Issue capitated payments based on risk adjustment Data.

■ **Plan Assessment Fees** – Key Functionality includes providing the ability to:

- Configure Plan Assessment fees by Issuer and /or QHP for defined time periods.

- Invoice for and receive Plan Assessment fees from Issuers.

- Electronically deduct Plan Assessment fees due to the Exchange from premium payments due to the Issuer.

■ **Assister Financial Transactions** – Key Functionality includes providing the ability to:

- Track applications and enrollments for which an Assister was involved.

- Configure and calculate a fee for an Assister for a configured timeframe for enrollment and renewals based on State policy.

- Configure and calculate fees (if any) that may vary by program for which individuals enroll (e.g., ASHS Programs).

- Issue, track, and reconcile Assister fees.

4.3.1.3 Plan Management

The CalHEERS Plan Management features include Functionality to Support the Exchange in acquiring, certifying, monitoring, renewing, and managing withdrawal of QHP and Issuers that offer these plans; specifically:

■ **Certify/Recertify/Decertify QHP** – Key Functionality includes the ability to:

- List and maintain QHP criteria for defined time periods.

- Collect Data and rules to assign initial quality ratings to a QHP.

- Receive QHP Certification, recertification, or decertification information.

- List Certified QHPs on the Web Portal, update QHP, Medi-Cal, CHIP, and AIM plan information as needed, and add additional Data and notes.

■ **Monitor Compliance** – Key Functionality includes the ability to:

- Capture complaint information and resolution details for each complaint, by QHP, type of complaint, and complaint source:

  * Individual
  * Employer
  * Issuer
  * Other Organizations (e.g., Office of Patient Advocates, CDI, DHCS, and DMHC).
- Receive, track, and forward to regulatory organizations (CDI, DMHC, etc.) individually identifiable complaints.

- **Maintain Operational Data** – Key Functionality includes the ability to receive and maintain Issuer and QHP information updates and post appropriate updates on the Web Portal.

- **Rate Review** – Key Functionality includes the ability to update rate increases based on Issuer-provided information and notify enrollees in writing of the change in rates for their annual plan year.

4.3.1.4 Reporting

CalHEERS shall provide the necessary reporting capabilities required by Affordable Care Act, the Exchange, and the State of California. While guidance from the federal government and California policymakers is still forthcoming, it is anticipated reporting will be needed to meet audit requirements, Support

Operational efficiencies, provide decision Support, gather and present User feedback, and respond to ad hoc queries. The CalHEERS Reporting Functionality includes the ability to use case, account, Issuer, Assister, plan, and other information to generate specific reports and notices, including:
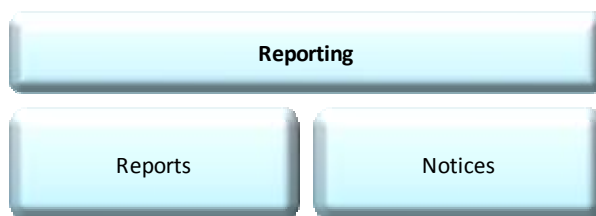
- **Reports** – While guidance from the federal government and California policymakers is still forthcoming for SHOP Functionality, it is anticipated reporting will be needed to meet audit requirements, Support Operational efficiencies, provide decision Support, gather and present User feedback, and respond to ad hoc queries. Key reporting Functionality includes the ability to:
  - Generate and send monthly reports to CMS about individual enrollments in Qualified Health Plans.
  - Generate Data and reports on federal audit and oversight requirements, federal and state Exchange, Medicaid and CHIP quality control initiatives and performance standards, administrative costs of the Exchange and waste, fraud and abuse as required by the Affordable Care Act including the analysis and identification of potential fraud and abuse risks to Support program integrity efforts, enrollment trends, eligibility determination outcomes, and consumer experience related to average elapsed time for application completion, application withdrawals, page review timeframes, QHP evaluation, etc. Generate Data and reports to Support management of Assisters.
  - Provide monthly reports on Exchange enrollees, including unique individual identifier, plan enrolled in, type of coverage purchased, rating criteria information, demographic Data, and effective dates for individual and small group market non-grandfathered plans.
  - Generate all reports required by federal, State, and local laws, rules, regulations, ordinances, guidelines, directives, policies, and procedures, including statistical, Operational, workload, and fiscal reports

- Report to the Internal Revenue Service (IRS) and enrollees each year certain information regarding the enrollee's coverage provided through the exchange.
- Generate Data and reports needed for relevant Program Sponsors, Program Partners, and Control Agencies.
- Generate Data and reports needed to comply with federal audit and oversight requirements and federal Exchange, Medicaid, and CHIP Quality Control initiatives (e.g., Payment Error Rate Measurement, or PERM, programs).
- Generate Data and reports needed to apply for and demonstrate appropriate use of federal grant funding.
- The CalHEERS shall generate reports for California policymakers including, but not limited to:
  - Enrollment Trends
  - Eligibility Determination Outcomes
  - Premium Trends
  - Consumer Experience
  - Consumer Feedback
  - Assister Support
  - Service Center Processing (e.g., call volumes and metrics, print and mail metrics, application Processing, etc.)
  - Appeal Trends and Outcomes
  - Fiscal Reports
- Generate reports on the participation rates of an employer's employees and share information with the Issuers and employers.
- Generate reports (ad-hoc, monthly, quarterly and annually) summarizing the numbers of:
  - Employer applications received, the number of applications that resulted in enrollment, and the timeframe from application to enrollment.
  - Employer enrolled, their average premium contribution per employee, and enrollment by employers and employees by benefit level.
  - Employers receive tax credits by region, zip code and Standard Industrial Classification (SIC) code.
- Generate reports on complaints received, forwarded, resolved, and pending resolution.
- **Notices** – Key notice Functionality includes the ability to:
- Notify individual of eligibility regarding approval/ denial/change/discontinuance.
- Notify individual of payment discrepancies.
- Send an electronic, real-time transmission of information necessary for the qualified health plan Issuer to provide a welcome package and identification card to the individual.
- Send notices to CMS regarding reconciled periodic enrollment information, about a non-renewal or decertification of a plan, and an individual's disenrollment from a qualified health plan through the Exchange.
- Retain notice history and viewing capability of all sent notices, including the ability to:
  - Designate notices to be kept indefinitely as a permanent part of the case record (e.g., notices related to claims).

> ✖ Retrieve notices in their final completed format so the exact version sent to the recipient can be viewed and reproduced.

4.3.1.5 Consumer Assistance

The Consumer Assistance Functionality is intended to Support and be customized by multiple User types, providing the presentation of relevant information in the most useful format, which may differ for different Users. The anticipated customer User types include:

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┌─────────────────────────────────────────┐
│           Consumer Assistance            │
└─────────────────────────────────────────┘

┌───────────────────────┐  ┌───────────────────────┐
│  Web Portal Online Help│  │       Assister        │
│                        │  │     Registration      │
└───────────────────────┘  └───────────────────────┘

