

# **STATE OF NORTH CAROLINA**

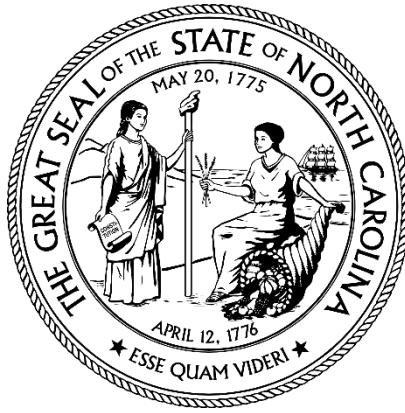
**Department of Health and Human Services**

**Division of Health Benefits**

**Request for Proposal #: 30-2024-001-DHB**

**Children and Families Specialty Plan**

**February 7, 2024**



## STATE OF NORTH CAROLINA

### Request for Proposal

**#30-2024-001-DHB**

---

For internal State agency processing, please provide your company's Federal Employer Identification Number or alternate identification number (e.g. Social Security Number). Pursuant to North Carolina General Statute 132-1.10(b) this identification number shall not be released to the public. **This page will be removed and shredded, or otherwise kept confidential**, before the procurement file is made available for public inspection.

**This page is to be filled out and returned with your Proposal.**

**ID Number:**

---

Federal ID Number or Social Security Number

---

Offeror Name



# STATE OF NORTH CAROLINA

## Department of Health and Human Services

Refer ALL Inquiries regarding this RFP to:

Danielle Dodson  
Senior Contract Development Specialist  
[Medicaid.Procurement@dhhs.nc.gov](mailto:Medicaid.Procurement@dhhs.nc.gov)  
919-527-7231

Request for Proposal #30-2024-001-DHB

Date RFP Issued/Posted: February 7, 2024

Date RFP Submissions due to the Department: May 1, 2024,  
by 2:00 p.m. EST

Proposals will be opened: May 2, 2024 at 2:00 p.m. EST

Contract Type: Open Market

Commodity Number: 8510

Description: Children and Families Specialty Plan

Using Agency: Department of Health and Human Services,  
Division of Health Benefits

Requisition No.: N/A

### EXECUTION

In compliance with this Request for Proposal (RFP), and subject to all the conditions herein, the undersigned Offeror offers and agrees to furnish and deliver any or all items at the capitation rates and other payments established by the Department. By executing this proposal, the Offeror confirms it has read, understands, and will comply with all specifications and requirements in the RFP and any addendums in the event of contract award. By executing this proposal, the undersigned Offeror certifies that this proposal is submitted competitively and without collusion (N.C. Gen. Stat. § 143-54), that none of its officers, directors, or owners of an unincorporated business entity has been convicted of any violations of Chapter 78A of the General Statutes, the Securities Act of 1933, or the Securities Exchange Act of 1934 (N.C. Gen. Stat. § 143-59.2), and that it is not an ineligible Contractor as set forth in N.C. Gen. Stat. § 143-59.1. False certification is a Class I felony. Furthermore, by executing this proposal, the undersigned certifies to the best of Offeror's knowledge and belief, that it and its principals are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal or State department or agency. As required by N.C. Gen. Stat. § 143-48.5, the undersigned Offeror certifies that it, and each of its subcontractors for any Contract awarded as a result of this RFP, complies with the requirements of Article 2 of Chapter 64 of the NC General Statutes, including the requirement for each employer with more than 25 employees in North Carolina to verify the work authorization of its employees through the Federal E-Verify system. N.C. Gen. Stat. § 133-32 and Executive Order 24 (2009) prohibit the offer to, or acceptance by, any State Employee associated with the preparing plans, specifications, estimates for public Contract; or awarding or administering public Contracts; or inspecting or supervising delivery of the public Contract of any gift from anyone with a Contract with the State, or from any person seeking to do business with the State. By executing this proposal, you attest, for your entire organization and its employees or agents, that you are not aware that any such gift has been offered, accepted, or promised by any employees of your organization.

**Failure to execute/sign proposal prior to submittal shall render proposal invalid and it WILL BE REJECTED. Late proposals will not be accepted.**

OFFEROR:		
STREET ADDRESS:	P.O. BOX:	ZIP:
CITY & STATE & ZIP:	TELEPHONE NUMBER:	TOLL FREE TEL. NO:
PRINCIPAL PLACE OF BUSINESS ADDRESS IF DIFFERENT FROM ABOVE		
PRINT NAME & TITLE OF PERSON SIGNING ON BEHALF OF OFFEROR:		FAX NUMBER:
OFFEROR'S AUTHORIZED SIGNATURE:	DATE:	EMAIL:

Offer valid for at least **240** Calendar Days from date of proposal opening unless extended by the State in writing. After this time, any withdrawal of offer shall be made in writing, effective upon receipt by the agency issuing this RFP.

### ACCEPTANCE OF RESPONSE

If any or all parts of this proposal are accepted by the State of North Carolina, an Authorized Representative of the Department of Health and Human Services shall affix his/her signature hereto and this document and all provisions of this Request for Proposal along with the Offeror's proposal, and the written results of any negotiations shall then constitute the written agreement between the parties. A copy of this acceptance will be forwarded to the successful Offeror.

**FOR STATE USE ONLY:** Offer accepted and Contract awarded this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, as indicated on the attached certification, by \_\_\_\_\_

(Authorized Representative of NC Department of Health and Human Services)

## Table of Contents

<b>I.</b>	<b>Introduction .....</b>	<b>3</b>
<b>A.</b>	<b>Vision for North Carolina’s Medicaid Managed Care Program and the Children and Families Specialty Plan .....</b>	<b>3</b>
<b>B.</b>	<b>Background on North Carolina’s Medicaid Transformation .....</b>	<b>4</b>
<b>C.</b>	<b>Background on the CFSP .....</b>	<b>5</b>
<b>II.</b>	<b>General Procurement Information and Notice to Offerors.....</b>	<b>6</b>
<b>A.</b>	<b>Important Notices .....</b>	<b>6</b>
<b>B.</b>	<b>General Procurement Information and Instructions.....</b>	<b>7</b>
<b>C.</b>	<b>Request for Proposal Functionality and Related Notices .....</b>	<b>9</b>
<b>D.</b>	<b>Schedule and Important Events.....</b>	<b>11</b>
<b>E.</b>	<b>Submission of Proposal and Offeror’s Response .....</b>	<b>14</b>
<b>F.</b>	<b>Confidentiality and Prohibited Communications During Evaluation.....</b>	<b>19</b>
<b>G.</b>	<b>Evaluation Process and Contract Award .....</b>	<b>20</b>
<b>III.</b>	<b>Definitions, Contract Term, General Terms and Conditions, Other Provisions &amp; Protections .....</b>	<b>25</b>
<b>A.</b>	<b>Definitions .....</b>	<b>25</b>
<b>B.</b>	<b>Acronyms .....</b>	<b>45</b>
<b>C.</b>	<b>Contract Term .....</b>	<b>51</b>
<b>D.</b>	<b>Terms and Conditions .....</b>	<b>51</b>
<b>E.</b>	<b>Confidentiality, Privacy and Security Protections .....</b>	<b>77</b>
<b>F.</b>	<b>Public Records and Trade Secret Protections.....</b>	<b>83</b>
<b>IV.</b>	<b>Minimum Qualifications .....</b>	<b>84</b>
<b>V.</b>	<b>Scope of Services .....</b>	<b>85</b>
<b>VI.</b>	<b>Contract Performance .....</b>	<b>85</b>
<b>VII.</b>	<b>Attachments A. – R. ....</b>	<b>85</b>
<b>VIII.</b>	<b>CFSP Data Book and Capitation Rate Methodology .....</b>	<b>86</b>
<b>IX.</b>	<b>Offeror’s RFP Proposal and Response .....</b>	<b>86</b>

## I. Introduction

### A. Vision for North Carolina's Medicaid Managed Care Program and the Children and Families Specialty Plan

1. North Carolina is transitioning its Medicaid program care delivery system from a predominately Medicaid Fee-for-Service model to an integrated Medicaid Managed Care model. Through integrated Medicaid Managed Care, where one managed care plan provides physical health, Behavioral Health (BH), intellectual and developmental disability (I/DD), long-term care, and pharmacy services, as well as addresses Unmet Health-Related Resource Needs, the North Carolina Department of Health and Human Services (hereinafter referred to as the "Department") seeks to advance integrated and high-value care, improve population health, advance health equity, engage and support Providers, and establish a sustainable program with more predictable costs.
2. The Department's goal in transitioning to Medicaid Managed Care is to improve the health of all North Carolinians through an innovative, whole person centered, and well-coordinated System of Care that addresses both medical and non-medical drivers of health.
3. The Department believes that Medicaid Beneficiaries with high needs will benefit from specialized managed care plans. The Department is creating four types of health plans to serve Medicaid Beneficiaries:
  - a. **Standard Plans (SP)**, which serve the majority of the Medicaid population and launched on July 1, 2021;
  - b. **Behavioral Health and Intellectual/Developmental Disability (BH I/DD) Tailored Plans (TP)**, which will serve populations with more severe BH conditions, including mental illness and severe Substance Use Disorders (SUD), I/DD, and Traumatic Brain Injury (TBI), and are intended to go live on July 1, 2024;
  - c. **Children and Families Specialty Plan (referred to as the Children and Families (CAF) specialty plan as authorized in Section 9E.22 of Session Law 2023-134 and hereinafter referred to as the "CFSP")**, which will be a single, statewide plan, for children, youth, and families served by the child welfare system. The CFSP is intended to launch by December 1, 2024. Upon award of the Contract and based on the Offeror responses received, the Department will work with the NCGA to confirm an appropriate launch date;<sup>1</sup> and
  - d. **Eastern Band of Cherokee Indians (EBCI) Tribal Option**, a Primary Care Case Management entity, which serves federally recognized tribal members and other individuals eligible to receive Indian Health Services and launched on July 1, 2021.
4. Only entities that meet the definition of Prepaid Health Plan (PHP) as defined under NCGS § 58-93-5 or under NCGS § 108D-62 may be awarded the CFSP contract. The CFSP must be able to operate and deliver services statewide and function as the single point of accountability

---

<sup>1</sup> Legislative change is needed to authorize a launch date for the Children and Families Specialty Plan beyond December 1, 2024.

for Care Coordination. The CFSP will support North Carolina's Medicaid Managed Care's overarching goals of:

- a. Delivering **whole-person care** through the coordination of services addressing physical health, BH, I/DD, long-term services and supports (LTSS), pharmacy, and Unmet Health-Related Resource Needs with the goal of improved health outcomes and more efficient and effective use of resources;
  - b. Uniting communities, Providers and health care systems to **address the full set of factors that impact health** while deploying cost-effective resources that are needs-based and outcomes driven;
  - c. Streamlining the Medicaid Managed Care **Member experience** with a simple, timely, and user-friendly eligibility and Enrollment process focused on high-quality, Culturally and Linguistically Appropriate Services;
  - d. Maintaining **broad Provider participation in NC Medicaid** by removing or mitigating Provider administrative burden from the health delivery system;
  - e. Providing **comprehensive Care Management** to help improve Members' care, enhance Care Coordination, and help Members and their caregivers more effectively manage their health; and
  - f. Supporting the Department's overall vision of creating a **healthier North Carolina**.
5. In support of the Department's health equity goals, the CFSP will be expected to develop strategies for **engaging with Historically Marginalized Populations, addressing health disparities and incorporating health equity into the CFSP's internal and external policies and procedures**.

## **B. Background on North Carolina's Medicaid Transformation**

1. In September 2015, the North Carolina General Assembly (General Assembly) enacted North Carolina Session Law 2015-245<sup>2</sup> directing the transition of North Carolina's Medicaid program from a predominantly Fee-for-Service model to an integrated Medicaid Managed Care model. North Carolina State law requires the Department, through the Division of Health Benefits (DHB), to implement a Medicaid Managed Care program.
2. As directed by the General Assembly, the Department is delegating direct management of services and financial risk to new Medicaid Managed Care plans, including Standard Plans (SP), BH I/DD Tailored Plans (TP), and a CFSP. Each of these plans will receive a monthly, actuarially sound, capitated payment and will contract with Providers to deliver health services to their Members. The Department is monitoring and overseeing the administrative, operational, clinical, and financial function of the Medicaid Managed Care plans to ensure adherence to their contract and the Department's expectations.
3. Populations that will be eligible for the CFSP are described in detail in *Section V.B.1. Eligibility and Enrollment for the CFSP*. Beneficiaries eligible for both the CFSP and BH I/DD Tailored

---

<sup>2</sup> Session Law 2015-245 has been amended by Session Law 2016-121; Section 11H.17.(a) of Session Law 2017-57, Part IV of Session Law 2017-186; Section 11H.10.(c) of Session Law 2018-5; Sections 4-6 of Session Law 2018-49; Session Law 2018-48; and Section 9D.14 of S.L. 2021-180.

Plan (TP) will be enrolled in the CFSP, except the populations as described in detail in *Section VII. Attachment L.1. North Carolina Medicaid Managed Care and CFSP Enrollment Policy*.

4. Certain populations that may be better served outside of Medicaid Managed Care are not required to enroll. These populations are “exempt” from mandatory Enrollment in Medicaid Managed Care in that the Beneficiary may choose to enroll in either NC Medicaid Direct—North Carolina’s Fee-for-Service Medicaid program—or Medicaid Managed Care, or “excluded” in that the Beneficiaries are required to remain enrolled in NC Medicaid Direct and do not have the option to enroll in Medicaid Managed Care. These populations are described in detail in *Section V.B.1. Eligibility and Enrollment for the CFSP*.
5. The Department consulted with the State’s only federally recognized tribe, the EBCI, and jointly concluded that tribal members and individuals eligible to receive Indian Health Services will benefit from having a tribal-designed and operated managed care option and defaulting to the Tribal Option, with the choice to opt into NC Medicaid Direct, a Standard Plan (SP) (if eligible), a BH I/DD Tailored Plan (TP) (if eligible), or the CFSP (if eligible). Launched in July 2021, the Tribal Option operates primarily in five western NC counties, Cherokee, Graham, Haywood, Jackson, and Swain, under which the EBCI has increasing responsibility for total cost of care over time. The Tribal Option supports the Tribe’s sovereignty in managing the care needs of Indian enrollees and considers and addresses the unique cultural, BH, I/DD, TBI, medical, LTSS, and other health-related needs of the EBCI members.

### **C. Background on the CFSP**

1. In June 2018, the North Carolina General Assembly enacted North Carolina Session Law 2018-48, which amended Session Law 2015-245, directing the Department to provide a plan to the General Assembly about the future of serving children and youth currently and formerly in the child welfare system under Medicaid Managed Care.
2. As authorized by NCGS § 108D-62 in October 2023, the CFSP will be permitted to serve:
  - a. Beneficiaries who are in Foster Care;
  - b. Beneficiaries receiving adoption assistance;
  - c. Beneficiaries who are enrolled in the Former Foster Youth eligibility group;
  - d. The minor children of populations described in *Section I.C.2.d* while the Parent remains enrolled;
  - e. Parents, Caretaker Relatives, Guardians and Custodians with children in Foster Care;<sup>3</sup>
  - f. Minor siblings of beneficiaries in Foster Care;
  - g. Adults identified on an open Child Protective Services (CPS) In-Home Family Services Agreement case and any minor children living in the same home;
  - h. Adults identified in an open Eastern Band of Cherokee Indians Department of Public Health and Human Services Family Safety program case and any children living in the same home; and
  - i. Any other beneficiary that has been involved with the child welfare system that the Department determines would benefit from Enrollment.

---

<sup>3</sup> Pending CMS approval.