┌───────────────────────┐  ┌───────────────────────┐
│    Plan and Benefit    │  │       Assister        │
│      Assistance        │  │      Management       │
└───────────────────────┘  └───────────────────────┘
```

- **Consumer**, which includes Individual, Family, Employee, and Employer.
- **Assister**, which may include Navigators, Brokers, Agents, and County, State, and MRMIB Staff.
- **Eligibility Administrator**, which may include County, State, MRMIB, and Exchange Staff.

The Consumer Assistance Functionality is intended to be User-friendly, web-based, self-service and provide integration with an Interactive Voice Response (IVR) solution that enables online assistance to all customer User types via a range of web browsers and various mobile applications. The Consumer Assistance online Functionality is expected to provide real-time guidance, navigation, and help and include a set of Functionalities to enable live customer service features. Core business Functionality includes customer correspondence, online chat, phone, and IVR being provided, at a minimum, in the Medi-Cal Managed Care Threshold:

- **Spoken Languages** – English, Arabic, Armenian, Farsi, Cambodian, Cantonese, Mandarin, Hmong, Korean, Russian, Spanish, Tagalog, and Vietnamese.
- **Written languages** – English, Arabic, Armenian, Farsi, Cambodian, Traditional Chinese character, Hmong, Korean, Russian, Spanish, Tagalog, and Vietnamese.

The online customer service Functionalities are comprised of the following design elements:

- **Web Portal Online Help** – Functionality to be developed and maintained includes the content, format, and presentation of the following Online Help features:
  - Demonstration videos to assist consumers in the Web Portal application, eligibility determination, and enrollment processes Help screens.
  - Demonstration videos used in the Web Portal to assist consumers.
  - Help screens and question icons to assist consumers with navigation and questions.
  - An on-screen indicator to show the consumer the progress in the application process as the application is being completed by the consumer.
  - Information to identify other entity websites that deliver other benefits (e.g., C4Yourself, Benefits CalWIN, and YourBenefitsNow).
  - Online e-chat Function to assist consumers through application process or answer questions.
  - Links to phone, online chat, or IVR assistance in the Medi-Cal Managed Care Threshold languages.
  - Receive consumer complaints, categorize the complaints, and route them for Processing.

- **Plan and Benefit Assistance** – Key assistance features for individuals include:
  - Anonymous plan comparisons.
  - Save online Data if requested by the consumer.
  - Access to saved online Data.
  - Field-level help for application Data entry.
  - Navigation indicators throughout shop and compare process.
  - Links to a list of local Assisters that includes interactive maps (e.g., Google- or MapQuest-like), addresses, languages and phone numbers.
  - Multiple communication channels for consumers (email, online, IVR, phone, and text).
  - Securely designate an Assister.
- **Assister Registration** – Key Functionality includes capability to:
  - Register and track certified Assisters.
  - List certified Assisters, including providing interactive maps, addresses, and phone numbers.
  - Allow for a single sign-on (SSO) option for persons with delegated access to multiple records.
- **Assister Management** – Key Functionality includes:
  - Recording and tracking Assister training, education and languages spoken.
  - Receiving, tracking, reporting and resolving Assister complaints.

4.3.1.6 Education and Outreach

Education and Outreach activities will be performed outside of the scope of this Solicitation. However, CalHEERS is intended to contain Functionality to enable reporting on education and outreach activities, tracking of the effectiveness of the efforts, creation and retrieval of available surveys, and retention of outcome Data.
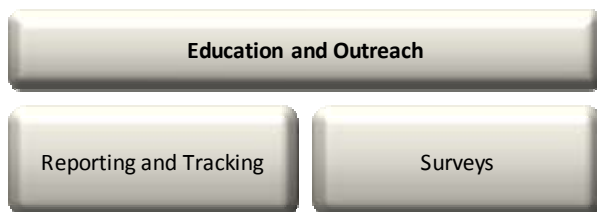
- **Reporting and Tracking** – Key Functionality includes providing the Functionality to:
  - Identify high-use/low-use of Exchange eligibility programs by program and demographics (e.g., age, sex, location, etc.) to enable targeting of outreach efforts.
  - Create and deliver via email, letter, text or voice mail, multi-lingual mass notices to targeted groups for purposes of outreach, increased awareness, enrollment and participation.
  - Track the source of possible outreach efforts (e.g., TV, radio, online, etc.).
- **Survey** – Key Functionality includes providing the Functionality to:
  - Generate random surveys via online, email, letter, or phone and compile and analyze responses of Exchange consumers for the purpose assessing consumer service or other related matters.
  - Generate reports from consumer survey responses.
  - Send surveys based on specified demographic criteria.

4.3.1.7 SHOP

Key Functionality of SHOP for employers and their employees includes:

■ **Application** – The application submission process, the SHOP employers and employees Functionality includes navigation and application creation Support, utilizing a single online employer and employee application. Key Functionality includes the ability to:

- Create an employer account for employers new to the SHOP Exchange and an account for each employee listed on employee roster.

- Create an employer and employee communication preferences (email, mail and telephone).

- Allow verified Assisters (i.e., designated Broker, Agent, or Assister) to complete employer applications on behalf of the employer.

- Notify the employer to correct errors or complete the application (online if employer is online or via mail if application is received by mail).

■ **Verification** – Key Functionality includes the ability to:

- Verify employer information (e.g., employer and tax identification numbers and employer size) with State and federal interface partners.

SHOP	
Application	Case Management
Verification	Assister Fees
Eligibility Determination	Small Employer Premium Payment Transactions
Appeals	SHOP Issuer and Plan Renewal and Recertification
Enrollment/ Disenrollment	Notices
Renewals	Reports
Exception Processing	Consumer Assistance
Premium Processing	Small Business/ Employer Tools

- Notify an employer in writing if there are reasons to doubt information submitted on the application.

- Process application exceptions.

- Provide on-screen notification to employers to supply additional, as-needed verifications.

- Determine if an employee is enrolling during an appropriate enrollment period.

■ **Eligibility** – Key Functionality includes the ability to:

- Utilize business rules to determine employer eligibility for the SHOP.

- Verify that an employee is enrolling during an appropriate enrollment period or qualifying event.

■ **Appeals** – Key Functionality includes providing the ability to:

- Process an employee appeal request and capture and track the disposition of appeals (including status, assignments, and relevant case notes).

- Notify the employer (in their preferred method of mail or electronic notification) and CMS in writing of the appeal decision.

- Record the detailed results and Supporting Documentation that result from or Support an appeals decision.
- Send appeal cases via interface to the CDSS State Hearing Division case tracking System.

■ **Enrollment** – Key Functionality includes providing the ability to:

- Display a detailed quality and cost comparison of all available QHPs based on information (e.g., gender, age, and smoking) about employees and employee dependents listed in the employee roster.
- Make available a business tax calculator to small business employers and a calculator for individual applicants to compare costs across plan options.
- Display to the employer the employer enrollment information (i.e., employee health plan election, premium amounts, and employer contribution percentage).
- Notify an employer in writing that an employee has been determined eligible for advance payments of the premium tax credit or cost-sharing reductions.
- Generate on-screen notifications to employers who select a Small Business Tax Credit of the possibility of tax penalties/liabilities at time of tax filing should their business size or income change.

■ **Renewals** – Key Functionality includes providing the ability to:

- Notify the employer in writing of his annual renewal time period.
- Determine the employer eligibility to renew participation in the SHOP.
- Determine whether the QHP in which an enrollee is enrolled will be available for the upcoming year. If the QHP will not be available, the enrollee shall be directed to select a new QHP. If the QHP will be available in the coming year, the enrollee shall be provided with the opportunity to either stay in his or her QHP or select a new QHP.
- Electronically notify the QHP(s) of the employer's renewal plan selection(s).
- Automatically enroll an employee in the currently enrolled health plan if it is still available for the employee and he or she has not selected a plan within the timeframe allowed.
- Notify employees of employer renewed QHPs via preferred contact method (email or mail) and ability to update their account with changes (e.g., family or employment status)
- Notify the Issuer of any employee account changes and process any QHP enrollment changes.

■ **Disenrollment** – Key Functionality includes:

- Enable employers to request to terminate SHOP or QHP participation at any time.
- Notify CMS and the employer in writing of:
  - Employer-directed termination and provide employer with their options
  - Decision for terminate employer due to non-payment of premiums or negligence.
- Enable employers to request to terminate employees from participation.
- Process disenrollment of an employee from a QHP from a request received from the Issuer, employee, or employer.

■ **Exception Processing** – Key Functionality includes providing the ability to process Issuer discrepancies with enrollment reports.

■ **Premium Processing** – Key Functionality includes the ability to:

- Aggregate employee premiums and monthly invoicing of the employer.

- Direct employer premium payment to appropriate designated Processing center/address.
- Receive and process premium payments via paper check, online ACH transfer, and credit and debit cards.
- Reconcile premium payments to Issuers and allow authorized Users to make manual adjustments.
- Submit a payment request to the designated financial institution for net premiums due to the Issuers.

- **Case Management** – Key Functionality includes:
  - Enabling authorized Users to manage the employer's application information and Processing and update accounts/cases with updated information.
  - Providing flexible and customizable workflow Functionality to Support multiple service delivery models (e.g., case management model versus task-oriented model).
  - Enabling the assignment of Staff to case work based on flexible criteria (e.g., type, caseload, task, queue, etc.), monitoring of caseload size per assigned Staff, and the creation of caseload reports and statistics.
  - Enabling the online retention of health coverage history by type of health coverage (e.g., subsidized, non-subsidized) and enrollment effective dates for a period of 36 months.
  - Uniquely recording and tracking employers and providing the ability to associate employers with one or more cases in a manner that facilitates case management yet allows for both duplicated and unduplicated caseload counts.

- **Assister Fees** – Key Functionality includes the ability to:
  - Track applications and enrollments for which a SHOP Assister was involved.
  - Configure a fee for SHOP Assisters for a configured timeframe based on policies to be determined by the Exchange.

- **Establish SHOP Issuer and Plan Renewal and Recertification** – Key Functionality includes providing the ability to:
  - Set up QHP or qualified stand-alone dental plan Issuer agreement information regarding the SHOP Issuer and the QHP(s) and upload the information into the System (either at the time of application or at agreement signing).
  - Assign an initial SHOP QHP quality rating based on Data from the commercial market.
  - Process notice of non-renewal of SHOP Issuer.
  - Generate or amend the qualified SHOP health plan Issuer agreement, if required.

- **Small Business Premium Payment Financial Transactions** – Key Functionality includes providing the ability to:
  - Direct an employer to instructions on payment remittance for monthly premiums and coordinating the benefit election process with employees.
  - Determine the monthly employer premium contribution based on employee health plan election, premium amounts, and the employer contribution percentage or amount.
  - Issue the monthly premium invoice to the employer including information such as balance due, outstanding premium payments due, and payment options available with the designated financial institution.

- Receive and process premium payments via paper check, online ACH transfer, and credit or debit cards, reconcile and adjust the employer premium amounts, and notify the employer of a premium payment discrepancy.
- Receive and process employer and Issuer notices (via mail, telephone or online) of premium discrepancy.
- Update SHOP Exchange records with corrected invoice/payment information for Issuer or employer.

■ **Notices** – Key notice Functionality includes the ability to:

- Notify employers and Issuers of payment discrepancies.
- Transmit the information necessary for the QHP Issuer to provide a welcome package and identification card to the employer.
- Send notices to CMS regarding reconciled periodic enrollment information, about a non-renewal or decertification of a plan, and an employer's disenrollment from a qualified health plan through the Exchange.
- Retain notice history and viewing capability of all sent notices, including the ability to:
  - Designate notices to be kept as a permanent part of the case record (e.g., notices related to claims).
  - Retrieve notices in their final completed format so the exact version sent to the recipient can be viewed and reproduced.

■ **Reports** – While guidance from the federal government and California policymakers is still forthcoming for SHOP Functionality, it is anticipated reporting will be needed to meet audit requirements, Support Operational efficiencies, provide decision Support, gather and present User feedback, and respond to ad hoc queries. Key reporting Functionality includes the ability to:

- Generate Data and reports on federal audit and oversight requirements, federal exchange, Medicaid and CHIP quality control initiatives and performance standards, administrative costs of the Exchange and waste, fraud and abuse as required by the Affordable Care Act, enrollment trends, eligibility determination outcomes, and consumer experience related to average elapsed time for application completion, application withdrawals, page review timeframes, QHP evaluation, etc.
- Generate Data and reports to Support management of Assisters.
- Provide monthly reports on Exchange enrollees, including unique individual identifier, plan enrolled in, type of coverage purchased, rating criteria information, demographic Data, and effective dates for individual and small group market non-grandfathered plans.
- Generate all reports required by federal, State, and local laws, rules, regulations, ordinances, guidelines, directives, policies, and procedures, including statistical, Operational, workload, and fiscal reports
- Report to the IRS and enrollees each year certain information regarding the enrollee's coverage provided through the exchange.
- Generate Data and reports needed for relevant Program Sponsors, Program Partners, and Control Agencies.
- Generate Data and reports needed to comply with federal audit and oversight requirements and federal exchange, Medicaid, and CHIP Quality Control initiatives (e.g., PERM).

- Generate Data and reports needed to apply for and demonstrate appropriate use of federal grant funding.
- Generate reports for California policymakers including, but not limited to:
  - Enrollment Trends
  - Eligibility Determination Outcomes
  - Premium Trends
  - Consumer Experience
  - Consumer Feedback
  - Assister Support
  - Service Center Processing (e.g., call volumes and metrics, print and mail metrics, application Processing, etc.)
  - Appeal Trends and Outcomes
- Generate reports on the participation rates of an employer's employees and share information with the Issuers and employers.
- Generate reports (ad-hoc, monthly, quarterly and annually) summarizing the numbers of:
  - Employer applications received, the number of applications that resulted in enrollment, and the timeframe from application to enrollment.
  - Employers enrolled, their average premium contribution per employee, and enrollment by employers and employees by benefit level.
  - Employers receive tax credits by region, zip code and SIC code.
- **Consumer Assistance** – The Consumer Assistance Functionality for SHOP is intended to Support and be customized by multiple User types, providing only the presentation of relevant information in the most useful format. The anticipated customer User types for SHOP include:
  - *Consumer*, which includes the Employer and Employee.
  - *Assister*, which includes Navigator, Broker, and Agent.

The Consumer Assistance Functionality for SHOP is intended to be User-friendly, web-based, self-service and provide online assistance to all customer User types via a range of web browsers and various mobile applications. The Consumer Assistance online Functionality is expected to provide real-time guidance, navigation, and help and include a limited set of live customer service features. Core business Functionality includes customer correspondence and IVR in being provided in English and Spanish. Functionality includes providing those elements in the threshold languages identified in the Core business Functionality includes customer correspondence and IVR in being provided, at a minimum, in the Medi-Cal Managed Care Threshold:

- **Spoken Languages** – English, Arabic, Armenian, Farsi, Cambodian, Cantonese, Mandarin, Hmong, Korean, Russian, Spanish, Tagalog, and Vietnamese.
- **Written languages** – English, Arabic, Armenian, Farsi, Cambodian, Traditional Chinese character, Hmong, Korean, Russian, Spanish, Tagalog, and Vietnamese.

The online customer service Functionalities are comprised of the following design elements:

- *Web Portal Online Help* – Functionality to be developed and maintained includes the content, format, and presentation of the following Online Help features:
  - Demonstration videos to assist consumers in the Web Portal application, eligibility determination, and enrollment processes Help screens.

- ✖ Demonstration videos used in the Web Portal to assist consumers.
- ✖ Help screens and question icons to assist consumers with navigation and questions.
- ✖ An on-screen indicator to show the consumer the progress in the application process as the application is being completed by the consumer.
- ✖ Information to identify other entity websites that deliver other benefits (e.g., C4Yourself, Benefits CalWIN, and YourBenefitsNow).
- ✖ Online e-chat Function to assist consumers through application process or answer questions.
- *Plan and Benefit Assistance* – Key assistance features for employers include:
  - ✖ Field-level help for employer and employee application Data entry.
  - ✖ Navigation indicators throughout shop and compare process.
  - ✖ Links to a list of local Assisters that includes interactive maps, addresses, and phone numbers.
  - ✖ Timely responses to written and electronic in-coming correspondence.
  - ✖ Generation of outgoing correspondence such as forms, inserts, and other documents (e.g., Open Enrollment Packet) based on specified business rules.
- *Assister Registration* – Key Functionality includes capability to:
  - ✖ Register and track certified Assisters.
  - ✖ List certified Assisters, including providing interactive maps, addresses, and phone numbers.
  - ✖ Allow for a single sign-on (SSO) option for persons with delegated access to multiple records.
- *Assister Management* – Key Functionality includes:
  - ✖ Recording and tracking Assister training, education and languages spoken.
  - ✖ Receiving, tracking, reporting and resolving Assister complaints.
- ■ **Small Business/Employer Tools** – Key Functionality includes providing the ability to:
  - Create and update an employee roster through the online application process using multiple methods (e.g., manual entry or file upload) and track employee-specific information (e.g., full- or part-time employment).
  - Maintain multiple enrollment periods.
  - Enable an employee to update their account with changes in status (e.g., family or employment).
  - Enable employers to select an employer premium contribution level(s) for employees and/or their dependents (including detailing percentages of premiums or fixed dollar amounts, differential contributions for different employment start dates, and for dependents).

4.3.1.8 MEDS Foundation Functionality

While the Baseline System shall provide the Functional and technical foundation for the integration of MEDS Functionality, no specific MEDS Functionality is expected to be delivered as part of the Baseline System. See Section 4.3.3.4 for the description of MEDS Functionality to be included as part of the Expanded System.

4.3.2 Baseline System Functionality (Case Data Management Alternative Approach)

In addition to obtaining the Vendor's approaches and costs for the Baseline System and Expanded System development and Operations, the Exchange seeks to obtain approaches and costs associated with developing and operating all aspects of the Baseline System (Core Functionality and Services) if the program Case Data for MAGI and Healthy Families was managed within SAWS and the MRMIB System (MAXe^2), respectively. Within this approach:

- The Functionality, components, business rules, correspondences, and reports associated with the ASHS Programs shall be developed in CalHEERS.

- MAGI Medi-Cal case Data shall be stored in current SAWS (i.e., CalWIN, C-IV, or LEADER). The SAWS shall become the System of record for MAGI Medi-Cal cases.

- CHIP and AIM case Data shall be stored in their respective versions of the current Healthy Families Administrative System (MAXe^2). The Functionality within MAXe^2 shall continue to exist as it does currently, and real-time Interfaces shall be developed to facilitate eligibility determination in CalHEERS and case Data storage in SAWS and MAXe^2. The MAXe^2 System shall remain as the System of record for the enrollment of consumers in the Healthy Families and AIM programs.

The Healthy Families real-time interface shall exchange the following Data sets including, but not limited to:

- Electronic Applications
- Scanned Application Documents
- Enrollee and Associated Case Member Data
- Consumer known to MAXe^2 (i.e., the CHIP and AIM System) responses
- Historical Consumer information (e.g., applications, coverage, employment and demographics)

See the Solicitation Library for more information regarding the SAWS and the MRMIB System (MAXe^2). The alternative design may be selected by the Exchange during the Contract negotiations period of this procurement as documented in the Solicitation Schedule Section 2.2.1.

4.3.3 Expanded System Functionality

The Expanded System includes Core Enhancement Functionality and Services to Support the Core Functionality and Services and the State's strategic vision for CalHEERS. The following diagram illustrates the Expanded System, which includes the Baseline System Functionality and highlights the newly added Functionality to Support the Core Functionality and State's strategic vision.

CalHEERS Expanded System Business Functionality

Figure 3 – CalHEERS Expanded System Business Functionality

Eligibility and Enrollment		Financial Management		Plan Management		Reporting		Consumer Assistance	
Application Submission and Update	Renewal	Exchange Accounting	Plan Assessment Fees	Certify/Recertify/Decertify QHP	Maintain Operational Data	Reports	Notices	Web Portal Online Help	Assister Registration
Application Information Verification	Appeal	Premium Processing	Assister Financial Transactions	Monitor Compliance	Rate Review			Plan and Benefit Assistance	Assister Management
Eligibility Determination	Case Management	Individual Premium Aggregation	Issuer Financial Transactions			Education and Outreach		SHOP	
Exemption	Other Health Services Programs	Risk Spreading				Reporting and Tracking	Surveys	Application	Case Management
Enrollment/ Disenrollment	Other Non-Health Services Programs							Verification	Assister Fees
Plan and Benefit Selection								Eligibility Determination	Small Employer Premium Payment Transactions
MEDS Functionality								Appeals	SHOP Issuer and Plan Renewal and Recertification
Eligibility Determination	Financial Management							Enrollment/ Disenrollment	Notices
Enrollment	Program Quality Management							Renewals	Reports
Consumer Management	Program Integrity Management							Exception Processing	Consumer Assistance
Notices and Correspondence								Premium Processing	Small Business/ Employer Tools

4.3.3.1 Centralized Provider Directory Database

The Expanded System includes a centralized Provider Directory database that contains consumer-centric information on providers (i.e., independent clinicians, medical groups, dentists, specialists, and other health plan-specific providers) in a plan's geographic coverage area   Key Functionality of the centralized Provider Directory database includes, but is not limited to, compiling and presenting information on:

- Quality rating of providers
- Provider their being in or out of Network on respective plans or products
- Provider's Acceptance of new patients
- Language(s) spoken by the provider

The Vendor is encouraged to recommend other elements to be presented as part of the centralized Provider Directory. All information within the directory shall be kept current.

4.3.3.2 Integration of Other Health Services Programs

In the Expanded System, the Processing of applications and case information for other health Services programs is expanded to:

- Provide the Functionality for individual Users and authorized Providers and State Users to submit the approved application(s) and complete program eligibility determinations for:
  - Prenatal Gateway, including presumptive eligibility
  - Child Health and Disability Prevention (CHDP) Gateway, including presumptive eligibility
  - Breast and Cervical Cancer Treatment Program (BCCTP)
  - Family Planning, Access, Care and Treatment Program (FPACT)
  - Deemed Infants Eligibility
  - Medi-Cal Inmate Eligibility
- Provide case management and eligibility tracking for these programs.
- Serve as the System of record for the Prenatal Gateway, CHDP Gateway, BCCTP, FPACT, Deemed Infants Eligibility, and Medi-Cal Inmate Eligibility programs.

4.3.3.3 Integration of Other Non-Health Services Programs

In the Expanded System, the Processing of applications and case information for other non-health Services programs is expanded to:

- Screening the applicant for possible non-MAGI health coverage as well as other non-health Services programs (e.g., CalWORKS and CalFresh).
- Collect and send the basic application Data to the System of record for that program to complete the application process.

4.3.3.4 Integration of MEDS Functionality

An important portion of the CalHEERS Development and Operations Project consists of the modernization of and/or integration with the Medi-Cal Eligibility Data System (MEDS) including MEDS subsystems such as Statewide Client Index (SCI) and Income Eligibility Verification System (IEVS) into a state-of-the-art modern and scalable business Software solution that integrates Medicaid eligibility and application enrollment Functionality that currently exists in a

legacy mainframe System. This modernization of MEDS includes transparent integration with CalHEERS.

The expectation is that the Vendor will build upon and Support the foundational Functional and technical components of MEDS delivered as part of the Baseline System. The Exchange is targeting the full delivery of the MEDS Functionality and technical expansion by December 31, 2015, but expects the Vendor to propose realistic tasks and timeframes in which the work (described in the following sections) can be delivered. **It is of critical importance to the Exchange that delivery of the Baseline System by the federally imposed dates <u>not</u> be jeopardized by the Implementation of the MEDS Functionality.**

While MEDS currently Supports eligibility, minimal eligibility determination Functions for Supplemental Security Income/State Supplementary Payment (SSI and SSP), as well as enrollment for the Medi-Cal program, MEDS also Supports other social Services programs including Women and Infant Children (WIC), CalFresh, and CalWORKs. The following subsections describe at a high-level the Functionality to be integrated into CalHEERS. See the MEDS Documentation in the Solicitation Library for more detailed information.

Note: The Scope of this Solicitation does NOT include Maintenance to the current MEDS. If the State exercises its option to buy MEDS integration, Vendor responsibilities are as defined in this Solicitation.

4.3.3.4.1 MEDS Functionality

MEDS tracks numerous individual and family eligibility Data for enrollment in health and human Services programs. There are two different high-level processes that represent the means by which an individual can enter the Medi-Cal program: presumptive/accelerated enrollment and an eligibility determination by the county. The Functionality to be included as part of the MEDS integration effort includes:

- **Eligibility Determination** – Determination Functionality includes the capability to receive, track, and verify application and client information and determine eligibility. The Functionality needed by MEDS includes:

  - *Application Receipt and Tracking –* Key Functionality includes the ability to track disposition and status history of applications.

  - *Application and Consumer Information Verification* – Key Functionality includes the ability to:
    - Conduct field-level validation and verification and interfacing with the State and/or federal systems to conduct verifications of specified fields (i.e., income, citizenship, alien status, and incarceration).
    - Conduct business rule driven verification and validation of application / case Data.
  - *Eligibility Determination* – Key Functionality includes the ability to:
    - Determine and track eligibility for SSI/SSP based Medi-Cal.

- ✗ Determine presumptive eligibility (PE) real-time for Gateway.
- ✗ Determine eligibility for Burman, Craig v Bonta, Edward v Kaiser, and Qualified Medicare Beneficiary (QMB).

- ■ **Enrollment** – The Enrollment Functionality includes client enrollment in Medi-Cal. It also includes renewal and disenrollment business processes. Key Functionality for enrollment includes:

  - • *Medi-Cal Health Care Plan (HCP) Enrollments* – Key Functionality includes the ability to:
    - ✗ Automatically enroll and disenroll a consumer for County Organized Health System (COHS)
    - ✗ Identify individuals that need to be enrolled in Medi-Cal Health Care Plan (HCP) and refer to enrollment Contractor (Health Care Options Contractor - HCO).
    - ✗ Receive HCP plan selection from HCO, and determine eligibility for HCP capitation or disenrollment monthly.
    - ✗ Maintain rules (including historical rules) for enrollment effective dates based on state policies for each program and/or qualifying event.
    - ✗ Generate HCP/COHS reports for enrollment, eligibility, and disenrollment daily and monthly.

  - • *Eligibility Renewal and Disenrollment* – Key Functionality includes the ability to:
    - ✗ Automatically terminate or extend Accelerated Enrollment eligibility (e.g., CHDP) based on specified rules.
    - ✗ Determine and record the results of monthly eligibility assessments and track historical eligibility Data for beneficiaries requiring monthly renewal based on program business rules.
    - ✗ Route to an appropriate work queue or external interface file(s), case information for beneficiaries whose monthly eligibility failed program business rules.
    - ✗ Issue appropriate notices of action (NOA) for SSI/SSP consumers and notices for all Medi-Cal consumers.

  - • *Beneficiary Identification Card (BIC) or Other Health Coverage Card Issuance* – Key Functionality includes the ability to:
    - ✗ Generate BIC file for eligible beneficiaries as appropriate on a daily basis.
    - ✗ Provide real-time issuance of BIC for immediate need consumers.
    - ✗ Generate real-time health coverage identification cards for appropriate consumers.

- ■ **Consumer Management** – MEDS tracks numerous Data elements for many individuals and families for several health and welfare Services programs. Consumer management begins with receipt of consumer Data, verification of application / consumer Data, management of updates to consumer Data, and periodic review and reconciliation of consumer Data. Manage consumer information, consumer communication, consumer outreach, and consumer grievance and appeal for Medi-Cal beneficiaries is part of consumer management.

  - • *Manage Unique Statewide Client Index* – Key Functionality includes the ability to:
    - ✗ Create and assign a unique Client Index Number (CIN) in real-time and batch for beneficiaries that do not already exist.
    - ✗ Uniquely identify each consumer and their associated case.
    - ✗ Link existing consumers to their (CIN).
    - ✗ Resolve duplicate Client Index Numbers (CINs) and cases.
    - ✗ Link a family budget unit to a unified case.

  - • *Manage Consumer Information* – Key Functionality includes the ability to:

- ✖ Receive record, update and store all consumer eligibility information, including eligibility for healthcare and non-healthcare Services.
- ✖ Receive consumer information from the following interfaced systems:
  - – SAWS
  - – CA-MMIS
  - – Healthy Families
  - – County and State Vital Records
  - – Counties
  - – Employment Development Department (EDD)
  - – Franchise Tax Board (FTB)
  - – Department of Motor Vehicles (DMV)
  - – Center for Medicare and Medicaid Services (CMS)
  - – Social Security Administration (SSA)
- ✖ Send consumer information (including updated consumer Data) to the HCO, Carriers, SAWS, CMS, and SSA interfaced systems.
- ✖ Maintain eligibility qualifying events (e.g., pregnancy and age-related) by program.
- ✖ Capture an applicant's qualifying event(s).
- ✖ Determine and track one or more levels of service/coverage and the source of financial responsibility for each consumer (e.g., Aid Codes).
- ✖ Verify Application / Consumer Data – Key Functionality includes the ability to:
  - – Perform verification and validation edits (field level, logical, and business rule driven) to consumer updates to verify the correctness and completeness of the Data.
  - – Uniquely identify each consumer and their associated case.
- ✖ Manage and track other health coverage information (OHC).
- ✖ Capture other health insurance coverage information from third -party vendors and other carriers.
- ✖ Determine and match existence of other health coverage for current beneficiaries.
- ✖ Provide other health coverage matched to consumers to System inquiries.
- ✖ Manage Consumer Data Updates, which includes the Functionality to:
  - – Allow authorized Users to update consumer Data and maintain historical Data.
  - – Notify User in real-time of any update Data errors.
  - – Maintain and track historical consumer Data.
  - – Maintain and track address changes and effective dates of historical addresses.
  - – Combine consumers due to duplication.
  - – Detect, record, and route for Processing any exception transactions or Data encountered during any online or batch update processes.
  - – Separate non-conforming batch transactions into configured work queues or external interface file(s).
- ✖ Periodic Consumer Review and Reconciliation, which includes the Functionality to:
  - – Periodically compare all SSNs contained in the database with SSNs provided by SSA and verify the match with name and birth date.
  - – Forward to the appropriate work queue(s) or external interface files the unmatched Data.
  - – Periodically compare County SAWS-provided Data with the current database and route unmatched records to an appropriate work queue or external interface file(s).
- ✖ Provide monthly census to initiate payment to the HCPs.
- • **_Purchase Medicare (BUYIN)_** – Key Functionality includes:
  - ✖ Determining Medicare entitlement for current Medi-Cal beneficiaries.

- ✗ Determine monthly any beneficiaries that are candidates for purchase of Medicare coverage and transmit electronically to CMS.
  - *Consumer Inquiry* – Key Functionality includes the ability to:
    - ✗ Multi-level search including but not limited to: name, address, CIN, SSN, family budget unit, county, and birth date.
    - ✗ Inquire about consumer eligibility.
    - ✗ Provide eligibility, service limitations, and coverage limitations for fiscal intermediaries.
    - ✗ Inquire consumer vital record.
- **Notices and Correspondence** – MEDS produces notices and correspondence to beneficiaries based on various actions or status of their eligibility for program Services. Notices are sent in the Medi-Cal Managed Care Written Threshold Languages. A complete listing of notices can be found in Solicitation Library. Notices and correspondence includes, but are not limited to, the following notices of:
  - Approval, denial or discontinuance of benefits for various programs.
  - Approval or changes for limited benefits with or without Share of Cost (SOC).
- **Financial Management** – MEDS financial management Functionality includes processes to reduce the amount of Medi-Cal costs to the State, including tracking SOC Data. Key Functionality includes the ability to:
  - Capture and store SOC obligation information.
  - Track monthly Share of Cost (SOC) obligations and spend down for each case.
  - Update SOC obligations and log for audit purposes the changes made.
- **Program Quality Management** – The Program Quality Management process focuses on reducing errors, and maintaining Data integrity and quality. It also includes regular monitoring processes to measure performance. The MEDS Functionality for program quality management includes monitoring and measuring performance and business activity periodic consumer review and reconciliation, which includes:
  - Periodically comparing all SSNs contained in the database with SSNs provided by SSA and verifying they match with name and birth date.
  - Forwarding to the appropriate work queue(s) or external interface files unmatched Data.
  - Periodically comparing County SAWS-provided Data with the current database and routing unmatched records to an appropriate work queue or external interface file(s).
- **Program Integrity Management** – MEDS Functionality for program integrity management area focuses on program compliance (e.g., auditing and tracking medical necessity and appropriateness of care and quality of care, fraud, and abuse, erroneous payments, and administrative abuses). Program Integrity collects information about consumers (e.g., demographics, information about the parties associated with the consumer, dates, actions, and status).

4.3.3.4.2 MEDS Operations Statistics

SCI has over 34 million client records, of which over 31 million clients have records on MEDS:

- Close to 7.5[2] million of those individuals on MEDS are currently Medi-Cal eligible and over 4.6 million[3] are enrolled in a Medi-Cal Health Care Plan. There are approximately 2 million

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[2] Based on February 2011 Research and Analytical Studies Sections (RASS) statistics for 2010.

[3] Based on 2009 MEDS transaction statistics.

detailed health insurance coverage records on the Health Insurance System Database for MEDS clients.

- MEDS stores client eligibility information for current, pending, future, and 36 history months for up to five programs per month including Federal/State cash assistance, CalFresh, multiple Medi-Cal programs, Healthy Families, and County medical and cash assistance programs.

Monthly transaction volumes are in excess of 260 million for MEDS and over 6 million for SCI:

- MEDS transactions in direct Support of County/MCED/HF eligibility determination and Operations Support are in excess of 50 million[2] (for file clearance, application information validation, eligibility reporting, client status inquiry, client Data update and requests for replacement of lost BICs).

- MEDS update transactions received from other Interfaces are in excess of 10 million[2] transactions monthly and include Medicare Buy-In, SSI/SSP, Beneficiary Data Exchange (BENDEX), Health Care Plan Enrollments, Health Insurance Carriers, SSN Verification, IEVS/SAVE (verification of alien status and income) and CDPH (birth and death information).

- Eligibility verification for Medi-Cal service delivery and claims payment (AVES/POS) generates over 23 million[2] transactions monthly.

- While most MEDS transactions involve communication exchanges between systems, there are over 45,000 State and county Staff involved in Medi-Cal program Support who have direct update and/or inquiry access to MEDS. That direct access accounts for 16.5 million of the monthly MEDS transaction volume. There are an additional 450 State and county Users who have very limited, Function-specific inquiry access to MEDS to satisfy SSA audit compliance concerns about SSA Data disclosure.

- SCI transactions include file clearance inquiries, new System links to existing records, CIN assignment for new individuals, client Data updates, and notifications to linked systems when client Data changes are received from other entities. SCI monthly volumes include over 6.5 million real time transactions from all Interfaces plus over 1.5 million batch transactions from MEDS for new SSI/SSP client CIN assignment and client Data changes.

4.3.4   Usability

CalHEERS shall be designed to provide a User-friendly, culturally sensitive experience for multiple and varied Users groups that complies with State, federal, and industry standards and regulations. The System shall provide a first-class consumer experience and delivery of Services through a Web Portal format that:

- Accommodates different consumers' access needs and facilitates and simplifies the end-to-end process to attain and maintain health coverage.

- Takes advantage of and/or exceeds the consumer experience and framework defined by the UX2014 Project (http://www.ux2014.org).

- Presents content in a format that is culturally sensitive, navigation that is straightforward, and simple tools or methods to enable consumers to provide and obtain information.

- Is presented in English and Spanish, with links to phone, online chat, or IVR assistance in the Medi-Cal Managed Care Threshold languages.

- Enables access for persons with disabilities and Limited English Proficiency (LEP) and meets all Americans with Disabilities Act (ADA) requirements.

- Provides a mechanism for the webmaster to obtain feedback regarding accessibility improvements, general comments, and other recommendations.

Regardless of the entry point (i.e., web portal, Service Center, IVR, or printed correspondence), CalHEERS must be accessible to consumers, Assisters, provider offices, and qualified entities for determining presumptive eligibility and providing multiple accessibility channels. The System shall accommodate Users with varying levels of computer skills, reading levels, English proficiencies, and physical abilities to access and utilize CalHEERS; specifically:

- **Accessibility** – CalHEERS must:
  - Comply with the Affordable Care Act §155.210 and be designed to meet the standards and guidelines outlined in the:
    - American Disabilities Act (ADA)
    - Older Americans Act
    - Rehabilitation Act
    - California Accessibility
  - Be fully accessible from smart mobile devices
  - Be developed and remain in compliance with:
    - Section 508 of the Federal Rehabilitation Act and the World Wide Web Consortium (W3C) Web Accessibility Initiative, Section 508, (a)(1)(A)
    - California policy regarding accessibility (Cal Gov Code 11135 and regulations implementing that act as set forth in Part 1194 of Title 36 of the Federal Code of Regulations.)
  - Allow consumers to submit applications electronically with an electronic signature that complies with State, federal, and agency requirements and standards.
  - Provide real-time access to System job and Maintenance Schedules, submission Processing statistics, and System performance tools for designated Staff.
- **Content** – Key content requirements include for:
  - *Web Portal* – The following content for the Web Portal shall be provided in English and Spanish languages and at a sixth-grade reading level:
    - Website text, instructions, links, field-level help, and navigation guidance
    - Education Materials
    - Online Assistance
    - Online Chat
    - Web-Videos
    - Frequently Asked Questions (FAQs)
    - Guided Self Help Tools
    - QHP Information
    - Forms
    - Information and links to other health benefit programs
  - *Case Management* – The following content shall be available to Support Assisters in accordance to each Assister's role and security authorization:
    - Case management information
    - Reporting, Forms, and Notices
    - Appeal case information

- ✗ Issuer, Assister, Broker, Agent, and Navigator information
- ✗ Staff Schedule and caseload management information
- **Ease of Use** – Key Functionality includes the ability to:
  - Pre-populate screens if the consumer information already exists in CalHEERS or other Exchange-approved sources.
  - Identify mandatory fields that require completion before accepting.
  - Determine eligibility, enrollment, and start of coverage in real time.
  - Notify the consumer throughout the application process regarding Data saves, mandatory fields, and expiration of incomplete applications.
  - Confirm successful transmission of submitted customer information (e.g., application, verification, or information update) and include confirmation number and contact information for the receiving location(s) via email when consumer email is available.
  - Enable the customer to download forms and notices from the Web Portal.
  - Allow for navigation between multiple, related input screens without losing information input from the original screen and consumer to print each screen with a print layout that is formatted for printing.
  - Provide print options to format for printing the application, correspondence, notices, and any stored images.
  - Provide multiple options for customer correspondence (e.g., e-mail, print, save file).
  - Click no more than three times to get to the information or Functionality.
  - Support role-based workflow routing in which tasks are assigned to job Functions.
  - Automatically expire incomplete applications saved but not completed within 30 calendar days.
  - Notify the consumer prior to expiration that their incomplete work will be deleted.
  - Provides a mechanism for the webmaster to obtain feedback accessibility improvement, general comments and other recommendations.
- **Format** – Key formatting requirements include:
  - Providing web-based access that requires no desktop Software except for the commercially available web browsers Internet Explorer, Firefox, Chrome and Safari.
  - Displaying each process within CalHEERS in consistent format (e.g., color, layout, font, menus, navigation, graphics, and information location).
  - Utilizing recognized presentation standards for displaying User, plan, and payment information.
  - Displaying information in a culturally sensitive manner, taking into consideration color, symbols, format, and overall presentation.

4.4 TECHNICAL SCOPE

The Vendor shall be responsible for designing, implementing, and hosting CalHEERS. The Vendor is to propose a System design and select the technical components that, in its opinion, shall best meet the business requirements as specified in Section 4.3 – Business/Functional Scope. The Exchange wishes to neither overly dictate nor prohibit the application or presentation Processing, Data storage, or other aspects of the design, but instead require the Vendor's solution to meet the specific System performance and availability requirements specified herein. The Exchange does not mandate use of any particular programming

languages. At a high-level, the Vendor is expected to meet all CalHEERS Key Architectural Goals and Objectives including:

■ **Create a Standards-Based Enterprise Architecture** – CalHEERS overall Enterprise Architecture shall be aligned to Medicaid Information Technology Architecture (MITA 2.0) and CMS Exchange Reference Architecture: Foundation Guidance. The CalHEERS Technology Architecture is driven by the Business Architecture. Both the business and technology architectures are to be built on the foundation of Information/Data Architecture that defines the Data standards, including various logical and physical Data models, and master/meta Data management process and infrastructure. Service Oriented Architecture (SOA) is to be used as the fundamental architectural style for defining CalHEERS Enterprise Architecture to establish a highly agile and responsive business, technology and Data architecture. For the list of business, technology and information architecture standards please refer to Architecture requirements within the Technical Tab of Attachment 2 - Requirements. For information regarding MITA assessments and California's most recent MITA assessment, refer to the Reference Architecture Standards folder within the CalHEERS Solicitation Library.

■ **Provide Single Point of Entry for Eligibility Services** – CalHEERS shall serve as the Single Point of Entry by providing various applications for System Users and consumers to access CalHEERS Services. Access to the CalHEERS point of entry will be provided by the following applications utilized by various CalHEERS Users:

  • *Web Portal* – Provides access to CalHEERS business Services through web-based Interfaces.

  • *IVR* – Provides access to CalHEERS business Services through the telephone.

  • *Mobile* – Provides access to CalHEERS business Services through various smart mobile devices.

  • **Fax Interface -** Allows Users to forward applications and additional Documentation.

  • *CalHEERS External Systems Interface* – The External Systems Interfaces are a set of application programming Interfaces (APIs) that allow application-to-application (A2A) integration between CalHEERS and its business partners (e.g., SAWS and suppliers and Issuers of QHPs). For information regarding the current electronic Inter-County Transfer (eICT) process used by the SAWS (refer CalHEERS Solicitation Library).

Proper interface development is required to minimize the amount of rework necessary when backend systems are replaced or enhanced and to provide a repeatable process for interfacing with additional State programs or systems not yet identified. For external interface requirements, please refer to Section 4.4.7 – Interfaces and Interface requirements within the Technical Tab of Attachment 2 - Requirements.

■ **Create a Flexible, Shared Services Infrastructure and Promote Service Reusability** – The CalHEERS technical architecture shall implement a shared Services infrastructure for the integration of all business, technical and security Services and the access by various channels/consumers as an interoperable web Services (WS-I) to promote reusability of CalHEERS Services within CalHEERS and across various county, State and federal agencies. The shared Services infrastructure shall be implemented via various Enterprise Service Bus (ESB) patterns, various technical interoperability standards (e.g. WS-I), using open standard and creating CalHEERS core and exchange Data models based on NIEM, HL7, etc. to ensure semantic interoperability. The shared Services infrastructure shall provide necessary tools and technologies for development, deployment, runtime, Operations, administration and governance of the shared Services. The shared Services

infrastructure shall be the single point-of-access to all CalHEERS Services and capabilities as virtualized Services and enable CalHEERS to offer Services and capabilities as Software-as-a-Service (SaaS) within CalHEERS and across various county, State and federal agencies. The CalHEERS shared Services infrastructure shall achieve the following business goals:

- Promote sharing, leveraging, and reusing of Medicaid technologies and systems within and among States.
- Produce transaction Data, reports, and performance information that would contribute to program evaluation, continuous improvement in business Operations, and transparency and accountability.
- Ensure seamless coordination and integration with the Exchange to allow interoperability with other health information exchanges, public health agencies, human Services programs, and community organizations providing outreach and enrollment assistance Services.

- **Offering CalHEERS Services and Capabilities as SaaS on the Cloud** – The CalHEERS Software Services architecture shall provide the capability to deploy the Services in the cloud environment and enable CalHEERS Services and capabilities to be offered as SaaS within CalHEERS and across various county, State and federal agencies. The CalHEERS service architecture shall comply with security and privacy requirements for Public, Community and Private Clouds.

- **Infrastructure-as-a-Service (IaaS) on the Cloud** – The CalHEERS technology architecture shall provide an infrastructure layer that focuses on the orchestration and virtualization of computational, Network, and storage resources and infrastructure resources made available dynamically in the amount and location required when they are needed. The CalHEERS infrastructure architecture shall implement necessary virtualization standards that enable the infrastructure cloud to offer infrastructure resources on demand as IaaS. The CalHEERS infrastructure architecture shall comply with security and privacy requirements for Public, Community and Private Clouds.

- **Create Highly Adaptable Business Process Architecture** – CalHEERS shall provide a business process-centric technology architecture where business processes are composed using various shared Services and the composition of the business processes are abstracted from the business service consumers. This allows changes to the existing business processes to be independently managed without impacting the end consumers. At the same time, new business processes can be implemented by reusing existing Services quickly and easily. The CalHEERS business process architecture shall implement necessary infrastructure, process, standards and best practices to manage the end-to-end business process life cycle, including but not limited to: analysis, modeling, Implementation, runtime, management and monitoring of business processes and the use of an open standard Business Process Management System (BPMS) to implement the solution.

- **Enable Faster Time-To-Market** – The ability to implement new business Services by composing existing Services as a shared, reusable service Supports a faster time-to market for the new Services. Also, the flexibility and infrastructure established in the CalHEERS IT architecture shall enable a more rapid development of new Services and deployment to consumers.

- **Reduce Cost for Operations and Maintenance** – The CalHEERS technology architecture shall Support reduced Operations and Maintenance costs for the Services and infrastructure via:

- Increased flexibility, agility of the technology architecture – changes takes less time and effort.
- Decreased expansive point-to-point integration – increased flexibility and hence reduced cost for Operations and Maintenance.
- Reduced Redundancies - CalHEERS service governance process shall implement processes to ensure elimination and normalization of redundant Services and systems that will reduce the fundamental unit of System that needs to be managed and also reduces the number of dependency points.

- **Mitigate Risks** – The CalHEERS business, technology and information architecture shall gear towards mitigating the following risks:
  - *Change Management Risk* – CalHEERS IT architecture shall be flexible and agile enough to respond to changes quickly and efficiently while creating a shared reusable service infrastructure. CalHEERS flexible and agile technology architecture minimizes the turnaround time for:
    - Modifications to existing business rules, Services etc.
    - Integrations of a new business partner.
    - Bringing new Services to the market.
    - Delivering the Services through new channels as driven by the new and emerging technologies.
  - *Business Continuity Risk* – CalHEERS technology architecture and infrastructure shall mitigate all business continuity risks by Supporting necessary architectural elements, infrastructure, process and best practices for disaster recovery (DR), while incorporating automated fail over and scalability (horizontal and vertical) capabilities.
  - *Compliance and Security Risks* – CalHEERS shall provide a single, comprehensive, integrated framework with processes that include tools, technology, standards and best practices to design, implement, manage, administer and govern the security and privacy of the exchange System and Data. The CalHEERS security and privacy framework shall implement infrastructure and process to centrally implement, manage and govern the security and privacy policies and allow implementing the changes to the compliance policies quickly and easily to ensure that the CalHEERS and the Data stay compliant. CalHEERS Security and Privacy Framework shall ensure Implementation, management and monitoring of various security and compliance policies, for example:
    - Federal Information Security Management Act (FISMA) of 2002
    - Health Insurance Portability and Accountability Act (HIPAA)/ Health Information Technology for Economic and Clinical Health Act (HITECH) of 1996
    - Privacy Act of 1974
    - Patient Protection and Affordable Care Act (ACA) of 2010, Section 1561 Recommendations, Safeguarding and Protecting Tax Returns and Return Information (26 U. S, C. 6130 and related provisions)
    - e-Government Act of 2002, National Institution of Standards and Technology (NIST)
    - California Department of Health Care Services (DHCS) - Information Technology Projects Security Requirements 1 (SR1), etc.

    CalHEERS Security and Privacy focus shall be aligned to the MITA 2.0 Security and Privacy focus by Supporting the following capabilities:
    - Security and Privacy integration to the overall business, information and technology architecture from the beginning.
    - Business driven Security and Privacy Framework.

   * Providing Protection with Low Maintenance - agile S&P framework.
   * Consistency Across Medicaid.
   * Adaptable/Responsive.
   * Platform/Software Independent.
   * Cross-Agency Integration and Alignment.
   * Continuing efforts to Implement, Manage, Monitor and Govern State and Federal Security and Privacy requirements, guidance and best practices.

   CalHEERS security and privacy framework shall implement a security architecture based on MITA 2.0 Security and Privacy model with the following fundamental security architectural elements:

   * Multi-Level Security

   * Identity Management

   * Role Based Access Control (RBAC)

   * Decentralized Label Model (DLM)

- *Operational Risks* – CalHEERS technology architecture shall minimize the Operational risks associated with its highly distributed service architecture by handling all Operational tasks centrally at the CalHEERS shared Services layer. Examples include deployment, versioning, management and monitoring of Services in runtime, root cause analysis, logging and auditing, resource and performance monitoring, fault monitoring, notifications and management and monitoring of SLAs.

During the term of the Contract, the Vendor shall be responsible for developing and maintaining complete specifications for all System changes. These specifications must include, but are not limited to, the Equipment, Software, and telecommunications changes necessary to meet performance requirements and other Contract requirements.

The Vendor is required to respond to all requirements identified the Technical Tab in Attachment 2 – Requirements. The information in this section does not describe each requirement, but rather provides context and expectations for the Technical scope of work to be provided. The Technical scope is described in the following categories:

- Hosting
- Facilities
- Architecture
- Capacity
- Network
- Online/Batch
- Interfaces
- Security
- Backup/Recovery
- Performance
- Auditing
- Reports and Reporting
- Tools

4.4.1   Hosting

The Exchange expects the Vendor to utilize cloud technologies during the development and for hosting of the CalHEERS solution throughout Operations, continually remaining in compliance of the CMS Cloud Computing Standard (see Solicitation Library). The Exchange expects the Vendor to plan for, equip, manage, and maintain all CalHEERS Project hosting Sites; specifically:

■ **Development Data Center** – The Development Data Center is expected to host the development Equipment and Software, including User Acceptance Testing and Training environments.

■ **Production Data Center** – The Production Data Center is expected to host the Production Equipment, Software, and Data.

■ **Backup Data Center** – The Backup Data Center is expected to host the backup Equipment, Software, and Data in the event of a disaster.

Within the Vendor hosting Facilities, the Vendor shall procure, install, configure, and operate Equipment and Software to the CalHEERS Project and System. The Vendor may accommodate multiple Data centers in one location; except, for the backup Data center. The Vendor is required to propose a solution that complies with Data center and architecture requirements, standards, and federal, State, and Exchange regulations.

4.4.2   Facilities

The Vendor is required to provide safe and secure Facilities from which the CalHEERS Project and System shall be developed and operated. The Exchange expects the Vendor to plan for, equip, manage, and maintain all CalHEERS Project Facilities; specifically:

■ **Application Development Facility** – The CalHEERS Project Facilities where Exchange Project Staff and the Vendor shall work together to develop, design, and implement the System.

■ **Service Center** – The Facility(ies) that houses and Supports the call center, print and mailing Services, fax, email, and web-based interactions.

Within the Vendor Facilities, the Vendor shall procure, install, configure, and operate Equipment and Software that Supports the CalHEERS Project and System. The Vendor may accommodate multiple Data Facilities in one location. The Vendor is required to propose a solution that complies with Data center and architecture requirements, standards, and federal, State and Exchange regulations.

Vendors may propose a single Facility to house multiple functions. For example, Vendors may propose one Facility that will accommodate the D&I project team, the Service Center, and the Production Data Center. Vendors may also leverage existing facilities that meet CalHEERS requirements.

4.4.3   Architecture

The Vendor is required to design, develop, and implement a System architecture based on CalHEERS Technical Reference Architecture (TRA). The TRA defines a consistent vision of CalHEERS System context, technology architecture, process, and standards throughout the organization and supplies the context (for identified patterns) for imposing best practices on development and deployment of the CalHEERS SOA. The TRA:

- Offers an architectural framework for CalHEERS that maximizes interoperability and reuse across the enterprise.
- Drives towards concrete Technology Architecture. Considers framework, principles, protocol, standards, specifications, process, best practices etc.
- Provides process, standards and guidelines for key architectural principles for making architectural and design decisions.

CalHEERS framework is aligned to MITA 2.0 Technical Architecture and Eligibility Reference Architecture (ERA) and uses SOA as core architectural style. CalHEERS technical architecture is a service-oriented multi-layer architecture and has the following architectural layers:

- Infrastructure Layer
- Data Layer
- Service Layer
- Business Process Layer
- CalHEERS Service Bus (CSB)
- Access Channel/Application Layer

4.4.3.1   Infrastructure Layer

In the CalHEERS multi-layer SOA, the Infrastructure Layer shall focus on the orchestration and virtualization of computational, Network, and storage resources. The Infrastructure Layer ensures resources are made available dynamically in the amount and location required by the SOA layers above it, as and when they are needed.

The CalHEERS technology architecture shall provide an infrastructure layer that focuses on the orchestration and virtualization of computational, Network, and storage resources and infrastructure resources made available dynamically in the amount and location required when they are needed. The CalHEERS infrastructure architecture shall implement necessary virtualization standards to enable the infrastructure cloud to infrastructure resources on demand as IaaS. The CalHEERS infrastructure architecture shall comply with security and privacy requirements for Public, Community and Private Clouds.

The key characteristics of CalHEERS Infrastructure Layer are:

- Operating System virtualization
- Infrastructure virtualization
- Storage orchestration
- Cloud enablement
- IaaS

4.4.3.2   Data Layer

In CalHEERS multi-layer SOA, the Data Layer includes all information storage and information management systems. The Data may include both managed and unmanaged Data in diversified formats such as:

- Relational Database
- Flat Files
- Data Stored in XML form

- Content Management Repository

- Business Rules Repository

- Lightweight Directory Access Protocol (LDAP)

The Vendor shall develop reporting capabilities to provide a central view of CalHEERS Data to Support State and federal reporting requirements. For subsidized health coverage accounts (i.e., MAGI Medi-Cal, CHIP, AIM, APTC, and CSR), MEDS shall continue to serve as the centralized master Data repository for the limited Data set of application tracking (i.e., MEDS Application Tracking Database) and enrollment Data it manages. The subsidized health coverage accounts shall use the Statewide Client Index (SCI) and Client Index Number (CIN) as the CalHEERS Client Index number for every person that applies or enrolls. For employers and non-subsidized health coverage accounts for individuals, the Vendor shall use the CalHEERS client Index number generated within CalHEERS. Vendor shall provide the Functionality for the following capabilities including, but not limited to the:

- **Data Management Strategy (DMS)** – The Vendor shall define, document and implement a comprehensive DMS that includes processes, tools, technologies, and best practices based upon MITA 2.0 Data Management Strategy that specifically addresses:

  - Data Governance Infrastructure, organization, and process
  - Data Architecture for relational Data, XML Data, flat files, content management repository, business rules repository
  - Storage Architecture
  - Master Data Management (MDM) process and Infrastructure for centralized administration of master Data, metadata and Data quality
  - Data Sharing Architecture
  - Data Warehouse and Business Intelligence System

- **Conceptual Data Model (CDM)** – The Vendor shall design, develop, document, and maintain CalHEERS Conceptual Data Model (CDM) based in NIEM and HL7 reference models.

- **Physical Data Model** – The Vendor shall design, develop, document and maintain CalHEERS Physical Data Model (PDM) based in NIEM and HL7 reference model for:

  - Persistent Data Model
  - Core XML Schema Model
  - Message XML Schema Model

The following is a partial list of key logical Data elements in the CalHEERS Data Layer:

- **CalHEERS Client Index** – This index identifies all consumers that have accessed CalHEERS and have created a User account or saved information (e.g., partially completed application). This is an internal primary key index within CalHEERS and should not be confused with the CIN obtained from the State Client Index. A CIN will be obtained and stored with the CalHEERS client index for every consumer that applies for a program that requires file clearance and the CIN that results from the File Clearance process.

- **Master SHOP Index** – The Master SHOP Index Data store will include an index to manage the employer and employee demographic Data as well as employer health plan Data for small businesses to Support SHOP coverage. This index will Support the tracking of qualified employees and small businesses enrollment and the relationships to make a single, aggregated monthly premium payment on behalf of their employees. It will include Data for determining enrollment period eligibility, employer communication preferences, and the premium of the second lowest silver plan at the time of enrollment.

- **CalHEERS User Index** – The CalHEERS User Index maintains the information for all Users interacting with the Exchange such as brokers, agents, navigators and county workers. Utilizing role based access and management and aligning with the responsibilities and established capabilities associated with the various User types interfacing with the Exchange, the index Supports identity management, User authentication and authorization, access history and audit capability.

- **CalHEERS Case Data** – The CalHEERS Case Data store will contain all the necessary information of a consumer or employee for their health coverage enrollment, including application information for MAGI Medi-Cal, CHIP, AIM, APTC or CSR. It will also include an account for enrollees that have enrolled in non-subsidized QHPs. Also included in this store is Data for enrollment, notice history, call center communications, the CalHEERS eligibility history for the applicant and each subscriber included in the case.

- **Issuer and QHP Data** – Health plan and Issuer Data will include enrollments, plan information, and Issuer information. Issuers include Managed Care Organizations (MCO) and their plans. This store will include information related to the QHPs that are the certified health insurance plans offered to consumers and small businesses purchasing coverage through the Exchange. QHP details including plan type, coverage areas (by zip code, region etc), quality rating, history of enrollment and disenrollment transactions. This Data store also contains the health plans application/proposal, status of Certification Processing, current and historical quality rating Data (claims denied, complaints, etc) and assigned case manager.

- **Financial Data** – The financial Data store will serve several business Services, including consumer assistance, eligibility and enrollment, plan management, and financial management. For consumer assistance, the Data store will contain fee structure and rates for Assisters, including navigator grants received and distributed. For the eligibility and enrollment business service, it contains Data to Support any premium collection and transfer to Issuers. For the plan management business service, it contains Data on Issuer premium payments due and paid, as well as Issuer fees due to the Exchange. The Data store will also Support account reconciliations for individuals, employers and Issuers.

- **Business Rules Repository** – A centralized and externalized business rules repository including, but not limited to eligibility rules, program determination rules, application validation rules etc.

- **Central Content Management Repository** – This repository will host the paper and digital content of business documents, such as citizenship profiles, enrollment details, eligibility information, forms, scanned proposal responses, invoices, and contracts. The enterprise content management technology must also provide document cleaning tools to Support the removal of sensitive or confidential hidden metadata and properties from documents. The CalHEERS Application Central Application and Content Repository shall be implemented using an open standard commercial Relational Database Management System (RDBMS) and Content Management System (CMS).

- **Identity Store** – Stores User authentication information.

- **Certificate Store** – Provides storage for security certificates and keys.

- **Role-Based Access Control (RBAC) Data** – Stores RBAC Data including User Groups, Roles, and Permission information.

- **Data Warehouse** – Stores Data to facilitate State and Federal reporting and decision Support from each program Supported by the Exchange including, but not limited to,

demographic Data associated with application, eligibility and enrollment Data and encounter Data from each set of providers or health systems Supporting each program.

■ **Business Intelligence and Reporting** – Provides standard and ad hoc reporting access and an executive information portal to enable Exchange and State Staff to make informed program decisions and review impact of previous program or System modifications.

4.4.3.3 Service Layer

In CalHEERS multi-layer SOA, the Service Layer shall include various Business, Technical, Data and Security Services. Please refer to Solicitation Library for the *CalHEERS Technical Reference Architecture* document, which will provide a detailed definition of various service categories. The Service Components are implemented using appropriate technology and are exposed as WS-I web service based on *Service Contract Specifications* (Solicitation Library). These Services are orchestrated in the CalHEERS Business Process Layer as executable business process and are exposed to the consumers as coarse-grained business Services through various access channels.

■ **CalHEERS Service Analysis and Design Methodology** – The Vendor shall define and implement an end-to-end Service Analysis and Design Methodology process for Business Process Analysis and Modeling, Service Identification and Specification, based on the following standards, process and best practices including, but not limited to:

- SOA Architectural Styles
- Service Oriented Modeling and Architecture (SOMA)
- Model Driven Architecture (MDA)
- XML Schema design best practices

■ **Service Component Implementation** – The Vendor shall identify appropriate technology to implement various business, technical, Data, decision and access Services including, but not limited to:

- Custom development – Java/JEE, .NET etc.
- Business Rules Engine (BRE), Content Management System, ETL etc.
- Various integration adapters such as File, FTP, Database etc.
- Various legacy adapters such as mainframe and enterprise application adapters.

■ **Service Contract Specification** – The Vendor shall fully specify the service Contract using common service specification standards and ensure that the service Implementation details are fully abstracted from the service consumers. The service Contract specification should include but not limited to the following:

- Functional capabilities
- Service Operations
- Input and Output Message
- Binding Type (e.g., SOAP, HTTP etc.)
- Service Policies such as security policies, access policies, etc.
- SLAs such as performance, security policies, etc.

■ **Service Principles** – The Vendor shall ensure that the CalHEERS Services implement the following agility principles:

- **Open Standards** – *The* Vendor shall ensure that the Services are exposed to its consumers as interoperable web service that implements the following standards include, but are not limited to:
  - ✕ XML, WSDL, SOAP, WS-I Web Services, WS-Security and other WS-* standards
- **Reusability** – The Vendor shall ensure that the CalHEERS Services are reusable and be used as enterprise resources with agnostic Functional contexts. The reusable service can be used in multiple usage contexts across the organization. Vendor shall implement appropriate SOA service design principles to define appropriate service granularity to ensure service reuse.
- **Portability** – The Vendor shall ensure that the Services are portable across platforms.
- **Interoperability** – The Vendor shall implement appropriate interoperability standards, principles, and best practices to ensure that the service providers and service consumers be interoperable given the heterogeneity in the technology for Implementation, communication protocol and Data standards. CalHEERS emphasizes on web Services interoperability, both syntactic and semantic interoperability by enforcing various syntactic interoperability standards such as WS-I and semantic interoperability by standardizing the information/Data standards.
- **Loose Coupling** – The Vendor shall ensure that the service providers and the consumers are loosely coupled so that service Implementation logic can evolve while guaranteeing baseline interoperability with consumers that depend on the service Contract specification only.

- **Business Rules Externalization** – Consistent with the recommendations issued pursuant to section 1561 of the Affordable Care Act, Vendor shall be required to clearly and unambiguously express business rules outside of transactional systems; specifically:

  - **Centralized Business Rules Repository** – Create a centralized business rules repository for eligibility, entitlement and enrollment and store the business rules in a consistent, standard based human readable format.

  - **Business Rules Management (BRM) and Governance** – Design and implement necessary process, tools, technology and best practices to manage end to end life cycle of Business Rules Management and will use industry standard Business Rules Management System (BRMS).

  - **Business Rules Data Standard** – CalHEERS Business Rules shall be expressed using a consistent, technology-neutral standard format, congruent with the core Data elements identified through the NIEM process.

The Vendor is required to incorporate a rules engine as a core service to the System that is used to determine eligibility for the Applicable State Health Subsidy (ASHS) Programs. The rules engine shall be designed to be scalable to accommodate future eligibility program rules and determination capabilities. The rules engine shall provide a consistent determination of eligibility based upon verified Data. The results of the rules engine shall be provided to the System along with simple language explaining the results. In addition, the results of the rules engine determinations shall be provided, as needed, to the Exchange's interface partners. During enrollment process, the User shall be able to return to the application Data to re-enter any Data and complete verification and determination as many times as necessary.

- **SaaS and Cloud Enablement** – The CalHEERS Software Services architecture shall enable the capabilities to deploy the Services in the cloud environment and enable offering CalHEERS Services and capabilities as SaaS within CalHEERS and across various county,

State, federal and private agencies. The CalHEERS service architecture shall comply with security and privacy requirements for Public, Community and Private Clouds.

■ **Service Registry/Repository** – The Vendor shall implement a service registry/repository where all the CalHEERS Services can be published. In CalHEERS multi-layer SOA, all the Services in Service Layer and Business Process Layer are described and published in the Service Registry. These Services are then accessed and exposed to the service consumers as virtualized Services by the CSB. In CalHEERS SOA, the service registry promotes reusability of Services and service governance by describing and publishing the offered Functionality of the Services to potential consumers. The service registry Supports the organization of information about Services and provides Facilities to publish and discover Services. Universal Description Discovery and Integration (UDDI) and the Web Services Description Language (WSDL) - together with Simple Object Access Protocol (SOAP) are the standards for describing Services and their providers, as well as how Services can be consumed.

4.4.3.4 Business Process Layer