3. The CFSP will be an integrated Medicaid Managed Care plan and is required to cover the services specified in this Request for Proposals (RFP) in *Section V.C. Benefits* to address the spectrum of its Members' needs, including those related to physical health, Behavioral Health, I/DD, LTSS, and pharmacy services and Unmet Health-Related Resource Needs.
4. Intended to meet the unique health care needs of children, youth and families served by the child welfare system, the CFSP will operate statewide, enabling Members to access a broad range of physical health and Behavioral Health services and maintain treatment plans when their geographic locations change. As the single entity accountable for the health care of these Members, CFSP will seek to mitigate disruptions in care and facilitate the goal of achieving the right care at the right time for all CFSP Members, in close coordination with County Departments of Social Services (County DSS) and other stakeholders involved in serving this population.
5. The Department has developed the CFSP with a family focus to improve the health and well-being of children, youth and families served by the child welfare system. Through the CFSP's design, operations and oversight, the Department seeks to advance the following key objectives:
  - a. Improve Members' near- and long-term physical and Behavioral Health outcomes;
  - b. Increase timely access to physical health, Behavioral Health, pharmacy, LTSS and I/DD providers with experience serving children with high acuity needs, as well as services to address Unmet Health-Related Resource Needs;
  - c. Strengthen and preserve families, prevent entry and re-entry into Foster Care and support reunification and other permanency plan options;
  - d. Coordinate care and facilitate seamless transitions for Members who experience changes in treatment settings, child welfare placements, transitions to adulthood, and/or loss of Medicaid eligibility;
  - e. Improve coordination and collaboration with county DSS agencies, EBCI Family Safety Program, and more broadly, with Community Collaboratives, a comprehensive network of community-based services and supports leveraging a system of care approach to meet the needs of families who are involved with multiple child service agencies; and
  - f. Provide services that meet children's behavioral health needs and prevent children from boarding in county DSS agency offices and Emergency Departments.
  - g. Advance health equity to address racial, ethnic, and geographic disparities experienced by children, youth and families served by the child welfare system.

## II. General Procurement Information and Notice to Offerors

### A. Important Notices

#### Offerors are Cautioned to Read Carefully

1. **Read, Review, and Comply:** It is the Offeror's responsibility to read this document in its entirety, review all attachments, tables, charts, exhibits, diagrams, and appendices, and comply with all instructions.



2. **Execution of Proposal:** Failure to sign the **Execution Page** in the indicated space and return all attachments, tables, charts, exhibits, diagrams, and appendices completed and signed where required, may render the proposal non-responsive, and the proposal may be rejected.
3. **Resulting Contract:** Under the State's procurement process, any contract resulting from this RFP will consist of the RFP and the Offeror's response, along with any addenda to the RFP, written clarifications, Best and Final Offers (BAFO), and negotiation documents. The Contractor will be obligated to perform services as proposed in its offer, unless otherwise modified by clarification, BAFO, negotiation, or Contract amendment, or superseded by a document with higher order of precedence. See *Contract Section III.D.22. Entire Agreement and Order of Precedence* for more information and the order of precedence of the contract documents. See *Section II.C. Request for Proposal Functionality and Related Notices* for more information on the RFP, changes in specifications, and instructions regarding modifications to the terms and conditions.
4. **Potential Negotiations:** The Department reserves the right to enter into negotiations with one or more Offerors to establish a contract that is in the best interest of the Department. Negotiations are specific to each Offer and shall be conducted to maximize the State's ability to obtain the most advantageous offer based on the evaluation factors set forth in the RFP. Such negotiations are at the Department's sole discretion and may result in modifications to the RFP and/or Offeror's proposal/ response to the RFP.
5. **Events and Deadlines:**
  - a. **Pre-proposal Conference 1 – RFP Overview** will be hosted by the Department on **February 15, 2024, at 2:00 p.m. EST.** See *Section II.D.2. Pre-Proposal Conference* for details and instructions.
  - b. **Pre-proposal Conference 2 – CFSP Data Book and Capitation Rate Methodology Overview** will be hosted by the Department on **March 7, 2024, at 2:00 p.m. EST.** See *Section II.D.2. Pre-Proposal Conference* for details and instructions.
  - c. **Questions** concerning this RFP must be submitted in writing by **March 15, 2024, at 3:00 p.m. EST.** See *Section II.D.3. Questions Concerning this Request for Proposal* for details and instructions.
  - d. **Submission of Proposals** will be accepted until **May 1, 2024, at 2:00 p.m. EST.** See *Section II.E. Submission of Proposal and Offeror's Response* for details and instructions.

## B. General Procurement Information and Instructions

1. **INFORMATION AND DESCRIPTIVE LITERATURE:** The Offeror shall furnish all information requested as part of this RFP. Each Offeror shall submit detailed information with their proposal (e.g., narratives, diagrams, exhibits, examples, sketches, descriptive literature, complete specifications) to support the services and products offered.
2. **RECYCLING AND SOURCE REDUCTION:** It is the policy of the State to encourage and promote the purchase of products with recycled content to the extent economically practicable, and to purchase items which are reusable, refillable, repairable, more durable, and less toxic to the extent that the purchase or use is practicable and cost-effective. The State also

encourages and promotes using minimal packaging and the use of recycled/recyclable products in the packaging of commodities purchased. However, no sacrifice in quality of packaging will be acceptable. The Offeror remains responsible for providing packaging that will adequately protect the commodity and contain it for its intended use. Offerors are strongly urged to bring to the attention of purchasers those products or packaging they offer which have recycled content and that are recyclable.

3. **SUSTAINABILITY:** To support the sustainability efforts of the State of North Carolina we solicit your cooperation in this effort. Pursuant to Executive Order 156 (1999), it is desirable that all proposals meet the following:
  - a. All copies of the proposal are printed double-sided;
  - b. All submittals and copies are printed on recycled paper with a minimum post-consumer content of thirty percent (30%);
  - c. Unless necessary, all proposals and copies should minimize or eliminate use of non-recyclable or non-reusable materials such as plastic report covers, plastic dividers, vinyl sleeves, and GBC binding. Three-ringed binders, glued materials, paper clips, and staples are acceptable; and
  - d. Materials should be submitted in a format which allows for easy removal, filing and/or recycling of paper and binder materials. Use of oversized paper is strongly discouraged unless necessary for clarity or legibility.
4. **HISTORICALLY UNDERUTILIZED BUSINESSES:** Pursuant to NCGS § 143-48 and Executive Order 150 (1999), the Department invites and encourages participation in this procurement process by businesses owned by minorities, women, disabled, disabled business enterprises, and nonprofit work centers for the blind and severely disabled.
5. **MISCELLANEOUS:** Pronouns, whether masculine, feminine, or gender-non-specific, shall be read to be inclusive of all genders and shall be read to include the plural and vice versa.
6. **INFORMAL COMMENTS:** The Department shall not be bound by informal explanations, instructions or information given at any time by anyone on behalf of the Department prior to or during the competitive process or after award, including but not limited to policy papers or any written or verbal statements whatsoever made outside of this RFP and any formal Addenda issued herewith. The Department is bound only by information provided in this RFP and in formal Addenda issued.
7. **COST FOR PROPOSAL PREPARATION:** Any costs incurred by an Offeror in preparing or submitting proposals are the Offeror's sole responsibility. The Department will not reimburse any Offeror for any costs related to proposal preparation and submission, or protest of award.
8. **OFFEROR'S REPRESENTATIVE:** Each Offeror shall submit with its proposal the name, title, email address, physical address, and telephone number of the person(s) with authority to bind the Offeror and answer questions or provide clarification concerning the Offeror's proposal. This information must be included in the Offeror's proposal/ response.
9. **INSPECTION AT OFFEROR'S SITE:** The Department reserves the right to inspect, at a reasonable time, the equipment/item, plant, or other facilities of a prospective Offeror prior to Contract Award, and during the Contract Term as necessary for the Department to

determine that such equipment/item, plant or other facilities conform with the specifications/requirements and are adequate and suitable for the proper and effective performance of the Contract.

## C. Request for Proposal Functionality and Related Notices

### 1. RFP Functionality

- a. This RFP serves two functions:
  - i. Define the specifications of the services sought by the Department; and
  - ii. Provide the requirements and terms and conditions of any contract resulting from this procurement.
- b. All Terms and Conditions in this RFP shall be enforceable. The use of phrases such as “shall”, “will”, “must”, “required”, and “requirements” are intended to create enforceable Contract conditions. In determining whether proposals should be evaluated or rejected, the Department will take into consideration the degree to which the Offeror has proposed or failed to propose solutions that are responsive to the Department’s needs as described in this RFP.

### 2. Notices Regarding RFP and Terms and Conditions

- a. It is the Offeror’s responsibility to read all instructions, terms and conditions, specifications, requirements, attachments and appendices, and any other components made a part of this RFP and comply with all instructions and directives. The Offeror is responsible for obtaining and complying with all addenda and other changes that may be issued relating to this RFP.
- b. All questions and issues regarding any term, condition, instruction, or other component within this RFP must be submitted in accordance with *Section II.D.3. Questions Concerning this Request for Proposal*. If the Department determines that any changes will be made because of the questions asked, then such decisions will be communicated in the form of an Addendum posted on the North Carolina electronic Vendor Portal (NC eVP). The Department may also elect to leave open the possibility for later negotiation and amendment of specific provisions of the Contract that have been raised during the question-and-answer period. Other than through this process, and except as provided in *RFP Section II.C.3. Proposed Modifications to Terms and Conditions*, the Department rejects and will not be required to evaluate or consider any additional or modified terms and conditions submitted with Offeror’s proposal. This applies to any language appearing in or attached to the RFP document as part of the Offeror’s proposal that purports to vary any terms and conditions, or Offeror’s Instructions therein to render the proposal non-binding or subject to further negotiation.
- c. The Offeror’s proposal to this RFP shall constitute a firm offer. **By execution and delivery of a proposal to this RFP, the Offeror agrees that any additional or modified terms and conditions, whether submitted purposely or inadvertently, or any purported condition to the offer, shall have no force or effect, and will be disregarded. Noncompliance with, or any attempt to alter or delete, this paragraph shall constitute sufficient grounds to reject the Offeror’s proposal.**

**3. Proposed Modifications to Terms and Conditions**

- a. Offerors are urged and cautioned to inquire during the question period, in accordance with the instructions in this RFP, about whether specific language proposed as a modification is acceptable to or will be considered by the Department.
- b. Identification of objections or exceptions to the terms and conditions in the proposal itself shall not be allowed and shall be disregarded or the proposal rejected.
- c. If the Offeror wishes to suggest changes to any of the terms and conditions included in *Sections III.D.- F.* of this RFP, those must be submitted in *Section IX.P. Offeror Request for Proposed Modifications to the Terms and Conditions*. The Department, in its sole discretion, may consider any proposed modifications identified by the Offeror. Where necessary, any modification(s) to the terms and conditions agreed upon by the Department may be incorporated as part of an Addendum to the RFP, BAFO, negotiation document, Execution of Contract, or Contract Amendment after award. Other than through this process, the Department rejects and shall not be required to evaluate or consider any additional or modified terms, conditions, or instructions included in the Offeror's proposal.

**4. Changes in Requirements and Specifications**

- a. The Offeror is cautioned that the requirements of this RFP can only be altered by written Addendum or other document issued by the Department as described in this RFP, and that oral or emailed communications from whatever source(s) are of no effect.
- b. The Department reserves the right to modify any requirement or specification contained herein without modifying the timelines in this RFP. Any modification will be specified in an Addendum which shall be posted on the NC eVP prior to the opening of proposals or through Negotiation after the opening of proposals.

**5. Rights Reserved**

- a. The Offeror is made aware, pursuant to 01 NCAC 05B .0501, that in soliciting offers, any or all offers received may be rejected. The basis for rejection may include, but not be limited to the following:
  - i. The offer is deemed unsatisfactory as to quantity, quality, delivery, price or service offered;
  - ii. The offer fails to comply with conditions of the solicitation document or with the intent of the proposed contract;
  - iii. The Department determines there is a lack of competition;
  - iv. Error(s) in specifications or indication that revision(s) would be to the State's advantage;
  - v. Cancellation of or changes in the intended project or other determination that the proposed requirement is no longer needed;
  - vi. Limitation or lack of available funds;
  - vii. Circumstances which prevent determination of the most advantageous offer; or
  - viii. Any determination that rejection would be to the best interest of the State.
- b. If all offers are rejected, the solicitation may be cancelled in its entirety, or the Department may negotiate with one or more sources of supply that may be capable of satisfying the requirements.

- c. The Offeror is cautioned that this is a Request for Proposal, not a request to contract, and the Department reserves the unqualified right to reject all offers deemed failing to meet minimum qualifications, not responsive, incomplete, or non-compliant with the requirements described herein; or when such rejection is deemed to be in the best interest of the Department or the State of North Carolina.
- d. The Department may also:
  - i. Modify provisions of this RFP in response to changes in law or as required by CMS;
  - ii. Waive any formality or informality;
  - iii. Waive a specification or requirement of the RFP if it is in the best interest of the Department;
  - iv. Waive any undesirable, inconsequential, or inconsistent provisions of this RFP;
  - v. Negotiate directly with one or more Offerors, to achieve a contract that is in the best interest of the Department, if the responses to this solicitation demonstrate a lack of competition, or offers are found non-responsive; and/or
  - vi. Cancel this RFP at any time. Notice of Cancellation will be posted on the NC eVP website.
- e. In the event all proposals are rejected, and the Department enters into negotiation, pursuant to 01 NCAC 05B .0503, the Department reserves the right to award a contract to the Offeror or Offerors, which, in its opinion, has (have) made the best proposal through the negotiation process.

#### D. Schedule and Important Events

1. The Department will make every effort to adhere to the schedule detailed below in *Section II.D. Table 1: RFP Schedule*. The Department reserves the right to adjust the schedule and will post an Addendum on the NC eVP for any schedule changes occurring prior to the opening of proposals.

Section II.D. Table 1: RFP Schedule		
Activity	Responsible Party	Due Date
Issue Request for Proposal	Department	February 7, 2024
Pre-proposal Conference 1 – RFP Overview	Department	February 15, 2024, at 2:00 p.m. EST
Issue Addendum with CFSP Data Book and Capitation Rate Methodology Overview	Department	March 1, 2024
Pre-proposal Conference 2 – CFSP Data Book and Capitation Rate Methodology Overview	Department	March 7, 2024, at 2:00 p.m. EST
Deadline to Submit Written Questions	Offeror	March 15, 2024, by 3:00 p.m. EST
Issue Addendum with Responses to Questions	Department	April 8, 2024
Deadline to Submit Proposals	Offeror	May 1, 2024, by 2:00 p.m. EST

Section II.D. Table 1: RFP Schedule		
Activity	Responsible Party	Due Date
Opening of Proposals	Department	May 2, 2024, at 2:00 p.m. EST
Conduct Evaluation of Proposals	Department	May 3, 2024 – August 14, 2024
Contract Award	Department	August 15, 2024

## 2. Pre-proposal Conferences

- a. The Department will hold the Pre-proposal Conference 1 - RFP Overview on **February 15, 2024, at 2:00 p.m. EST via Microsoft (MS) Teams. No purchase is required to use the MS Teams app.**
  - i. The purpose of the Pre-proposal Conference 1 – RFP Overview is to allow the Department to review key priorities and objectives of the RFP and to review the submission requirements and instructions.
- b. The Department will hold the Pre-proposal Conference 2 - CFSP Data Book and Capitation Rate Methodology Overview on **March 7, 2024, at 2:00 p.m. EST via Microsoft (MS) Teams. No purchase is required to use the MS Teams app.**
  - i. The purpose of the Pre-proposal Conference 2 – CFSP Data Book and Capitation Rate Methodology conference is to review the CFSP data book and rate setting methodology.
- c. While attendees may ask questions at the Pre-proposal Conferences, the Department is not required to respond during the conferences. The Department will respond to written questions per the process described in this RFP.
- d. Potential Offerors are not required to attend either Pre-proposal Conference in order to submit responses to this RFP; however, they are **urged** and **cautioned** to attend the Pre-proposal Conferences to apprise themselves of the conditions and requirements of the submission.
- e. To ensure receipt of the video conference invite and instructions for participation, interested parties are required to pre-register for the Pre-proposal Conferences by sending an email to [Medicaid.Procurement@dhhs.nc.gov](mailto:Medicaid.Procurement@dhhs.nc.gov) stating the name of the potential Offeror, the names and email addresses of representatives who will attend, the current title or role of each representative, and requests for a sign language interpreter or other accommodations. Interested parties must pre-register for each Pre-proposal Conference no later than:
  - i. **10:00 a.m. EST on February 12, 2024**, for Pre-proposal Conference 1 – RFP Overview; and
  - ii. **10:00 a.m. EST on March 4, 2024**, for Pre-proposal Conference 2 – CFSP Data Book and Capitation Rate Methodology.
- f. The Department reserves the right to limit the number of representatives attending on behalf of each Vendor or organization to ensure adherence to videoconference capacity limits.