In CalHEERS multi-layer SOA, the Business Process Layer is the service orchestration layer where the various Services implemented in the CalHEERS Service Layer are orchestrated as executable business process. The Vendor shall create a business process-centric technology architecture where business processes are composed using various shared Services and the composition of the business processes are abstracted from the business service consumers. This will allow changes to the existing business processes to be independently managed without impacting the end consumers. At the same time, new business processes can be implemented by reusing existing Services quickly and easily. The CalHEERS business process architecture shall implement necessary infrastructure, process, standards and best practices to manage end-to-end business process life cycle, including but not limited to: analysis, modeling, Implementation, runtime, management and monitoring of business processes and use BPMS to implement the solution.

■ **Business Process Model** – Vendor shall design and document Business Process Model for each business service/process that includes but is not limited to: static and dynamic view of the business processes, input and output message structure, business events, business and technical exception events, exception event actions for the six core Exchange Business Areas:
- Eligibility and Enrollment
- Plan Management
- Financial Management
- Consumer Assistance
- Reports
- Notices
- SHOP

■ **Business Capability Matrix (BCM)** – Vendor shall provide a Business Capability Matrix (BCM) and a transformation roadmap for each CalHEERS process for the various MITA 2.0 Maturity Levels (MITA 2.0 Maturity Model or MMM). For a more detailed discussion of the MITA 2.0 business processes, MMM and BCM, see the following relevant chapters within the MITA 2.0 Part I document including *Part I Chapter 3 Maturity Model*, *Part I Chapter 4, Business Process Model*, and *Part I Chapter 5, Business Capability Matrix*, respectively].)

- **Business Process Technology Standards** – Vendor shall use the following open standards for business process analysis, modeling and Implementation.
  - Business Process Modeling Notation (BPMN), WS-BPEL standards and be exposed as WS-I web Services using NIEM compliant XML message
- **Business Transaction Standards** – Vendor shall ensure that all CalHEERS Business Processes shall comply with the following Business Transaction standards as mandated by Affordable Care Act:
  - HIPAA Transaction Standards: Adopt HIPAA transaction standards for electronic health care transactions
  - Electronic Eligibility and Enrollment rules: CalHEERS Electronic Eligibility and Enrollment transactions shall comply with the set of operating rules as described in http://healthit.hhs.gov/portal/server.pt?open=512&mode=2&objID=3161
  - Exchange Data Standard: Standardize Information Exchange Model based on NIEM as required by the Affordable Care Act. The details can be found at Core Data Analysis: http://healthit.hhs.gov/pdf/electronic-eligibility/appendix-b.pdf
- **Business Process Management (BPM) Process and Infrastructure** – The Vendor shall design and implement necessary process and infrastructure to Support end-to-end Business Process Management (BPM) life cycle (e.g., analyze, modeling, design, deploy, manage and monitor) using BPMS.
- **Business Activity Monitoring (BAM)** – The Vendor shall design and implement necessary process and infrastructure to Support effective Business Activity Monitoring and Reporting of various business performance matrices.
- **Externalization of Business Rules from Business Process Implementation** – The Vendor shall externalize various business rules such as decision, calculations, compliance rules, etc. from business process Implementation and implement the business rules using industry standard Business Rules Management System (BRMS).

4.4.3.5 CalHEERS Service Bus (CSB)

Vendor shall be responsible to implement the service integration infrastructure, called CSB using products and technologies based on open standard. The Exchange will leverage the CSB to horizontally integrate with other Health and Human Services programs. The CSB will be a key component in the CalHEERS architecture, allowing greater Data transfer that can be taken advantage of by multiple California Systems. The key capabilities of the CalHEERS integration infrastructure are:

- **VETRO –** Provide infrastructure for key service integration needs such as request Validation (V), request Enrichment (E), inbound and outbound Data Transformation (T), dynamic Routing (R), virtualized service Operation (O).
- **Loosely-Coupled Integration –** In the CalHEERS SOA, the key business benefits are achieved through the flexibility of the technology architecture. Enabling loosely-coupled integration between various service consumers and providers is the key to achieving IT flexibility. The key enablers of loosely-coupled integration are:
  - *Service Virtualization*:
    - ✖ Eliminate hardwired Point-to-Point (P2P) integration.
    - ✖ Create abstraction between the service provider and the service consumer using service mediation.

- *Messaging*:
  - Supports asynchronous, synchronous, publish and subscribe messaging.
  - Supports synchronous and asynchronous bridging.
  - Loosely-coupled integration using Event-Driven Architecture (EDA).

- **Connectivity Services** – Provides connectivity to integrate various distributed, heterogeneous application and Services. The following are broad categories of connectivity Services provided by the service integration infrastructure.

  - *Web Services Connectivity* – SOAP, REST

  - *Data Source Connectivity* – Connectivity adaptors to various Data sources such as SAP, Mainframe, etc.

  - *Transport Services* – Enable heterogeneous transports between service end points through protocol adoption.

  - *Protocols* – Support for multiple protocols such as file, (S) FTP, HTTP(s), JMS providers, RMI, web Services, CORBA, DCOM, and e-mail (POP, SMTP, IMAP).

- **Centralized Security, Compliance and SLA Management, Service Management and Monitoring** – The Vendor shall implement centralized security, compliance and SLA management, service management and monitoring at the CSB Layer as described below.

  - *Centralized Security Management* – The CSB, being the centralized access point for all CalHEERS Services, enables configurable, policy-driven, centralized security enforcement to manage, monitor and enforce security to Support:
    - Security standards for authentication, authorization, encryption-decryption, and digital signatures.
    - SSL for HTTP and Java Message Service (JMS) transports.
    - Multiple authentication models.

  - *Centralized Compliance and SLA Management* – The CSB enables configurable, policy-driven, centralized compliance and SLA management to manage, monitor and enforce compliance policies and SLAs as follows:
    - Establishes SLAs on a variety of attributes including throughput times, Processing volumes, success/failure ratios of message processes, number of errors, security violations, and schema validation issues.
    - Initiates automated alerts or enables operator-initiated responses to rule violations.
    - Defines, manages and monitors various compliance policies centrally.

  - *Centralized Service Management and Monitoring* – The CSB enables centralized service management and monitoring through:
    - Service monitoring, logging, and auditing with search capabilities.
    - Capture of key statistics for message and transport attributes, including message invocations, errors, performance, volume, and SLA violations.

4.4.3.6 Presentation Layer

The Vendor is expected to provide the presentation layer Services via a browser-based interface (or Web Portal), IVR and Mobile Application to the end User. The Vendor shall:

- Evaluate UX2014 and other similar Interfaces.

- Adopt any aspect of those that will best meet the standards of usability and California requirements.

- Inform the Exchange of its decision process.

- Demonstrate how it will deliver a first-class User experience, accommodating different consumers' access needs and facilitating and simplifying the end-to-end process of attaining and maintain health coverage.

The online Web Portal Functionality shall be able to Support different Users utilizing role-based security. The consumer shall be able to access multiple help or assistance avenues, including written, online help menus and direct connection to a live operator via online chat or the toll free number. The System shall have the capability to deliver online Consumer Assistance to all consumer User types via a range of web browsers and various mobile applications. The Web Portal shall include consumer assistance Functionality such as:

- Access to and navigation through the Consumer Assistance, Eligibility and Enrollment for Individuals and Employers (SHOP), Plan Management, and Financial Management modules
- Videos for learning how to use the web portal
- Videos for how to compare and enroll in health plans
- Links to online chat
- Links to lists of navigators, agents, or brokers near them (including interactive maps and direction)
- Ability to access the web portal content in English and Spanish

CalHEERS shall serve as the Central hub to the State's eligibility and enrollment Services for consumers, providers, and Assisters. Access to the CalHEERS central Services hub will be provided by but not limited to, the following:

- **Web Portal** – Provides access to CalHEERS business Services through web-based Interfaces implemented using web Services (WS) Remote Management Portlet (RMP) standards.
- **IVR** – Provides access to CalHEERS business Services through the telephone.
- **Smart Mobile Device** – Provides access to CalHEERS business Services through various smart mobile devices.
- **Fax Interface** - Allows Users to forward application and additional Documentation to CalHEERS.
- **CalHEERS External Systems Interface** – The External Systems Interfaces are a set of APIs that allow A2A integration between CalHEERS and its business partners such as SAWS systems and suppliers such as Issuers of the QHPs.

4.4.3.7 Correspondence

The System must include the ability to send appropriate notices in multiple languages to Support the core Services of the Exchange. The languages that the Vendor is required to provide correspondences can be found in the Business Tab of Attachment 2 – Requirements.

The Correspondence must be able to be generated dynamically, be viewable through the presentation layer, have the ability to be bundled for printing, and be able to be sent through email. The System is expected to issue notices, at a minimum, in the following categories:

- Eligibility and Enrollment
- Plan Management
- Financial Management
- SHOP

4.4.3.8 Architecture Standards

The Vendor shall design and develop the CalHEERS architecture in accordance with the following Federal, State, and industry standards:

- **CalHEERS Technical Reference Architecture (TRA)** – The TRA defines a consistent vision of CalHEERS System context, technology architecture, process, and standards throughout the organization and supplies the context (for identified patterns) for imposing best practices on development and deployment of the CalHEERS SOA. The TRA:
    - Offers an architectural framework for CalHEERS that maximizes interoperability and reuse across the enterprise.
    - Drives towards concrete Technology Architecture. Considers framework, principles, protocol, standards, specifications, process, best practices etc.
    - Provides process, standards and guidelines for key architectural principles for making architectural and design decisions.

Please refer to the CalHEERS TRA in the Solicitation Library.

- **Medicaid Information Technology Architecture (MITA 2.0)** technology standards presents the technology standards associated with target technologies that will Support the goals of the CalHEERS enterprise. The CalHEERS technology solution shall use technology standards as defined in MITA 2.0 Standards Reference Model (SRM) – (MITA Part III, Chapter 8 Technology Standards.pdf)
- **CMS Exchange Reference Architecture** – Foundation Guidance as architectural standard
- **The Office of the National Health Coordinator for Health Information Technology**, Guidance for Medicaid Information Technology (IT) Systems, Version 2.0:

    (http://cciio.cms.gov/resources/files/exchange_medicaid_it_guidance_05312011.pdf)
- **The Office of the National Health Coordinator for Health Information Technology, Guidance** for Medicaid Information Technology (IT) Systems, Version 1.0

     (http://cciio.cms.gov/resources/files/joint_cms_ociio_guidance.pdf)
- **Centers for Medical and Medicaid Services (CMS) Architecture Guidance**, which includes high-level and detailed architectural frameworks
- **SOA** principles and methodologies for development of interoperable open standard Services. These Services shall be well-defined business Functionalities that are built as Software components (discrete pieces of code and/or Data structures) that Support interoperability and can be reused for different purposes. The System is required to utilize XML as the required Federal standard for interfacing with SOA Services.
- **National Information Exchange Model (NIEM)** for XML-based information exchange framework
- **Health Insurance Portability and Accountability Act (HIPAA)** rules for access, authentications, storage and auditing, and transmittal of electronic medical records to protect personal health information. Standards include HIPAA Version 5010 standards for electronic health transactions (effective January 1, 2012) and ICD-10 for medical diagnosis and inpatient procedure coding (effective October 1, 2013). Adherence to the HIPAA standards is required to meet the Federal requirements of the Exchange and to interface with Exchange partners such as CA-MMIS whose current efforts include the modification of CA-MMIS to accept and process the newly mandated HIPAA electronic transaction versions from X12 4010A1 to Version 5010.

- **ANSI X12 (EDI**) transaction protocols used for transmitting patient Data (e.g., ANSI 834 transactions are used to enroll and disenroll Users from health plans)

- **Protected Health Information (PHI) and Personally Identifiable Information (PII)**, which includes the State of California laws for the protection of health information and other non-health, personal information that precede HIPAA by many years. It is important to note that California law pre-empts HIPAA when it provides greater patient rights or stronger protections for PHI and PII. The Exchange must ensure California PHI and PII protections are in place, not just the Federal HIPAA standards.

- **Health Level 7 (HL7)**, which includes standardized messaging and text communications protocol between hospital and physician record systems and between practice management systems. HL7 standards shall be applied for any Exchange Functionality that seeks to store or analyze encounter Data or evaluate health Services provided to the customer.

- **ISO** TC 215 for international technical specifications for EHRs

- **Federal Standards** that Support the Exchange's ability to obtain Federal approval and funding. Target architecture directives for federal guidance from the State of California shall be integrated with Federal architecture frameworks to ensure that the System aligns with the State's strategic goals. The Vendor is required to utilize Electronic Data Interface (EDI) standards that specify an information exchange transaction (e.g., ANSI 834 - Benefit Enrollment and Maintenance) for the transmission protocol, structure, and content of each communication.

4.4.3.9 CalHEERS Technology Reference Architecture (TRA) Process, Standards, and Best Practices

Vendor shall be responsible to work with the Exchange to design, document and implement the following (not limited to) process, standards and best practices as part of the CalHEERS TRA that will be used as references to analyze, design, implement, manage and maintain CalHEERS. Elements include:

- **TRA Standards and Policies** – Provides guidance that defines various standards and policies that need to be Supported by CalHEERS including.
  - Technology Standards
  - Information Standards (e.g., Data)
  - Security and Privacy Policies
  - Data Exchange Standards
  - System Integration Standards
  - Accessibility Standards
  - Business Rules Standards
  - Architectural Standards

- **Risk-Based Security and Privacy Framework** – Provides a single, comprehensive, integrated framework with process, tools, technology, standards and best practices to design, implement, manage, administer and govern the security and privacy of the CalHEERS System and Data.
  - This framework leverages government, industry, and federally-funded academic research on security, privacy, and continuity of Operations, with a strong link to available and emerging products and solutions.

- The process, tools, technologies and best practice defined for the Risk-Based Security and Privacy Framework are aligned to the overall business, information and technology architecture of the Exchange and integrated into the overall Exchange Life Cycle (ELC) process for the Exchange.

■ **Master Data Management (MDM)** – Process and Infrastructure for centralized administration of master Data, metadata and Data quality. This guideline defines the necessary organization, process, structure, environment and best practices for MDM.

■ **Life Cycle Governance** – Defines the ELC and the collaborative Application Life Cycle Management (ALM) environment. The Life Cycle Governance shall be aligned to the ELC Governance process described in Appendix B – CMS Exchange Reference Architecture: Foundation Guidance and Collaborative Environment and Life Cycle Governance – ERA Supplement.

■ **Operations and Administration** – Defines necessary process, infrastructure, best practices, etc. for CalHEERS Operations and administration management.

■ **Technical Capability Matrix** – CalHEERS Technical Capabilities are derived from the business requirements to ensure the principle of "*business driven technology architecture*". For example, the *Review of Issuer plans features* business Function needs to be enabled by a *"Content Management System"* while the *Eligibility Determination* business Functions need to be enabled using a *"Business Rules Management System (BRMS)."* The Technical Capability Matrix (TCM) will provide:

- A list of technology capabilities that are needed to enable CalHEERS business capabilities.
- Traceability between the business capability and technical capability.
- A description of the technical Functions in the context of the five levels of the MITA 2.0 Maturity Model.

For detailed information regarding the CalHEERS TRA, refer to the Solicitation Library.

4.4.4 Capacity

The Vendor is required to design, manage, and monitor the capacity of the System. Through a structured managed process, the Vendor is required to conduct capacity management of the System by measuring the System performance, growth, and Projected increase of use through the term of the Contract. The following table provides the anticipated case volume over a three-year period from the open enrollment period, which begins as early as July 1, 2013 but no later than October 1, 2013.

Table 13 – Case Volume Capacity

	October 2014	October 2015	October 2016
Enrollment (MAGI Medi-Cal)	1.37	1.60	1.77
Enrollment (Healthy Families)	0.53	0.55	0.57
Individuals (Exchange Subsidized)	0.93	1.07	1.20
Individuals (Exchange Non-Subsidized)	0.74	0.77	0.80
Employees (SHOP)	0.13	0.25	0.38

Notes:
1. Numbers are expressed in Millions.

	October 2014	October 2015	October 2016
2. Numbers are preliminary and subject to change based on future estimates.			

Assumptions:
1. Current Healthy Families enrollees below 138% of the Federal Poverty Level will transfer to Medi-Cal on January 1, 2014
2. Half of individuals eligible for the Exchange without subsidies will enroll.
3. In the small employer market (firms from 2-50 employees), there are approximately 10 employees per firm.

4.4.5 Network

The Vendor is required to prepare and deliver the design and Network for CalHEERS telecommunications Network, including Network diagrams, specifications and Network management for all components. The design is required to:

- Provide access, reliability, and appropriate levels of redundancy for all Exchange locations and the Vendor's Data Processing Site(s).
- Be fully compatible with the proposed Data Processing Configuration, Equipment, and Software.

The Exchange Network design protocol is required to provide for participation in and interaction with the Statewide Automated Welfare Systems (SAWS).

4.4.6 Online/Batch

The Vendor is required to document and manage the online and batch programs through a structured process. The batch programs must be structured in a documented fashion, aligned in an appropriate sequence manner, and tuned to execute within the System Performance standards as identified in Section 4.4.10. The online programs shall also be structured to comply with CalHEERS architecture standards, web Services standards and clearly documented within the Operations and Maintenance Manual. The online programs shall also be designed in such a way that there is not be duplicity with the architecture design.

4.4.7 Interfaces

The Vendor is required to work collaboratively with CalHEERS' external partners to develop and implement Interfaces and/or integrate systems for purposes of exchanging application, case, and other Data to Support continuation of Services or reporting in the destination System. The Vendor is required to design a solution that integrates the CalHEERS Functions and provides customers with a secure, comprehensive and unencumbered User experience when dealing with CalHEERS. The Vendor is required to interface with the following federal, State, and SAWS external partners:

- **Federal System Interfaces** – CalHEERS shall interface with the federal Data Services hub to connect CalHEERS to federal Data sources, including but not limited to:
  - Internal Revenue Service (IRS)
  - Department of Homeland Security
  - Social Security Administration (SSA)

- **State System Interfaces** – CalHEERS shall interface with multiple State systems, including but not limited to:

  - *Medi-Cal Eligibility Data System (MEDS)* – Until the integration of MEDS Functionality is completed as part of the Expanded System, the CalHEERS shall interface with MEDS for online real-time verification of applicant's current enrollment status in any health coverage program in California. In addition, CalHEERS shall interface with MEDS for issuance of the Beneficiary Information Cards (BIC) for appropriate beneficiaries. CalHEERS shall provide MEDS associated enrollment and case information for MAGI Medi-Cal and CHIP beneficiaries. Through MEDS, CalHEERS shall interface to the:

    - *Statewide Client Index* for the verification of existing applicant Data or to obtain a new unique CIN for applicants receiving subsidized benefits that do not currently exist in the SCI.
    - Income Eligibility Verification System (IEVS) for information on applicants/ participants from:
      - Employment Development Department (EDD), for example, those who receive or will receive Retirement Survivors Disability Insurance (RSDI), Unemployment Insurance Benefits (UIB), and/or Disability Insurance Benefits (DIB).
      - Franchise Tax Board (FTB), specifically income Data.
      - SSA, specifically work history wage and National Prisoner Match information.
      - Homeland Security, specifically, alien status
    - *Management Information System (MIS)* to send appropriate information.

  - *Employment Development Department (EDD)* – CalHEERS shall interface with EDD to verify State Employer ID number and other appropriate information.

  - *Insurance Carriers* – The CalHEERS shall interface with Insurance Carriers to receive qualified health plan (QHP) information.

  - *Financial Institution(s)* – The CalHEERS shall interface with designated financial institution or other payment Issuers for the issuance of payments and receipt of payment information for reconciliations.

- **Statewide Automated Welfare Systems (SAWS)** – CalHEERS and SAWS must be able to exchange standardized application and case information. The System must interface with the SAWS Consortia (CalWIN, C-IV, LEADER) to provide applicant Data for non-MAGI Medi-Cal cases. In addition, the CalHEERS may receive MAGI Medi-Cal cases from the SAWS Consortia if:

  - The case or case member(s) has transferred from a non-MAGI eligible to MAGI eligible program.

  - A SAWS intake results in an applicant not being eligibility for MAGI or Non-MAGI Medi-Cal and the applicant still requests to search for individual health coverage.

  The Vendor shall be required to interact with the SAWS Consortia Projects to coordinate the development, Maintenance, and Operations of CalHEERS Interfaces. For more information on the proposed CalHEERS - SAWS Integration architecture, refer to the CalHEERS TRA folder within the CalHEERS Solicitation Library.

The following table provides a summary of the Interfaces within the core Services, indicates if the interface is online (real-time) or batch, and indicates the anticipated flow of information to and/or from CalHEERS.

Table 14 – Summary of Interfaces

Interface	Online / Batch	Direction
Federal System Interfaces		
CMS Data Hub	Online	One-way
State System Interfaces		
MEDS	Online	Two-Way
MIS	Batch	One-Way
EDD	Online	One-Way
Insurance Carriers	Online/Batch	One-Way
Financial Institution(s)	Online/Batch	Two-Way
SAWS Interfaces		
CalWIN	Online/Batch	Two-Way
C-IV	Online/Batch	Two-Way
LEADER	Online/Batch	Two-Way

Direction: One-Way Interfaces indicate that CalHEERS sends a request and receives a response from the target interface. Two-way Interfaces indicate that both CalHEERS and the target System send requests and receive responses from the requesting System.

4.4.8   Security

The Vendor shall provide a single, comprehensive, integrated risk based framework with process, tools, technology, standards and best practices to design, implement, manage, administer, govern the Security and Privacy of the CalHEERS System and Data, hereafter called the CalHEERS Security and Privacy Framework.

CalHEERS Security and Privacy Framework should leverage government, industry, and federally funded academic research on security, privacy, and continuity of Operations, with a strong link to available and emerging products and solutions.

The process, tools, technologies and best practice defined for the CalHEERS Security and Privacy Framework should be aligned to the overall Business, Information and Technology architecture of the Exchange and the Privacy and Security process should be integrated to the overall ELC process for the exchange.

- **CalHEERS Security and Privacy (S&P) focus** – Vendor shall ensure that the CalHEERS Security and Privacy focus is aligned with the MITA 2.0 S&P focus by Supporting the following capabilities:
  - Security and Privacy integration to the overall business, information and technology architecture from the beginning
  - Business driven Security and Privacy Framework
  - Providing Protection with Low Maintenance - agile S&P framework
  - Consistency Across Medicaid
  - Adaptable/Responsive
  - Platform/Software Independent

- Cross-Agency Integration and Alignment
- Continuing efforts to Implement, Manage, Monitor and Govern State and Federal Security and Privacy requirements, guidance and best practices

■ **CalHEERS Security Standards** – Vendor shall ensure that CalHEERS shall be build on a single, comprehensive and integrated Security and Privacy Framework that implements several Federal and California State security and privacy policies including but not limited to:

- Federal Information Security Management Act (FISMA) of 2002
- Health Insurance Portability and Accountability Act (HIPAA)/ Health Information Technology for Economic and Clinical Health Act (HITECH) of 1996
- Privacy Act of 1974
- Affordable Care Act (ACA) of 2010, Section 1561 Recommendations
- Safeguarding and Protecting Tax Returns and Return Information (26 U. S, C. 6130 and related provisions)
- e-Government Act of 2002
- National Institution of Standards and Technology (NIST) Special Publications (SP). NIST's Special Publications are available at: http://csrc.nist.gov/publications/PubsSPs.html and a guide to implementing the HIPAA Security Rule can be found at: http://csrc.nist.gov/publications/PubsFIPS.html
- National Security Agency (NSA) Security Recommendation Guides
- NIST SP 800-41 Guidelines on Firewalls and Firewall Policy
- NIST SP 800-44 Guidelines for Securing Public Web Servers
- NIST SP 800-45 Guidelines for Electronic Mail Security
- SP 800-55 Security Metrics Guide for Information Technology Systems
- NIST SP 800-83 Guide to Malware Incident Prevention and Handling
- NIST SP 800-100 Information Security Handbook
- NIST SP 800-88 Media Sanitization Guide
- NIST SP 800-100 Information Security Handbook
- California Department of Health Care Services (DHCS) - Information Technology Projects Security Requirements 1 (SR1)

For detailed information regarding security standards, refer to the Security Standards in the Solicitation Library.

■ **DHCS Security Standards -** For detailed information on the DHCS Security Standards, refer to the CalHEERS Solicitation Library.

- California Department of Health Care Services (DHCS) - Information Technology Projects Security Requirements 1 (SR1)
- DHCS Information System Security Plan Template
- HIPAA Business Associate Addendum

■ **Open Security Standards and Frameworks** – Vendor shall implement the following open standards and frameworks for all the Services and infrastructure developed for CalHEERS Security and Privacy Framework:

- **Policy** – WS-Policy, WS-Trust, WS-Privacy, Security Assertion Markup Language (SAML), Enterprise Privacy Authorization Language (EPAL)

- **Federation** – WS-Secure Conversation, WS-Federation, WS-Authorization, XML Key Management (XKMS)

- **Mechanism** – Extensible Access Control Markup Language (XACML), XML Encryption, XML-Digital Signatures, Extensible rights Markup Language (XrML)

■ **Interoperable, Secure Standards, and Protocols** – The Vendor shall ensure that CalHEERS Security and Privacy Framework shall comply with the Affordable Care Act, Section 1561 requirements and enable building an interoperable and secure standards and protocols to facilitates secure enrollment of individuals, transmit and/or process individual's financial information (FTI) and minimize the risk of security and privacy vulnerabilities.

■ **Risk Management Framework** – The Vendor shall ensure that CalHEERS Security and Privacy Framework shall comply with the general guidance for managing risk in NIST SP 800-37, Guide for Applying the Risk Management Framework to Federal Information Systems.

■ **Security Model** – Vendor shall implement a security architecture based on MITA 2.0 S&P model with the following three fundamental security architectural elements:

- Identity Management

- Multi Level Security

- Role-Based Access Control (RBAC)

- Decentralized Label Model (DLM)

CalHEERS shall have an identity management tool that will identify, match, and report individuals that are in the corresponding interface Systems (SAWS, MAXe2, California Health Care Options, MEDs) are the same individuals in the System. The Vendor is encouraged to leverage existing State efforts conducted with identify management with the Department of Motor Vehicles and the California Deployment Department.

■ **Security and Privacy** – The CalHEERS Security and Privacy Framework shall implement federal guidance and requirements for those with whom CalHEERS Data are shared, and to enable effective security and privacy Implementation and operation by the State of California in the following areas including, but not limited to:

- *System and Data Classification* – CalHEERS Security and Privacy Framework shall comply with the security classification guidelines for IT Data and systems (Low, Moderate and High) and use the security controls established at level as defined by NIST Federal Information Processing Standards (FIPS) Publication 199, Standards for Security Categorization of Federal Information and Information Systems. The Data and the System categorization shall follow the guidance and standards defined in NIST SP 800-60, Guidance for Mapping Types of Information and Information Systems to Security Categories.

- *Security Controls* – CalHEERS Security and Privacy Framework shall identify a minimum set of security controls commensurate with the sensitivity of Data stored and exchanged that will be adapted by all entities implementing and operating the CalHEERS. The minimum set of security control identified and defined shall follow the requirements of HIPAA, HITECH, FISMA, Tax Information Safeguarding Requirements and California's security and privacy framework.

- *Identity, Credential and Access Management* – CalHEERS Security and Privacy Framework shall implement appropriate security constructs to identify, verify, authorize, and authenticate Users before allowing access to sensitive resources such as PII, PHI or FTI Data. CalHEERS Security and Privacy Framework shall implement a comprehensive

process and centralized service for Identity, Credential and Access Management (ICAM).

The ICAM Services shall implement the following principles:

- *Identity Proofing* – Provide a minimum set of administrative controls and requirements for identity proofing (User proofing who they say they are) and for periodic management of authenticators.

- *Authorization* – Users will be assigned roles to ensure that they have access to Data that is needed to get the job done and nothing more (least privilege).

- *Authentication* – Enabling increasing complexity of authentication as the sensitivity of the System and Data increases.

In addition to implementing ICAM Services, CalHEERS Security and Privacy Framework shall consider appropriate Accountability and Non-repudiation requirements for most critical transactions.

- ***Secured Infrastructure and Managed Services Computing*** – CalHEERS Security and Privacy Framework shall implement a defense-in-depth, multi-zone computing architecture that physically separates the layers between the System component; each layer is protected by firewalls and appropriate security devices based on the sensitivity of Data and computation.

  The CalHEERS multi-zone architecture shall follow the recommendations defined in MITA 2.0. CalHEERS Security and Privacy Framework shall consider necessary security provisions and controls on the cloud (Public, Community and Private) through a thorough evaluation of the System and Data classification for the exchange on the cloud, determine the level of risk the stakeholder will manage and define appropriate manage Services model that will Support the Implementation of multi-zone architecture and a secure infrastructure on the cloud.

- ***Data Encryption*** – CalHEERS Security and Privacy Framework shall implement appropriate Data encryption mechanism to protect Data confidentiality and integrity. CalHEERS Security and Privacy Framework shall implement the following Data encryption mechanisms:

  - *Sensitive Data in Transit (including emails)* – Sensitive Data in transit shall be encrypted to protect Data confidentiality and integrity as appropriate based on the sensitivity of Data. FTI shall be encrypted based on IRS guidelines. If encryption is not used for FTI Data, appropriate compensating security mechanism shall be in place such as switched Virtual Local Area Network (VLAN) etc.

  - *Encrypted Data Storage* – Servers or server storage containing PHI or PI shall have sufficient administrative, physical, and technical controls in place to protect that Data, based upon a risk assessment/System security review, or shall be encrypted using FIPS 140-2 validated Software.

  - *Workstation/Laptop Encryption* – All workstations and laptops that process and/or store PHI or PI shall be encrypted using FIPS 140-2 validated Software. The encryption solution shall be full-disk unless otherwise approved by the ISO.

  - *Portable storage media* – All electronic files that contain PHI or PI Data shall be encrypted using FIPS 140-2 validated Software when stored on any removable media or portable device (i.e., USB thumb drives, floppies, CD/DVD, Blackberry, backup tapes, etc.).

- *Secure Application Connectivity* – All transmissions and Data-links sending PHI or PI Data between the application and System and the DBMS shall be encrypted using FIPS 140-2 validated Software.
- *PHI, PI Data Transmission* – All Data transmissions of PHI or PI shall be encrypted end-to-end using FIPS 140-2 validated Software. Encryption can be end to end between hosts, or the Data files containing PHI can be encrypted.   This requirement pertains to any type of PHI or PI in motion such as website access, file transfer, and E-Mail.
- *Public Key Infrastructure* – The Public Key Infrastructure (PKI) shall follow standard practices such as the use of accepted Certification Authorities (CA), documented Certificate Policies (CP), and Certificate Practice Statements (CPS) which will include key escrow strategy. Implementation shall use fundamental technical standards such as X.509 certificate format and Public Cryptographic Standards (PKCS). PKI used across entities shall address interoperability requirements.

- **Audit Trails** – CalHEERS Security and Privacy Framework shall Support necessary auditing mechanism to track and monitor access to all sensitive Data, specifically PII and PHI information in compliance with Privacy Act, HIPAA and the Audit requirements defined in the Technical/Operational Safeguard section of California DHCS ISO Information Technology Project Security Requirements 1 (SR1) November 2011.

- **Continuity of Operations and Disaster Recovery** – CalHEERS Security and Privacy Framework shall provide the following Functionality to minimize loss and facilitate effective disaster recovery:
  - Systems shall be "fail-safe" to ensure that the System in failed state doesn't reveal any sensitive information or leave any access controls open for attack
  - Fully redundant Network and Equipment components
  - Off-Site storage in the event of physical disaster
  - Build in contingencies for the storage of transactions where there is dependency on availability of Data from business partners that provide authoritative Data (e.g. the IRS, DHS and SSA)
  - Leverage Virtualization to expedite disaster recovery

- **Compliance Oversight** – CalHEERS Security and Privacy Framework, in compliance with the HITECH requirements and FISMA Continuous Monitoring Guidelines, shall implement necessary process, tools and technology to implement, manage, administer, monitor and govern all the compliance policies that are required to be efficiently implemented by the Exchange. CalHEERS Security and Privacy Framework shall provide the capability to Support the following baseline oversight activities:
  - Define and implement appropriate process, tools and technologies to integrate compliance oversight activities with the Operations Governance of the CalHEERS.
  - Ensuring risk management is performed in accordance with NIST SP 800-37 guidance.
  - Ensuring secured coding practices are implemented in the ELC best practices to avoid common Software weaknesses and vulnerabilities.
  - Ensuring Documentation of necessary and appropriate privacy artifacts.
  - Serving as approval authority for accreditation of systems and interconnections.

- ✗ Enforcing ongoing monitoring and periodic compliance reporting and providing evidences on the compliance levels of security and privacy requirements, Data exchange and usage agreements.
- ✗ Conducting System assessment.
- *Privacy* – The Vendor shall monitor and maintain security and privacy standards to protect consumer privacy and continually add best practices to ensure consumer privacy is consistently maintained. CalHEERS Security and Privacy Framework shall build appropriate privacy protections into the design of the CalHEERS to control the collection, use, dissemination and disposition of PII, PHI, and FTI Data. CalHEERS Security and Privacy Framework shall implement the following privacy principles in guidance with DHCS:
  - ✗ Individual Access
  - ✗ Correction
  - ✗ Openness and Transparency
  - ✗ Individual Choice
  - ✗ Collection
  - ✗ Use and Disclosure Limitation
  - ✗ Data Integrity
  - ✗ Accountability

  The Vendor shall ensure that CalHEERS Security and Privacy Framework shall comply with the following requirements mandated by California DHCS ISO as defined in Information Technology Projects Security Requirements 1 (SR1) document:
  - ✗ Technical/Operational Safeguard
  - ✗ Administrative/Management Safeguard
  - ✗ Physical Safeguard
- **Security Threat Challenges (STRIDE)** – As part of CalHEERS Security and Privacy Framework, the Vendor shall implement appropriate security architecture and control to address various security attacks such as Spoofing, Tampering, Repudiation, Information (disclosure), Denial (of service), Elevation (of privilege).
- **Breach of Personal Information** – In the event of a breach of any amount of personal information for any individual managed within CalHEERS (i.e., State of California consumers, Exchange Staff, CalHEERS User, trusted partners, etc.) the Vendor shall adhere to State of California guidelines related to a breach of personal information as outlined by the State. Current guidelines can be found in the Privacy Breach 101 link on the Web page:

  http://www.dhcs.ca.gov/formsandpubs/laws/priv/Pages/default.aspx.

  The Vendor shall be responsible for educating themselves as to the proper State of California-required actions to respond to a breach, including, but not limited to, the timeframe for reporting a breach, who to report the breach to (i.e., agencies and individuals), research and investigation activities and mitigation of the circumstances that resulted in the breach. Currently, all breaches are reported to the Chief of the Privacy Office, part of the DHCS Office of HIPAA Compliance according to the guidance provided in the document accessible via the Privacy Breach 101 link on the Web page:

  http://www.dhcs.ca.gov/formsandpubs/laws/priv/Pages/default.aspx.

The contact information for the Chief of the Privacy Office is accessible via: http://www.dhcs.ca.gov/formsandpubs/laws/priv/Pages/PrivacyOfficeContacts.aspx.

■ **PII, PHI Disclosure Report** – For purposes of providing disclosure information to beneficiaries upon request according to new HIPAA regulations, the CalHEERS shall provide the Functionality to provide a report which articulates a complete list of who saw beneficiaries Personal Identifiable Information (PII) and Personal Health Information (PHI), what they viewed, and when they viewed this Data.

■ **Business Associate Agreements for PII and PHI Data exchange** – The vendor shall take the lead role and responsibility for ensuring Business Associate Agreements are in place in order to exchange Personal Identifiable Information (PII) and Personal Health Information (PHI), following DHCS policies, best practices, and HIPAA regulations. DHCS will Function as Subject Matter Expertise Support with this requirement.

4.4.9 Backup/Recovery

The Vendor is required to provide a backup facility that Supports the System in the event of a Disaster or a Production Data Center Facility issue. The Vendor shall be required to document and practice the Backup and Recovery strategy processes, and procedures, once per year. The Exchange shall validate the Vendor's ability to recover the System within the established Performance standards as documented in Section 4.4.10.

4.4.10 Performance

The Vendor is required to design, develop, and implement a System that complies with the Service Level and Performance requirements as identified within Attachment 2 – Requirements and Appendix D – Model Contract. The Vendor is also required to monitor System performance with a central monitoring tool and conduct proactive performance management activities. The Exchange requires the Vendor to provide performance metrics and reports to demonstrate the proactive performance tuning activities that the Vendor is performing.

4.4.11 Auditing

The Vendor is required to design, develop, and implement auditing Functionality that monitors the System's accuracy and completeness. The System must have the ability to generate reports that provide the Exchange with the necessary Data to conduct quality control, research, and administration of applications and ASHS Program eligibility. The System must have the ability to provide reports on System Users, security groups, roles, settings, passwords and duplicate IDs.

Audit trails must be available to trace User and System initiated actions for all update and inquiry transactions. The audit trails must be available for online inquiry for up to three (3) years after the last auditable action on a case. No modification of audit trail Data is permitted. Audit trails may be stored offline on machine-readable media after three (3) year from the last activity on a case or client. Stored Data must be readily accessible in the case of audit, appeals, or litigation.

The CalHEERS must provide point in time display of all Data for audit, verification and program integrity purposes. The System must display the Data that was used to determine eligibility, calculate benefits, and generate various outputs, including payments, notices, and electronic benefits for the point in time that the particular action took place. A history of Data elements to be jointly agreed upon during the design phase, such as address, Social Security Number and

name, must be maintained. The number of occurrences to be maintained will be based upon entity relationship analysis and the business need as determined by the Exchange.

4.4.12 Reports and Reporting

The Vendor is required to design, develop, and implement a System that meets Federal reporting requirements. The Vendor is also required to provide business intelligence capability to Support a broad range of Data analytics needs by the State and federal agencies. The Vendor is required to develop and maintain federal reporting requirements to comply with the following, including but not limited to:

- Audit and oversight requirement
- Exchange, Medicaid, and CHIP quality control initiatives
- Administrative costs related to waste, fraud, and abuse
- Federal Reporting
- Federal Funding

In addition to the standard set of reports that can be generated and transmitted electronically or in paper form, the Vendor is required to develop a Data/dashboard for case workload, metrics, and performance reporting that is available to the Exchange, program, Service Center, and IT management groups for monitoring real-time activity.

4.4.13 Tools

The Vendor is required to provide Operational Support tools to monitor, manage, and operate the System. The Operations management Support tools include but are not limited to the following:

- Customer Relationship Management (CRM)
- Email
- Fax Servers
- Configuration Management
- Online Calendar
- Configuration Purge Utility
- Archive and Archive Retrieval
- Server Monitoring Tools
- Business Relationship Management System (BRMS)
- Service Catalog
- Change Control Management System
- Network Monitoring System
- Database Maintenance
- Application Security Administration
- Operational Dashboard

4.5 PROJECT MANAGEMENT SCOPE

The Vendor is expected to provide sufficient resources, methodologies, processes and tools to establish and maintain a Project Management Office (PMO) to guide CalHEERS Project management during the Development and Implementation (D&I) and Operations and Maintenance (O&M) periods. The Vendor PMO is responsible for completing all required CalHEERS Project management Functions, including planning, administering, controlling, tracking, and reporting on all Project activities during the Term of the Contract.

The Project Management Plan (PMP) developed by the Vendor is the guide and framework for these Project management Functions. The key Project management approaches and processes that must be described in the PMP and for which the Vendor is responsible are described in the following subsections.

4.5.1 Exchange CalHEERS Project Team

The Exchange will provide a CalHEERS Project Team to oversee the Vendor, and to work in concert with the Vendor PMO to perform the following Project management tasks, including, but not limited to: Vendor oversight, Vendor Deliverable management, Contract management, budget/approval document management, Vendor invoice and payment Processing, and Independent Verification and Validation (IV&V). The Vendor is expected to work closely with Exchange Project management Staff. The Vendor is also expected to work cooperatively with and provide information in a timely manner to the IV&V and Independent Project Oversight Consultant (IPOC) teams. The following chart depicts the Exchange's CalHEERS Project Team.

Figure 4 – Exchange CalHEERS Project Team
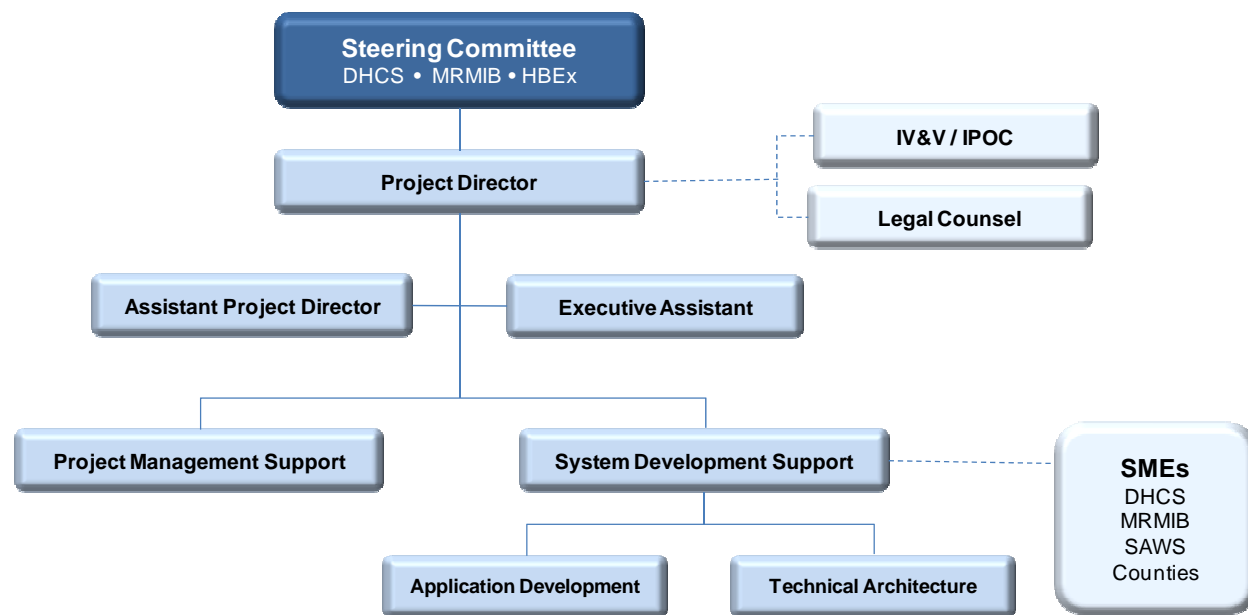
The Exchange's CalHEERS Project Team is described below.

- **Project Director** – The Project Director is responsible for planning, directing and overseeing the Project, and ensuring that Deliverables and Functionality are achieved as defined in the Contract, Project Charter, funding documentation and subsequent Project plans. The Project

Director provides leadership and strategic direction to the organization to ensure Project and organizational objectives are accomplished via effective Project management. The CalHEERS Vendor will report to the Project Director.

The Project Director is also responsible for the management of all resources assigned to the Project, serves as the primary liaison between the Project and the Project Sponsors and Steering Committee, and escalates decisions and issues as needed. The Project Director coordinates Project related issues with other efforts, reviews and resolves Project issues not resolved at lower levels, and directs the Project management Functions. The Project Director acts as the principal interface to the Contractors.

- **Assistant Project Director** – The Assistant Project Director, working under the direction of the Project Director, is responsible for managing and overseeing all aspects of the Project, applying the Office of Systems Integration's Best Practices, industry standards, principles, methods, and techniques to deliver the solution. The Assistant Project Director plans, guides and oversees the day-to-day internal activities that Support the Project.

- **Project Management Support Team** – The primary challenge of Project management Support team is to ensure all Project goals and objectives are met. The Project Management Support team is managed by the Project Management Services Manager and is composed of two teams: Project Management Support Services (PMSS) Team and the Project Administrative Support Team.

  - The PMSS team helps ensure that the CalHEERS Project is executed using best practices and standards for various Project management activities. The PMSS Team assist the CalHEERS Project Management Services Manager with overseeing the Vendor PMO activities and with implementing and executing additional Project activities using standard Project management techniques, processes, policies, and procedures to ensure Project success. Activities the PMSS team will provide Support for include:
    - Project governance
    - Scheduling/planning
    - Risk/issue management
    - Change management
    - Quality assurance
    - Control agency documents
    - Staffing plans
    - Communication management

  - The Project Administrative Support Team provides assistance for all administrative, personnel and Facilities matters. This team also provides procurement, fiscal, and Contract management resources.

- **System Development Support Team** – The System Development Support Team is composed of two separate teams: the Application Development Team and the Technical Architecture Team. CalHEERS will also include a group of Subject Matters Experts (SMEs) during the design, development and Implementation of the System.

  - The Application Development Team works as a liaison among stakeholders in order to understand the structure, policies and Operations of the various organizations whose business processes are to be automated. This team will assist the Vendor in confirming and reviewing the business requirements and design Deliverables, and in integration testing and User Acceptance testing. This team will also review any Implementation and change management Deliverables and may participate in Implementation activities.

  - The Technical Architecture Team is responsible for ensuring System adherence to technical requirements for design, development, testing, System performance and

operability. It is responsible for Supporting all Deliverable reviews and testing associated with the technical aspects of the Project. It provides plans for and Supports the development of the CalHEERS solution in the areas of technical infrastructure, information security, System Operations and Network administration, Data management, System Configuration management, and external Interfaces.

- Subject Matter Experts from both teams will provide additional Support for design sessions, Deliverable reviews, testing, conversion, and as needed meetings and workgroups.

■ **Executive Assistant** – The Executive Assistant is responsible for performing administrative tasks in Support of the CalHEERS Project Director. The Executive Assistant also provides general administrative Support to the Project team for office supplies, Equipment, and clerical Support.

■ **Legal Counsel** – The legal representative provides legal opinions upon request in areas of the Solicitation, Contract amendments, work authorizations, contracting questions, conflict of interests, discovery issues, communication documents, industry trends, and general contracting issues.

■ **Independent Verification and Validation (IV&V)** – The IV&V representatives work under the direction of the Project Director to provide IV&V of the Project. The IV&V team will provide independent, technical review and verification of Project Deliverables, as well as independent testing and auditing of Project Deliverables against requirements, with a special emphasis placed on Deliverable quality assurance and information security control reviews.

■ **Independent Project Oversight Consultant (IPOC)** – The IPOC works under the direction of the Project Director to provide independent Project management oversight.

4.5.2   Communication Management

The Exchange places a high value and strong emphasis on timely, useful, and effective communications. The Exchange believes that effective communication and transparency to Project Sponsors, Program Sponsors and stakeholders are key factors in achieving success. The Vendor is expected to employ an approach to communication that is open, accurate, direct, and in the best interest of the CalHEERS Project and the Exchange.

At the direction of the Exchange, the Vendor will provide Support to assist the Exchange in communications with stakeholders, including the public, to include preparations and/or presentations to the Board of Directors, press releases, and the like.

The Vendor must implement structured, efficient communication protocols and methods to ensure that all CalHEERS sponsors and partners are informed of Project decisions, issues, risks, and statuses and that responsibility for dependencies, instructions, and touch-points are understood by all parties.

As part of the effective and open communication approach, the Vendor is expected to provide its strategy for communicating and working collaboratively with its Subcontractors to meet the Project objectives.

4.5.3   Scope Management

The Exchange recognizes that changes in scope are inevitable and may be due to a variety of unforeseen factors. It is understood that there will be changes to the requirements presented in

this Solicitation as rules and regulations evolve and are finalized by CMS and the Exchange. For the purposes of this Project, change is defined as anything that affects Project scope, Schedule, and/or budget. The overall delivery dates, Operational dates and quality criteria required by CMS and the Affordable Act are not expected to change; however, if CMS changes do affect delivery or Operational dates, the Vendor must adapt to those changes.

As part of scope management, the Vendor must document and implement a formal change control process. The Vendor must inform the Exchange Project Director of any potential scope changes as soon as is reasonably possible to discuss, analyze, and document the impact of the change in scope and determine direction and next steps. The assessment of the change in scope must include specific impacts to both Schedule and costs. The Vendor will be responsible for monthly formal scope assessments during the D&I period. Based on these assessments, the Exchange will work with the Vendor to confirm/reconfirm Project scope for subsequent tasks, phases, and/or milestones. The Exchange has allocated the following "buckets" of total hours to be used for D&I changes:

- Baseline System (Core Functionality) – 15,000 hours
- Expanded System (Core Enhancement Functionality) – 15,000 hours

If scope changes result in a Change Order or modifications to requirements, any such changes must be formally amended into the Vendor Contract.

4.5.4   Issue Management

The Vendor shall use a robust proven approach to issue identification, analysis, prioritization, tracking, escalation and resolution. This approach must be clearly documented, understood, and accessible by all CalHEERS Project personnel. The Vendor shall provide an issue management tool that, at a minimum, documents the description of the issue, priority of the issue, dependencies and plans for resolution, team/Staff assignments, Schedule impacts if appropriate, targeted and actual resolution dates, and the resolution action. The tool must be widely and readily accessible for use by all CalHEERS Project Staff. The Vendor must provide training on the use of the issue management tool to all CalHEERS Project Staff. Issue reports and metrics generated from the Vendor's tool will become a part of the Vendor's Weekly and Monthly Status Reports.

4.5.5   Risk Management

The Vendor shall use a robust proven approach to risk identification, assessment, prioritization, monitoring and mitigation that proactively raises awareness of risk areas and protects the interests of the CalHEERS Project. This approach must be clearly documented, understood, and accessible by all CalHEERS Project personnel. The Vendor shall provide risk management tool that, at a minimum, documents the description of the risk, type of risk (Schedule, budget, Operational, program/policy, technology, development, Implementation, etc.) whether it is within the control of the Project, probability, impact, level of control, overall risk exposure, priority, dependencies and plans for mitigation, team/Staff assignments, response strategy, status and action plans. The risk management tool must be accessible by all CalHEERS Project Staff. The Vendor must provide training on the use of the risk management tool to all CalHEERS Project Staff. Risk reports generated from the Vendor's tool will become a part of the Vendor's Weekly and Monthly Status Reports.

The Vendor shall clearly describe its approach for managing the critical risk associated with meeting the federally imposed deadline (i.e., January 1, 2014) to deliver the Baseline System. The Vendor shall describe in detail its contingency plan, highlighting the key trigger events and/or dates that invoke the Implementation of the contingency plan, impacts (i.e., monetary or otherwise) to the State, and remedies.

4.5.6   Schedule and Work Plan Management

The Vendor shall develop and implement an approach to Schedule and Work Plan Management that describes and encompasses the following:

- Establishment of the Initial Work Plan
- Monitoring CalHEERS Project progress against the approved baseline Work Plan
- Estimating level of effort
- Vendor and Exchange resources assigned to CalHEERS D&I and O&M tasks
- Identification of critical path tasks
- Development of special Work Plan views and reports for presentations and detailed review and analysis
- Approach to monthly Work Plan updates
- Approach to regular Work Plan review meetings
- Approach to contingency planning in the event of a major Schedule delay

4.5.7   Quality Management

The Vendor must develop and implement an approach to managing the overall quality of the CalHEERS Project. The approach should be proactive, with a focus on preventing problems rather than allowing problems to occur and then devoting valuable resources to their correction. The quality management approach should address adherence to Project standards, templates, processes and procedures. Project members must be alerted to any changes that affect general work procedures, templates or standards, and the Vendor shall implement those changes in a timely manner.

Metrics for measuring quality from both Project management and System perspectives should be defined. System defects or deficiencies should be specifically addressed. As the Vendor addresses issues and concerns, solutions are expected to be shared and process improvements instituted so that similar situations can be avoided in the future. The quality management methodology should also address User satisfaction as the solution progresses through the D&I phase and continuing into the O&M phase.

Achieving Project objectives involves a cooperative working relationship between the Vendor, CalHEERS, Project Sponsors, Program Partners, QA, IV&V, and IPOC. The Exchange expects the Vendor to work collaboratively with these consultants to identify trends and potential problems and to formulate recommendations and solutions, both independently and jointly. The Exchange expects these consultants to conduct a variety of assessments, some on a periodic basis and others targeting specific performance or other issues. The Vendor is expected to provide requested information and access to Data to complete these assessments and include these consultants in meetings and communications regarding both actual and potential issues, problems, and trends.

4.5.8 Project Status Reporting

The Vendor will be expected to provide both written and oral reports regarding CalHEERS Project Status. Project Status Reporting includes the following types of reports:

■ Weekly Status Reports

■ Monthly Status Reports

■ Periodic Meetings and Presentations

■ Ad Hoc Reports as requested by the Exchange

■ Quarterly Balanced Scorecard Reviews

The Vendor shall prepare and participate in Quarterly Balanced Scorecard Reviews to provide the CalHEERS Steering Committee with tangible evidence regarding the overall progress and health of the CalHEERS Project. See Appendix D – Model Contract for details.

4.5.9 Deliverable Management

The Vendor is expected to develop a Deliverable Management approach that ensures the expectations, requirements, and content associated with each Deliverable are clearly defined and agreed to in advance of the actual Deliverable, utilizing the Deliverable Expectation Document (DED) structure and Process (see Section 4.8.1). As part of the draft and final Deliverable Review processes, the Exchange team and QA, IV&V, and oversight consultants are expected to document all substantive and cosmetic deficiencies using a standard Deliverable comment template.

As part of Deliverable management, the Vendor is expected to develop and maintain a structured mechanism by which all DED, draft Deliverable, and final Deliverable due dates, approval dates, invoice dates, and payment dates (as applicable) are recorded and tracked.

4.5.10 Requirements Management

Changes to business and technical requirements may occur at anytime during the Project. The changes may occur due to Federal guidance, technology, testing or Implementation, revisions in Project budget, and other emerging needs. To be responsive to changes and conscientious about managing the impact of change, the Vendor must develop a Requirements Management approach that includes the following key elements of requirements management.

■ Assumption definition, tracking, and traceability

■ Project management requirement definition, tracking, traceability and verification

■ Business and usability requirement definition, tracking, traceability, and test verification

■ Technical requirement definition, tracking, traceability, and test verification

■ Tracing and analysis of Deliverables to requirements

The Vendor must produce a Requirements Document in the form of a Requirements Traceability Matrix (RTM) to reflect and track the requirements defined in the Solicitation through to Deliverables developed by the Vendor. Three versions of the RTM will be produced as part of the Requirements, Analysis and Design phase in conjunction with the preliminary, detailed, and final design reviews. Additional updates to the RTM are required at subsequent CMS gate reviews.

The existing CalHEERS requirements are captured and documented in the HP Quality Center Requirements Management tool. The Vendor may propose a different requirements management tool with justification. The Vendor's approach must describe the features and capabilities of the proposed requirements management tool. The Vendor must also describe the type and level of tool access that will be provided to Exchange, QA, IV&V and oversight resources from requirements analysis through testing and System Acceptance.

4.5.11 Contract Management

It is important to the Exchange to employ a Contract management approach that will provide visibility and transparency into the administration of the Vendor Agreement. The Vendor's Contract management approach must address how the Vendor will identify, track and report on Contract terms and conditions to demonstrate how and when they are fulfilled. The approach to Contract management must also include management and administration of Vendor subcontracts.

Part of the Contract management approach includes maintaining appropriate detail and Documentation of changes regarding cost Schedules and other financial information. These cost Schedules are used, in part, as input into the Implementation Advance Planning Document Update (IAPDU) budget files; therefore, it is imperative that these Schedules are kept up-to-date and reflect all approved amendments and Change Orders.

4.5.12 Project Organization and Staff Management

The Project organization should be depicted at both summary and detailed levels, and with and without Exchange, State, and QA, IV&V, and oversight consulting Staff throughout the D&I and O&M phases. The organization charts should change over time as the Project progresses. Corresponding roles and responsibilities should be defined and maintained for all Vendor positions reflected in the organization charts.

The Vendor must employ an approach for management of Vendor Staff that facilitates a productive working relationship and progress towards task completion. The Vendor will be responsible for ensuring that all Staff, including Exchange and State Staff, clearly understand their roles and responsibilities and how their specific teams and assignments relate to the overall Project Work Plan.

The Vendor will be responsible for identifying performance issues for its entire Staff (i.e. employees and Subcontractors). In the event of Staff performance concerns, the Vendor shall notify the Exchange Project Director as soon as reasonably possible to discuss and jointly determine the approach for resolving the issue. Should the Exchange discover performance problems with any Vendor or Exchange Staff, the Exchange will notify the Vendor Project Manager as soon as is reasonably possible to discuss and jointly determine the approach for resolving the issue.

To facilitate Project progress and avoid time and effort associated with retraining, it is important to the CalHEERS Project to minimize Vendor Staff turnover to the extent possible, particularly for Key Staff. The Vendor must assure the Exchange that, wherever possible, Staff will be retained until their assignments are completed. When an unplanned, early employee or Subcontractor departure from the Project is unavoidable, the Vendor must notify the Exchange Project Director as soon as reasonably possible and develop and complete transition and training requirements for the new or reassigned replacement Staff.

4.5.13 Budget Management

The Exchange wants to ensure the Project is accomplished within budgetary constraints and properly account for the funds expended. The Exchange expects the Vendor to provide monthly invoice Projections. The Exchange expects the Vendor to actively participate in the annual budget Process and provide accurate cost estimates as input to the preparation of Supporting approval and/or budget documents.

4.5.14 Audit Support

The Exchange expects the Vendor to provide assistance and Support in completing annual financial and Project Audits. The Exchange anticipates engaging an outside Auditor to conduct the Audit(s). These Auditors depend on information from the Vendor to successfully complete these Audits according to Schedule.

4.6 SYSTEM DEVELOPMENT AND IMPLEMENTATION SERVICES

The Exchange has committed to the CMS Exchange Life Cycle (ELC), found in Appendix B – Collaborative Environment and Life Cycle Governance – Exchange Reference Architecture Supplement, as the model for CalHEERS System development and Implementation. CMS dictates the overall life cycle governance of the development, Implementation and Maintenance of all solutions related to the Exchange. The primary purpose of the CMS life cycle is to provide a consistent framework to:

- Encourage the use of systems development best practices and clear technical guidance.
- Streamline systems development through common processes.
- Promote information sharing and provide efficient access to asset reuse.
- Leverage existing solutions and create common and seamless Services where appropriate.
- Communicate expectations and execute synchronization points throughout the Project life cycle in the form of Deliverables and review points.
- Offer flexibility to encourage the use of agile systems development methodology.
- Establish standards (Data and technical) to enable interoperability and coordination between the federal government and the states.
- Respond quickly to the health reform requirements of the Affordable Act.

This section describes the phases within the Exchange Life Cycle model and the scope of work and Deliverables associated with each.

4.6.1 Exchange Life Cycle Model

The following sections provide a summary description of each of the four ELC phases as they relate to CalHEERS:

- Initiation, Concept, and Planning
- Requirements, Analysis, and Design
- Development and Test
- Implementation

The figure below provides a high-level overview of the CMS ELC phases, reviews, and Deliverables. For the CalHEERS Project, three Federal CMS reviews are mandatory at specified milestones during the ELC.

This Solicitation specifies requirements, tasks, and Deliverables in addition to those defined by CMS ELC. Please refer to Attachment 2 - Requirements for all requirements, including Deliverable requirements, associated with System Development and Implementation. Multiple iterations of some ELC phases may be required to accommodate development and Implementation in a phased approach.

Please note that CMS may continue to augment the content of the ELC with further refinement of the Exchange Project Sponsors and Program Partner relationships, key transactions, and technical standards. Please refer to www.cms.gov for the full and current version of the "CMS Collaborative Environment and Life Cycle Governance – Exchange Reference Architecture Supplement."

Figure 5 – Exchange Life Cycle

Figure 5 – Exchange Life Cycle
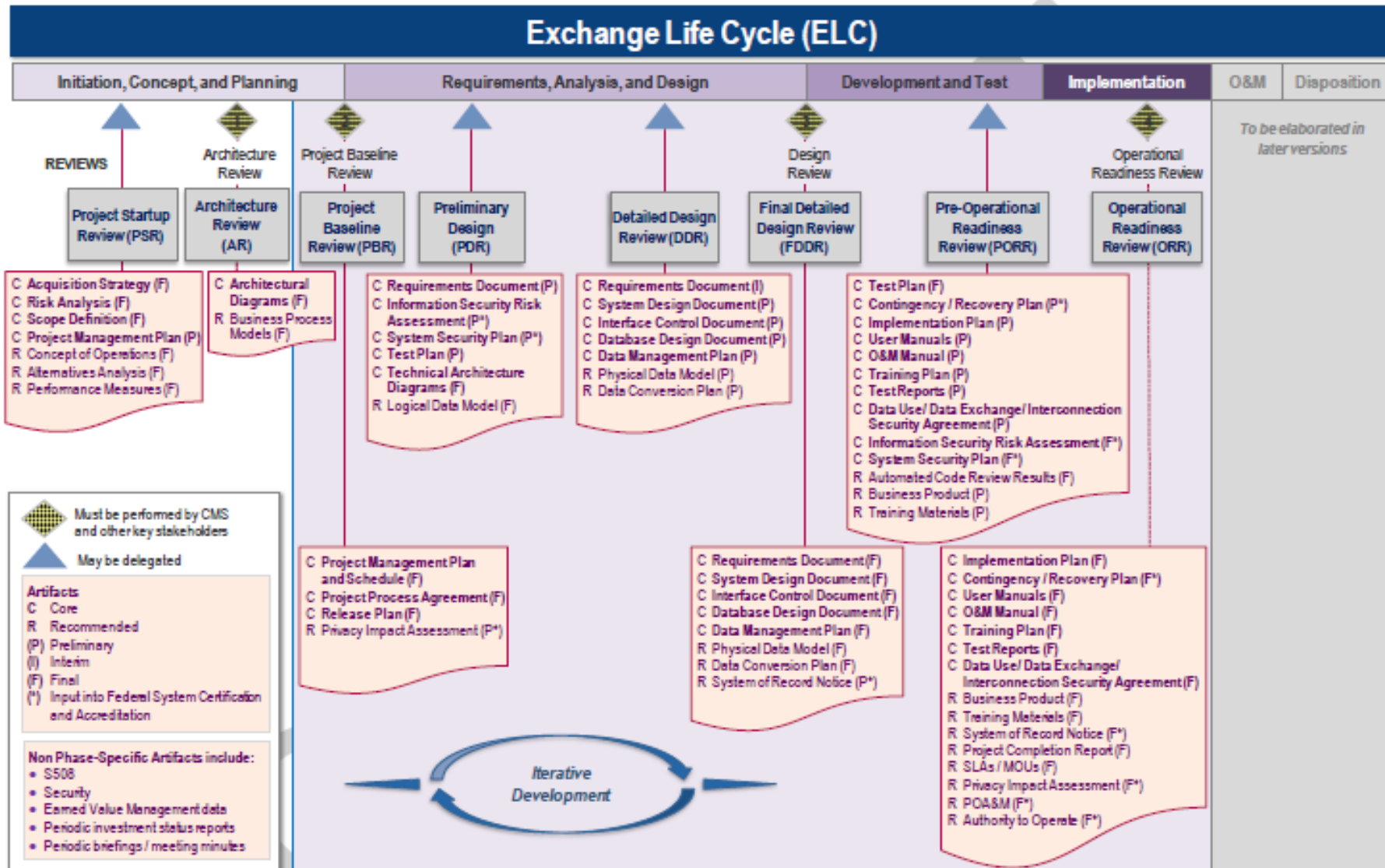
4.6.1.1   Initiation, Concept, and Planning

The ELC Initiation, Concept, and Planning Phase was initiated prior to the release of this Solicitation, and the resultant Documentation will be available in the CalHEERS Project Library.

The applicable review for the Vendor in this phase includes the Project Baseline Review (PBR). For the PBR, the following Vendor Deliverables are required:

- Final Project Management Plan and Initial Work Plan
- Final Project Process Agreement
- Final Release Plan
- Preliminary Privacy Impact Assessment
- Equipment and Software Acquisition Plan
- Master Facility Acquisition and Installation Preparation Plan
- Final Monthly Work Plan Updates
- Final PMP Updates (due at CMS Federal Review Gates)
- Weekly and Monthly Status Reports

The required contents of each of the above Deliverables are described at a summary level in Section 4.8 – Deliverables, and at a detailed level in Attachment 2 – Requirements.

4.6.1.1.1   <u>Site Preparation</u>

As part of the initiation and planning phase, the Vendor is required to develop plans, and upon approval, perform Site preparation Services in order that each development, Production and backup Sites are properly prepared with all Equipment and Software to develop, implement, maintain and operate CalHEERS.

- **Development and Implementation Facility** – The Vendor is required to provide a facility to conduct the CalHEERS Project activities in a central location. This facility will include the necessary space, furniture, office Equipment, Equipment and Software to accommodate the Vendor, Exchange and OSI Staff, and QA, IV&V and oversight consultants. This facility must be located in the Sacramento area at a distance not to exceed 30 miles from the State Capitol.
- **Production Data Center** – The Vendor is required to provide a Data center to host the operation of CalHEERS. This facility must be located in California.
- **Backup Data Center** – The Vendor is required to provide a backup Data center to Support the System in the event of outages, including disasters. The backup Data center should be sufficient to operate the System with the same Functionality as the System operating in the Production Data Center. This facility must be located in the Continental United States.
- **Service Center** – The Vendor is required to provide a Service Center to Support the call/contact center, print and mail Services. The Service Center Facility(ies) must be located in California.

4.6.1.2   Requirements, Analysis, and Design Scope

During the Requirements, Analysis, and Design Phase, a common set of business rules shall be defined and the business requirements shall be validated and decomposed into Functional and non-Functional requirements. The requirements shall be base lined and used to define the

CalHEERS design in detail, including Data, security, infrastructure, Interfaces, and facilitates further detailed Project management planning. Requirements shall be formalized in a common repository of business rules for use by the shared Services and all relevant Project Sponsors and partners.

Detailed specifications shall be developed to Support the IT solution that fulfills the CalHEERS requirements for a particular release. The requirements and logical description of the entities, relationships, and attributes of the Data shall be defined and allocated into System and Data design specifications. These design specifications shall be organized in a way suitable for Implementation within the constraints of a physical environment (e.g., computer, database, and infrastructure).

The three reviews in this phase include:

- **Preliminary Design Review (PDR)** – Verify that the preliminary design satisfies the requirements for CalHEERS and is in conformance with the Exchange Reference Architecture. This review includes the initial RTM.
- **Detailed Design Review (DDR)** – Verify that the detailed design satisfies the requirements for CalHEERS and is in conformance with the Exchange Business Architecture and standards. This review includes an RTM update.
- **Final Detailed Design Review (FDDR)** – Verify that the detailed design satisfies the requirements for CalHEERS and is in conformance with the Exchange Reference Architecture. FDDR is the third Federal CMS level review. This review includes an RTM update.

Refer to Section 4.8 for a high-level description of Deliverables required for this phase. Refer to Attachment 2 - Requirements for all requirements, including Deliverable requirements, associated with this phase.

4.6.1.3 Development and Test Scope

During the Development and Test Phase, the detailed requirements and design information documented in the Requirements, Analysis, and Design phase shall be transformed into executable Software. The detailed requirements and design information shall be verified and validated that all of the individual System components (and Data) of the CalHEERS Function correctly and interface properly with other components within the System. As necessary, System Equipment, Networking, telecommunications and security Equipment shall be configured. New custom-Software business applications and Services shall be developed, database(s) built, and Software components integrated.

Test Data and test cases/conditions shall be finalized, and tests conducted for individual components, integration, and end-to-end Functionality from end-consumer to all systems and back, testing all federal and State Interfaces, as appropriate, to ensure accurate Exchange Functionality and Data. These tests verify and validate that the CalHEERS solution fulfills all requirements for the release. Formally controlled and focused testing is performed to uncover and prioritize defects in the CalHEERS solution that must be resolved. Unscripted testing may also be performed during the User Acceptance Test (UAT) activity. A progression of tests shall be performed during the Test Phase (e.g., unit testing, Functional testing, integration testing, User Acceptance testing, regression testing, end-to-end testing across all Exchange participants, and Section 508 testing). Independent testing through QA and/or IV&V consultants will also be performed.

The applicable review in this phase is:

- **Pre-Operational Readiness Review (PORR)** – Confirm that all System components, Data, and infrastructure of the CalHEERS solution successfully fulfill all business, Functional, and non-Functional requirements for the release.

Refer to Section 4.8 for a high-level description of Deliverables required for this phase. Refer to Attachment 2 - Requirements for all requirements, including Deliverable requirements, associated with this phase.

4.6.1.3.1 Conversion

The Vendor is required to conduct conversion actives to Support the CalHEERS conversion efforts. In conjunction with the Exchange and impacted stakeholders, the Vendor shall develop a Conversion Plan that details a methodology that addresses the individual needs of each System owner in a manner that considers cost effectiveness and impact on Staff and clients and provides the Schedule, conceptual design, cross-reference, and detailed rules. The Vendor shall:

- Analyze Data of legacy systems
- Develop a Conversion Plan
- Provide the necessary Conversion Equipment and Software
- Implement the Conversion Plan

The Vendor shall use an automated approach, a manual approach, or a combination thereof, to be approved by the Exchange. The Vendor should automate the Conversion process as much as possible. Regardless of the chosen approach, the Vendor shall define the source and destination of the Data to be converted in a Conversion Specification Document for each System that describes how Data will be electronically or manually converted, including a list of cases and/or files being converted, a cross-reference of existing Data elements to the CalHEERS Data elements, and a conceptual design of the process along with a more detailed design including inputs and outputs. The source Systems shall be analyzed to determine the validity and internal integrity of the Data selected for Conversion and to identify and report Data inconsistencies within the source Systems.

The Vendor shall develop Conversion Software to be used at the Production Data Center that will convert Data values from the legacy systems to CalHEERS and populate its databases to continue to perform intended System Functionality. The Vendor shall develop all Software and input formats for the Conversion of System source files and related file Maintenance. An appropriate development methodology, standards and Supporting Documentation shall be utilized.

The Vendor shall conduct a Conversion Software System Test prior to the initiation of any Conversion activity in the Production environment. All Conversion Software shall be System Tested prior to Deployment. The Vendor shall prepare a Conversion Test Report that includes the test results and performance analysis, the Deficiencies encountered, corrective action taken, and retest results.

The Vendor is required to make every effort to provide a successful conversion of the appropriate Data elements. The Vendor is required to perform the following conversions:

- **MAXe^2** – The Vendor shall convert Data from the MAXe^2 System into the System. The Vendor shall provide detailed specifications of Data expectations to the MAXE2 to Support