- g. Audio and video recording will not be permitted. Statements and materials discussed at the Pre-proposal Conferences are informational only, are not binding upon the Department and do not replace reading, reviewing and complying with this RFP.
- h. Attendees will be required to announce their name or otherwise confirm their presence via a roll call during each Pre-proposal Conference.

**3. Questions Concerning this Request for Proposal**

- a. Written questions concerning this RFP will be received until **March 15, 2024, by 3:00 p.m. EST.**

Questions must be sent via email to [Medicaid.Procurement@dhhs.nc.gov](mailto:Medicaid.Procurement@dhhs.nc.gov) and include ***“Questions Regarding Plan RFP #30-2024-001-DHB Children and Families Specialty”*** as the subject of the email. The questions should be submitted in the format below.

RFP Section	RFP Page Number	Offeror Question
Example: V.A.1.a)		

- b. The Department will prepare responses to all written questions submitted by the stated deadline and post an addendum to NC eVP. The Offeror is cautioned that contacting anyone other than the individual noted on the Execution Page of this RFP may be grounds for rejection of said Offeror’s response.

**4. Opening of Proposals**

- a. The opening of proposals will be conducted by the Department on **May 2, 2024, at 2:00 p.m. EST.** The opening will be a virtual event conducted on Microsoft Teams.
- b. Offerors are not required to attend the Proposal Opening.
- c. To facilitate the virtual opening, any Offeror or individual wishing to attend the Proposal Opening must pre-register by sending an email to [Medicaid.Procurement@dhhs.nc.gov](mailto:Medicaid.Procurement@dhhs.nc.gov) stating the name of the Offeror, if applicable, the names and email addresses of each person to attend, the current role or title of each person, and any requests for a sign language interpreter or other accommodations. Offerors or individuals should pre-register no later than **1:00 p.m. EST on April 29, 2024**, to ensure availability of sign language interpreter or other accommodations and timely receipt of the Microsoft Teams link.
- d. Audio and video recording will not be permitted. Statements and materials made at Proposal Opening are not binding upon the Department and do not replace compliance with this RFP.
- e. During the Proposal Opening, the Department will:
  - i. Confirm attendance, request introductions and document information for attendees and their represented entity;
  - ii. Open each proposal submission and document the offeror’s name, the number of boxes/ packets opened; and
  - iii. Announce the name of each Offeror.
- f. The Department will post a tabulation on NC eVP following the Proposal Opening. The Tabulation will include the name of each Offeror for which a proposal was opened.

## E. Submission of Proposal and Offeror's Response

### 1. Consideration

- a. The Offeror must meet all the minimum qualifications of this RFP, as provided in *Section IV. Minimum Qualifications*, for its proposal to be evaluated.
- b. Offeror's proposal must clearly demonstrate compliance with all the requirements stated within this RFP. The Department reserves the right to reject proposals deemed incomplete, non-responsive, or non-compliant with the RFP requirements; or when such rejection is deemed to be in the best interest of the Department or the State of North Carolina.
- c. The Offeror must demonstrate it will comply with the scope of services and all of the requirements in this RFP and must provide a detailed description to demonstrate its ability to completely fulfill each requirement and service.

### 2. Responses to RFP Requirements and Scope of Services

- a. The Offeror must complete and return all documents and attachments required in this RFP. Failure to complete and return all documents and attachments as indicated may result in disqualification.
- b. The proposal must clearly articulate and address all requirements of this RFP. The Offeror must provide detailed narrative descriptions with supporting information that may include diagrams, exhibits, examples, samples, sketches, descriptive literature, etc.
- c. For some requirements, the Offeror may need to provide an affirmative statement to the question or requirement by, at a minimum, check the appropriate box to confirm adherence/agreement in its proposal.
- d. The Offeror must describe any limitations, qualifications or contingences impacting the ability to perform as required by the RFP.
- e. The Offeror must not include any assumptions in its proposal. The Offeror should seek clarity on any questions or concerns during the defined question period stated in *Section II.D.3. above*.
- f. The Offeror should exercise due diligence to ensure their response is consistent with all instructions, clearly written and addresses all requirements and questions of the RFP.
- g. By submitting its response to this solicitation, Offeror represents and warrants that it has carefully reviewed, understands, and intentionally submits each section of Offeror's response. In the event Offeror had assistance developing and drafting its response to this RFP, including but not limited to, assistance from outside resources, computer programs, RFP automation technology or artificial intelligence (AI), Offeror warrants and represents that it has carefully reviewed, understands, and intentionally submits all portions of its response drafted by or with such assistance. The Department is not responsible for, nor is it required to, excuse or consider for relief to the Offeror, any omissions or errors in Offeror's response that result for any reason.

### 3. Required Proposal Documents

To demonstrate the Offeror is qualified to meet the ongoing demands of the Department and comply with federal and state requirements, the Offeror is required to return all of the following documents, completed and signed where indicated and **in the order listed**, with their RFP response, the entirety of which shall be called the **CFSP Proposal**.

- a. Offeror's **Technical CFSP Proposal Response** must include the following:



- i. RFP Cover Page with Title and RFP Number;
- ii. **Completed** Offeror Name and Tax ID Number Page;
- iii. **Completed** and **signed** Execution Page;
- iv. The entire body of this RFP (*Sections I.-VIII.*);
- v. Each addendum released in conjunction with the RFP, including all pages of the addendum and the **signed** execution of addendum page;
- vi. *Section IX. Offeror's RFP Proposal and Response:*
  - 1) **Completed** and **signed** A. *Response to Minimum Qualifications*;
  - 2) **Completed** B. *Response to Technical Evaluation Questions*;
  - 3) **Completed** C. *CFSP Key Personnel*;
  - 4) **Completed** D. *Contract Administrators*;
  - 5) **Completed** and **signed** E. *Certification of Financial Condition and Legal Action Summary*;
  - 6) **Completed** F. *Disclosure of Litigation and Criminal Convictions*;
  - 7) **Completed** G. *Disclosure of Conflicts of Interest*;
  - 8) **Completed** H. *Disclosure of Ownership Interest*;
  - 9) **Completed** I. *Subcontractor Identification Form* (one completed form for each proposed subcontractor in accordance with the instructions in *Section IX.I.*);
  - 10) **Completed** and **signed** J. *Business Associate Agreement*;
  - 11) **Completed** and **signed** K. *National Correct Coding Initiative Confidentiality Agreement*;
  - 12) **Completed** and **signed** L. *Locations of Workers Utilized by the Contractor*;
  - 13) **Completed** and **signed** M. *State Certifications*
  - 14) **Completed** and **signed** N. *Federal Certifications and Disclosures*;
  - 15) **Completed** O. *Historically Underutilized Businesses*;
  - 16) **Completed** P. *Request for Proposed Modifications to the Terms and Conditions*;
  - 17) **Completed** Q. *Legal grounds for Marking Information Confidential*; and
  - 18) R. *Evaluation Methodology*.
- b. Except for Addenda issued in conjunction with this RFP, **Offerors must request MS Word and Excel versions of documents and attachments required to be completed for proposal submission from [Medicaid.Procurement@dhhs.nc.gov](mailto:Medicaid.Procurement@dhhs.nc.gov)**. Offerors should obtain any addenda from the NC eVP website.

#### 4. Proposal Submission and Number of Copies

##### a. Electronic Proposal Submission

**IMPORTANT NOTE:** **This is an absolute requirement.** Late proposals, regardless of cause, will not be opened or considered, and will be automatically disqualified from further consideration. Offerors shall bear the sole risk of late submission due to unintended or unanticipated delay. **It is the Offeror's sole responsibility to ensure its proposal has been received as described in this RFP by the specified time and date of opening.** Failure to submit a proposal in strict accordance with instructions provided shall constitute sufficient cause to reject an Offeror's proposal(s). Solicitation responses are subject to Sealed Bidding requirements.

- i. Offeror's proposals for this procurement must be submitted through the NC eVP Sourcing Tool. For training on how to use the Sourcing Tool, to view solicitations,

submit questions, develop responses, upload documents, and submit offers to the State, Offerors should go to the following site:  
<https://eprocurement.nc.gov/training/vendor-training>

- ii. Questions or issues related to using the Sourcing Tool itself can be directed to the North Carolina eProcurement Help Desk at 888-211-7440, Option 2. Help Desk representatives are available Monday through Friday from 7:30 a.m. EST to 5:00 p.m. EST.
- iii. Tips for Using the Sourcing Tool
  - 1) Offerors should review available training and confirm that they are able to access the Sourcing Event in the Sourcing Tool, enter responses, and upload files well in advance of the date and time response are due to allow sufficient time to seek assistance from the North Carolina eProcurement Help Desk.
  - 2) Offerors may submit their responses early to make sure there are no issues, and then submit a revised response any time prior to the response due date and time. The State will only review the most recent response.
  - 3) Offerors should respond to all relevant sections of the Sourcing Event. Certain questions or items are required in order to submit a response and are denoted with an asterisk. The Sourcing Tool will not allow a response to be submitted unless all required items are completed. The Sourcing Tool will provide error messages to help identify any required information that is missing when response is submitted.
  - 4) Simply saving your response in the Sourcing Tool is not the same as submitting your response to the State. Offerors should make sure they complete the submission process and receive a message that their response was successfully submitted.
- b. The Offeror **must** deliver the following contemporaneously to the address identified above by the deadline to submit proposals in *Section II.D. Table 1: RFP Schedule*:
  - i. **Hard Copies:**
    - 1) **Original and Extra Copies.** Offeror shall submit the following number of original responses and complete copies of the original response:
      - a) One (1) signed, original executed response of **Offeror's Technical CFSP Proposal Response** outlined in *Section II.E.3.*; and
      - b) Ten (10) copies of the signed, originally executed response of **Offeror's Technical CFSP Proposal Response.**
    - 2) **Marked Originals.** Offeror shall mark the original versions of the signed, originally executed **Offeror's Technical CFSP Proposal Response** so the Department can easily identify and differentiate the originals from the extra copies.
  - ii. **Electronic/Soft Copies:**
    - 1) One (1) copy of the signed, originally executed **Offeror's Technical CFSP Proposal Response** outlined in *Section II.E.3. on a separate flash drive marked RFP #30-2024-001-DHB – Offeror's Name – Technical CFSP Proposal. Each document, or group of documents, specified in *Section II.E.3.a.vi.1)-18)* should be provided as separate PDF files and named accordingly.*

- 2) One (1) copy of the signed, originally executed **Offeror's CFSP Proposal** redacted in accordance with NCGS § 132, the Public Records Act, **on a separate flash drive marked RFP #30-2024-001-DHB – Offeror's Name CFSP Proposal – REDACTED.**
- 3) For the purposes of this RFP, redaction means to edit a document by obscuring or removing information that is considered confidential and proprietary by the Offeror and that meets the definition of Confidential Information set forth in NCGS § 132-1.2. Any information removed by the Offeror should be replaced with the word "Redacted". If the response does not contain Confidential Information, Offeror should submit a signed statement to that effect on the flash drive(s) that would otherwise contain the redacted copy of the proposal.
- 4) For clarity, there should be a total of two (2) flash drives submitted to be compliant with this section.
- 5) The electronic copies of the response must not be password protected.
- 6) **Each document, or group of documents, specified in Section II.E.3.a. and b. should be provided as separate PDF files and named accordingly.**

**c. Delivery of Responses**

**i. Hand Delivery**

Offeror or Offeror's representative may hand deliver responses to this RFP to **1010 Smithwick Drive, McBryde Building, Raleigh, NC 27603** as follows:

- 1) The Department will accept hand delivery of Proposals by appointment only.
- 2) Appointments must be scheduled by emailing the Department at [Medicaid.Procurement@dhhs.nc.gov](mailto:Medicaid.Procurement@dhhs.nc.gov) no sooner than seven (7) State Business Days prior to the scheduled opening. The email subject line should read, "**Schedule Delivery of RFP #30-2024-001-DHB CFSP.**" In the body of the email, indicate a first, second and third preference for the appointment date and time. The Department will make every effort to accommodate Offeror's preference.
- 3) The Department will notify the Offeror of the date and time scheduled, and email an appointment invite with additional directions for locating the correct building entrance and contact information for the day of the delivery.
- 4) The Offeror should limit the number of persons to only those necessary to support delivery of its proposal and copies. The Offeror is required to adhere to safety protocols in place at the time of delivery. The Department will provide Offeror the requirements of any protocols in advance and other instructions in the delivery appointment and directions email.

**ii. Delivery by Any Manner Other Than Hand Delivery**

- 1) If Offeror is planning to deliver its response in any manner other than making an appointment for hand delivery (i.e., US postal service or commercial carrier), the Offeror should coordinate the date of delivery with Contract Management and Procurement Unit at [Medicaid.Procurement@dhhs.nc.gov](mailto:Medicaid.Procurement@dhhs.nc.gov) and plan accordingly to ensure timely receipt prior to the Proposal Opening.
- 2) Offeror's sealed response should be addressed and delivered as provided below:

**OFFICE ADDRESS FOR DELIVERY BY UNITED STATES POSTAL SERVICE (USPS)**

DHB/Contract Management and Procurement Unit  
2501 Mail Service Center  
Raleigh, NC 27699-2501

Attn: Danielle Dodson, Senior Contract Development Specialist  
PROPOSAL NUMBER: 30-2024-001-DHB

**OFFICE ADDRESS FOR DELIVERY BY ANY SPECIAL DELIVERY, OVERNIGHT  
DELIVERY, OR OTHER CARRIER**

PROPOSAL NUMBER: 30-2024-001-DHB  
Attn: Danielle Dodson, Senior Contract Development Specialist  
DHB/ Contract Management and Procurement Unit  
1010 Middleton Drive  
McBryde Building, Room 106  
Raleigh, NC 27603

- 3) **IMPORTANT NOTE:** This is an absolute requirement. Late proposals, regardless of cause, will not be opened or considered, and will be automatically disqualified from further consideration. Offerors shall bear the sole risk of late submission due to unintended or unanticipated delay. It is the Offeror's sole responsibility to ensure its proposal has been received as described in this RFP by the specified time and date of opening. Failure to submit a proposal in strict accordance with instructions provided shall constitute sufficient cause to reject an Offeror's proposal(s). Solicitation responses are subject to Sealed Bidding requirements.
- 4) All risk of late arrival due to unanticipated delay, whether delivered by hand, U.S. Postal Service, courier or other delivery service or method, is entirely on the Offeror. Note that the U.S. Postal Service generally does not deliver mail to the street address above, but to the State's Mail Service Center stated above. The Offeror is cautioned that proposals sent via U.S. Mail, including Express Mail, may not be delivered by the Mail Service Center to the Contract Specialist named in *Section II.E.4.c.ii.2)* of this RFP by the due date and time to meet the proposal submission deadline. The Offeror is urged to take the possibility of delay into account when submitting a proposal.

**5. Falsified Information**

The Department may initiate proceedings to debar an Offeror from participation in the offer process and from Contract Award as authorized by North Carolina law if it is determined that the Offeror has withheld relevant or provided false information.