the conversion effort. After the Data is provided, the Vendor is required to conduct multiple mock conversion executions to appropriately and successfully load the System.

■ **California Health Care Options Program** - The Vendor shall convert Data and images from the California Health Care Options Program systems into the System. The Vendor shall work with the DHCS and the California Health Care Options Program Contractor to identify the appropriate Data elements and images to be converted over to the CalHEERS.

■ **Eligibility Transfer** – The Vendor shall convert Data provided by the SAWS Consortia (i.e., CalWIN, C-IV, and LEADER) to populate CalHEERS. The Vendor shall have the responsibility for the extraction and/or conversion of Data from SAWS to CalHEERS to support several distinct business processes:

- As part of the pre-enrollment process that begins July 1, 2013, the Vendor shall initiate activities to identify and reach out to individuals who, on the basis of their current information contained in SAWS related to their participation in other human service programs, are likely to be eligible for subsidized coverage through MAGI Medi-Cal or the Exchange. The Vendor shall establish an interface to receive Data extracts from SAWS into the System and use the Data to conduct outreach to these beneficiaries with the offer of enrollment in coverage.

- Some beneficiaries (e.g., beneficiaries in the Low Income Health Program) are eligible for automatic enrollment into MAGI Medi-Cal beginning January 1, 2014 and shall be pre-enrolled into the system to facilitate their transition. The Vendor shall convert the beneficiary Data from SAWS or other sources, into CalHEERS to initiate their eligibility and enrollment processes.

- After January 1, 2014, when existing Medi-Cal beneficiaries complete their semi-annual status reports or annual redeterminations, they may be determined eligible for MAGI Medi-Cal. If that occurs, their case Data shall be transferred through the established interface into CalHEERS, which will be the system of record for the MAGI Medi-Cal program. Through the normal status reporting and redetermination process for Medi-Cal, CalHEERS will become the system of record for MAGI Medi-Cal case data over a period of approximately one (1) year."

The Vendor shall provide detailed specifications of Data expectations to the SAWS Consortium to Support the conversion effort. After the Data is provided, the Vendor is required to conduct multiple mock conversion executions to appropriately and successfully load the System.

4.6.3   Implementation Scope

This section describes the CalHEERS Users and the following key tasks associated with the Implementation phase:

■ Implementation
■ Organizational Change Management
■ Education Assistance
■ Training

The Vendor is encouraged to propose innovative and cost-effective methods to facilitate CalHEERS Implementation within prescribed timeframes. Refer to Section 4.8 for a high-level description of Deliverables required for the Implementation phase. Refer to Attachment 2 –

Requirements for all requirements, including Deliverable requirements, associated with the Implementation phase.

Note: The Vendor's proposed solutions for Organizational Change Management will be at the State's Option to Buy. If the State elects to purchase Core State Option to Buy Services, it will make that selection in writing as of the Execution Date for inclusion in the Baseline System to be designed, developed, and implemented by Contractor.

See Section 5 – Proposal Submission Instructions and Attachment 8 – Cost Schedules for information on preparing the information separately for State consideration.

4.6.3.1 CalHEERS Users

There are three main categories of CalHEERS Users as defined in the following table.

Table 15 – CalHEERS Users

Consumer	Assister	Eligibility Administrator
- Individual - Family - Employee - Employer	May include: - Navigator - Broker/Agent - County Worker - MRMIB Worker	May include: - County Worker - MRMIB Staff - Exchange Staff - DHCS Staff
Use the following assumptions for planning purposes only, numbers are subject to change: 1. **Number of Assisters – 40,000** 2. **Number of Eligibility Administrators – 10,000**		

CalHEERS will serve a broad range of Users who have varying levels and different types of preparation in order to use the System. The following narrative describes these Users and their use of the System.

Table 16 – CalHEERS User Preparation

CalHEERS User Type	CalHEERS User Types should be able to use CalHEERS to:	Preparation Approach		
		Organizational Change Management	Education	Training
Consumer	- Obtain affordable health coverage - Choose health plans and benefit designs.	N/A	X	X
Assister	- Assists the consumers in completing an application that will determine their eligibility in affordable health coverage regardless of program. - Assists individuals in selecting and enrolling in the health plans and benefit designs for which they are eligible. - Assist employers in selecting plans	X	N/A	X

CalHEERS User Type	CalHEERS User Types should be able to use CalHEERS to:	Preparation Approach		
		Organizational Change Management	Education	Training
	options and employer contributions.			
Eligibility Administrator	▪ Review and approve exemption applications. ▪ Make Eligibility Determination in cases which do not conform to System Protocols. ▪ Receive and process paper documents for verification of eligibility requirements for subsidized health coverage. ▪ Utilize report to reconcile premium payment discrepancies with Issuers. ▪ Review and process eligibility appeals for APTC and CSR appeals. ▪ Scan and link mailed documents to an account in CalHEERS.	X	X	X

4.6.4 Implementation

A successful Implementation of the CalHEERS Project relies on the integration and management of the various Project activities in order to bring CalHEERS online with minimal business disruption. The Vendor will propose an approach that takes into consideration California's size, geographical diversity and broad range of CalHEERS Users. Implementation planning must be integrated with Site Preparation and Installation of Equipment and Software, Training Development, Training Delivery, Education Assistance, and Organizational Change Management. The Vendor shall prepare an Implementation Plan that includes details of the overall approach.

Refer to Attachment 2 – Requirements for specific Implementation and Deliverable Requirements.

4.6.4.1 Organizational Change Management

Organizational Change Management is the activity by which an enterprise reexamines its goals and the associated processes and procedures designed to achieve those goals in response to impending change. Simply stated, it is the analysis and Documentation of how business was previously conducted versus how business must be conducted in the future with the Implementation of the new System.

The Vendor must propose Organizational Change Management as a Baseline System service to prepare the following CalHEERS User groups for Implementation: County, MRMIB, and DHCS. If the State opts to buy the proposed service, the Vendor must prepare and deliver an Organizational Change Management Plan and associated resources in Support of CalHEERS Implementation. The Vendor must also coordinate with the Exchange on its public Outreach and Education activities.

There are a variety of CalHEERS Users from different organizations that must be considered and Supported in preparation of the CalHEERS Implementation. There may be some global business processes and procedures that can apply to all CalHEERS Users; however, most of the Organizational Change Management effort will revolve around the individual "as is" assessment of each impacted CalHEERS related organization and the resulting "to be" processes that must be created and implemented.

If the State elects to buy this service, the Vendor is expected to prepare Organizational Change Readiness Plans as one outcome of the as is/to be assessment. The Organizational Change Readiness Plans will be used by CalHEERS Users to understand and discuss the process changes associated with the Implementation of the new System (as compared to their existing processes and systems) and for ongoing reference purposes. For the Expanded System Implementation, Organizational Change Management will be included in the overall scope and not a State Option to Buy at this time.

Refer to Attachment 2 – Requirements for specific Organizational Change Management and Organizational Change Management Deliverable Requirements.

4.6.4.2 Education Assistance

The Exchange will be primarily responsible for all Education and Outreach responsibilities. The Vendor shall provide limited coordination to Support the Exchange with education assistance.

The Exchange will undertake activities to market and publicize the availability of healthcare coverage and federal subsidies through outreach and enrollment activities that assist enrollees "in the least burdensome manner," including populations that may experience barriers to enrollment, such as the disabled, homeless and those with limited English language proficiency. The Exchange will assess and evaluate the communications, public education, marketing and outreach needs related to Exchange programs.

The Exchange will work with its Project Sponsors, Program Partners, and stakeholders to identify and focus group test potential communications and outreach tools for Implementation in advance of the open enrollment period in 2013. Based on recommendations, the Exchange will develop the preferred approaches and Implementation strategies of the various elements of the communications, outreach and marketing plan.

4.6.4.3 Training

The Vendor shall describe and provide its approach to statewide training development and delivery for all Exchange User/customer types. Responsibilities include all aspects of training on a statewide basis, including but not limited to providing training Facilities (if needed), Equipment, materials, organization, logistics, and Staffing. Training must be tailored specifically for each User group within the scope of CalHEERS.

The Vendor shall be responsible for developing a Training Plan and preparing and delivering a broad spectrum of training curricula, materials and programs for CalHEERS Users.

- Training Plan - describes the overall goals, learning objectives, and activities that are to be performed to develop, conduct, control, and evaluate instruction. The Training Plan must address both initial and ongoing training activities.
- Training Materials - products required to satisfy the training plan which may include web-based instruction, instructor guides, student guides, exercise materials, and training records.

- Different training materials will be required for CalHEERS Users and Customers as well as Staff who Support the CalHEERS System, including but not limited to O&M Support and technical Staff, and Service Center Staff.

Developing a high-quality training delivery program is critical to ensuring the CalHEERS Users, Customers and Support Staffs are successful in learning and mastering the System. Scheduling and delivering that training requires careful planning and diligence and many factors need to be taken into consideration such as the CalHEERS Implementation Schedule, geographical diversity, and the number of courses to be delivered. Refer to Attachment 2 – Requirements for specific Training Requirements.

4.7   OPERATIONS AND MAINTENANCE SUPPORT

4.7.1   Operations Management Scope

The purpose of the Operations Management requirements is for the Vendor to successfully operate CalHEERS, including all Functionality/Services part of the Baseline System (Core or Core with Case Data Management Alternative Approach) and Expanded System (Core Enhancement), including all components the State opted to buy. O&M Services must be performed within the contractually agreed upon service and performance levels. Operational activities include installing, configuring, managing and monitoring the Services, System, Equipment, and Software that comprises CalHEERS.

The Operations Management requirements require the Vendor to be proactive with monitoring, managing and operating the System availability, performance, and capacity. The Vendor is required to be transparent with the Operations of the System by reporting verbally, in writing, and through automated tools the Operations of the System to the Exchange.

Modifications to the System are required to be conducted using strict System change control processes, including the Exchange representatives' approvals. The Vendor is required to report all changes to the System through appropriate written status reports and communications.

The Vendor is also required to prepare, document, and practice backups/recoveries and disaster recovery scenarios so that in case of an emergency, the Vendor will be able to Support the Exchange appropriately. The Vendor must be able to demonstrate the capability of restoring CalHEERS within the designated Service Level Agreement period.

To successfully operate CalHEERS, the Vendor shall conduct the following management Functions:

- **Availability Management** to maintain high System availability. The System will be required to conform to Service Level and Performance requirements and be highly reliable and resilient.
- **Configuration Management** and provide detailed approach and procedures for managing the Configurations of the System, including environment management, build management, release promotions, and Network management.
- **Capacity Management** to enable the System to fully Support the needs of the Exchange by conducting System sizing, modeling, capacity planning, resource management, and performance management.
- **Continuity Management** including providing architecture and procedures that Support System continuity. Plans shall be put into place to prevent and Support System failure and

recovery. The Vendor shall develop proactive measures to reduce the risk of a disaster and/or mitigate the impact.

- **Performance Management** to provide a structured method and procedures to manage the System performance and keep the performance in compliance with the Service Level and Performance requirements.

- **System Change Management** including a standardized method and procedures to efficiently handle the System changes, Configuration modifications, and/or System Software/Equipment updates. The System change management procedures will Support a minimal disruption of Services.

- **Security Management** that Supports and provides a highly secure System, with processes and procedures to ensure the integrity of CalHEERS.

4.7.2   Service Level and Performance Scope

Service Level and Performance level requirements shall establish clear relationships between the Exchange and the Vendor, set service goals, and provide a framework for continuous analysis and improvement. The Service Level and Performance level requirements also establish key performance indicators that will be used to demonstrate the effectiveness of a service. By tying performance to measurable metrics, the Exchange and the Vendor will find it easier to identify service performance problems. The following areas have been identified for Service Level and Performance Requirements:

- Project Management
- System Operations and Performance
- Service Center
- Plan Management
- Financial Management
- Web Portal and User Experience

Service Level and Performance level requirements are documented in Appendix D – Model Contract.

4.7.3   Application Maintenance Scope

The Application Maintenance requirements provide the necessary information for the Vendor to develop, document, and implement plans and procedures for modifying the implemented System. The Vendor shall utilize industry standard process and procedures to incorporate Fixes and Enhancements to the System. The Fixes and Enhancements Function includes processes and activities including, but not limited to:

- Analysis, design, development, unit testing, System Testing, integration testing, migration to Production, and conversion, as needed, to produce fixes and Enhancements.
- Development and updating of regression test scripts.
- Providing Documentation of the fixes and Enhancements to Training Staff and Exchange Support Staff.

The application is expected to be maintained at the following levels:

- Annual O&M for the Baseline System:
  - First year (July 1, 2013 – June 30, 2014) – 10,000 hours per month

- Subsequent years – 5,000 hours per month
- Annual O&M for the Expanded System – 5,000 hours per month

4.7.4 Environment Management Scope

The Vendor is required to provide and Support System environments for the Exchange User Acceptance Testing (UAT) and Training. Environment Management is comprised of Supporting the necessary environment Functions including, but not limited to:

- Executing Batch and interface programs timely and accurately.
- Providing Reports in a timely fashion to Support the business Users with their tasks.
- Monitoring UAT and Training environments to keep them properly available to the business Users.
- Providing Support, as needed, to the Exchange UAT and Training Staff.
- Providing detailed analysis on System and Data issues found in the Environment.
- Resolving Environment issues in a timely fashion.

4.7.5 Release Management Scope

The Vendor is required to develop, document, and implement Release Management plans, processes and procedures that include, but are not limited to:

- **Release Management Planning** – Establish and implement plans and procedures for the Release Management Function.
- **Rollout Planning** – Plan for and Schedule rollout of new Services.
- **Release Planning** – Plan for, coordinate, and Schedule releases of new versions of the Software, Data, procedures, and training.
- **Release Control** – Monitor the release processes and adhere to release Schedules.
- **Migration Control** – Coordinate the promotion of new releases from development to test to Production.
- **Release Testing** – Coordinate the actual testing of releases/updates.
- **Software and Data Distribution** – Verify delivery of the correct versions of the Software, Data, or Configuration releases to all environments.

4.7.6 Service Center

The Vendor shall be responsible for designing, developing, delivering, and Supporting the Software, Equipment, and Facilities necessary to operate the CalHEERS Service Center(s). Vendors shall not provide for any Service Center Operations Staff in their proposals; however, the Service Center will house the Service Center Staff. The Service Center Functionality must Support a high-volume Service Center(s) with the objectives of providing "real help" either by phone or via online e-chat (defined by the User), including education about the different program benefits and policies, application completion assistance, and assistance managing their account, coverage, and care once enrolled. The Service Center(s) shall provide a complete range of bilingual customer service, printed materials, and caseload workflow Support to all User types. The Vendor shall plan, establish, operate, and maintain the CalHEERS Service Center Functionality and provide information to Support the following Service Center Functions:

- Call Center
- Mail and Print Processing
- Imaging and Document Management System

The Exchange intends to identify the appropriate mix of public and private sector Staffing to Support the Service Center and, if necessary, issue a subsequent solicitation for potential Service Center Functions. The successful vendor for the CalHEERS solution would not be precluded from bidding on such a solicitation.

Although the Service Center may be fully staffed by a mix of public and private sector Staff, the Service Center Manager associated with this Solicitation is responsible only for managing the technical and facilities operations staff and not the staff that will be performing Service Center duties (e.g., case management or customer assistance).

The following table provides the metrics associated with the level of customer service anticipated to be needed at the Service Center. Metrics range from No-Touch (e.g., web- or paper-based interaction) to Low Touch (e.g., minimal enrollment Support via e-chat, email, or text) to High Touch (e.g., full phone Support through the application process).

Table 17 – CalHEERS Customer Service Metrics

| | 2013 | | | | | | 2014 | | | | | | 2015 | | | | | |
| | Self-Service Applicants | | | Applicants with Assisters | | | Self-Service Applicants | | | Applicants with Assisters | | | Self-Service Applicants | | | Applicants with Assisters | | |
	Web-Only	Paper-Only	Service-Center Contact	Web-Only	Paper-Only	Service-Center Contact	Web-Only	Paper-Only	Service-Center Contact	Web-Only	Paper-Only	Service-Center Contact	Web-Only	Paper-Only	Service-Center Contact	Web-Only	Paper-Only	Service-Center Contact
Application for Subsidized Coverage	47,000	47,000	142,000	213,000	213,000	284,000	66,000	66,000	198,000	298,000	298,000	397,000	50,000	50,000	151,000	227,000	227,000	302,000
Application for Unsubsidized Coverage	13,000	13,000	38,000	57,000	57,000	76,000	18,000	18,000	53,000	79,000	79,000	106,000	13,000	13,000	40,000	60,000	60,000	80,000
Service-Level Percentage Distribution	20%	20%	60%	30%	30%	40%	20%	20%	60%	30%	30%	40%	20%	20%	60%	30%	30%	40%
Self-Serve vs Assisted	25%	25%	25%	75%	75%	75%	25%	25%	25%	75%	75%	75%	25%	25%	25%	75%	75%	75%
Annual Ongoing Customer Call Volume						2,393,000						10,088,000						9,530,000

Key Assumptions on Application Processing Requirements

1. 25% of applications will be self-service and 75% will be done with an Assister
2. 20% of self-service applications with come in through the web and 20% as paper applications
3. 60% of self-service applications will ask for Service Center assistance in completing the application
4. 40% of assisted applications will require Service Center contact
5. 30% of assisted applications will come through the web and 30% as paper applications
6. Applications for all subsidized programs (MAGI Medi-Cal, Healthy Families, and Subsidized Exchange) will result in similar effort
7. 10% of on-line applications will require chat assistance.

Key Assumptions for Estimating Application Volumes

1. Applications are initially processed through single point
2. Average of two (2) persons per application
3. 20% of applications are not completed and abandoned
4. Applications result in eligibility for four program areas:
   - 47% in Medi-Cal coverage
   - 32% for Subsidized Exchange coverage
   - 21% for Unsubsidized Exchange coverage
   - 16% of all applications also result in children eligible for HF
5. Disenrollment rates are 4% for all programs
6. Does not include Processing volumes for pre-enrollment activities

Key Assumptions for Estimating Annual Ongoing Customer Call Volume

1. 25% of ongoing customers call the Service Center on a monthly basis beginning July 2013 through the first year of Exchange Operations
2. 20% of ongoing customers call the Service Center on a monthly basis in the second year of Exchange Operations
3. 15% of ongoing customers call the Service Center on a monthly basis in the third and subsequent years of Exchange Operations

NOTES:

- Medi-Cal volumes here are based on the numbers needed to increase Medi-Cal rolls by the numbers Projected; they do not reflect the extent to which CalHEERS will become the application or renewal portal for existing Medi-Cal eligibles.
- Numbers are preliminary and subject to change based on future estimates. Vendors should validate assumptions used in this estimate based on prior experience.

4.7.6.1 Call Center

The Vendor is required to provide the Equipment, Software, training, and Facilities to Support Call Center Functions that include:

- Incoming phone calls, faxes, e-mail, texts, and web-based interactions (online chat originating from Web Portal).
- Outgoing phone calls, faxes, e-mail, texts, and web-based interactions.
- Routing of callers to specific customer service operators based on User type and role (i.e., Individual, Employer, Navigator, Broker, Agent, or Issuer) for specific questions and assistance.
- Interactive Voice Response (IVR) System that Supports CalHEERS by providing information to standard requests (e.g., premium payment status, correspondence address, application status and plan contact information).
- Create Functionality for telephonic signatures and document imaging to Support telephone self-Certifications or electronically transmitted documents.
- Customer Relationship Management System (CRM) to log, track, refer, and record resolution to customer contacts.

The Vendor is required to provide toll-free telephone hotlines for incoming calls and faxes. CalHEERS must provide information to call center Staff to assist and respond to individual questions. Most incoming calls are Projected to fall within one of the following categories of questions:

- Eligibility and Enrollment Status
- Premiums
- Information Updates
- Covered benefits

The Call Center shall also place outbound calls to assist new enrollees in the selection of a health plan and physician, as appropriate, depending on the program.

The Call Center must be Supported with a Call Center Management System that monitors and provides real-time reporting and forecasting. The Exchange is seeking to obtain Operations of the Call Center at the end of the Contract. The Vendor is required to develop the procedures, processes, metrics, and Documentation that shall Support a successful transition of the Call Center to the Exchange.

Table 18 – CalHEERS Call Center – Toll Free Lines – Incoming Phone Calls

Category of Incoming Phone Call Question	Estimated Annual Call Volume	Average Length of Call (in seconds)
Eligibility and Enrollment status	4,638,450	300-420
Premiums	2,985,750	300-420
Information Updates	1,791,450	180-240
Covered Benefits	597,150	120-180
Other	2,388,600	300-420
Total	**12,401,400**	

Category of Incoming Phone Call Question	Estimated Annual Call Volume	Average Length of Call (in seconds)
Assumptions:		
1.25% of membership will call each month driven by 2015 enrollment.		
2. Also includes call from new applicants.		
Notes:		
1. Numbers are preliminary and subject to change based on future estimates and/or program decisions. Vendors should validate assumptions used in this estimates based on prior experience.		
2. Call volumes based on 2015 enrollment (see Table 13). Call volumes in 2013 and 2014 may be significantly higher or longer due to initial marketing and outreach efforts. Vendor will be responsible for provide capacity to handle unforeseen call volume in initial years of implementation.		
3. Calls may not be spread evenly across months. Vendor is responsible for providing capacity to handle peaks in call volume that may occur during specific times of the year (e.g., open enrollment).		

Table 19 – CalHEERS Call Center – Outgoing Email, Texts, and Web-Based Interactions

Category of Outgoing Emails, Texts, and Web-Base Interactions	Estimated Annual Volume	Average Length of Interaction (in seconds)
Eligibility and Enrollment status	1,274,213	150-210
Premiums	746,438	150-210
Information Updates	447,863	90-120
Covered Benefits	1,983,288	60-90
Other	597,150	150-210
Total	**5,048,950**	

Assumptions:

1. 25% of incoming phone calls will require follow-up.

2. Includes responses to questions from applicants submitted via email or web-chat

3. Annual calls to Exchange member to offer assistance with picking a health plan or provider.

Notes:

1. Numbers are preliminary and subject to change based on future estimates and/or program decisions. Vendors should validate assumptions used in this estimates based on prior experience.

2. Average length of interaction may vary by type of communication (e.g., phone call, email, etc).

4.7.6.2 Mail and Print Processing

The Vendor is required to provide the Equipment, Software, training, and Facilities to Support the Processing of high-volume, incoming mail, outgoing mail, and print Processing Functionality; specifically:

■ **Incoming Mail and Fax** shall be:

- Scanned, tracked, and linked to the consumer application or case file in CalHEERS.

- Available online for review.
- Routed for the appropriate type of Processing.

Received Mail shall include the following sources:

- All mailed applications received at the central post office box – including attached customer verification and Documentation.
- Undelivered/returned mail received at the central post office box.

■ **Incoming Email and Text messages** shall be routed for the appropriate type of Processing and/or to a specific Call Center Operator.

■ **Outgoing Correspondence** shall be able to be generated dynamically or on-demand and be viewable through the presentation layer. CalHEERS is expected to issue mailings in the following categories:

- Eligibility and Enrollment, including the request for individuals to verify key eligibility factors (e.g., income, household composition, residency, etc.) for the purposes of annual eligibility and enrollment renewal and reporting changes, if necessary.
- Plan Management, including annual eligibility review materials.
- Financial Management including reports and notifications regarding premium payments and other financial transactions per User type.

Have the ability for correspondence to be generated as:

- Print Media, which shall be bundled for printing and sent through the mail or faxed.
- Email, text messages, or online account notifications.

■ **Print Processing**, which includes, but is not limited to, the printing of all notices, forms, letters, postcards, flyers, brochures, enrollment packages, and ad hoc mass mailings. Printed documents shall include basic black printing on white paper to full-color glossy multifold brochures and presentation materials.

Table 20 – CalHEERS Mail and Print Processing – Incoming Fax, E-mail, Text, and Web-based Interactions

Category of Mail and Print Processing	Estimated Annual Volumes			
	Mail	Fax	E-mail	Web-based interactions
Eligibility and Enrollment status	522,751	24,314	---	668,635
Renewal	1,990,500	199,050	1,592,400	199,050
Plan Management	1,990,500	199,050	1,592,400	199,050
Financial Management	14,286,000	---	---	14,286,000
Total	**18,789,751**	**422,414**	**3,184,800**	**15,352,735**

Assumptions:

1. Receive one incoming communication per applicant per year related to eligibility and enrollment status
2. Receive one incoming communication per enrollee per year related to renewal
3. Receive one communication per enrollee per year related to plan management
4. Twelve incoming premiums payments per enrollee per year for Healthy Families and Exchange

Category of Mail and Print Processing	Estimated Annual Volumes			
	Mail	Fax	E-mail	Web-based interactions
5. Distribution of correspondence type (mail, fax, etc.) varies by category of incoming communication.				
Notes: Numbers are preliminary and subject to change based on future estimates and/or program decisions. Vendors should validate assumptions used in this estimates based on prior experience.				

Table 21 – CalHEERS Mail and Print Processing – Outgoing Correspondence Types

Category of Mail and Print Processing	Estimated Annual Volumes			
	Mail	E-mail	Fax	Text
Eligibility and Enrollment status	3,691,703	147,668	2,953,362	590,672
Renewal	9.952,503	398,100	7,962,002	1,592,400
Plan Management	3,981,001	159,240	3,184,801	636,960
Financial Management	16,667,007	952,400	14,762,206	15,238,406
Total	**34,292,213**	**1,657,409**	**28,862,371**	**18,058,439**

Assumptions:

1. Five outgoing communications per applicant per year related to eligibility and enrollment status.

2. Five outgoing communications per enrollee per year related to renewal.

3. Two outgoing communications per enrollee per year related to plan management.

4. 20 outgoing communications per enrollee per year related to financial management for Healthy Families and Exchange .

5 Distribution of correspondence type (mail, fax, etc) varies by category of outgoing communication.

Notes:

Numbers are preliminary and subject to change based on future estimates and/or program decisions. Vendors should validate assumptions used in this estimates based on prior experience.

4.7.6.3 Imaging and Document Management

The Call Center must be Supported with an Imaging and Document Management System Function to perform electronic document capture, management, and distribution. The System will receive scanned, faxed, or online information and associate them with an account and store the links to the appropriate Data Services. This tool will allow Users to view and update their account information as well as any associated documents.

4.7.7   Help Desk

The Vendor shall provide on-call technical and Functional CalHEERS Help Desk Support to all Exchange Staff and Users, which, at a minimum, complies with the SLAs as described in Appendix D – Model Contract. The Vendor shall establish and provide the appropriate number

and type of Help Desk personnel needed to manage Help Desk Requirements and provide training in the use of the approved automated Help Desk management Tool and any changes to Help Desk Procedures. Prior to each Release, the Vendor shall provide training to all Help Desk personnel on the changes and alternative procedures associated with each release and documented in the release notes, webcasts, and/or job aids.

The Vendor shall provide a toll-free telephone number and utilize an automated call distribution (ACD) System to queue and route calls to Help Desk personnel. The ACD shall include, at a minimum, the following real-time monitoring of peak call intervals, talk time, time to answer, count of incoming calls, reporting for call tracking, and ACD toolbox Setup. The Vendor shall provide an automated web-based Help Desk management Tool that enables:

- Incident and Problem management, including creating, tracking, routing, escalating, and resolving of Service requests and incident reports.
- Secured Documentation and Data transmission that is compliant with PII/HIPAA Standards.
- The ability to attach Documentation (i.e., screenshots) in a secure fashion.
- An integrated Knowledge Base.
- A Configuration Management Database (CMDB).
- Service Level Management, including continual identification, monitoring, and review of the levels of IT Services specified in the CalHEERS SLAs.

Tracking and reporting all ticket information including, at a minimum:

- Ability to track the time for a ticket as it completes each step of the resolution process from initiation, through routing and resolution to communication of resolution to end User.
- Ability to summarize and access individual, unit, office, county, region, and Exchange-level information to conduct trend analysis and management reporting.
- Web-based dashboards that are easy to manipulate and allow for easy exporting of information to other tools/formats such as Excel, Access and PDF.

The Vendor shall be responsible for Maintenance activity Documentation and reporting in order to determine compliance with SLAs. Such Documentation and reporting shall include, at a minimum, associated Help Desk Ticket number and dispatch date/time.

4.7.8   Transition Management Scope

The Vendor is required to develop and document a Transition Plan detailing how the System could be turned over to another Maintenance provider or the State at the end of the Contract period, on termination of the Contract, or when such a change is warranted. The Transition Plan shall:

- Provide for an orderly and controlled transition to the Exchange, the State or a subsequent Maintenance provider (Vendor).
- Be designed so there is no disruption of Processing and Services provided to the Exchange and all other Users.
- Provide for the transfer to the Exchange or the subsequent provider all appropriate Software and all Documentation, Data, test Data, and procedures.
- Provide for the destruction of duplicate Data or materials deemed to be confidential remaining in the Vendor's possession at the end or termination of the Contract.

■ Provide comprehensive turnover training for the Exchange and/or the subsequent Maintenance Vendor's management in the operation and Maintenance of System.

■ Cooperate fully with the Exchange, the State, and/or a subsequent Maintenance provider (Vendor).

4.8 DELIVERABLES

4.8.1 General

The responsibility for development, Production, delivery, and Maintenance of CalHEERS Project Deliverables rests with the Vendor. The Exchange expects the Vendor to adhere to the Exchange's Standard Process for Deliverable development (under development), beginning with a Deliverable Expectation Document (DED), followed by a draft Deliverable, then a final Deliverable. The Exchange will meet with the Vendor to discuss and clarify specific expectations for each DED and Deliverable in advance of the DED due date.

For periodic Deliverables, the Exchange will work with the Vendor to identify those Deliverables for which both draft and final Versions are required. For example, after the initial Monthly Status Report, the Exchange does not expect a draft Monthly Status Report to be produced. The Exchange also expects the Vendor to work collaboratively with assigned Exchange Staff, including committees and workgroups, during the Deliverable development and review process, where appropriate, to minimize expectation gaps and expedite the Acceptance process.

Once a DED, draft Deliverable, or final Deliverable is submitted, the Exchange will conduct a review and provide consolidated comments using a standard template. The Exchange understands and expects that multiple Deliverables may be in the development stage simultaneously. Work on Deliverables may proceed prior to the Exchange's formal Acceptance of any preceding Deliverables; however, that does not relieve the Vendor of the obligation to adhere to the Deliverable Schedule as defined in the approved Work Plan.

In the event the Exchange finds a Deliverable to be unsatisfactory, the Exchange will notify the Vendor of the reason(s) for the rejection in writing and identify specific Deficiencies. Exchange Staff will meet and confer with the Vendor to provide clarification as requested or needed. Rejection of a Deliverable does not allow for Schedule delays regarding subsequent Deliverables, unless approved in writing and in accordance with the Agreement by the Exchange Project Director, or designee. Refer to Attachment 2 - Requirements for the general Deliverable requirements.

4.8.2 Development and Implementation Deliverables

All required D&I Deliverables are defined below and grouped by the CMS ELC phase in which they are due. The Vendor shall provide within their Deliverables the plans for completing the business and Functional scope of work in both Core and Core Enhancement components of the CalHEERS Project. Because of the anticipated System and service delivery timeframe, separate Deliverables are required to fully document the Core Enhancement components. While Functionality beyond that of the basic Exchange Functionality has been described in this Solicitation, Deliverables must comply with the requirements set forth in Affordable Care Act for Exchanges.

The Exchange has also identified Deliverables in addition to those specified by the CMS ELC. Some Deliverables are due once in final form and other Deliverables are due in various stages

of detail: Preliminary, Interim, and Final, at different points during the Project. The Preliminary, Interim, and Final versions of a Deliverable will be treated as separate Deliverables for review, approval, and payment purposes. The following Table provides a high-level description of each Deliverable for which the Vendor is responsible. Specific detailed Deliverable requirements are identified by the prefix DR and can be found in Attachment 2 – Requirements.

Table 22 – Development and Implementation Deliverables

Deliverable	Definition	Baseline System	Expanded System
Initiation, Concept, and Planning			
Project Baseline Review (PBR)			
Project Management Plan and Initial Work Plan (Final)	Final Documentation of detailed plans, processes, and procedures for managing and controlling the life cycle activities. Includes the Initial Work Plan/Schedule with all activities required to complete the Project. Includes the Vendor's approach to: ▪ Communication Management ▪ Scope Management ▪ Issue Management ▪ Risk Management ▪ Schedule and Work Plan Management ▪ Quality Management ▪ Status Reporting ▪ Deliverable Management ▪ Requirements Management ▪ Configuration Management ▪ Contract Management ▪ Project Organization and Staff Management ▪ Budget Management ▪ Schedule and Work Plan	Base Deliverable	Deliverable Updated with Expanded System Dates