## F. Confidentiality and Prohibited Communications During Evaluation

1. As provided for in the North Carolina Administrative Code (NCAC), including but not limited to 01 NCAC 05B .0103, 09 NCAC 06B .0103 and 09 NCAC 06B .0302, all information and documentation whether electronic, written or verbal relative to the development of a contractual document for a proposed procurement or contract shall be deemed confidential in nature. In accordance with these and other applicable rules and statutes, such materials shall remain confidential until the award of a contract or until the need for the procurement no longer exists. **Any proprietary or confidential information, which conforms to exclusions from public records as provided by NCGS § 132, must be clearly marked as such with each page containing the trade secret or confidential information identified in boldface as "CONFIDENTIAL."** If only a portion of each page marked "CONFIDENTIAL" contains trade secret information, the trade secret information shall be designated with a contrasting color or by a box around such information. In addition to marking confidential information as required by NCAC 05B.0103, confidential pages or portions of the proposal shall be reflected in the redacted copy submitted as instructed in *Section II.E.4. as applicable*. By submitting a redacted copy, the Offeror warrants that it has formed a good faith opinion, having received such necessary or proper review by counsel and other knowledgeable advisors, that the portions marked **Confidential** and **Redacted** meet the requirements of NCGS § 132. **The Offeror must identify the legal grounds for asserting that the information is confidential, including the citation to state law,** by completing *Section IX.Q. Legal Grounds for Marking Information Confidential* to this RFP. **However, under no circumstances shall price information be designated confidential.**
2. Except as otherwise provided above, pursuant to NCGS § 132-1, et seq., information or documents provided to the Department in response to this RFP are Public Record and subject to inspection, copy and release to the public unless exempt from disclosure by statute, including, but not limited to, NCGS § 132-1.2. Redacted copies provided by the Offeror to the Department may be released in response to public record requests without notification to the Offeror.
3. During the period spanning the issuance of the RFP to Contract Award, possession of proposals, accompanying information, and subsequent negotiations are limited to personnel of the Department and any third parties involved in this procurement process.
4. Each Offeror submitting a proposal (including its representatives, subcontractors, and suppliers or other pilot partners or affiliates) is prohibited from having any communications with any person inside or outside the using agency, issuing agency, other government agency office, or body (including the purchaser named above, department secretary, agency head, members of the General Assembly and Governor's office), or private entity, if the communication refers to the content of Offeror's proposal or qualifications, the content of another Offeror's proposal, another Offeror's qualifications or ability to perform the contract, and/or the transmittal of any other communication of information that could be reasonably considered to have the effect of directly or indirectly influencing the evaluation of proposal and/or the award of the contract. An Offeror not in compliance with this provision shall be disqualified from Contract Award, unless it is determined in the Department's discretion that the communication was harmless, that it was made without intent to influence and that the

best interest of the Department would not be served by the disqualification. An Offeror's proposal may be disqualified if its subcontractor and supplier engage in any of the foregoing communications during the time that the procurement is active (*i.e.*, the issuance date of the procurement until the date of the Contract award). Only those discussions, communications or transmittals of information authorized or initiated by the issuing agency for this RFP or general inquiries directed to the purchaser regarding requirements of the RFP (prior to proposal submission) or the status of the Contract Award (after submission) are excepted from this provision.

5. The Department may serve as custodian of Offeror's confidential information and not as an arbiter of claims against Offeror's assertion of confidentiality. If an action is brought pursuant to NCGS § 132-9 to compel the Department to disclose information marked confidential, the Offeror agrees that it will intervene in the action through its counsel and participate in defending the Department, including any public official(s) or public employee(s). The Offeror agrees that it shall hold the Department, State of North Carolina, and any official(s) and individual(s) harmless from all damages, costs, and attorneys' fees awarded against the Department in the action. The Department will provide reasonable notice to the Offeror in writing of any action seeking to compel the disclosure of Offeror's confidential information. The Department shall have the right, at its option and expense, to participate in the defense of the action through its counsel. The Department shall have no liability to Offeror with respect to the disclosure of Offeror's confidential information ordered by a court of competent authority pursuant to NCGS § 132-9 or other applicable law.

## **G. Evaluation Process and Contract Award**

The Evaluation process will commence soon after responses are unsealed as defined in this RFP. The Department will evaluate each Offeror's proposal in accordance with the method, process, and scoring/weighting criteria stated herein as further described in *Section IX.R. Evaluation Methodology*.

### **1. Evaluation Committee and Method**

- a. An Evaluation Committee (Committee) will be established to review each Offeror's proposal and make award recommendations. The Department may designate other individuals or subject matter experts, including individuals from outside the Department, to assist in the evaluation process. The Department reserves the right to alter the composition of the Committee or designate other staff or vendors to assist in the process.
- b. The Committee will review and evaluate all responsive and qualified proposals received by the deadlines specified in this RFP. The Committee will be responsible for the entire evaluation process, including any clarifications, negotiations, and BAFOs.
- c. The Committee's evaluation determinations and recommendations will be by consensus.

### **2. Investigation, Validation, and Inspection**

- a. The Department may make such reasonable investigations or reviews to validate Offeror's proposal or determine the ability and readiness of the Offeror to perform the services under this RFP. The Offeror shall furnish to the Department all such information and data within requested timeframes to complete investigations, reviews, or validations under this section.

- b. The Department reserves the right to inspect Offeror's physical facilities, including any located outside of North Carolina prior to award and at any time during the Contract period to satisfy questions regarding the Offeror's capabilities or performance. Department's investigation or inspection of Offeror's ability and physical facilities includes any entity or site used in the performance of any obligation under the Contract.
  - c. The Department further reserves the right to reject any offer if the evidence submitted by, or investigations, reviews or validations of, the Offeror and its proposal fail to satisfy the Department that the Offeror is properly qualified to carry out the obligations of the Contract and to provide the required services.
  - d. The Department may request to review any policy, procedure, process, script, manual or other material used to fulfill a Scope of Services requirement and require changes as a condition of participation under the Contract.
  - e. Nothing in this section is intended to limit or conflict with the **ACCESS TO PERSONS AND RECORDS** clause.
- 3. **Evaluation Process:** The following descriptions are to provide general information about the Department's evaluation process. The Department reserves the right to modify the evaluation process, including the order or content of the following evaluation process components:
  - a. The Committee will review each Offeror's proposal to validate all required proposal documents are included and completed, and all Instructions to Offerors have been followed. Failure to adhere to these requirements may render the Offeror's response incomplete and may be grounds for rejection during any part of the evaluation process.
  - b. The Committee will determine if Minimum Qualifications are met as required in *Section IV. Minimum Qualifications*. If the Offeror does not provide the required information, or the Department determines that the Offeror does not meet the Minimum Qualifications, that Offeror's response may be excluded from further consideration and evaluation. Exclusion from further consideration may occur upon the Department's initial review or at any time during the evaluation process upon Department's determination that the Offeror fails to meet the Minimum Qualifications.
  - c. The Committee will review and evaluate the Offeror's *Children and Families Specialty Plan Proposal* relative to the evaluation criteria specified in the RFP and *Section IX.R. Evaluation Methodology*.
  - d. The Committee will make a recommendation to award to the Offeror meeting the RFP requirements and whose offer is determined to be most advantageous to the Department, based on the criteria described in the RFP, and the Committee's ranking of proposals and the basis and reasons for the selection decision. Upon approval of the recommendation by the Department, the notice of award will be issued with the Department executing a Contract with the successful Offeror.
- 4. **Clarifications, Negotiations, and BAFOs**
  - a. The Department reserves the right to request Clarifications at any time from any Offeror, and such Clarifications must be submitted in writing to the Offeror to respond. However, the Department *is not required* to request Clarifications from any Offeror, Clarifications are at the discretion of the Department, and Offerors should exercise due diligence to ensure its response is clear and addresses all the requirements and specifications of the

RFP. Pursuant to 01 NCAC 05A .0112, Clarification means communications between the State and an Offeror that may occur after receipt of Offeror's proposal made for the purpose of eliminating irregularities, informalities, or apparent clerical mistakes in an Offer. A Clarification may also be used in order for the State to interpret an Offer or Offers or to facilitate the State's evaluation of all Offers. A Clarification shall not be used to cure material deficiencies in an Offer, alter the scope of an Offer, or to negotiate. The Department may refuse to accept or consider, in whole or in part, the response to a Clarification provided by an Offeror.

- b. The Department reserves the right to enter into negotiations with one or more Offerors to establish a contract that is in the best interest of the Department. Such negotiations may result in modifications to the RFP and/or Offeror's proposal/response.
- c. The Department may issue a BAFO request to any Offeror(s), requesting one or more Offerors change its (their) initial offer(s).

**5. In-Person or Oral Presentations**

The Department reserves the right to request in-person or oral presentations from any Offeror as part the Committee's evaluation of proposals. In-person presentations shall be conducted in Raleigh, N.C., at a site chosen by the Department or held virtually by video conference. Oral presentations may be conducted by conference call. The presentations will address specific topics provided in advance to the Offeror. However, the Department *is not required* to request in-person or oral presentations from any or all Offerors and may limit any presentations only to those Offerors which are deemed competitive. Additional details regarding the scheduling of any in-person or oral presentations will be provided to selected Offerors by the Department upon determination that such presentation is needed. The Offeror is solely responsible for any costs associated with making in-person or oral presentations, including but not limited to travel and the preparation of additional materials.

**6. Quality Review**

The Department reserves the right to conduct a quality review of the RFP evaluation. Any changes to evaluation documentation, ratings, determinations or recommendations or other records of the Evaluation Committee as a result of the quality review will be made by consensus of the Committee.

**7. Rescission**

The Department may, at its discretion, allow an Offeror to rescind certain statements in the Offeror's Proposal. Such rescissions will be handled and documented as Clarifications; however, the Department *is not required* to allow statement rescissions from any Offeror.

**8. Evaluation Criteria, Determination of Ratings and Award Recommendation**

- a. The Department will evaluate the Offeror's response for completeness and responsiveness to determine if it complies with the instructions specified in the RFP.
- b. The Department will review the Offeror's response to determine if it meets the Minimum Qualifications specified in the RFP.
- c. The Department will evaluate the Offeror's response based on the evaluation criteria specified in *Section II.G. Table 1: Evaluation Criteria* below, and the corresponding ratings specified in *Section IX.R. Evaluation Methodology*.



- d. The evaluation criteria are listed in *Section II.G. Table 1: Evaluation Criteria* in descending order of importance with no specific percentage or weight assigned:

Section II.G. Table 1: Evaluation Criteria	
Criteria	Description
<b>1. Medicaid Managed Care Qualifications and Experience</b>	<p>The ability to leverage prior experience to implement state and federal managed care requirements and perform core Medicaid operational functions to meet contract requirements.</p> <p>This criterion includes Technical Evaluation Questions in the following area: Qualifications and Experience.</p>
<b>2. Medicaid Managed Care Program Administration</b>	<p>The ability to meet program administration contract requirements related to organizational, operational, technical and administrative functions and capabilities; organizational structure and staffing in accordance with qualifications, credentials, and training requirements; services lines; policies; technical, infrastructure and security provision; business continuity; and Historically Underutilized Businesses and Diversity, Equity and Inclusion Values as part of administering the program.</p> <p>This criterion includes Technical Evaluation Questions for Administration and Management, Program Operations, Claims and Encounter Management, Financial Requirements, Compliance, Technical Specifications, Historically Underutilized Businesses and Diversity, Equity and Inclusion</p>
<b>3. Integrated and Coordinated Delivery of Services</b>	<p>Includes the ability to meet contract requirements related to an integrated and coordinated delivery of services that supports and engages members and providers; benefits and support members to navigate transitions from institutional settings; an integrated, ensures an integrated, well-coordinated system of care for members that addresses physical and behavioral health and other health-related needs; engages and supports providers will building a sufficient network; and ongoing strategies to seamlessly integrate with key Medicaid partners and stakeholders.</p> <p>This criterion includes Technical Evaluation Questions in the following areas: Members and Recipients, Benefits and Services, Providers, and Stakeholder Engagement.</p>
<b>4. Comprehensive Care Management</b>	<p>Ability to meet contract requirements related to comprehensive care management; and a comprehensive quality improvement and value-based purchasing approach, improve population health, and address unmet health related resource needs.</p> <p>This criterion includes Technical Evaluation Questions in the following areas: Care Management and Quality and Value.</p>

- e. Offeror proposals will be ranked using the Evaluation Committee's ratings and determinations with respect to all the evaluation criteria. The Department will use a narrative of relative strengths and weaknesses to support this ranking.
- f. Offeror will be recommended for contract award if the Evaluation Committee determines, based on its review of the proposal, evaluation criteria and consensus ratings, and final ranking that:
  - i. The Proposal is responsive to the contract requirements;
  - ii. The Offeror can demonstrate responsibility and adherence to the requirements and specifications of the RFP and will be able to perform the functions under the Contracts; and
  - iii. The Proposal is the most advantageous offer to the Department considering the evaluation criteria, including qualifications, experience and technical factors.

**9. Contract Award**

Upon conducting a comprehensive, fair, and impartial evaluation of the proposals received in response to this RFP, the Department reserves the right to award a Contract. The Offeror whose proposal is determined most advantageous to the Department will be recommended for award. Upon award, the Department will sign the "Acceptance of Proposal" found at the bottom of the Execution of Proposal Section or require the signing of an Execution of Contract, thus resulting in the formation of the Contract(s). Within two (2) State Business Days after notification of award, the Offeror must register in NC eVP at <https://evp.nc.gov>.

**10. Protest Procedures:**

- a. If an Offeror wishes to protest any Contract awarded as a result of this solicitation, the Offeror shall submit a written request (protest letter) for a protest meeting to the Department head or designee to [Medicaid.Procurement@dhhs.nc.gov](mailto:Medicaid.Procurement@dhhs.nc.gov) and include **PROTEST RFP #30-2024-001-DHB Children and Families Specialty Plan** in the subject line. The protest letter must be emailed and received at the specified email address no later than **5:00 p.m. EST on the fifteenth (15<sup>th</sup>) Calendar Day following the Contract award**. The Department is not responsible for delays in the sending or receiving of emails containing a protest letter.
- b. Protest letters shall contain specific grounds and reasons for the protest and any supporting documentation regarding why there is a concern with the award. If the request does not contain this information or the Department head or designee determines that a meeting would serve no purpose, then the Department head, within ten (10) Calendar Days from the date of receipt may respond in writing to the Offer and refuse the protest meeting request. **Note:** Contract Award notices are sent only to the Offeror awarded the Contract, and not to every person or firm responding to a solicitation. Proposal status and Award notices are posted at <https://evp.nc.gov>. If the protest letter contains or points to anything deemed or marked confidential and/or proprietary, Offeror must include a redacted copy of the protest letter in accordance with *Section II.F. Confidentiality and Prohibited Communications during the Evaluation Process* of this RFP.
- c. If the protest meeting is granted, the Department head or designee shall schedule the meeting within thirty (30) Calendar Days after receipt of the letter, unless a later date is

accepted by the protesting party and the Department. The Department shall provide written notice of the date and time of the protest meeting to any awarded Offeror, along with a copy of the protest documents submitted by the protester. The awarded Offeror may attend the protest meeting and provide a response to the protest allegations but is not required to do so. If the awarded Offeror submits a response in writing, it shall be provided to the protester by the Department before the protest meeting. Each party will be given a set period of time in which to present their side. The protester and winning Offeror (if attending) may be represented by legal counsel of their own choosing and at their own expense. Within ten (10) Calendar Days from the date of the protest meeting, the Department head shall respond to the protesting Offeror in writing with a final Department decision.

- d. If a protest is determined by the Department to be valid, the following outcomes may occur:
  - i. The award and issued purchase order shall be canceled and the solicitation for offers to contract is not re-bid;
  - ii. The award and issued purchase order shall be canceled and the solicitation for offers to contract is re-bid; or
  - iii. The award and issued purchase order shall be canceled and the Contract shall be awarded to the next lowest priced, technically competent, qualified Offeror, if that Offeror agrees to still honor its submitted bid.
- e. If the Offeror desires further administrative review after receiving a decision under paragraphs a-c, the protesting party may, within sixty (60) Calendar Days from the date such decision is received, file a contested case petition with the Office of Administrative Hearings (OAH) in accordance with NCGS §150B-23.

### **III. Definitions, Contract Term, General Terms and Conditions, Other Provisions & Protections**

#### **A. Definitions**

- 1. **1115 Demonstration Waiver:** As defined by Section 1115 of the Social Security Act (SSA), State demonstrations that give State's additional flexibility to design and improve their programs by demonstrating and evaluating state-specific policy approaches to better serving Medicaid populations. Specifically, North Carolina's amended 1115 Demonstration Waiver application to the federal Centers for Medicare & Medicaid Services (CMS) focuses on the specific items of the Medicaid Managed Care transformation that require CMS waiver approval (waiver #11-W00313/4).
- 2. **1915(i) Services:** The Section 1915(i) SPA - Home and Community-Based Services (HCBS) for eligible members covered by this Contract.
- 3. **90-Day Transition Plan.** Extension of the Transitional Living Plan that County DSS' are required to develop for all children aging out of agency custody at age eighteen (18) and all individuals leaving Foster Care for eighteen (18) to twenty-one (21) year-olds to identify options for accessing housing, Health Insurance, education, mentoring, sexual health services, and other resources and provide the individual with critical personal

documentation, including the individual's birth certificate, social security card, DSS Health Summary Components, and other legal documents.

4. **Advance Directive:** Has the same meaning as Advance Directive as defined in 42 C.F.R. § 489.100 and includes advance instructions for mental health treatment as defined in Article 3, Part 2 of NCGS § Chapter 122C.
5. **Advanced Medical Home (AMH):** State-designated primary care practices that have attested to meeting standards necessary to provide local Care Management services.
6. **Adverse Benefit Determination:** Has the same meaning as Adverse Benefit Determination as defined in 42 C.F.R. § 438.400.
7. **Adverse Childhood Experiences (ACEs):** Refers to ten categories of experience that can contribute to the amount of toxic stress experienced through the first 18 years of life. The ten categories are:
  - a. Physical Abuse
  - b. Sexual Abuse
  - c. Emotional Abuse
  - d. Physical Neglect
  - e. Emotional Neglect
  - f. Family member with substance use disorder
  - g. Mentally ill, depressed or suicidal person in the home
  - h. Witnessing domestic violence against a Parent or Guardian
  - i. Incarceration of any family member
  - j. Loss of a Parent or death, abandonment or divorce
8. **Adult Care Home (ACH):** A licensed facility with seven (7) or more beds that provides residential care for aged or disabled persons whose principal need is a home which provides the supervision and personal care appropriate to their age and disability and for whom medical care is only occasional or incidental.
9. **Age Out of County DSS Custody:** Members who leave Foster Care upon turning 18 years of age or 18 to 21 years of age, if participating in North Carolina's Foster Care 18 to 21 program, as described in North Carolina's Child Welfare Manual.
10. **Aging Out of County DSS Custody:** Has same definition as "Age Out of County DSS Custody."
11. **Alcohol and Drug Abuse Treatment Center (ADATC):** State-operated treatment center that provides inpatient treatment, psychiatric stabilization and medical detoxification for adults with substance use and other co-occurring mental health diagnoses to prepare for ongoing community-based treatment and recovery.
12. **American Society of Addiction Medicine (ASAM) criteria:** Evidence-based guidelines for placement, continued stay, and transfer/discharge for the treatment of adolescents and adults with addiction and co-occurring conditions.
13. **Appeal:** Has the same meaning as Appeal defined in 42 C.F.R. § 438.400(b).
14. **Authorized Representative:** An individual, Provider or organization designated by a Beneficiary, or authorized by law or court order, to act on their behalf in assisting with the

individual's participation in the Medicaid Managed Care program. With written consent of the Member, or as otherwise legally authorized, an Authorized Representative may, for example, request an Appeal, file a grievance, or request a State Fair Hearing on behalf of the Beneficiary with the exception that a Provider cannot request continuation of CFSP benefits. Authorized Representative may be used interchangeably with member wherever a member has a right under this Contract for purposes of exercising a right on behalf of that member. Sometimes referred to as Legally Responsible Person (LRP).

15. **Auto-Enrollment:** A process in which the State enrolls the Medicaid Beneficiary into a Managed Care Organization and provides the Beneficiary the opportunity to actively select a different Managed Care Organization or maintain Enrollment in the assigned plan.
16. **Automated Call Distribution System (ACD):** An automated call center system that disperses incoming calls of all Members and Potential Members to appropriate service line staff.
17. **Automated Voice Response System (AVRS):** An automated system that allows Members to perform self-service activities and resolve simple inquiries without the need to interact with an agent. The AVRS interacts with the Member through voice prompts and recognition or numeric prompts.
18. **Behavioral Health (BH):** For the purpose of the Contract is inclusive of mental health and Substance Use Disorders(SUD).
19. **Behavioral Health Crisis Line:** A confidential, toll-free service line available twenty-four (24) hours a day, seven (7) days a week, every day of the year to Members which provides emergency referral with immediate access to trained, skilled, licensed BH professionals who provide assistance for any type of BH issue the Member may be experiencing, and offers assistance in linking Members and recipients to supportive available community resources.
20. **Behavioral Health Intellectual/Developmental Disability Tailored Plan (Behavioral Health I/DD Tailored Plan):** Has the same meaning as BH I/DD Tailored Plan as defined in N.C. Gen. Stat. § 108D-1(4).
21. **Beneficiary:** An individual that is enrolled in the North Carolina Medicaid programs but who may or may not be enrolled in the Medicaid Managed Care program.
22. **Beneficiary Portal:** A centralized information resource center for current Medicaid beneficiaries and those wishing to apply for Medicaid benefit to obtain information about Medicaid Managed Care answers to common questions and access to a Help Center Assistant search feature that guides users to the topics of most interest to them.
23. **Beneficiary with Special Health Care Needs:** Populations who have or are at increased risk of having a chronic illness and/or a physical, developmental, behavioral or emotional condition and who also require health and related services of a type or amount beyond that usually expected for individuals of similar age. This includes but is not limited to individuals with HIV/AIDS; an SMI, I/DD or SUD diagnosis; Chronic Pain; Opioid Addiction; or receiving 1915(i), Innovations or TBI Waiver services.
24. **Business Associate Agreement (BAA):** Under the Health Insurance Portability and Accountability Act (HIPAA) of 1996, the written agreement between a HIPAA-covered entity and HIPAA Business Associate, as defined in 45 C.F.R. 160.103.

25. **Calendar Day:** Includes the time from midnight to midnight each day, and all days in a month, including weekends and holidays. Unless otherwise specified within the Contract, days are tracked as Calendar Days.
26. **Care Coordination:** Defined as organizing patient care activities and sharing information among all the participants involved with a Member's care to achieve safer and more effective care. Through organized Care Coordination, Members' needs and preferences are known ahead of time and communicated at the right time to the right people to provide safe, appropriate, and effective care.
27. **Care Management:** Defined as team-based, person-centered approach to effectively managing patients' medical, social and behavioral conditions. Care Management shall include, at a minimum, the following:
- a. High-risk Care Management (e.g., high utilizers / high-cost beneficiaries);
  - b. Care Needs Screening;
  - c. Identification of Members in need of Care Management;
  - d. Development of Care Plans;
  - e. Development of Comprehensive Assessments;
  - f. Transitional Care Management: Management of Member needs during Transitions of Care and Care Transitions (e.g. from hospital to home);
  - g. Care Management for special populations (including pregnant women and children at-risk of physical, development, or socio-emotional delay);
  - h. Chronic Care Management (e.g., management of multiple chronic conditions);
  - i. Coordination of services (e.g., appointment/wellness reminders and social services coordination/referrals);
  - j. Management of Unmet Health-Related Resource Needs and high-risk social environments;
  - k. Management of high-cost procedures (e.g., transplant, specialty drugs);
  - l. Management of rare diseases (e.g., transplant, specialty drugs);
  - m. Management of medication-related clinical services which promote appropriate medication use and adherence, drug therapy monitoring for effectiveness, medication related adverse effects; and
  - n. Development and deployment of population health programs.
28. **Care Management Comprehensive Assessment:** A person-centered assessment of a Member's health care needs, functional needs, accessibility needs, strengths and supports, goals and other characteristics that will inform the Member's ongoing Care Plan and treatment.
29. **Care Management for High-Risk Pregnant Women (CMHRP):** Care Management services provided to a subset of the Medicaid population who is pregnant and identified as "high-risk" by Providers, LHDs, social service agencies, CFSP, Standard Plans (**SP**), and/or BH I/DD Tailored Plans (**TP**).
30. **Care Plan:** A written individualized person-centered plan of care for Members that is developed using a collaborative approach led by the Member, or their Guardian when appropriate, that incorporates the results of the Care Management Comprehensive Assessment, and identifies the Member's desired outcomes and the training, therapies,

services, strategies, and formal and informal supports needed for the Member to achieve those outcomes.

31. **Care Transitions:** The process of assisting a Member to transition to a different care setting or through a life stage that results in or requires a modification of services (e.g. school-related transitions).
32. **Caretaker Relative:** As defined in 42 C.F.R. 435.4
33. **Catchment Area:** The group of counties for which a BH I/DD Tailored Plan arranges for services. May also be referred to as Tailored Plan Regions within this Contract.
34. **CFSP Care Management:** The predominant Care Management model for CFSP Members.
35. **CFSP Network File:** A comprehensive list of the CFSP's contracted Providers used by the Department to track the composition of the CFSP's Provider Network.
36. **Child and Adolescent Needs and Strengths (CANS):** A multi-purpose tool developed for children and adolescent BH and developmental services to support decision making, including level of care and service planning; facilitate quality improvement initiatives; and allow for the monitoring of outcomes of services.
37. **Child/Adolescent Psychiatrist:** A physician who has completed an ACGME-accredited child/adolescent psychiatry fellowship and/or has board diplomat status as a Child/Adolescent Psychiatrist.
38. **Child and Family Team:** Group consisting of a child/youth receiving services, Parents, Guardians, or Custodians, and other community supports as determined by the child/youth and/or their Parent Guardian or Custodian. The Child and Family Team is responsible for creating, implementing, and updating an individualized child and family plan on the child/youth's needs. Child and Family Team may include extended family Members, community members, and individuals involved in the child/youth's education, care, and support.
39. **Child Protective Services (CPS) In-Home Services:** Refers to involuntary interventions and services provided by County DSS to families after maltreatment has occurred consistent with <https://policies.ncdhhs.gov/divisional/social-services/child-welfare/policy-manuals/in-home-services.pdf>. The primary goal of CPS In-Home Services is to support families to safely maintain their child(ren) in their own home by eliminating identified safety and threat concerns and reducing risk of future child maltreatment.
40. **Child Protective Services (CPS) In-Home Family Services Agreement:** Same meaning as Form DSS-5239.
41. **Children with Complex Needs:** Medicaid eligible children ages five (5) through twenty (20) with a developmental disability (including Intellectual Disability and/or Autism Spectrum Disorder) and a mental health disorder, who are at risk of not being able to enter or remain in a community setting. The term "at risk" is defined for this purpose as acts or behaviors that present a substantial risk of harm to the child or to others.
42. **Children with Medical Complexity (CMC):** Also known as "complex chronic" or "medically complex," children who have multiple significant chronic health problems that affect

multiple organ systems and result in functional limitations, high health care need or utilization, and often the need for or use of medical technology.

43. **Children with Special Health Care Needs:** Those who have or are at increased risk of having a serious or chronic physical, developmental, behavioral, or emotional condition and who also require health and related services of a type or amount beyond that usually expected for the child's age. This includes, but is not limited to, children or infants: requiring care in the Neonatal Intensive Care Units; with neonatal abstinence syndrome; in high stress social environments/toxic stress; and/or receiving Early Intervention; with an SED, I/DD or SUD diagnosis.
44. **Choice Counseling:** Has the same meaning as Choice Counseling as defined in 42. C.F.R. § 438.2.
45. **Civil Monetary Penalty:** Financial penalties authorized or required to be imposed by States under federal requirements for certain conduct that is set forth in 42 C.F.R. § 438.700.
46. **Claim Adjudication:** The process of paying claims submitted or denying them after comparing the claim data elements to the benefit or coverage requirements.
47. **Claim Adjudication Date:** The date the CFSP or its Subcontractor processed for determination of claim payment, acceptance, denial, or rejection.
48. **Clarification:** A written response from an Offeror that provides an answer or explanation to a question posted by the Department about that Offeror's response for their proposal. Clarifications are incorporated into the Offeror's response.
49. **Clean Claim:** A claim for services submitted to the CFSP by a Medicaid Managed Care medical or pharmacy service Provider which can be processed without obtaining additional information from the submitter in order to adjudicate the claim.
50. **Closed Loop Referral:** The capacity to know whether a Member accessed social services to which they were referred.
51. **Community Alternatives Program for Children (CAP/C):** A North Carolina Medicaid 1915(c) waiver program that provides home- and community-based services to medically fragile children who are at risk for institutionalization in a nursing home because of their medical needs (#4141.R06.00; <https://www.medicaid.gov/medicaid/section-1115-demo/demonstration-and-waiver-list/?entry=8233>).
52. **Community Alternatives Program for Disabled Adults (CAP/DA):** A North Carolina Medicaid 1915(c) waiver program that allows seniors and disabled adults ages eighteen (18) and older to receive support services in their own home, as an alternative to nursing home placement (#0132.R07.00; <https://www.medicaid.gov/medicaid/section-1115-demo/demonstration-and-waiver-list/?entry=8232>).
53. **Community Collaboratives:** Local and regional convenings of county agencies, community-based organizations, non-profits, family members, health care Providers, peers, families that meet regularly to identify and address community needs through coordinated efforts and system planning.



54. **Consumer Assessment of Healthcare Providers and Systems Plan Survey® (CAHPS®):** A consumer satisfaction survey developed collaboratively by Harvard, RAND, the Agency for Health Care Policy and Research, the Research Triangle Institute and Westat that has been adopted as the industry standard by NCQA and CMS to measure the quality of managed care plans. CAHPS® is a registered trademark.
55. **Contract Award Date:** The date the Department signs the “Acceptance of Response” section of the Execution page and publishes the Notice of Award to the NC eVP.
56. **Contract Effective Date:** This Contract is effective date the Department signs the “Acceptance of Response” section of the Execution page.
57. **Contract Year:** The period beginning with when the CFSP begins covering services under this Contract until the next June 30 and each subsequent twelve-month period thereafter.
58. **Contractor:** The Offeror awarded the Contract to perform the services and requirements defined therein. The Contractor is the CFSP.
59. **Credentialing:** The approach to collecting and verifying Provider qualifications (e.g., the Provider’s training and education, licensure, liability record); and determining, for Medicaid Managed Care, whether to allow the Provider to be included in the CFSP’s Network, subject to certain Department requirements.
60. **Crossover Period:** The timeframe immediately before and after implementation of CFSP in the State. Crossover-related requirements and timeframes are activity-specific but are all designed to ensure continuity of care for the crossover population during this time of transition.
61. **Cross-over Population:** Refers to North Carolina Medicaid beneficiaries that are enrolled in the NC Medicaid Direct program and will transition to Medicaid Managed Care at a specific date determined by the Department.
62. **County Departments of Social Services (County DSS):** Refers to the county agency providing child welfare services, regardless of the name of the agency or whether the county has consolidated human services, in alignment with N.C.G.S. § 7B-101.
63. **County Child Welfare Workers:** Employed staff, contracted staff and student interns who work in a County DSS in the following functional areas: Family Preservation, Family Support, Children’s Protective Services (Intake, On-Call, CPS Assessment and CPS In-Home Child Welfare Services), and Foster Care and Adoption (Placement of Children, Recruitment of Families, Licensing and Adoption assessment). Staff from a private or public agency who assumes a foster care or adoption functional area on behalf of a County DSS, via contract, as outlined in law, NC DHHS Division of Social Services policy or standard also meets the definition of County Child Welfare Worker.
64. **Cultural and Linguistic Competency (or Culturally and Linguistically Competent):** The ability to understand, appreciate and interact effectively with people of different cultures and/or beliefs to ensure the needs of the individuals are met. The ability to interact effectively with people of different cultures helps to ensure the needs of all community members are addressed. It also refers to such characteristics as age, gender, sexual orientation, disability, religion, income level, education, geographical location, or profession. Cultural and Linguistic

Competency means to be respectful, responsive, and sensitive to the health beliefs and practices and cultural and linguistic needs of diverse populations groups.

65. **Culturally and Linguistically Appropriate Services (CLAS):** Services that are respectful of and responsive to individual cultural health beliefs and practices, preferred languages, health literacy levels, and communication needs and employed by all members of an organization (regardless of size) at every point of contact.
66. **Custodian:** Has the same meaning as Custodian as defined in NCGS § 7B-101.
67. **Date of Payment:** The point in time following the Claim Adjudication Date when reimbursement is generated for services, either initiated by date of Electronic Funds Transfer (EFT) or processes to generate a paper check.
68. **Denied Claim:** When the CFSP or its Subcontractor refuses to reimburse a service Provider for all or a portion of the services submitted on the medical or Pharmacy Claim.
69. **Departments of Social Services Regions (DSS Regions):** Refers to DSS Regions as outlined at <https://www.ncdhhs.gov/cws772022a1/download?attachment>.
70. **Delegated Care Management Entity:** An entity with which the CFSP contracts, that assumes responsibility for performing specific care management and/or care coordination functions with appropriate documentation and oversight.
71. **Designated Pilot Care Management Entities (or “Care Management Team”):** A Designated Care Management Entity that is assuming care management responsibilities specifically related to the Healthy Opportunities Pilot. For the purposes of this contract, Designated Pilot Care Management Entities shall include the CFSP. Throughout this Contract, the Designated Pilot Care Management Entity may also be referred to as a “Care Management Team.”
72. **Diversions:** The process of identifying individuals living in the community who are at risk of requiring care in an institutional setting or an Adult Care Home, and providing additional, more intensive supports and services in order to prevent further deterioration of their condition that could result in placement in an institutional setting or an Adult Care Home.
73. **DSS Child Health Summary Components:** Series of DSS-required forms documenting critical health information completed by a Member’s Provider or County Child Welfare Worker following the Member’s entry in the child welfare system. These forms include:
  - a. Health Summary Form – Initial (DSS-5206): completed by the medical Provider at the 7-day physical examination;
  - b. Health History Form (DSS-5207) completed by the County Child Welfare Worker within 30 days of a child’s initial placement and given to the medical Provider at least one week prior to the 30-day comprehensive visit; updated every 12 months and whenever medical circumstances change;
  - c. Health Summary Form – Comprehensive (DSS-5208) completed by the medical Provider at the 30-day comprehensive medical appointment; and
  - d. Health Summary Form – Well Visit (DSS-5209) completed by the medical Provider at each well visit.
  - e. Form numbers/titles are subject to change by the NC DHHS Division of Social Services.