Project Process Agreement (Final)	Final document that authorizes and documents the justifications for using, not using, or combining specific stage gate reviews and the selection of specific work products.	Base Deliverable	N/A
Release Plan (Final)	Final document that describes what portions of the System Functionality will be implemented in which release and why.	Base Deliverable	N/A
Privacy Impact Assessment	Preliminary document that ensures	Base	N/A

Deliverable	Definition	Baseline System	Expanded System
(Preliminary)	no collection, storage, access, use or dissemination of identifiable respondent information that is not both needed and permitted.	Deliverable	
Monthly Work Plan Updates	Updates to tasks, task start and end dates, % complete, comparison of actual level of effort against estimated level of effort estimates to complete, estimates at completion and resource assignments. Includes a comparison to the approved baseline.	Base Deliverable	Continued Updates Throughout Project
PMP Updates (at Federal Review Gates)	Refinements to the management approaches and processes described in the Initial PMP.	Base Deliverable	Continued Updates Throughout Project
Master Facility Acquisition and Installation Plan	Describes the plan for readying D&I and O&M Facilities, including installing Equipment and Software.	Base Deliverable	Deliverable Updated with Expanded System Facility Plans
Equipment and Software Acquisition Plan	Describes plan for acquiring all Equipment and Software needed for the D&I phase and facility and the O&M phase and Facilities.	Base Deliverable	Deliverable Updated with Expanded System E&S Acquisition Information
Weekly and Monthly Status Reports	Documents progress for the prior period, including completion of key tasks, Deliverables and milestones, upcoming activities, issues and risks.	Base Deliverable	Continued Updates Throughout Project
Requirements, Analysis, and Design			
Preliminary Design Review (PDR)			
Requirements Document/Requirements Traceability Matrix (Preliminary)	Preliminary document that identifies the business and technical capabilities and constraints of the System. Requirements are presented in the form of a Requirements Traceability Matrix to enable forward and backward traceability of requirements from the Solicitation through User Acceptance Testing and Project completion.	Base Deliverable	New Deliverable

Deliverable	Definition	Baseline System	Expanded System
Information Security Risk Assessment (Preliminary)	Preliminary document that contains a list preliminary of threats and vulnerabilities, an evaluation of current security controls, their resulting risk levels, and any recommended safeguards to reduce risk exposure.	Base Deliverable	Base Deliverable Updated with New Information
System Security Plan (Preliminary)	Preliminary plan which describes managerial, technical and Operational security controls.	Base Deliverable	Base Deliverable Updated with New Information
Test Plan (Preliminary)	Preliminary document that describes the overall scope, approach, Schedule, resources, environment and reporting for all intended test phases and tasks.	Base Deliverable	New Deliverable
Technical Architecture Diagrams (Final)	Framework to identify the conceptual integration of the underlying business Functionality, Data and technical infrastructure for the System/solution.	Base Deliverable	New Deliverable
Logical Data Model (Final)	Final Documentation that represents CMS Data within the scope of a System development Project and shows the specific entities, attributes, and relationships involved in a business Function's view of information	Base Deliverable	New Deliverable
Detailed Design Review (DDR)			
Requirements Document/RTM (Interim)	Interim design document that identifies the business and technical capabilities and constraints of the System. Requirements are presented in the form of an Updated Requirements Traceability Matrix to enable forward and backward traceability of requirements from Solicitation through User Acceptance Testing and Project completion.	Base Deliverable	New Deliverable
System Design Document (Preliminary)	Preliminary document that details both high-level System design and low-level detailed design specifications.	Base Deliverable	New Deliverable
Interface Control Document (Preliminary)	Preliminary document that describes the relationship between	Base Deliverable	New Deliverable

Deliverable	Definition	Baseline System	Expanded System
	a source System and a target System.		
Database Design Document (Preliminary)	Preliminary document that describes the design of a database and the Software units used to access or manipulate the Data.	Base Deliverable	New Deliverable
Data Management Plan (Preliminary)	Preliminary strategy for managing Data during and after Project execution. Identifies Data archiving/Data retention plans.	Base Deliverable	New Deliverable
Physical Data Model (Preliminary)	Preliminary document that represents a preliminary view of the Data and database and shows the specific tables, columns, and constraints involved in a physical Implementation's view of information.	Base Deliverable	New Deliverable
Data Conversion Plan (Preliminary)	Preliminary document that describes the preliminary strategies involved in converting Data from an existing System/application to another Equipment and/or Software environment.	Base Deliverable	New Deliverable
Individual Premium Aggregation Plan (State Option to Buy)	Describes the approach to perform Individual Premium Aggregation to include receiving, processing, remitting and reconciling premium payments.	Base Deliverable (State Option to Buy)	NA
Assister Management Plan (State Option to Buy)	Describes the approach to Assister Management to include recording and tracking Assister training, education, tracking spoken languages and handling Assister complaints.	Base Deliverable (State Option to Buy)	NA
SHOP Management Plan (State Option to Buy)	Describes the approach to managing the Shop functionality and services.	Base Deliverable (State Option to Buy)	NA
Centralized Provider Directory Database Plan (State Option to Buy)	Describes the approach to delivering the Centralized Provider Directory Database, its contents and how it would be maintained.	NA	New Deliverable State Option to Buy
Other Health Services Plan (State Option to Buy)	Describes the plan for integrating other Health Services.	NA	New Deliverable State Option to

Deliverable	Definition	Baseline System	Expanded System
			Buy
Other Non-Health Services Plan **(State Option to Buy)**	Describes the plan for integrating other non-Health Services.	NA	New Deliverable State Option to Buy
Design and Test			
Final Detailed Design Review (FDDR)			
Requirements Document/RTM (Final)	Final design document that identifies the business and technical capabilities and constraints of the System. Requirements are presented in the form of an Updated Requirements Traceability Matrix to enable forward and backward traceability of requirements from Solicitation through User Acceptance Testing and Project completion.	Base Deliverable	New Deliverable
System Design Document (Final)	Final document that details both high-level System design and low-level detailed design specifications.	Base Deliverable	New Deliverable
Interface Control Document (Final)	Final document that describes the relationship between a source System and a target System.	Base Deliverable	New Deliverable
Database Design Document (Final)	Final document that describes the design of a database and the Software units used to access or manipulate the Data.	Base Deliverable	New Deliverable
Data Management Plan (Final)	Final strategy for managing Data during and after Project execution. Identifies Data archiving/Data retention plans.	Base Deliverable	New Deliverable
Physical Data Model (Final)	Final document that represents a final view of the Data and database and shows the specific tables, columns, and constraints involved in a physical Implementation's view of information.	Base Deliverable	New Deliverable
Data Conversion Plan (Final)	Final document that describes the Final strategies involved in converting Data from an existing System/application to another Equipment and/or Software environment.	Base Deliverable	New Deliverable
Infrastructure Design	Document that reflects the logical	Base	New

Deliverable	Definition	Baseline System	Expanded System
	and physical architectures and Networks and include technical diagrams identifying key architectural elements. The design document will include and identify existing System infrastructure components that will continue to be used/leveraged as well as new infrastructural components.	Deliverable	Deliverable
IVR Plan	Document that describes the design and decision trees for the IVR solution.	Base Deliverable	N/A
Pre-Operational Readiness Review (PORR)			
Test Plan (Final)	Final document that describes the overall scope, approach, Schedule, resources, environment and reporting for all intended test phases and tasks.	Base Deliverable	New Deliverable
Implementation Plan (Preliminary)	Preliminary document that describes how the automated System/solution will be installed, deployed, and transitioned into an Operational System.	Base Deliverable	New Deliverable
Organizational Change Management Plan (Preliminary) (State Option to Buy)	Preliminary document that describes the approach, resources and Schedule for managing and controlling integrated organizational change. This includes process and role gap analysis between existing and new, new position descriptions for all levels of Staff, new business processes and procedures and how each position will use those new processes and procedures and the System in their daily business Operations.	Base Deliverable (State Option to Buy)	New Deliverable (Included in Scope)
Service Center Build and Implementation Plan (State Option to Buy)	Describes the plan for readying the Service Center Facility, including installing Equipment and Software.	Base Deliverable (State Option to Buy)	N/A
Initial Service Center Management Plan (Preliminary) (State Option to Buy)	Documents the plan for managing the Service Center.	Base Deliverable (State Option to Buy)	NA

Deliverable	Definition	Baseline System	Expanded System
User Manuals (Preliminary)	Preliminary document that explains how a business User is to use the automated System or application from a business Function perspective. Different User manuals may exist for different business Users.	Base Deliverable	New Deliverable
O&M Manual (Preliminary)	Preliminary guides for those who maintain, Support, and/or use the System in a day-to-day Operations environment. This includes all System Operational and Support Functions and processes for all Operational and Maintenance Facilities, including the Service Center. The O&M Manual includes the Contingency/Recovery plan.	Base Deliverable	Deliverable Updated with Expanded System Plans
Initial IVR O&M Plan (Preliminary)	Preliminary guides for those who maintain, Support, and/or use the IVR System in a day-to-day Operations environment. This includes all IVR Operational and Support Functions and processes for all IVR-associated Operational and Maintenance Facilities.	Base Deliverable	N/A
Training Plan (Preliminary)	Preliminary document that describes the overall goals, learning objectives, and activities that are to be performed to develop, conduct, control, and evaluate instruction.	Base Deliverable	New Deliverable
Test Reports (Preliminary)	Preliminary documents that summarize test activities and results including any variances from expected behavior.	Base Deliverable	New Deliverable
Data Use/ Data Exchange/ Interconnection Security Agreement (Preliminary)	Preliminary Data Use Agreement(s)/Data Exchange Agreement(s)/Interconnection Security Agreement (Preliminary): Agreements between parties for the use of personal identifiable Data, and to ensure secure Data exchange. This includes a Safeguards Procedures Report (SPR), which includes information that Internal Revenue Service (IRS) Office of Safeguards expects from an agency regarding their procedures for safeguarding Federal Tax Information (FTI), in	Base Deliverable	New Deliverable

Deliverable	Definition	Baseline System	Expanded System
	any instance where that agency intends to receive, store, process, or transmit FTI.		
Information Security Risk Assessment (Final)	This final assessment includes identification of risks and possible mitigation associated with information security components and Supporting infrastructure. For federally owned systems, this assessment will be used for System Certification and accreditation.	Base Deliverable	New Deliverable
System Security Plan (Final)	Final plan which describes managerial, technical and Operational security controls.	Base Deliverable	New Deliverable
Automated Code Review Results (Final)	Final report of results from development code reviews that inspect for Software security vulnerabilities.	Base Deliverable	New Deliverable
Business Product (Preliminary)	Preliminary systems solution delivered for the release, including Equipment, Software, Data, and Documentation.	Base Deliverable	New Deliverable
Training Materials (Preliminary)	Preliminary products required to satisfy the training plan which may include web-based instruction, instructor guides, student guides, exercise materials, and training records. Different training materials will be required for different types of Users, such as Navigators, caseworkers and O&M Support and technical Staff, and Service Center Staff.	Base Deliverable	New Deliverable
Infrastructure Readiness Complete	This Deliverable confirms the Infrastructure Design has been configured, installed, tested (including performance, load, stress and volume testing), meets all requirements and is certified as Operational. The Deliverable will document the results from testing systems and components that will utilize the infrastructure and were identified in the Infrastructure Design.	Base Deliverable	New Deliverable

Deliverable	Definition	Baseline System	Expanded System
Implementation			
Operational Readiness Review			
Implementation Plan (Final)	Final document that describes how the automated System/solution will be installed, deployed, and transitioned into an Operational System.	Base Deliverable	New Deliverable
Organizational Change Management Plan (Final) (State Option to Buy)	Final document that describes the approach, resources and Schedule for managing and controlling integrated organizational change. This includes process and role gap analysis between existing and new, new position descriptions for all levels of Staff, new business processes and procedures and how each position will use those new processes and procedures and the System in their daily business Operations.	Base Deliverable (State Option to Buy)	New Deliverable (Included in Scope)
User Manuals (Final)	Final document that explains how a business User is to use the automated System or application from a business Function perspective. Different User manuals may exist for different business Users such as Navigators and caseworkers.	Base Deliverable	New Deliverable
O&M Manual (Final)	Final guides for those who maintain Support and/or use the System in a day-to-day Operations environment. This includes all System Operational and Support Functions, processes and procedures for all Operational and Maintenance Facilities, including the Service Center. The O&M Manual includes the Contingency/Recovery plan.	Base Deliverable	Deliverable Updated with Expanded System Plans
Training Plan (Final)	Final document that describes the overall goals, learning objectives, and activities that are to be performed to develop, conduct, control, and evaluate instruction.	Base Deliverable	New Deliverable
Test Reports (Final)	Final documents that summarize test activities and results including any variances from expected	Base Deliverable	New Deliverable

Deliverable	Definition	Baseline System	Expanded System
	behavior.		
Data Use/ Data Exchange/ Interconnection Security Agreement (Final)	Final Data Use Agreement(s)/Data Exchange Agreement(s)/Interconnection Security Agreement (Final): Agreements between parties for the use of personal identifiable Data, and to ensure secure Data exchange. This includes a Safeguards Procedures Report (SPR), which includes information that Internal Revenue Service (IRS) Office of Safeguards expects from an agency regarding their procedures for safeguarding Federal Tax Information (FTI), in any instance where that agency intends to receive, store, process, or transmit FTI.	Base Deliverable	New Deliverable
Business Product (Final)	Final systems solution delivered for the release, including Equipment, Software, Data, and Documentation.	Base Deliverable	New Deliverable
Training Materials (Final)	Final products required to satisfy the training plan which may include web-based instruction, instructor guides, student guides, exercise materials, and training records. Different training materials will be required for different types of Users, such as Navigators, caseworkers and O&M Support and technical Staff, and Service Center Staff.	Base Deliverable	New Deliverable
Requirements Traceability Matrix	At the conclusion of the Operational Readiness Review the requirements are presented in the form of an Updated Requirements Traceability Matrix to enable forward and backward traceability of requirements from Solicitation through User Acceptance Testing and Project completion.	Base Deliverable	New Deliverable
Implementation Completion Report (Final)	Final document that assesses the Implementation, ensures completion, and derives lessons learned and best practices to be applied to future Projects.	Base Deliverable	New Deliverable

Deliverable	Definition	Baseline System	Expanded System
Project Completion Report (Final)	Final document that assesses the Project, ensures completion, and derives lessons learned and best practices to be applied to future Projects.	Base Deliverable	New Deliverable
Privacy Impact Assessment (Final)	Final assessment that determines if Personally Identifiable Information (PII) is contained within a System, what kind of PII, what is done with that information, and how that information is protected.	Base Deliverable	New Deliverable
Plan Of Action and Milestones (Final)	Final reports of the status of known security weaknesses with associated Plan of Action and Milestones.	Base Deliverable	New Deliverable
Service Center Management Plan (Final) **(State Option to Buy)**	Final document that describes how the Service Center will be installed, deployed, and Supported for the Exchange.	Base Deliverable (State Option to Buy)	New Deliverable
Certification Plan **Certification Checklist** **Certification Readiness Complete**	In order for the Exchange to obtain its Authority to Operate, it must first be certified, then accredited. While CMS will provide additional guidance on these steps and required Deliverable content, the Vendor will be expected to prepare these Deliverables and assist the Exchange in obtaining Certification and accreditation.	Base Deliverable	New Deliverable
Technology Refresh Assessment Plan	The Equipment and Software refresh approach, Schedule, communications, process and procedures.	Base Deliverable	New Deliverable
Release Management Plan	Documented approach, methodology, roles and responsibilities, communications and metrics for release management.	Base Deliverable	New Deliverable
Transition			
Transition Out Management Plan **(State Option to Buy)**	The transition approach, methodology, Schedule, roles and responsibilities, testing processes, and Documentation to transition the System to another entity.	Base Deliverable (State Option to Buy)	
Transition Out Hosting Plan	This transition approach,	Base Deliverable	

Deliverable	Definition	Baseline System	Expanded System
(State Option to Buy)	methodology, Schedule, roles and responsibilities, testing processes, and Documentation to transition the Hosting to another entity.	(State Option to Buy)	

5   PROPOSAL PREPARATION INSTRUCTIONS

5.1   PROPOSAL SUBMISSION

All interested Vendors are invited to submit a Proposal for consideration. Responding to this Solicitation requires thoroughness, the ability to recognize and understand all the details necessary for performing the required work, and a detailed evaluation of the personnel requirements and costs for providing the California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS) Goods and Services. Submission of a Proposal indicates that the Vendor has read and understands this entire Solicitation, including all Schedules, Requirements, attachments, and addenda. Each firm may submit only one (1) Proposal.

5.2   SUBCONTRACTOR AGREEMENTS

If a prospective Vendor plans to subcontract any part of this effort, the Proposal must include the information detailed in Attachment 4 – Corporate Information and Experience Matrix. All Requirements set forth in this Solicitation shall apply to proposed Subcontractors in the same manner as the Proposing Vendor if the proposed Subcontractor's corresponding percentage of the bid price equals or exceeds 20% of the Vendor's proposed price.

The tasks, or portions thereof, that are intended to be subcontracted must be identified and defined. The Subcontractor(s) responsible shall be identified by name, responsible point of contact, address, and phone number. The rationale for selection of the Subcontractor(s) must be stated. The exact type and amount of work to be done by each Subcontractor must be identified and defined. Copies of the subcontract(s) are to be submitted to the Exchange within ten (10) business days of their execution.

5.3   PROPOSING REALISTICALLY

Proposals must sufficiently assure the Exchange that the Vendor can and will perform the work as described in this Solicitation within the proposed price and Schedule. Proposals must reflect a realistic job to be performed at a price within the limits described herein.

The Exchange emphasizes the importance of the best-value approach to this Solicitation process, and expects proposals that clearly demonstrate the following:

- An understanding of the needs of the Exchange and its stakeholders
- Proven experience in effectively designing, developing, implementing, operating and maintaining similar systems
- Critical success factors, assumptions, risks and plans for mitigating risk areas
- A clear plan for meeting the aggressive Schedule
- Realistic and well considered costs reflective of the proposed solution

5.4   PROPOSAL ORGANIZATION AND FORMAT

This section prescribes the required organization and format for the Proposal. The Proposal must adhere to the format described in the following subsection. Proposals should be prepared in such a way as to provide a straightforward, concise description of the proposing Vendor's

capabilities to satisfy the requirements of this Solicitation. Expensive bindings, colored displays, or promotional materials are not necessary or desired. Submission of sales materials or brochures is not permitted. Emphasis should be concentrated on conformance to the instructions contained in this Solicitation, responsiveness to the Requirements contained in this Solicitation and completeness and clarity of content.

5.4.1 Proposal Structure

This section specifies the prescribed Proposal Business Proposal Structure and maximum page counts. The Exchange is interested in receiving thorough yet concise responses. Vendors are advised to adhere to the maximum page count per section as noted in the following table. Sections submitted that exceed the page count may be rejected.

The Vendor must submit Proposals in accordance with the outline structure reflected in the following table.

Table 23 – Proposal Structure

Section #	Title	Maximum Page Count By Section
1.0	**Transmittal Letter**	2
2.0	**Business Proposal**	
	Table of Contents	As needed
2.1	Executive Summary	10
2.2	Corporate Experience and Qualifications	25
2.3	Project Management and Staffing	35
2.4	Business Approach	120
2.5	Technical Approach	150
2.6	System Development Approach	75
2.7	System Operations and Maintenance Approach	100
2.8	Deliverables	5
3.0	**Cost Proposal**	As needed
4.0	**Attachments**	As needed

5.5 PROPOSAL CONTENT REQUIREMENTS

This section describes the content Vendors must include in their proposal. The content follows the structure defined in 5.4 - Proposal Organization and Format. Vendors are directed to Attachment 2 - Requirements, which contains all mandatory requirements relating to the Services, Deliverables, and proposal submission.

5.5.1 Section 1 - Transmittal Letter

The transmittal letter provides the cover for the entire proposal submission and shall include:

- The Vendor's name, physical and mailing addresses
- A statement that the Vendor has all requisite legal authority to submit the proposal and enter into a resultant Contract
- A statement that the Vendor is qualified to do business in the State of California.
- The name, title, physical and mailing addresses, e-mail address, telephone, and fax numbers of the person(s) authorized to represent the Vendor during negotiations and to execute the Contract for the Vendor.
- A reference to any Solicitation amendments received by the Vendor; if none has been received, a statement to that effect must be included.
- A statement indicating whether the Vendor has had any contracts terminated within the last five years. If any such terminations exist, the Vendor must include details regarding the Contract, the reason for termination, date of termination, and client contact information.
- A statement indicating whether the Vendor has had any contracts in litigation within the last five years. If any such litigation exists, the Vendor must include details regarding the Contract, the reason for litigation, date of litigation, and client contact information.

The letter shall be signed by an officer or agent of the Vendor's organization who is authorized to negotiate on behalf of the Vendor and commit the organization to the terms and conditions of the Contract resulting from this Solicitation. **No costs or prices may be included in the transmittal letter.**

5.5.2 Section 2 - Business Proposal

5.5.2.1 Table of Contents

The Proposal shall contain a table of contents which shows how the entire Proposal section is organized and presented using a numeric outline format to the fourth level.

5.5.2.2 Executive Summary

The primary objective of this section is to provide an overview of the key points in the Proposal for the Exchange's executive management. While no specific format need be followed, it should condense and highlight the contents of the Proposal **(excluding costs)** in such a way as to provide evaluators with a broad understanding of the entire Proposal. It should contain a concise overview summarizing the proposing Vendor's understanding of the Exchange's needs, the proposed Schedule for the CalHEERS Project phases, qualifications of Key Staff, and Operational structure for handling CalHEERS responsibilities. The Executive Summary should emphasize the most important features offered by the proposed approach and methodology.

5.5.2.3 Corporate Experience and Qualifications

The information provided in this section will be used to provide the Exchange with a basis for determining Vendor business and technical experience, financial strength and stability, and Project management experience to undertake a Project of the size and complexity of CalHEERS. Vendors are directed to Section 3 – Vendor Qualifications and the corresponding requirements located in Attachment 2 – Requirements.

This section should contain a concise but thorough description of the Vendor's relevant experience, capabilities and verifiable successes.   Relevant experience may include the following: development, Implementation and Operations of Health Care Exchange systems, multiple entity government systems, health insurance enrollment and management systems, public assistance and employment systems, Child Support Enforcement systems, Child Welfare systems, or other large-scale or statewide Human Services systems. Service Center and/or Call Center experience is also essential.

The Vendor must provide a general narrative Project description highlighting the Vendor's role/responsibilities as prime Vendor, Subcontractor or other role and include its scope of effort. The Vendor shall supply any additional information not already presented which the Vendor believes to be relevant to the Exchange's assessment of the Vendor and Subcontractor experience with regard to the specifics of this Solicitation.

Vendors must complete Attachment 4 – Corporate Information and Experience Matrix. There are three parts to Attachment 4:

■ Section 1: Corporate Information

■ Section 2: Financial Information - The Vendor must provide annual financial statements for the past two (2) corporate fiscal years as well as an organizational history of claims of bankruptcy, receivership, failure to fulfill contracts and criminal legal actions that that have occurred during the past five (5) years.

■ Section 3: Corporate Experience Matrix

Vendors must complete Attachment 6 – Client Reference Form for each reference. **Customer organizations must also complete a segment of the form rating the Vendor's performance.** This information is required for three relevant systems Projects; however, Vendors may provide this information for up to five Projects.

5.5.2.4 Project Management

This section should include sufficient detail to assure the Exchange that the Vendor has a fully developed approach for managing and completing the CalHEERS Services, Requirements, and Deliverables defined in this Solicitation. Vendors are directed to Section 4.5 – Scope of Work, Project Management and corresponding requirements in Attachment 2 – Requirements.

The Vendor must address the establishment and Maintenance of a PMO and the following Project Management areas:

■ Communication Management

■ Scope Management

■ Issue Management

■ Risk Management

■ Schedule and Work Plan Management

■ Quality Management

■ Project Status Reporting

■ Deliverable Management

■ Requirements Management

■ Contract Management

■ Project Organization and Staff Management

- Budget Management

The Vendor must:

- Specifically delineate any assumptions or constraints associated with the Project Management approach.
- Specifically address the risk associated with the federally imposed deadlines and provide mitigation strategies and initial contingency plans. The contingency plan shall highlight, at a high-level, the key trigger events and/or dates that invoke the Implementation of the contingency plan, impacts (i.e., monetary or otherwise) to the State, and remedies.
- Include a description of its Work Plan in the narrative of its proposal, and submit an initial draft MS Project Work Plan as Attachment 16 - Proposal Project Plan.
- Respond to all requirements identified on the Project Management and Staffing and Deliverable tabs in Attachment 2 – Requirements.

5.5.2.4.1 Project Organization and Staffing

In this section of the proposal, the Vendor must provide organizational charts and describe its approach to determining the organizational structure of the Vendor team and how it will interact with the Exchange Project organization and key stakeholders. Summary level organizational charts for D&I and O&M phases shall be provided and must reflect interaction with the Exchange Project organization and key stakeholders. A second set of more detailed organizational charts should depict the entire Vendor team for both the D&I and O&M phases.

As previously noted, the Vendor Staff assigned to the CalHEERS Project is ultimately responsible for ensuring the objectives of the Exchange and the requirements of this Solicitation are met. The Vendor Key Staff are expected to Function as trusted advisors to the Exchange team in their respective roles. The Exchange and its stakeholders will be interacting with the Vendor Key Staff on a day-to-day basis for the next several years. For these reasons, the Exchange places a great deal of emphasis on the expertise, experience and capabilities of the proposed Key Staff.

As part of their response, Vendors must submit Attachment 5 - Key Staff Experience Matrix.

The Exchange considers the following positions as Key Staff for the D&I phase:

- Project Manager
- PMO Manager
- Application Development Manager
- Technical Manager
- System Architect
- Implementation Manager

The Exchange considers the following positions as Key Staff for the O&M phase:

- Project Manager
- O&M Manager
- PMO Manager
- Application Maintenance Manager
- Technical Manager
- Service Center Manager

The Vendor must provide convincing evidence that the proposed Key Staff can effectively carry out their duties and responsibilities. Convincing evidence includes substantiated resume information, Key Staff interviews, and reference checks. The Proposed Project Manager must have demonstrated leadership experience as a Project Manager on one or more Projects of similar magnitude and complexity of CalHEERS. All other Key Staff must have demonstrated leadership experience in a similar role on one or more Projects of similar magnitude and complexity.

Vendors must supply a standard resume for each proposed Key Staff person to demonstrate their experience and qualifications in accordance with Attachment 7 – Resume Form. Three (3) customer references are required for all Key Staff as part of Attachment 7.

Vendors must provide detailed position descriptions for all Key Staff and summary level position descriptions for all other Vendor Staff.

The Vendor must specifically delineate any assumptions or constraints associated with the Project Organization and Staff.

5.5.2.5 Functional/Business Approach

The Vendor must provide a narrative description on each of the following three aspects of the CalHEERS Functionality, clearly delineating between the Baseline System (Core), Baseline System (Alternative Case Data Management Approach), and Expanded System (Core Enhancement) and also the integration of the Baseline and Expanded Systems:

1. **Baseline System (Core Functionality)** – Vendor must provide a narrative description of how their solution meets the primary business objective of CalHEERS and how it will provide a "no wrong door" approach to determine eligibility for the ASHS Programs. Key components include, but are not limited to:

- Implementing a System that contains a single rules engine to determine eligibility for ASHS Programs.
- Enabling a range of Users' access Functionality and features of the System via a single Web Portal.
- Utilizing a single streamlined application process that can be initiated by the receipt of a single accessible application via paper, phone, in-person, or electronic means.
- Accessing a high-volume Service Center with the objectives of providing "real help" either by phone or via online e-chat, including education about the different program benefits and policies, application completion assistance, and assistance managing their account, coverage, and care once enrolled.
- Being able to initiate the application process through "no wrong door," which includes Service Center avenues (online, mail, phone, fax, and email), navigator Services, or in person at County and State program, broker, agent, or plan issuer offices.
- Delivering a first-class User interface and experience though the adoption of standards of usability, California requirements, and/or the utilization of the UX2014 (or a UX2014-comparable) User interface and experience through other means.
- Demonstrating how the first-class User interface and experience will meet the needs of each type of User/consumer.
- Being able to screen applicants for initial eligibility for other programs, such as non-MAGI Medi-Cal and make appropriate referrals or transfers of Data, in the event the applicant does not qualify for the programs managed within CalHEERS.

- Being able to compare and choose health plans, pay premiums, receive automatic renewal information, and report account changes.
- Receiving immediate up-to-date information and assistance for all aspects of eligibility, enrollment, financial management, and plan management for all available health care coverage programs.
- Receiving consistent eligibility criteria that are used by all health plans for all applicants.
- Being able to manage health care for multiple family members across multiple programs in one place.
- Being able to generate usage reports.
- Establish and maintaining accounts through a secure log-on, receive live help via e-chat, and provide consent for navigators and third-party facilitators to have access to their account.

2. **Baseline System (Core - Alternative Case Data Management Approach)** – The Vendor must describe an Alternative Approach for Case Data Management for the Baseline System (Core Functionality) based on the following assumptions:

- MAGI Medi-Cal case Data shall be stored in current SAWS (i.e., CalWIN, C-IV, or LEADER). The SAWS shall become the System of record for MAGI Medi-Cal cases.
- Children's Health Insurance Program (CHIP) and Access for Infants and Mothers (AIM) case Data shall be stored in their respective versions of the current Healthy Families Administrative System (MAXe^2). The Functionality within MAXe^2 shall continue to exist as it does currently, and real-time Interfaces shall be developed to facilitate eligibility determination in CalHEERS and case Data storage in SAWS and MAXe^2. The MAXe^2) System shall remain as the System of record for the enrollment of consumers in the Healthy Families and AIM programs.
- The Healthy Families real-time interface shall exchange the following Data sets including, but not limited to:
  - Electronic Applications
  - Scanned Application Documents
  - Enrollee and Associated Case Member Data
  - Consumer known to (MAXe2 (i.e., the CHIP and AIM System) responses
  - Historical Consumer information (e.g., applications, coverage, employment and demographics)

Vendors shall not replicate the entire Baseline System approach, but rather highlight the key business and technical differences between the Baseline System (Core) and the Baseline System (Alternative Case Data Management Approach). The Vendor is not expected to make the necessary modifications to the SAWS or MRMIB systems as part of this Alternative Approach.

3. **Expanded System (Core Enhancement Functionality)** – Vendor must provide a narrative description of how their solution meets the State's strategic direction and expanded core Functionality identified to be part of the Expanded System. Key components include, but are not limited to:

- Detailing the approach to providing and keeping current a centralized Provider Directory database that contains consumer-centric information on providers (i.e., independent clinicians, medical groups, dentists, specialists, and other health plan-specific providers) in a plan's geographic coverage area. The Vendor is encouraged to recommend other elements to be presented as part of the centralized Provider Directory.

- Detailing the approach for expanding and making fully seamless the horizontal program integration for the Other Health and Other Non-Health Services Programs, including end-to-end testing, Implementation, training, and change management strategies, and deployment.
- Describing the approach to fully and seamlessly integrating MEDS business and information architecture into the design of CalHEERS to yield a single System that contains all Exchange and MEDS Functionality without negatively impacting the delivery or reliability of the Core Business Functionality. The approach must address:
  - The methods to document the "as-is" and "to-be" MEDS (and associated sub-systems) business Functions/processes, describing how the modernized business Functions and processes can be incorporated seamlessly into CalHEERS and other dependent systems (e.g., SAWS and horizontal integration to other programs).
  - The necessary architecture and design elements to address the existing business and technology challenges (e.g., Data integrity, accessibility, legacy systems and availability) for MEDS and associated subsystems and integration partners.
  - MEDS Data elements in CalHEERS Data classification (e.g., PI, PII, and PHI) process to define a unified information security architecture such as storage, encryption, and access.
  - MEDS business rules categories in conjunction with the business rules architecture for CalHEERS.