74. **Durable Medical Equipment (DME):** Has the same meaning as Durable Medical Equipment as defined in 42 C.F.R. § 414.202.
75. **Eastern Band of Cherokee Indian (EBCI):** A federally recognized Indian Tribe located in southwestern North Carolina whose members are exempt with managed care.
76. **Eastern Band of Cherokee Indian (EBCI) Tribal Option (Tribal Option):** The tribal-designed and operated managed care option developed collaboratively by the Department and the EBCI.
77. **Emergency Closure:** A closure of licensed residential care facilities that occurs without the facility providing the required 30-day notice to residents and the State as described in North Carolina's Operational Guide for a Coordinated Response to the Sudden Closure of an Adult Residential Care Facility and for a Coordinated Response to the Sudden Closure of a Child Residential Care Facility.
78. **Emergency Medical Condition:** Means a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) that a prudent layperson, who possesses an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in the following:
- Placing the health of the individual (or, for a pregnant woman, the health of the woman or her unborn child) in serious jeopardy.
  - Serious impairment to bodily functions.
  - Serious dysfunction of any bodily organ or part.
79. **Emergency Services:** Has the same meaning as Emergency Services as defined in 42 C.F.R. § 438.114(a).
80. **Emergency Situation:** Related to prior authorization, includes, but is not limited to a change in a living situation, including but not limited to, a change in a Foster Care placement or residential setting.
81. **Encounter:** A record of a rendered service provided by a healthcare Provider irrespective of whether payment is required. Encounter data typically includes information otherwise present on a claim.
82. **Enrollment:** The process through which a Beneficiary selects or is auto-enrolled to the CFSP to receive North Carolina Medicaid benefits through the Medicaid Managed Care program.
83. **Enrollment Broker (EB):** Has the same meaning as Enrollment Broker as defined in 42 C.F.R. § 438.810(a).
84. **Essential Providers:** Federally qualified health centers, rural health centers, free clinics, local health departments, and any other Providers as designated by the Department in accordance with N.C. Gen. Stat. § 108D-22(b).
85. **Excluded Person:** A person, agent, Managing Employee, Network Provider, delegated entities or Subcontractor who appears on one or more of the Exclusion Lists.
86. **Exclusion Lists:** Lists the CFSP must check to ensure that the CFSP does not pay federal funds to Excluded Persons or entities, including:
- State Exclusion List;

- b. U.S. Department of Health and Human Services, Office of Inspector General's (HHS-OIG) List of Excluded Individuals/Entities (LEIE);
  - c. The System of Award Management (SAM);
  - d. The Social Security Administration Death Master File (SSADMF);
  - e. To the extent applicable, National Plan and Provider Enumeration System (NPPES); and
  - f. Office of Foreign Assets Control (OFAC).
87. **Exempt Population:** Beneficiaries in Exempt Populations may voluntarily enroll in Medicaid Managed Care on an opt-in basis, if they meet other eligibility requirements for being enrolled in Medicaid Managed Care. Members of Exempt Populations are allowed to opt into Medicaid Managed Care or into NC Medicaid Direct at any time, upon request to the Enrollment Broker.
  88. **Exit County DSS Custody:** Members who leave Foster Care prior to age 18 (e.g., through legal emancipation by court order or due to achieving permanency).
  89. **Exiting County DSS Custody:** Has the same definition as "Exit County DSS Custody."
  90. **Fee-for-Service (FFS):** A payment model in which Providers are paid for each service provided. NC Medicaid Fee-for-Service program is also known as NC Medicaid Direct.
  91. **Former Foster Youth:** Individuals eligible for and enrolled in Medicaid in accordance with 42 C.F.R. § 435.150. NCDHHS recognizes the need to update the former foster care eligibility group description in CFSP and is working to replace legislative language with "young adults under age 26 formerly in foster care."
  92. **Foster Care:** Has the same meaning as defined in G.S. 108D-40(a)(14), or a comparable tribal code, whose custody has been awarded by court order or pursuant to a voluntary placement agreement from the Parent, Custodian, or Guardian (i) to the County Department of Social Services or (ii) to the Eastern Band of Cherokee Indians' Department of Public Health and Human Services.
  93. **Grievance:** As it relates to a Member has the same meaning as Grievance, as defined in 42 C.F.R. § 438.400(b).
  94. **Guardian:** Has the same meaning as Guardian as defined in G.S. 108D-62.
  95. **Hardship Payment:** An advanced payment from the CFSP to a Provider to address a situation in which the Provider is experiencing a significant drop in CFSP claims payments due to issues beyond the control of the Provider. The CFSP shall recoup these advanced payments by offsetting the Provider's future claim payments or through a one-time repayment by the Provider.
  96. **Health Insurance:** A contract that requires a health insurer to pay some or all of one's health care costs, sometimes in exchange for a premium.
  97. **Healthy Opportunities Network Lead (Network Lead):** Formerly known as a Lead Pilot Entity (LPE), a Network Lead is an organization contracted with the Department to create and oversee a network of HSOs for the Healthy Opportunities Pilot. A Network Lead serves as a connection between the CFSP and HSOs and facilitates collaboration between health care and human service organizations for the Healthy Opportunities Pilot.

98. **Healthy Opportunities Pilot Program:** The Enhanced Case Management and Other Services Pilot Program authorized by North Carolina’s 1115 Demonstration waiver, referred to as the “Healthy Opportunities Pilot Program.” The Healthy Opportunities Pilot program will evaluate the effectiveness of a set of select, evidence-based, non-medical interventions and the role of the Network Lead on improving health outcomes and reducing healthcare costs for high-need Medicaid Members. The Healthy Opportunities Pilot Program refers to the overall Healthy Opportunities Pilot program.
99. **Historically Marginalized Populations:** Individuals, groups, and communities that have historically and systematically been denied access to services, resources and power relationships across economic, political, and cultural dimensions as a result of systemic, durable, and persistent racism, discrimination and other forms of oppression. Long standing and well documented structural marginalization has resulted in poor health outcomes, economic disadvantage, and increased vulnerability to harm and adverse social, political and economic outcomes. Historically Marginalized Populations are often identified based on their race, ethnicity, social economic status, geography, religion, language, sexual identity and disability status.
100. **Health Passport:** A document for members who age out of County DSS Custody or otherwise exit County DSS Custody that includes, at a minimum: 1) critical health-related information; a copy of the Member’s full Care Plan/ISP, if available; summary of scheduled visits and recommended schedule of future visits; list of prescribed medications; and copies of all known medical records.
101. **Human Services Organization (HSO):** An organization that offers non-medical services within one or more communities. HSOs are also known as community-based organizations or social service agencies.
102. **Implementation Plan:** Comprehensive schedule of events, tasks, Deliverables, and milestones developed and executed by the Offeror to ensure successful implementation and launch of CFSP services.
103. **In Lieu of Services (ILOS):** Services or settings that are not covered under the North Carolina Medicaid State Plan but are a medically appropriate, cost-effective alternative to a State Plan covered service. 42 C.F.R. 438.3(e)
104. **In-Reach:** The process of identifying individuals residing in an institutional setting or an Adult Care Home whose service needs could potentially be met in a home or community-based setting, engaging them about their desire to transition to a home or community-based setting and referring them for transition, if appropriate.
105. **Independent Assessment:** Required assessment of needs used to establish a service plan for 1915(i) services as defined in 42 C.F.R. § 441.720.
106. **Independent Evaluation:** Required evaluation used to determine eligibility for 1915(i) services. The Department shall provide a standardized tool to be used for the required independent evaluation as defined in 42 C.F.R § 441.715(d).

- 107.**Indian Health Care Provider (IHCP):** Means an IHCP as defined by 42 C.F.R. § 438.14(a). In North Carolina, an IHCP is a provider of service which includes all services that Cherokee Indian Hospital Authority or the Eastern Band of Cherokee Indians offer under Medicaid.
- 108.**Indian Managed Care Entity (IMCE):** Means an IMCE as defined by 42 C.F.R. § 438.14(a). In North Carolina, the IMCE is referred to as the Eastern Band of Cherokee Indian Tribal Option. It provides care management for all members enrolled in Tribal Option and is separate from the Indian Health Care Provider.
- 109.**Individual Support Plan (ISP):** A written individualized person-centered plan of care for Members with I/DD and TBI needs, that is developed using a collaborative approach led by the Member or their Guardian when appropriate, incorporates the results of the Care Management Comprehensive Assessment, and identifies the Member's desired outcomes and the training, therapies, services, strategies, and formal and informal supports needed for the Member to achieve those outcomes.
- 110.**Institute for Mental Disease (IMD):** Has the same meaning as IMD as defined in 42 C.F.R. § 435.1010.
- 111.**Interactive Purchasing System (IPS):** The State of North Carolina's on-line system for advertising solicitations and publishing award notifications. Vendors can view and search for procurement opportunities. [www.ips.state.nc.us](http://www.ips.state.nc.us).
- 112.**Interest:** For the purposes of claim payment or Encounter submission, an amount from the CFSP that is due to a Provider for failing to timely or correctly pay a Clean Claim.
- 113.**Interpersonal Violence (IPV)-Related Healthy Opportunity Pilot Services (IPV-Related Services):** Any services authorized under the Healthy Opportunities Pilot to Members experiencing or at risk of experiencing interpersonal violence or other threats to personal safety, not only including services described in the Interpersonal Violence/Toxic Stress domain and the Cross-Domain categories of the Healthy Opportunities Pilot fee schedule, but also include any services in the Housing, Food, or Transportation domains set forth in the Healthy Opportunities fee schedule that are recommended to a Member to help address interpersonal violence. The Healthy Opportunities Pilot fee schedule is located at <https://www.ncdhhs.gov/media/14071/open> as amended from time to time.
- 114.**Into the Mouth of Babies (IMB):** A clinical program that trains medical Providers to deliver preventive oral health services to young children insured by North Carolina Medicaid. Services are provided from the time of tooth eruption until age 3½ (42 months), including oral evaluation and risk assessment, Parent/caregiver counseling, fluoride varnish application, and referral to a dental home.
- 115.**IPV-Related Service Data:** Any authorizations, services, data, information, reports, invoices, or other sources of information relating to or referencing IPV-Related Services authorized to be furnished to a Member or actually furnished to a Member.
- 116.**IPV-Trained Individual:** All members of the CFSP's workforce (including CFSP's employees and contractors, whether or not they are care managers) with access to IPV-Related Service Data who have completed all Pilot-related IPV-trainings provided or approved in advance by the Department.

- 117.**IPV-Related Data Training:** All relevant trainings, each as provided or approved in advance by the Department, prior to CFSP's workforce initiating a Member contact or an initial Pilot assessment.
- 118.**Local Management Entity/Managed Care Organization (LME/MCO):** Has the same meaning as LME/MCO as defined in NCGS § 122C-3(20c).
- 119.**Long Term Service and Supports (LTSS) includes:**
- a. Care provided in the home, in community-based settings, or in facilities;
  - b. Care for older adults and people with disabilities who need support because of age, physical, cognitive, developmental, or chronic health conditions; or other functional limitations that restrict their abilities to care for themselves; and
  - c. A wide range of services to help people live more independently by assisting with personal health care needs and activities of daily living such as:
    - i. Eating;
    - ii. Taking baths;
    - iii. Managing Medications;
    - iv. Grooming;
    - v. Walking;
    - vi. Getting up and down from a seated position;
    - vii. Using the toilet;
    - viii. Cooking;
    - ix. Driving;
    - x. Getting dressed; or
    - xi. Managing money; and/or
  - d. Care Management provided to individuals who, because of age, physical, cognitive, developmental or chronic health conditions or other functional limitations, are at risk of requiring formal LTSS services to remain in their communities.
- 120.**Managed Care Organization (MCO):** Has the same meaning as MCO as defined in 42 C.F.R. § 438.2. Standard Plans (**SP**), BH I/DD Tailored Plans (**TP**), and the CFSP are operated by MCOs.
- 121.**Managing Employee:** Has the same meaning as Managing Employee as defined in 42 C.F.R. § 455.101. Managing Employees includes the key personnel required under the Contract and the Contractor's governing board.
- 122.**Mandatory Populations:** Medicaid beneficiaries who are required to enroll in Medicaid Managed Care with no option to enroll in NC Medicaid Direct.
- 123.**Marketing:** Has the same meaning as Marketing as defined in 42 C.F.R. § 438.104(a).
- 124.**Marketing Materials:** Has the same meaning as Marketing Materials as defined in 42 C.F.R. § 438.104(a).
- 125.**Medicaid Enterprise System (MES):** The aggregation of technologies and applications required to operate a State Medicaid Agency (SMA).
- 126.**Medicaid Managed Care:** The name of the North Carolina managed care program for North Carolina Medicaid benefits; does not include LME/MCOs.

- 127.**Medical Claim:** A request for a payment that a healthcare Provider submits to an insurer for rendered medical services
- 128.**Medical Encounter:** A record of a rendered service provided by a healthcare Provider for medical services.
- 129.**Medical Home Fees:** Non-visit based payments to AMH practices made in addition to fee for service payments, providing stable funding for Care Coordination support, and quality improvement at the practice level.
- 130.**Medically Necessary:** Medical necessity is determined by generally accepted North Carolina community practice standards as verified by independent Medicaid consultants. As required by 10A NCAC 25A.0201, a Medically Necessary service may not be experimental in nature.
- 131.**Medication Reconciliation:** The process of identifying the most accurate list of all medications that the Member is taking, including name, dosage, frequency, and route, by comparing the medical record to an external list of medications obtained from a patient, hospital, or other provider. Must also include identifying non-prescribed items (e.g., supplements, homeopathic remedies).
- 132.**Members:** Medicaid beneficiaries specifically enrolled in and receiving benefits through the CFSP.
- 133.**Member Service Line:** A service line available to Members and for the purposes of providing convenient access to information about benefits or claims, referral assistance and access to treatment or services.
- 134.**National Provider Identifier (NPI):** Standard unique health identifier for health care Providers adopted by the Secretary of US Department of Health and Human Services in accordance with HIPAA.
- 135.**NC Medicaid Direct:** North Carolina's current health care program for Medicaid beneficiaries who are not enrolled in NC Medicaid Managed Care.
- 136.**NCCARE360:** An electronic platform providing: (a) a robust statewide resource repository of community-based organizations and social service agencies and the services they provide, and (b) a referral platform for payers, care managers, clinicians, community health workers, social service agencies, and others to refer and connect Members directly to community resources and track the connections and outcomes through "Closed Loop Referral" capacity. The platform is being deployed as part of a public-private partnership with the Foundation for Health Leadership and Innovation.
- 137.**NCTracks:** The Department's multi-payer Medicaid Management Information System (MMIS). NCTracks adjudicates claims for multiple NC DHHS divisions, including DHB, DMH/DD/SUS, Division of Public Health, and Office of Rural Health. NCTracks also serves as a central repository for Medicaid and State-funded Services Provider, Member and recipient data.
- 138.**Network:** A group of Providers, including, without limitation, doctors, hospitals, pharmacies, and others contracted by the CFSP to provide health care services to its Members.



- 139.**Network Data Details Extract Report:** A quarterly and ad hoc data extract containing demographic information about Network Providers to support tracking progress towards meeting Network Adequacy standards.
- 140.**Non-Emergency Medical Transportation (NEMT) Member and Provider Service Line:** A service line to assist callers in scheduling coordinated, safe, clean, reliable, medically necessary transportation to and from North Carolina Medicaid enrolled Providers.
- 141.**Non-Participating Provider:** Non-participating or “non-par” Providers are physicians or other health care Providers that have not entered into a contractual agreement with the CFSP and are not part of the CFSP’s Network, unlike Participating Providers. They may also be called out-of-Network Providers.
- 142.**North Carolina electronic Vendor Portal (NC eVP):** The State of North Carolina’s on-line system for advertising solicitations, posting addendums, and publishing award notifications. Vendors can view and search for procurement opportunities <https://evp.nc.gov>
- 143.**North Carolina Families Accessing Services through Technology (NC FAST):** The Department’s integrated case management system that provides eligibility and Enrollment for Medicaid, Food and Nutrition Services, WorkFirst, Child Care, Special Assistance, Crisis Intervention Program, Low-Income Energy Assistance Program, and Refugee Assistance, and provides services for Child Welfare and Aging and Adult Services.
- 144.**North Carolina Identity Service (NCID).** This is the State’s centralized Identity and access management platform provided by the Department of Information Technology. NCID is a web-based application that provides a secure environment for State agency, local government, business and individual users to log in and gain access to real-time resources, such as customer-based applications and information retrieval. <https://www.ncid.nc.gov>
- 145.**Nurse Line:** A service line available twenty-four (24) hours a day, seven (7) days a week, every day of the year to Members which provides medical information and advice on where to access care.
- 146.**Offeror:** A supplier, bidder, proposer, firm, company, corporation, partnership, individual or other entity submitting an offer in response to this RFP. Terms may be used interchangeably throughout this RFP.
- 147.**Ombudsman Program:** A Department program to provide education, advocacy, and issue resolution for Medicaid beneficiaries whether they are in the Medicaid Managed Care program or NC Medicaid Direct. This program is separate and distinct from the Long-Term Care Ombudsman Program.
- 148.**Ongoing Course of Treatment:** When a Member, in the absence of continued services, would suffer serious detriment to their health or be at risk of hospitalization or institutionalization.
- 149.**Ongoing Special Condition:** Has the same meaning as Ongoing Special Condition defined in NCGS § 58-67-88(a)(1).
- 150.**Parent:** Parent means a natural or biological, adopted or step parent as defined in 42 C.F.R. § 435.603(b).

151. **Participating Provider:** Participating Provider or “par” Providers are physicians or other health care Providers that have a contractual agreement with the CFSP and are included in the CFSP’s Network. Participating Providers may also be called “in-Network Providers”.
152. **Performance Incentive Payments:** Payments additional to fee for service payments and Medical Home Fees that are contingent upon practices’ reporting of and/or performance against the AMH Performance Metrics.
153. **Pharmacy Claim:** A request for payment that a healthcare Provider submits to an insurer for rendered pharmaceuticals or pharmacy services, including outpatient pharmacy (point-of-sale claims) as well as physician-administered (professional claims) drug claims.
154. **Pharmacy Encounter:** A record of a rendered service provided by a healthcare Provider for pharmaceuticals or pharmacy services, including outpatient pharmacy as well as physician-administered drugs.
155. **Pharmacy Service Line:** A service line to assist pharmacies and prescribers participating in the Medicaid program with point-of-sale claims questions and pharmacy prior authorizations and clinical coverage criteria, resolve claims payment and adjudication issues, and address general Provider questions.
156. **Pilot Eligibility and Service Assessment (PESA):** A Department-standardized tool in NCCARE360 that facilitates the documentation of a Member’s eligibility for the Healthy Opportunities Pilot and Pilot services, and the authorization of Pilot services.
157. **Pilot Implementation Period:** A period of time during which CFSP, Network Leads, HSOs, and Designated Pilot Care Management Entities build the capacity and infrastructure to participate in the Healthy Opportunities Pilot and prepare for Pilot service delivery.
158. **Pilot Service Delivery Period:** A period of time during which Healthy Opportunities Pilot services are delivered to Pilot enrollees.
159. **Post-stabilization Care Services:** Has the same meaning as Post-stabilization Care Services as defined in 42 C.F.R. § 438.114(a).
160. **Protected Health Information (PHI):** Has the same meaning as PHI as defined by 45 C.F.R. § 160.103.
161. **Potential Member:** A Beneficiary enrolled in Medicaid and eligible for Enrollment in the CFSP.
162. **Pregnancy Management Program (PMP):** A care program that encourages adoption of best practice prenatal, pregnancy, and perinatal care for Medicaid Managed Care Members.
163. **Prepaid Health Plan (PHP):** Has the same meaning as Prepaid Health Plan, as defined in NCGS § 58-93-5 A PHP is a Managed Care Organization (MCO) that may operate a Standard Plan (SP), a BH/IDD Tailored Plan (TP), and/or the CFSP.
164. **Primary Care Provider (PCP):** The participating physician, physician extender (e.g., physician assistant, nurse practitioner, certified nurse midwife), or group practice/center selected by or assigned to the Member to provide and coordinate all the Member's health care needs and to initiate and monitor referrals for specialized services, when required.

- 165.**Program Integrity (PI):** Has the same meaning as described in 42 C.F.R. Part 455.
- 166.**Program of All-Inclusive Care for the Elderly (PACE):** A federal program that provides a capitated benefit for individuals age fifty-five (55) and older who meet nursing facility level of care. PACE features a comprehensive service delivery system and integrated Medicare and Medicaid financing.
- 167.**Provider:** Provider means any individual or entity that is engaged in the delivery of services, or ordering or referring for those services, and is legally authorized to do so by the State in which it delivers the services. (42 C.F.R. § 438.2).
- 168.**Provider (For the purposes of Credentialing):** Individual practitioners and facilities, entities, organizations, atypical organizations/Providers, and institutions, unless otherwise noted.
- 169.**Provider Appeals:** Process for Providers to challenge certain CFSP decisions regarding Provider Grievances submitted.
- 170.**Provider Contracting:** The process by which the CFSP negotiates and secures a contractual agreement with Providers who are credentialed Providers and are to be included in the CFSP's Network.
- 171.**Provider Enrollment:** The process by which a Provider is enrolled in the North Carolina's Medicaid program with Credentialing as a component of Enrollment. A Provider who has enrolled in North Carolina's Medicaid shall be referred to as a "Medicaid Enrolled Provider" or an "Enrolled Medicaid Provider."
- 172.**Provider Grievance:** Any oral or written complaint or dispute by a Provider over any aspects of the operations, activities, or behavior of the CFSP except for any dispute for which the Provider has Appeal rights.
- 173.**Provider-Led Entity (PLE):** Means, as defined in Section 4.(2)b. of Session Law 2015-245, as amended by Session Law 2016-121. A PLE is a PHP and is a Managed Care Organization (MCO).
- 174.**Provider Support Service Line:** A service line available to Medicaid and Providers with Enrollment, service authorization, contracting, or reimbursement questions or issues, and resolve Provider questions, comments, inquiries and complaints.
- 175.**Qualified Health Plan (QHP):** Means a health plan that has in effect a certification that it meets the standards described in subpart C of part 156 of Article 45 of the Code of Federal Regulations issued or recognized by each Exchange through which such plan is offered in accordance with the process described in subpart K of part 155 of Article 45 of the Code of Federal Regulations. 45 C.F.R. § 155.20.
- 176.**Readily Accessible:** Has the same meaning as Readily Accessible as defined in 42 C.F.R. § 438.10(a).
- 177.**Readiness Review:** Has the same meaning as described in 42 C.F.R. § 438.66(d).
- 178.**Redeterminations:** The annual review of beneficiaries' income, assets and other information by the Department and County DSS Offices to confirm eligibility for North Carolina Medicaid.

179. **Reasonable Accommodation:** A change, exception, or adjustment to a rule, policy, practice, or service that may be necessary for a person with disabilities to have an equal opportunity to use and enjoy a dwelling, including public and common use spaces, or to fulfill their program obligations.
180. **Receiving Entity:** The entity (e.g., CFSP, BH I/DD Tailored Plan **(TP)**, Standard Plan **(SP)**, NC Medicaid Direct, Tribal Option) that is enrolling the transitioning Member and receiving the Member's information.
181. **Redetermination:** The annual review of beneficiaries' income, assets and other information by the Department and County DSS offices to confirm eligibility for North Carolina Medicaid.
182. **Remote Patient Monitoring:** The use of digital devices to measure and transmit personal health information from a Beneficiary in one location to a Provider in a different location. Remote Patient Monitoring enables Providers to collect and analyze information such as vital signs (e.g., blood pressure, heart rate, weight, blood oxygen levels) in order to make treatment recommendations. There are two types of Remote Patient Monitoring: Self-Measured and Reported Monitoring and Remote Physiologic Monitoring.
- a. Self-Measured and Reported Monitoring: When a patient uses a digital device to measure and record their own vital signs, then transmits the data to a Provider for evaluation.
  - b. Remote Physiologic Monitoring: When a patient's physiologic data is wirelessly synced from a patient's digital device where it can be evaluated immediately or at a later time by a Provider.
  - c. Telehealth: Telehealth is the use of two-way real-time interactive audio and video to provide and support health care services when participants are in different physical locations. Telehealth may be referred to as "telemedicine" within this Contract.
183. **Reprocess:** For the purposes of claims and Encounters, the activities completed by the CFSP to reconsider the outcome of a previously adjudicated claim.
184. **Rising Risk:** Population group that has not yet become high-risk but who may become high-risk if certain risk factors and behaviors are not addressed.
185. **Significant Change:** Means any change in the services offered by CFSP, the benefits covered under the contract, the geographic service area, and the composition of or payments to the CFSP's Provider Network, and the Enrollment of a new population in the CFSP.
186. **Standard Plan (SP):** A Medicaid Managed Care Plan that will provide integrated physical health, Behavioral Health and pharmacy services to most North Carolina Medicaid beneficiaries and that are not BH I/DD Tailored Plans **(TP)** as described in Section 4.(10) of SL 2015-245, as amended by SL 2018-48.
187. **Standard Plan Region:** Six Department-defined Medicaid Managed Care Regions within NC as follows:
- a. Region 1 includes the following counties: Avery, Buncombe, Burke, Caldwell, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Swain, Transylvania, Yancey
  - b. Region 2 includes the following counties: Alleghany, Ashe, Davidson, Davie, Forsyth, Guilford, Randolph, Rockingham, Stokes, Surry, Watauga, Wilkes, Yadkin

- c. Region 3 includes the following counties: Alexander, Anson, Cabarrus, Catawba, Cleveland, Gaston, Iredell, Lincoln, Mecklenburg, Rowan, Stanly, Union
  - d. Region 4 includes the following counties: Alamance, Caswell, Chatham, Durham, Franklin, Granville, Johnston, Nash, Orange, Person, Vance, Wake, Warren, Wilson
  - e. Region 5 includes the following counties: Bladen, Brunswick, Columbus, Cumberland, Harnett, Hoke, Lee, Montgomery, Moore, New Hanover, Pender, Richmond, Robeson, Sampson, Scotland
  - f. Region 6 includes the following counties: Beaufort, Bertie, Camden, Carteret, Chowan, Craven, Currituck, Dare, Duplin, Edgecombe, Gates, Greene, Halifax, Hertford, Hyde, Jones, Lenoir, Martin, Northampton, Onslow, Pamlico, Pasquotank, Perquimans, Pitt, Tyrrell, Washington, Wayne
- 188.**State:** The State of North Carolina, the Department as an agency or in its capacity as the using agency.
- 189.**State Business Day (Business Day):** Traditional workdays, Monday through Friday, from 8:00 a.m. EST through 5:00 p.m. EST excluding State holidays. A list of North Carolina State Holidays is located at <https://oshr.nc.gov/state-employee-resources/benefits/leave/holidays>.
- 190.**State Fair Hearing:** The hearing or hearings conducted at the Office of Administrative Hearings (OAH) under NCGS § 108D-15 to resolve a dispute between a Member and the CFSP about an Adverse Benefit Determination.
- 191.**State-funded Services:** Refers to State and non-Medicaid federally funded services for mental health, I/DD, TBI and substance use disorders.
- 192.**Subcontractor:** An entity having an arrangement with the Contractor, where the Contractor uses the products and/or services of that entity to fulfill some of its obligations under the Contract. Use of a Subcontractor does not create a contractual relationship between the Subcontractor and the Department, only the Contractor.
- 193.**Tailored Plan Region:** The group of counties for which a BH I/DD Tailored Plan arranges for services, also known as Catchment Areas. See *Section VII. Attachment R: Tailored Plan Medicaid Managed Care Catchment Areas*.
- 194.**Third Party Administrator (TPA):** A Third Party Administrator is a person who directly or indirectly solicits or effects coverage of, underwrites, collects charges or premiums from, or adjusts or settles claims on residents of this State, or residents of another State from offices in this State, in connection with life or Health Insurance or annuities.
- 195.**Telehealth:** Telehealth is the use of two-way real-time interactive audio and video to provide and support health care services when participants are in different physical locations.
- 196.**Transition Entity:** Department-designated entity responsible for coordinating transition of care activities and supporting Members through the transition between service delivery systems. Transition entities include Children and Families Specialty Plan, BH I/DD Tailored Plan, Standard Plan (SP), NC Medicaid Direct, Tribal Option, and other designated entities.
- 197.**Transitional Living Plan:** Plan that County DSS are required to develop for all children ages fourteen (14) to seventeen (17) in the custody of a County DSS and for all individuals

participating in Foster Care from eighteen (18) to twenty-one (21) years-old to identify specific goals and strategies that will allow the individual to function independently once they leave the child welfare system. The Transitional Living Plan must be completed when the individual turns fourteen (14) (or after an older child enters custody) and must be updated every ninety (90) Calendar Days until the individual leaves the child welfare system. Within ninety (90) Calendar Days prior to a youth aging out of foster care custody at 18 or an exit from Foster Care 18-21, the agency must develop a plan with the youth to discuss their plans for emancipation from agency custody.

198. **Transition Notice Date:** The date a transitioning member's anticipated Enrollment change as reflected on the standard eligibility file.
199. **Transitions of Care:** The process of assisting a Member to transition between the CFSP and BH I/DD Tailored Plans, Standard Plans (**SP**), Tribal Option and NC Medicaid Direct; between delivery systems; including transitions that result in the disenrollment from managed care. Transitions of care also includes the process of assisting a Member to transition between Providers upon a Provider's termination from the CFSP Network.
200. **Trauma-Informed Care:** An approach to the delivery of physical health, Behavioral Health, developmental, educational, and social services that recognizes the science of trauma and adversity, understands the impact of trauma to the brain and health across the lifespan, and views behavior through a lens of "what happened to you" rather than "what is wrong with you." Trauma-Informed Care seeks to avoid re-traumatization by integrating knowledge about trauma into organizational policies, procedures, and practices.
201. **Unmet Health-Related Resource Needs:** Non-medical needs of individuals that foundationally influence health, including but not limited to needs related to housing, food, transportation and addressing interpersonal violence/toxic stress.
202. **Value-Added Services (VAS):** Services in addition to those covered under the Medicaid Managed Care benefit plan that are delivered at the CFSP's discretion and are not included in capitation rate calculations. Value-Added Services are designed to improve quality and health outcomes, and/or reduce costs by reducing the need for more expensive care. 42 C.F.R. § 438.3(e)
203. **Value-Based Payment (VBP):** Payment arrangements between the CFSP and Providers that fall within Levels 2 and 4 of the multi-payer Health Care Payment (HCP) and Action Network (LAN) Alternative Payment Model (APM) framework.
204. **Virtual Communication:** The use of technologies other than video to enable remote evaluation and consultation support between a Provider and a patient or a Provider and another Provider. Virtual Communication services include: telephone conversations (audio only); virtual portal communications (e.g., secure messaging); and store and forward (e.g., transfer of data from Beneficiary using a camera or similar device that records (stores) an image that is sent by telecommunication to another site for consultation).
205. **Vendor:** A company, firm, entity or individual, other than the Contractor, with whom the Department has contracted for goods or services.
206. **Video Remote Interpreting:** Has the same meaning as described in 28 C.F.R. § 35.104.