The Vendor shall articulate their ELC Approach and Methodology for the modernization of the Legacy MEDS and its multiple subsystems while also demonstrating how they have achieved successful accomplishments with Projects of comparable complexities at other state, federal, or private sector entities. Within their ELC approach, the Vendor shall describe their approach and methodology for:

- Designing the overall modernization roadmap in terms of iteration, prioritization, and risk mitigation.
- Converting Data from the existing legacy systems into CalHEERS and how they will ensure referential integrity for all of the converted Data.
- Accomplishing System, Integration System, Regression, Stress and Load and Performance, parallel if feasible, and UAT of the solution and its interfacing partner systems.
- Completing end-to-end integration analysis, Implementation, and test approach to all the dependent systems to the modernized MEDS Functions.
- Complete end-to-end integration analysis and Implementation activities of MEDS Functions in order to Support the testing approach of all dependent systems and subsystems to be modernized
- Conducting Organizational Change Management and how they will ensure new roles and responsibilities are clearly defined, Staffs have the appropriate training to be successful, and the overall business objectives of the Project are met with the ability to measure these key success factors.
- Accomplishing System environment and Configuration management of all components that are part of the CalHEERS solution and environments that integrate with the CalHEERS solution, including MEDS and County SAWS in order to Support all phases of testing and Implementation.

  Because the MEDS Data that is to be integrated into CalHEERS and presented to authorized Web Portal Users contains Personal Health Information (PHI) and Personally Identifiable Information (PII), the Vendor shall describe and demonstrate

their approach of securing this Data throughout the design, development, Implementation, and Operations phases of the Project.

The Vendor shall describe their best practices and standards to employ for the CalHEERS Project in the following areas: Change Management, Configuration Management, Risk and Issue Management, Management of Design, Development, Testing, Implementation, Defect Management, and Governance.

Note: Content of the MEDS tab of Attachment 2 - Requirements is for information only, and Vendors are not to respond to those requirements. The Exchange is interested in the Vendor's approach (as identified above) for completing the integration of MEDS Functionality.

Vendors are directed to Section 4.3 Vendor Scope of Work, Business/Functional Scope. Vendors must include the following topics as part of their Business Approach:

- Eligibility and Enrollment
- Financial Management
- Plan Management
- Consumer Assistance
- Education and Outreach
- SHOP for Employers
- MEDS Functionality
- Usability

The Vendor must specifically delineate any assumptions or constraints associated with the Functional/Business approach. The Vendor shall describe:

- Their approach for proactively monitoring other States' exchange developments and Implementations as part of this Solicitation and throughout the Project.
- Ways in which they plan to incorporate business rules and other Functionality in their proposed solutions or in subsequent design phases.

The Vendor is required to respond to all requirements identified on the Business, Usability, SHOP, and Deliverable tabs in Attachment 2 – Requirements.

5.5.2.6 Technical Approach

This section should contain a thorough description of the Vendor's Technical Approach that best meets the Exchange business needs and requirements. The Vendor's Technical Approach must include the System Development and Implementation Approach and the Operations and Maintenance Approach. Vendors are directed to Section 4.4 Vendor Scope of Work, Technical Scope.

The Vendor is required to prepare and deliver the design for the CalHEERS System, including the architecture, application, database, and Network, including Network diagrams, specifications, and Network management for all components. The design shall provide access, reliability, and appropriate levels of redundancy for all CalHEERS locations and the Vendor's Data Processing Site(s).

The Vendor must address business needs that have a particularly close connection to the technical solution, such as:

- Providing access to single streamlined System to access cases that provides a single, streamlined application process that will be used to enter applications (paper or digital) by all Users.
- Quickly establishing, setting up, and operating a System, Equipment, Software, and multiple Facilities.
- Interfacing with multiple third party systems in real time (State and Federal).
- Designing, providing, and implementing an architecture and Services under a secure model.
- Modifying the application quickly to comply with constantly changing program needs.

The Vendor must propose a solution to meet the specific System performance and availability requirements specified in this Solicitation and as documented in the Service Level Agreements defined in Appendix D – Model Contract. At a high-level, the Vendor must describe how it will:

- Use a modular, flexible approach to systems development, including the:
  - Use of open Interfaces and exposed application programming Interfaces.
  - Separation of business rules from core programming.
  - Availability of business rules in both human and machine readable formats.
- Align to and advance increasingly in Medicaid Information Technology Architecture (MITA) maturity for business, architecture, and Data.
- Provide a first-class User experience through the CalHEERS Web Portal based on its evaluation of UX2014 and other similar Interfaces and adoption of any aspect that best meets the standards of usability and California requirements. The Vendor shall inform the Exchange of its decision process and how it will demonstrate and deliver that User experience.
- Ensure alignment with, and incorporation of, industry standards:
  - Health Insurance Portability and Accountability Act of 1996 security, privacy and transaction standards.
  - Accessibility standards established under section 508 of the Rehabilitation Act (or standards that provide greater accessibility for individuals with disabilities) and compliance with Federal civil rights laws.
  - Standards adopted by the Secretary under section 1104 of the Affordable Care Act.
  - Standards and protocols adopted by the Secretary under section 1561 of the Affordable Care Act.
- Promote sharing, leveraging, and reusing of Medicaid technologies and systems within and among States.
- Support accurate and timely Processing of claims (including claims of eligibility), adjudications, and effective communications with providers, beneficiaries, and the public.
- Produce transaction Data, reports, and performance information that would contribute to program evaluation, continuous improvement in business Operations, and transparency and accountability.
- Ensure seamless coordination and integration with the Exchange, allow interoperability with health information exchanges, public health agencies, human Services programs, and community organizations providing outreach and enrollment assistance Services.

The Vendor must specifically delineate any assumptions or constraints associated with the Technical approach. The Vendor shall describe:

- Their approach for proactively monitoring other States' exchange developments and Implementations as part of this Solicitation and throughout the Project.
- Ways in which they plan to incorporate public domain Software in their proposed solutions or in subsequent design phases.
- Their assumptions or constraints associated with making the CalHEERS solution available to other States as public domain Software.

The Vendor is required to respond to all requirements identified on the Technical, Development and Implementation, and Deliverable tabs in Attachment 2 – Requirements.

5.5.2.6.1 System Development and Implementation Approach

The California Exchange Board has committed to the Centers for Medicare and Medicaid Services (CMS) Exchange Life Cycle (ELC) as the model for CalHEERS System development. The Vendor will meet requirements, tasks and Deliverables in Support of the multiple iterations of ELC phases that may be required to accommodate development and Implementation in a phased approach. This section should contain a concise but thorough description of the Vendor's approach to meeting all System Development and Implementation Approach related Requirements. Vendors are directed to Section 4.6 - Vendor Scope of Work, System Development and Implementation Services. The Vendor's response shall include its approach to:

- Initiation, Concept, and Planning
- Requirements, Analysis, and Design
- Development and Testing
- Implementation

Within each phase, the Vendor must describe its approach for:

- Designing and developing the required artifacts and Deliverables. The Vendor must provide a minimum of 60 calendar days for UAT.
- Supporting the Exchange during the Federal Certification process.

The Vendor must specifically delineate any assumptions or constraints associated with the D&I approach.

Vendors are required to respond to all requirements located in the Design and Implementation, Technical, and Deliverable tabs of Attachment 2 - Requirements.

5.5.2.6.2 Operations and Maintenance Approach

The Vendor must describe how it will successfully operate and maintain the CalHEERS System. Operational activities include managing and monitoring the Services, System, hardware and Software that comprises the CalHEERS System. Vendors must be proactive in monitoring, managing and operating the System availability, performance, and capacity. The Vendor must demonstrate transparency related to the operation of the System by reporting verbally, in writing, and through automated tools the status and the health of the System to the Exchange.

The Vendor is required to address and describe how it will provide the following O&M Functions; these Functions map to the O&M Manual Deliverable Requirements:

- Availability and Performance Management
- Network Management

- Data and Database Management
- Capacity Management
- Problem Management
- Security Management
- Configuration Management
- System Change Management
- Backup and Restore Management
- Business Continuity/Disaster Recovery Management
- Server Management
- Technology Assessment and Refresh
- Application Maintenance Management

In addition, this section must contain a comprehensive description of the Vendor's approach to meeting Transition related Requirements associated with the transition and turnover of all O&M to a different entity.

The Vendor must specifically delineate any assumptions or constraints associated with the O&M approach.

Vendors are required to respond to all requirements located in the Operations and Maintenance and Deliverable tabs of Attachment 2 - Requirements.

5.5.2.7 Deliverables

In this section, the Vendor must describe its approach and proposed timeframes for completing draft and final versions of all Deliverables, including each preliminary and final Deliverable.

The Vendor must specifically delineate any assumptions or constraints associated with the required Deliverables.

Vendors are directed to Section 4.7 - Vendor Scope of Work - Deliverables. Vendors are required to respond to all requirements contained in the Deliverables tab of Attachment 2 - Requirements.

5.5.3   Cost Proposal

The Cost Proposal shall be clearly labeled and submitted in a sealed envelope separate from the Business Proposal. Refer to Section 5.6 Proposal Submission Instructions.

5.5.3.1 Table of Contents

The Cost Proposal must contain a table of contents which shows how the entire Proposal section is organized and presented using a numeric outline format to the 4th level.

5.5.3.2 Cost Schedules

This section describes the requirements to be addressed by each Vendor in the preparation of the Cost Proposal for the CalHEERS Project. The Cost Proposal consists of Schedules 1 through 46, the form, content, and format for which are included as Attachment 8 - Cost Schedules. The forms are contained in a Microsoft Excel workbook that contains 46 worksheets.

Vendor completion of all Cost Proposal forms is mandatory. Formulas have been inserted in the appropriate cells of the Cost Schedules so that summary numbers automatically calculate. Specifically, State Fiscal Year totals are automatically calculated based on payment months July through June. Vendors must document any changes to formulas or links for reasons other than to accommodate additional rows in sums, and indicate any such changes as comments in the affected cells. It is solely the responsibility of the proposing Vendor to ensure that all mathematical calculations are correct in their Proposal.

Each Cost Schedule includes a section for the Vendor to list and describe any special cost assumptions, conditions, and/or constraints relative to, or which impact, the costs presented on the detailed Schedules. The cost impact of any conditions or exceptions listed in this Solicitation shall be detailed in the related Cost Schedule of the Vendor's Proposal. **Note: Assumptions, conditions, and/or constraints cannot include the Vendor's proposed exceptions (identified in Attachment 9) to the Model Contract (Appendix D). All costs must be based on the Model Contract as included in this Solicitation.**

The Proposal must include the completed Cost Schedules (Attachment 8). Only those Cost Proposals that include all required forms, with signature of a representative of the proposing Vendor's organization who has the authority to bind the firm, will be scored.

Each Cost Proposal must include the sections listed below and address all cost assumptions, conditions, and/or restraints relative to, or which affect the costs presented in the Cost Proposal.

Table 24 – Cost Proposal Sections

#	Tab	Subsection Title
Summary		
1		Cost Summary
2		Assumptions Index
Baseline System (Core Functionality) Cost Schedules		
3	A1	Baseline System Summary
4	B1	Baseline D&I and O&M Hardware & Software Summary
5	C1a	Baseline D&I Deliverables-based Services
6	C1b	Baseline D&I Change Hours
7	C1c	Baseline D&I Hardware & Software
8	C1d	Baseline D&I Hardware & Software Maintenance
9	D1a	Baseline O&M Services
10	D1b	Baseline O&M Hardware & Software
11	D1c	Baseline O&M Hardware & Software Maintenance
12	E1	Baseline Facilities (D&I & O&M)
13	F1	Baseline Staff Hourly Rates
Baseline System (Alternative Approach to Case Management) Cost Schedules		
14	A2	Baseline (Alt) System Summary
15	B2	Baseline (Alt) D&I and O&M Hardware & Software Summary
16	C2a	Baseline (Alt) D&I Deliverables-Services
17	C2b	Baseline (Alt) D&I Change Hours
18	C2c	Baseline (Alt) D&I Hardware & Software
19	C2d	Baseline (Alt) D&I Hardware & Software Maintenance
20	D2a	Baseline (Alt) O&M Services
21	D2b	Baseline (Alt) O&M Hardware & Software

#	Tab	Subsection Title
22	D2c	Baseline (Alt) O&M Hardware & Software Maintenance
23	E2	Baseline (Alt) Facilities (D&I & O&M)
24	F2	Baseline (Alt) Staff Hourly Rates
Expanded System Cost Schedules		
25	A3	Expanded System Summary
26	B3	Expanded D&I and O&M Hardware & Software Summary
27	C3a	Expanded D&I Deliverables-Services
28	C3b	Expanded D&I Change Hours
29	C3c	Expanded D&I Hardware & Software
30	C3d	Expanded D&I Hardware & Software Maintenance
31	D3a	Expanded O&M Services
32	D3b	Expanded O&M Hardware & Software
33	D3c	Expanded O&M Hardware & Software Maintenance
34	E3	Expanded Facilities (D&I & O&M)
35	F3	Expanded Staff Hourly Rates
Service Center Cost Schedules		
36	A4	Service Center System Summary
37	B4	Service Center D&I and O&M Hardware & Software Summary
38	C4a	Service Center D&I Deliverables-Services
39	C4b	Service Center D&I Hardware & Software
40	C4c	Service Center D&I Hardware & Software Maintenance
41	D4a	Service Center O&M Services
42	D4b	Service Center O&M Hardware & Software
43	D4c	Service Center O&M Hardware & Software Maintenance
44	E4	Service Center Facilities (D&I & O&M)
45	F4	Service Center Staff Hourly Rates
Transition Cost Schedules		
46	A5	Transition Deliverables-Services

Note: Costs associated with the Integration of MEDS Functionality have been capped at $200,000,000 for D&I and O&M through the end of the base contract and shall not be priced by the Vendor in the Cost Proposal.

5.5.4   Proposal Attachments

The Vendor will provide the following required Attachments to its proposal. Some Attachments are required from the Proposing Vendor, Major Subcontractors, and Subcontractors. A *Major Subcontractor is defined as those who are participating in at least 20% of the total level of effort or total price for the Baseline System.*

■ **Attachment 1 – Confidentiality Statement** is a statement that must be signed by an authorized representative of the Proposing Vendor (*submitted by Proposing Vendor*).

■ **Attachment 2 – Requirements** contains all mandatory requirements that must be met by the Vendor (*submitted by Proposing Vendor*). It contains a cross-reference column that provides the standardized and consistent format in which the proposing Vendor will track its responses to the Requirements within this Solicitation Document. All proposing Vendors

must carefully review and understand the purpose and use of Attachment 02 - Requirements. It contains all CalHEERS requirements that reside in several tabs that must be responded to by Vendors in their proposal submission. The following Figure illustrates the attachment and defines critical components.

Figure 6 – Attachment 2 Illustration

- *Selection Column* - There are three requirements selections that will be defined for Vendors, either Baseline System (Core), Baseline System (Case Data Alternative), or Expanded (Core Enhancements).
- *Baseline System (Core)* – These requirements are those associated with completing the Baseline System, which includes Exchange Functionality and establishing the Functional and technical foundation for the integration of MEDS Functionality. Some of the Functionality identified as part of the Baseline System is at the State's Option to Buy.
- *Baseline System (Core with Case Data Alternative)* – These requirements are identical to the Baseline Core requirements, with the exception of those requirements that pertain solely to the alternative case Data management approach. It is anticipated that the same Baseline System Functionality and technical capabilities will be delivered, only with the approach of the case Data being managed and maintained in the respective SAWS and MRMIB Systems. The entire alternative is at the State's Option to Buy.
- *Expanded System (Core Enhancements)* – These requirements are those that Support or extend the Core Functionality and Support the State's strategic direction for MEDS and horizontal program integration. Each of the four areas identified for the Expanded Core Enhancements (i.e., Other Health Services Programs, Other Non-Health Services Programs, Integration of MEDS, and Translation of Web Portal into Threshold Languages) is at the State's Option to Buy.
- *Written Response Column* – Indicates the requirements that the Vendor must respond to in writing per instructions in Section 5. Within the Vendor Response section, the Vendor shall respond in the following columns:
  - *Requirement Met (Y/N)* – The Vendor shall indicate whether the Vendor's response and/or solution meets the requirement. An indication of "Y" means that the Vendor commits to meeting the requirement, even if not documented in the requested written response for specified requirements.
  - *Vendor Comment* – The Vendor may provide a written narrative in response to the requirement.
  - *Page # and Section #* – Vendors must denote where the written requirement response is located within the proposal by page number and section number. Responses must be contained within prescribed page limits noted in Section 5.4.1 - Proposal Structure. Vendors must denote where the written requirement response is located within the proposal: page number and section number.

Attachment 2 contains several types of requirements that are defined in the following table.

Table 25 – Requirements Definition

ID	Definition
PR	Identifies Proposal Requirements (i.e., those related specifically to the submission of the Vendor proposals).
PMR	Identifies Project Management and Staffing Requirements the successful Vendor must meet during the Term of the Contract.
BR	Identifies Business Requirements the successful Vendor must meet during the Term of the Contract.
SR	Identified SHOP Requirements the successful Vendor must meet during the Term of the Contract.
UR	Identifies Usability Requirements the successful Vendor must meet during the Term of the Contract.
TR	Identifies Technical Requirements the successful Vendor must meet during the Term of the Contract.
DIR	Identifies Development and Implementation Requirements the successful Vendor must meet during the Term of the Contract.
OMR	Identifies Operations and Maintenance Requirements the successful Vendor must meet during the Term of the Contract.
DR	Identifies Deliverable Requirements (i.e., those related specifically to Deliverables the successful Vendor will submit during the Term of Contract).

The Exchange will use Attachment 02 in their evaluation of vendor compliance and evaluation. Vendors must complete Attachment 02 - Requirements. Failure to respond to a requirement may, at the option of the Exchange, result in elimination of the Vendor from further consideration.

■ **Attachment 3 – Certification Checklist** must be completed, signed by a representative of the proposing Vendor who has the authority to bind the firm, and submitted as part of Attachments to the Vendor Proposal (*submitted by Proposing Vendor*).

■ **Attachment 4 – Corporate Information and Experience Matrix** must be completed and captures information about the Vendor's business structure, financial information and experience related specifically to the subject of this Solicitation (*submitted by Proposing Vendor and Major Subcontractors*).

■ **Attachment 5 – Key Staff Experience Matrix** must be completed and is a form that captures information about specific work experience for each proposed Key Staff person (*submitted by Proposing Vendor for all proposed Key Staff*).

■ **Attachment 6 – Client Reference Form** must be completed and is for Vendors to provide required references, and for each Customer Organization to rate the Vendor's performance *submitted by Proposing Vendor and all Subcontractors*).

■ **Attachment 7 – Resume Form** must be completed and provides a standardized and consistent format in which Key Staff résumés must be submitted (*submitted by Proposing Vendor for all proposed Key Staff*).

■ **Attachment 8 – Cost Schedules** must be completed and are the required forms for presenting the costs for all Deliverables and Services proposed in response to this Solicitation Document (*submitted by Proposing Vendor*).

- **Attachment 9 – Proposal Contract Exceptions Table** is used by Vendors in their Proposals to identify and document exceptions Vendors may have in the Model Contract (*submitted by Proposing Vendor*).

- **Attachment 10 – Darfur Contracting Act Certification**, pursuant to Public Contract Code section 10478, is a required form. If a bidder or proposer currently or within the previous three years has had business activities or other Operations outside of the United States, it must certify that it is not a "scrutinized" company as defined in Public Contract Code section 10476 *(submitted by Proposing Vendor and Major Subcontractors)*.

- **Attachment 11 – DVBE and Small/Micro Business Participation Forms** are required to document Vendor's proposed planned use for and Documentation of DVBEs and Small/Micro Businesses (*submitted by Proposing Vendor*).

- **Attachment 12 – Workers Compensation Certification Form** is used to certify Vendor's intention to comply with California Labor Code *(Proposing Vendor and all Subcontractors)*.

- **Attachment 13 – Form 700 Fair Political Practices Commission** requires use of this form for conflict of interest Certification. Form 700 will be completed by the staff of the successful Vendor. **Proposing Vendors are not to submit Attachment 13 with its proposal.**

- **Attachment 14 – Iran Contracting Act of 2010** pursuant to Public Contract Code Sections 2200 through 2208, includes preclusions for bidders if invested in activities in Iran *(Proposing Vendor and all Subcontractors)*.

- **Attachment 15 – Std. 204 Payee Data** is a required form for the State to pay vendors and can be found here: *http://www.documents.dgs.ca.gov/pd/masters/debris/Std204.pdf*. This form will be required during the proposal process and finalized after Contract award (*submitted by Proposing Vendor*).

- **Attachment 16 – Proposal Project Plan** contains the Vendor's initial MS Project Work Plan (*submitted by Proposing Vendor*).

5.6 PROPOSAL SUBMISSION INSTRUCTIONS

The Proposal must each be submitted in sealed envelope(s) or package(s) clearly labeled "CA Exchange Solicitation HBEX4",marked with the proposing Vendor's name and address, and packaged as follows:

- The Vendor must submit one signed original of Sections 1, 2, and 4 clearly marked as "Master Copy", plus five hard copies, and one (1) Master and 30 electronic, sequentially numbered, non-password protected, reproducible copies on CD-ROMs or DVDs using Microsoft Office.

- The Vendor must submit one signed original of Section 3 clearly marked as "Master Cost Proposal Copy", plus five hard copies, and one (1) Master and five electronic, sequentially numbered, non-password protected reproducible copies on CD-ROMs or DVDs using Microsoft Office.

If discrepancies are found between two or more copies of the Proposal, the Proposal may be rejected. However, if not rejected, the Master Copy will provide the basis for resolving such discrepancies.

Inadequate, incomplete, or otherwise non-responsive Proposals may result in elimination from further consideration, at the sole discretion of the Exchange.

The Proposals are due at the address, as specified in Section 2.1 – Solicitation Single Point of Contact on or before the date and time specified in Section 2.2.1 – Solicitation Schedule. The

responsibility for timely Proposal submission rests solely with the prospective Vendor. Proposals received after the closing date and time will not be opened for evaluation.

Delivery may be accomplished via regular mail, expedited delivery such as Federal Express, messenger/courier service, or by a proposing representative.

Any materials that are received and that do not explicitly indicate its Solicitation related contents may be opened as general mail. The Exchange is not responsible for the timely opening of general mail.

POSTMARKS WILL NOT BE ACCEPTED IN LIEU OF ACTUAL RECEIPT.

6 EVALUATION PROCESS AND CRITERIA

6.1 PROPOSAL EVALUATION AND SELECTION

This section describes the approach the Exchange will use to evaluate proposals submitted in response to this Solicitation. It addresses the evaluation process, methodology, criteria, and the selection and award process.

The Exchange will conduct a comprehensive, fair, and impartial evaluation of proposals received in response to this Solicitation. The Exchange will select the successful Vendor through a formal evaluation process, established prior to the opening and evaluation of proposals, and remaining fixed throughout the procurement cycle. The successful Vendor will be selected based on demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the Services required as follows:

- Responsiveness to the requirements and instructions in this Solicitation
- Demonstrated understanding of the problem to be solved, the programs and organizations of the Project sponsors, and the environment in which the sponsors operate
- Adequacy of the proposing Vendor's Key Staff
- Satisfaction and success of current and past clients
- Depth and breadth of experience relative to required Services
- Cost for Services provided

Consideration will be given to capabilities or advantages which are clearly described in the proposal, confirmed by oral presentations and interviews, and verified by information from reference sources contacted by the Exchange. The Exchange reserves the right to contact individuals, entities, or organizations who have had recent contracts or relationships with the firm or Staff proposed for this effort, whether or not they are identified as references, to verify that the Vendor has successfully performed its contractual obligations in other similar efforts.

6.2 EVALUATION TEAM

The Exchange will establish a formal Evaluation Team to assist in completing all steps of the evaluation process and in making a final recommendation for selection to the Exchange Board. The Evaluation Team will be responsible for reviewing and evaluating the Business and Cost Proposals, ranking and scoring of all proposals, and preparing the final report that recommends a Vendor for selection. To bring the appropriate expertise to the selection process, the Evaluation Team will be comprised of management, program, procurement, and technical Staff designated by the Exchange. The Exchange reserves the right to designate other appropriate experts to assist in the process or to alter the composition of the Evaluation Team, as deemed necessary.

6.3 EVALUATION PROCESS

The following subsections describe the two key steps of the proposal evaluation process:

- Initial Review
- Final Proposal Review

6.3.1 Initial Review

Business and Cost Proposals will be submitted according to the organization and format specified in Section 5 – Proposal Submission Instructions. Proposals received by the specified date and time will be opened and reviewed for detailed compliance with the requirements of this Solicitation. The Proposals will first be reviewed to determine:

- Compliance with the mandatory structure and content requirements as defined in Section 5 – Proposal Submission Instructions.
- Submission of all required items, including signatures by a representative of the Vendor's organization with the authorization to bind the firm.

The Exchange reserves the right to request additional information to resolve minor irregularities in Proposals and/or to waive minor irregularities, providing that such action be deemed to be in the best interest of the Exchange. **IF A PROPOSAL DOES NOT MEET ALL THE MANDATORY FORM AND CONTENT REQUIREMENTS, IT MAY BE ELIMINATED FROM FURTHER CONSIDERATION.**

6.3.2 Final Proposal Review

The Evaluation Team will conduct the final Proposal Review as follows:

- Conduct Corporate and Key Staff reference checks.
- Conduct Key Staff interviews and Oral Presentations.
- Consolidate and review results from Key Staff Interviews and Corporate and Key Staff reference checks.
- Review Proposals for adherence to Requirements and identify Requirements that have not been fully met.
- Rank each Business Proposal using the evaluation criteria as established in Section 6.5 – Business Proposal Evaluation Criteria.
- Determine scores for Business Proposals based on ranking.
- Determine scores for Cost Proposals using the evaluation criteria as established in Section 6.6 – Cost Proposal Evaluation Criteria.

6.3.2.1 Key Staff Interviews and Oral Presentations

Key Staff identified in the Vendor's Proposal will be required to participate in interviews with the Exchange. In addition, the Exchange at its sole discretion may identify other Staff to be interviewed. The interview will address the proposed role and responsibilities, background, and relevant experience and may include situational business scenarios. Oral Presentations will be conducted in conjunction with the Key Staff interviews. The presentations will focus on the response to a standard set of questions that will be provided to all invited Vendors. Questions will be related to Vendor's approach to Project management, business, and technical aspects of the Project.

6.4 PROPOSAL SCORING METHODOLOGY

The following Table reflects the percentage weights for the major sections of the Vendor proposals:

Table 26 – Proposal Scoring Methodology

Category/Subcategory	Decision Considerations	Subcategory Weight	Overall Weight
Business/Technical Proposal			**70%**
1. Corporate Qualifications: Experience, references, financial strength and stability	Proven experience verified by other state and government entities. Proven experience of Subcontractors.	5%	
2. Project Management and Staffing: PM Approach, Work Plan, Key Staff qualifications, references and interviews	Demonstrated ability to perform the work in a complex environment, complete deadlines timely, and lower Project risks. Proven experience of Key Staff.	25%	
3. Functional Approach: Compliance with program objectives, business requirements and Federal guidelines	Emphasis on the consumer experience, "no wrong door", robust Support (such as Enrollment and Service Center) and the ability to make informed choices facilitates Acceptance.	20%	
4. Technical Approach: Compliance with technical requirements and Federal technology guidelines and standards	Emphasis on modern technology as tools to Support the business processes, consumers and Operations helps ensure flexibility, scalability and sustainability. Seamless transition between health programs enabled by technology.	20%	
Cost Proposal	Reasonableness of one-time and recurring costs to achieve program goals and use of Federal funding.		**30%**
		Total	**100%**

The process of ranking and scoring Business Proposals is described below:

■ The Evaluation Team will discuss the Business Proposals and reach consensus on a ranking of Business Proposals (for each of the four Business Proposal categories identified in the above table). Proposals will be assigned an ordinal rank: First, Second, and Third. Any proposal that does not achieve an overall ranking of First, Second, or Third will be eliminated from further consideration.

■ Each first place section ranking will be assigned five points, second place will be assigned a ranking within a range of points (3, 3.5, or 4), and third place will be assigned one point.

■ The percentage weights described above will be applied to the points allocated for each section.

■ The resultant points for each section of the Business Proposal will be totaled to create a weighted Business Proposal score.

■ The weighted scores of the Business Proposals will be normalized in accordance with the following formula, with the highest scoring weighted proposal receiving a total of 70 points.

Vendor's Business Proposal Score = (Vendor's Weighted Score ÷ Highest Weighted Score) × 70

The process for scoring Cost Proposals is described below:

The lowest Cost Proposal receives a total of 30 points. The remaining Cost Proposal scores will then be normalized in accordance with the following formula:

Vendor's Cost Score = (Lowest Cost Proposal ÷ Total Cost of Proposal) × 30

The Vendor's final score will be the sum of the normalized scores for the Business Proposal and the Cost Proposal. Final selection will be on the basis of proposal rank and score which reflects best value to the Exchange.

6.5   BUSINESS PROPOSAL EVALUATION CRITERIA

6.5.1   Corporate Qualifications

In this section (valued at 5% of the Proposal Score), the Vendor's experience, financial resources, and corporate qualifications will be evaluated for adequacy, quality, and alignment with corporate experience requirements, as well as customer references and information received through other sources.

While there are no mandatory requirements for Disabled Veteran Business Entity (DVBE) or Small Business/Micro Business participation for this solicitation, consideration will be given to Vendor proposals that include at least 4% DVBE, Small, and/or Micro Business participation in the D&I level of effort for the Baseline System.

6.5.2   Project Management and Staffing

In this section (valued at 25% of the Proposal Score), the Vendor's Project Management and Staffing approaches, proposed Work Plan, and experience of Key Staff will be evaluated for adequacy, quality, and alignment with Project management and Staffing requirements and Deliverables, as well as Key Staff interviews and customer references.

6.5.3   Functional Approach

In this section (valued at 20% of the Proposal score), the adequacy and appropriateness of the Vendor's Functional Approach will be evaluated for the approach to meeting the business needs of the Exchange, quality, and alignment with Functional, business and usability requirements and Deliverables. Consideration will also be given to the Functional and business aspects of the D&I and O&M approaches, including the Alternative Approach for Case Data Management in the Baseline System.

6.5.4   Technical Approach

In this section (valued at 20% of the Proposal score), the adequacy and appropriateness of the Vendor's Technical Approach will be evaluated the approach to meeting the technical needs of the Exchange, quality and alignment with technical, technology, architecture, facility and Operational requirements and Deliverables. Consideration will also be given to the technical

aspects of the D&I and O&M approaches, including the Alternative Approach for Case Data Management in the Baseline System.

6.6   COST PROPOSAL EVALUATION CRITERIA

As previously described in Section 6.4 – Proposal Scoring Methodology, Cost Proposals will be evaluated for adherence to the mandatory form and content requirements and normalized in accordance with the formula provided. No deviations, qualifications, or counter offers will be accepted in the Proposal. The Exchange reserves the right to review the cost details and assumptions for reasonableness and reject any Proposal where the cost details show significant and unsupported deviation from normal expectations.

Costs that are part of D&I and O&M that have been designated as State Option to Buy may be evaluated as part of the total score, but may not be selected to be part of the total Services to be delivered by the Vendor if the State chooses not to purchase those portions of the proposed Services.

6.7   ALTERNATE PROCESS

In the event a large number of proposals are received, the Exchange, in its sole judgment, reserves the right to adjust the process described in Section 6.3, Evaluation Process. In this situation, the initial review process would remain unchanged. The proposal review process would first focus on the assessment of corporate qualifications, Key Staff, and the approach. The Evaluation Team would then proceed to rank the Business Proposals based on the assessment of those components to determine the top three Proposals. The evaluation of all requirements, costs, and scoring would then continue for those three Proposals. The Evaluation Team will conduct the alternate Proposal Review in two phases as follows:

Phase 1:

- Conduct Corporate and Key Staff reference checks.
- Conduct Key Staff interviews and Oral Presentations.
- Consolidate and review results from Key Staff Interviews and Corporate and Key Staff reference checks.
- Review Proposals for adherence to Requirements related to corporate qualifications, Key Staff, and the approach.
- Rank each Business Proposal using the evaluation criteria related to corporate qualifications, Key Staff, and approach as established in Section 6.5 – Business Proposal Evaluation Criteria. Proposals will be assigned an ordinal rank: First, Second, and Third.
- Communicate ranking results to Vendors.

Phase 2:

- Phase 2 will be conducted for the Proposals ranked as First, Second, or Third.
- Review Proposals for adherence to all remaining Requirements and identify Requirements that have not been fully met.
- Rank each Business Proposal using the evaluation criteria as established in Section 6.5 – Business Proposal Evaluation Criteria.
- Determine scores for Business Proposals based on ranking.

- Determine scores for Cost Proposals using the evaluation criteria as established in Section 6.6 – Cost Proposal Evaluation Criteria.

6.8   BEST AND FINAL OFFER

The Exchange reserves the right, within its sole judgment, to require one or more Best and Final Offers from Vendors, requesting a final adjustment or confirmation of pricing and other terms.

6.9   VENDOR SELECTION AND NOTIFICATION

The scores for all factors will be combined in accordance with the criteria as established in Section 6.4 – Proposal Scoring Methodology. Final selection will be on the basis of proposal rank (as derived from total score) which reflects best value to the Exchange. The Exchange will notify the initially selected Vendor and all other proposing Vendors in writing of the selection decision.