207. **Virtual Patient Communications:** The use of technologies other than video to enable remote evaluation and consultation support between a Provider and a patient or a Provider and another Provider. Covered Virtual Patient Communication services include: telephone conversations (audio only); virtual portal communications (e.g., secure messaging); and store and forward (e.g., transfer of data from Beneficiary using a camera or similar device that records (stores) an image that is sent by telecommunication to another site for consultation).
208. **Warm Handoff:** Time-sensitive, Member-specific planning for Care-Managed Members or other Members identified by either the transferring or Receiving Entity to ensure continuity of service and Care Management functions. “Warm Handoffs” require collaborative transition planning between both transferring and receiving entities and as possible, occur prior to the transition.
209. **Warm Transfer:** Defined as a Member or Provider call that is transferred directly from the original call center to the appropriate party during business hours without requiring the caller to make an additional call and without the CFSP abandoning the call until the other party answers.
210. **X12:** Any EDI transaction included in the x12.org standard. This includes but is not limited to the 834 Benefit Enrollment and Maintenance, the 837 Health Care Claim, and the 277 Health Care Information Status Notification. The entire transaction set can be found at <http://www.x12.org>.

## **B. Acronyms**

1. AAP: American Academy of Pediatrics
2. ACD: Automated Call Distribution System
3. ABD: Adverse Benefit Determination
4. ACEs: Adverse Childhood Experiences
5. ACH: Adult Care Homes
6. ACT: Assertive Community Treatment
7. ADATC: Alcohol Drug Abuse Treatment Center
8. ADL: Activities of Daily Living
9. ADT: Admission, Discharge, Transfer
10. AMH: Advanced Medical Home
11. AMH+: Advance Medical Home Plus
12. API: Administrative Provider Identification
13. APM: Alternative Payment Method
14. ASAM: American Society for Addiction Medicine
15. ASC: Accredited Standards Committee
16. AVRS: Automated Voice Response System
17. BAA: Business Associate Agreement
18. BAHA: Bone Conduction Hearing Aids
19. BCCCP: Breast and Cervical Cancer Control Program
20. BH I/DD TP: Behavioral Health I/DD Tailored Plan
21. BH: Behavioral Health
22. BIP: Behavioral Intervention Plan
23. CAH: Critical Access Hospital

24. CAHPS®: Consumer Assessment of Healthcare Providers and Systems Plan Survey®
25. CALOCUS: Child and Adolescent Level of Care Utilization System
26. CANS: Children and Adolescents Needs and Strengths
27. CAP: Corrective Action Plan
28. CAP/C: Community Alternatives Program for Children
29. CAP/DA: Community Alternatives Program for Disabled Adults
30. CBO: Community Based Organization
31. CDSA: Children's Developmental Service Agency
32. CCHN: Carolina Complete Health Network
33. CCRP: Credentialing and Recredentialing Process
34. CCO: Chief Compliance Officer
35. CDSA: Children's Developmental Service Agency
36. CEO: Chief Executive Officer
37. CFO: Chief Financial Officer
38. CFSP: Children and Families Specialty Plan
39. CFT: Child and Family Team
40. CHIP: Children's Health Insurance Program
41. CIN: Clinically Integrated Network.
42. CISO: Chief Information Security Officer
43. CLAS: Culturally and Linguistically Appropriate Services
44. CMC: Children with Medical Complexity
45. CME: Child Medical Evaluation
46. CMEP: Child Medical Evaluation Program
47. CMHRP: Care Management for High-Risk Pregnancy
48. CMN: Certificates of Medical Necessity
49. CMO: Chief Medical Officer
50. CMS: Centers for Medicare & Medicaid Services
51. COD: Cost of Dispensing
52. County DSS: County Departments of Social Services
53. CP: Commercial Plan
54. CPS: Child Protective Services
55. CPT: Current Procedural Terminology
56. CRO: Chief Risk Officer
57. CVO: Credentialing Verification Organization
58. DCFW: Division of Child and Family Well-Being
59. DHB: Division of Health Benefits
60. DHHS: Department of Health and Human Services
61. DHSR: Division of Health Service Regulation
62. DIT: Department of Information Technology
63. DLP: Desk Level Procedures
64. DME: Durable Medical Equipment
65. DMH/DD/SUS: Division of Mental Health Developmental Disabilities and Substance Use Services
66. DMVA: Department of Military and Veterans Affairs
67. DOI: Department of Insurance



68. DOS: Date of Service
69. DSOHF: Division of State Operated Healthcare Facilities
70. DSS: NC DHHS Division of Social Services Departments of Social Services
71. DUR: Drug Utilization Review
72. EB: Enrollment Broker
73. EBCI: Eastern Band of Cherokee Indians
74. ECSII: Early Childhood Services Intensity Instrument
75. EDI: Electronic Data Interchange
76. EFT: Electronic Funds Transfer
77. EI: Early Intervention
78. EN: Enteral Nutrition
79. EPS: Episodic Payment System
80. EPSDT: Early and Periodic Screening, Diagnostic and Treatment
81. EQRO: External Quality Review Organization
82. ESB: Enterprise Service Bus
83. ESRD: End Stage Renal Disease
84. EUP: End User Procedures
85. EVV: Electronic Visit Verification
86. FAR: Federal Acquisition Regulation
87. FDA: Food and Drug Administration
88. FERPA: Family Educational Rights and Privacy
89. FFS: Fee-for-Service
90. FFY: Federal Fiscal Year
91. FQHC: Federally Qualified Health Center
92. HCBS: Home and Community Based Services
93. HCP: Health Care Payment
94. HCPCS: Healthcare Common Procedure Coding System
95. HEARTS: Healthcare Enterprise Accounts Receivable Tracking System
96. HFW: High Fidelity Wraparound
97. HHS: U.S. Department of Health and Human Services
98. HIPAA: Health Insurance Portability and Accountability Act
99. HIPP: Health Insurance Premium Payment
100. HITECH: Health Information Technology for Economic and Clinical Health Act
101. HIV: Human Immunodeficiency Virus
102. HOH: Head of Household
103. HRSA: Health Resources and Services Administration
104. HSO: Human Services Organization
105. I/DD: Intellectually/Developmental Disability
106. IADL: Instrumental Activities of Daily Living
107. ICF: Intermediate Care Facility
108. ICPC: Interstate Compact on the Placement of Children
109. IDG: Interdisciplinary Group
110. IDM: Identity Management
111. IEM: Inborn Errors of Metabolism
112. IEP: Individualized Education Program

113.IFSP: Individual Family Service Plan  
114.IHCP: Indian Health Care Provider  
115.IHP: Individual Health Plan  
116.IID: Individuals with Intellectual Disabilities  
117.ILOS: In Lieu of Services  
118.IHCP: Indian Health Care Provider  
119.IMB: Into the Mouth of Babies  
120.IMCE: Indian Managed Care Entity  
121.IMD: Institution for Mental Disease  
122.IP: Independent Practitioners  
123.IPS: Interactive Purchasing System  
124.IPV: Interpersonal Violence  
125.IRF: Inpatient Rehabilitation Facility  
126.IRS: Internal Revenue Service  
127.ISP: Individualized Service Plan  
128.ITD: Information Technology Department (DHHS)  
129.LAN: Learning and Action Network  
130.LCSW: Licensed Clinical Social Worker  
131.LEA: Local Education Agencies  
132.LEIE: List of Excluded Individuals/Entities  
133.LEP: Limited English Proficient  
134.LGBTQ+: Lesbian, Gay, Bisexual, Transgender, Queer or Questioning  
135.LHD: Local Health Department  
136.LME/MCO: Local Management Entities-Managed Care Organizations  
137.LPN: Licensed Practical Nurse  
138.LTSS: Long Term Service and Supports  
139.MAC: Maximum Allowable Cost  
140.MAO: Medicare Advantage Organization  
141.MCAC: Medical Care Advisory Committee  
142.MES: Medicaid Enterprise System  
143.MHPAEA: Mental Health Parity and Addiction Equity Act  
144.MID: North Carolina Department of Justice Medicaid Investigations Division  
145.MIMS: Medicaid Integrated Modular Solution  
146.MIPS: Master Integrated Project Schedule  
147.MIS: Management Information Systems  
148.MITA: Medicaid Information Technology Architecture  
149.MLR: Medical Loss Ratio  
150.MMDB: Medicaid Master Database  
151.MME: Morphine Milligram Equivalent  
152.MMIS: Medicaid Management Information Systems  
153.NADAC: National Average Drug Acquisition Cost  
154.NC: North Carolina  
155.NC FAST: North Carolina Families Accessing Services through Technology  
156.NCAC: North Carolina Administrative Code  
157.NC DHHS: North Carolina Department of Health and Human Services

158.NCDPH: North Carolina Division of Public Health  
159.NCEDB: North Carolina Medicare Enrollment Database  
160.NCGA: North Carolina General Assembly  
161.NCGS: North Carolina General Statute  
162.NCID: North Carolina Identity Management Service  
163.NCIR: North Carolina Immunization Registry  
164.NCPDP: National Council for Prescription Drug Programs  
165.NCQA: National Committee for Quality Assurance  
166.NDC: National Drug Code  
167.NEMT: Non- Emergency Medical Transportation  
168.NIEM: National Information Exchange Model  
169.NPI: National Provider Identifier  
170.NPPES: National Plan and Provider Enumeration System  
171.OAH: Office of Administrative Hearings  
172.OCR: Office of Civil Rights  
173.OFAC: Office of Foreign Assets Control  
174.PA: Prior Authorization  
175.PACE: Program of All-Inclusive Care  
176.PBM: Pharmacy Benefit Managers  
177.PCP: Primary Care Provider  
178.PCS: Personal Care Services  
179.PDL: Preferred Drug List  
180.PDM: Provider Data Management  
181.PDN: Private Duty Nursing  
182.PESA: Pilot Eligibility and Service Assessment  
183.PHHS: Public Health and Human Services  
184.PHI: Protected Health Information  
185.PHP: Prepaid Health Plan  
186.PI: Program Integrity  
187.PIHP: Prepaid Inpatient Health Plans  
188.PIP: Performance Improvement Program  
189.PLE: Provider-Led Entities  
190.PMP: Pregnancy Management Program  
191.PMPM: Per Member Per Month  
192.PNF: Provider Network File  
193.PNrF: Provider Network Response File  
194.PRC: Purchased/Referred Care  
195.PSO: North Carolina Department of Health and Human Services Privacy and Security Office  
196.PTA: Privacy Threshold Analysis  
197.QAPI: Quality Assurance and Performance Improvement  
198.QHP: Qualified Health Plan  
199.REOMB: Recipient Explanation of Medical Benefit  
200.RFP: Request for Proposal  
201.RHC: Rural Health Clinic  
202.RN: Registered Nurse

203.ROI: Return on Investment  
204.SAM: System of Award Management  
205.SAML: Security Assertion Markup Language  
206.SBI: North Carolina State Bureau of Investigation  
207.SBIRT: Screening, Brief Intervention, and Referral to Treatment  
208.SED: Serious Emotional Disturbance  
209.SFTP: Secure File Transfer Protocol  
210.SID: System Integration Design  
211.SLA: Service Level Agreements  
212.SMAC: State Maximum Allowable Cost  
213.SMI: Serious Mental Illness  
214.SNF: Skilled Nursing Facility  
215.SOC: System of Care  
216.SP: Standard Plan  
217.SSA: Social Security Act  
218.SSADM: Social Security Administration Death Master File  
219.SUD: Substance Use Disorder  
220.TBI: Traumatic Brain Injury  
221.TCL: Transition to Community Living  
222.TDD: Telecommunications Device for the Deaf  
223.TP: Tailored Plan  
224.TPA: Third Party Administrator  
225.TPL: Third Party Liability  
226.TPN: Total Parenteral Nutrition  
227.TTY: Text Telephone  
228.UAT: User Acceptance Testing  
229.UM: Utilization Management  
230. VAS: Value Added Services  
231.VBP: Value-Based Payment  
232.VEP: Visual Evoked Potential  
233.VFC: Vaccines for Children  
234.WCA: Web Content Accessibility Guidelines  
235.WHCRA: Women's Health and Cancer Rights Act of 1998  
236.WIC: Women, Infants and Children

### C. Contract Term

1. The initial Contract Term will be from the Contract Effective Date through November 30, 2024, and shall include an implementation period and Contract Years 1 through 4 as follows:

Section III. C. Table 1: Contract Term	
Contract Period	Effective Dates
Implementation Period	Contract Award through November 30, 2024
Contract Year 1	December 1, 2024 through June 30, 2025
Contract Year 2	July 1, 2025 through June 30, 2026
Contract Year 3	July 1, 2026 through June 30, 2027
Contract Year 4	July 1, 2027 through June 30, 2028 <sup>4</sup>

2. The Department reserves the option, at its sole discretion, to extend the Contract for one (1) additional Contract Year or a shorter period as required by the Department. The Department shall notify Contractor in writing if it is exercising its option to renew at least ninety (90) Calendar Days prior to the expected renewal date.
3. The Contractor shall notify the Department in writing at least nine (9) months prior to the renewal date if the Contractor does not wish to renew. The Contractor may be responsible for damages for failure to notify the Department of the intent not to renew within this timeframe.
4. Initial Term and any Renewal Terms together constitute the "Contract Term."

### D. Terms and Conditions

#### 1. ACCESS TO PERSONS AND RECORDS:

- a. Pursuant to NCGS § 147-64.7 and NCGS § 143-49(9), the Department, the State Auditor, appropriate State or federal officials, and their respective authorized employees or agents shall have access to persons and premises, or such other locations where duties under the Contract are being performed, and are authorized to inspect, monitor, or otherwise evaluate all books, records, data, information, systems, and accounts of the Contractor, their Subcontractor(s), other persons directed by the Contractor, or Contractor's parent or affiliated companies as far as they relate to transactions under the Contract, performance of the Contract, or to costs charged to the Contract. The Contractor shall retain any such books, records, data, information, and accounts in accordance with *Section III.D. 44. RECORDS RETENTION* of the Contract. Changes or additional audit, retention or reporting requirements may be imposed by federal or state law and/or regulation, and the Contractor must adhere to such changes or additions.

---

<sup>4</sup> As defined in SL XYZ, CFSP will launch on December 1, 2024. Upon Contract award and based on the Offeror's responses, the Department will work with NCGA to establish an appropriate launch date.

- b. The State Auditor shall have access to persons and records as a result of all contracts or grants entered by State agencies or political subdivisions in accordance with NCGS § 147-64.7.
  - c. The financial auditors of the Department shall also have full access to all financial records and other information determined by the Department to be necessary for the Department's substantiation of the monthly payment(s). These audit rights are in addition to any audit rights any federal agency may have regarding the use of federally allocated MFP funds.
  - d. The following entities may audit the records of this Contract during and after the term of the Contract to verify accounts and data affecting fees or performance:
    - i. The State Auditor;
    - ii. The internal auditors of the affected department, agency or institution; and
    - iii. The Joint Legislative Commission on Governmental Operations and legislative employees whose primary responsibility is to provide professional or administrative services to the Commission.
  - e. Nothing in this section is intended to limit or restrict the State Auditor's rights.
  - f. This provision shall survive termination or expiration of this Contract.
2. **ADVERTISING:** Contractor agrees not to use the existence of this Contract or the name of the Department or State of North Carolina as part of any commercial advertising or marketing of its products or services, excepted as permitted under this Contract. A Contractor may inquire whether the Department is willing to act as a reference by providing information directly to other prospective customers. The Department is under no obligation to serve as a reference.
  3. **AMENDMENTS:** This Contract may not be amended orally or by performance. This Contract may be amended only by written amendments executed by the Department and the Contractor.
  4. **ASSIGNMENT:** Except as otherwise required by law or upon written approval of the Department, no assignment of the Contractor's obligations nor the Contractor's right to receive payment hereunder shall be permitted.
  5. **AVAILABILITY OF FUNDS:** All payments to Contractor are expressly contingent upon and subject to the appropriation, allocation, and availability of funds to the Department for the purposes set forth in the Contract. If the Contract or any Purchase Order issued hereunder is funded in whole or in part by federal funds, the Department's performance and payment shall be subject to and contingent upon the continuing availability of said federal funds for the purposes of the Contract or Purchase Order. If the term of the Contract extends into fiscal years after that in which it is approved, such continuation of the Contract is expressly contingent upon the appropriation, allocation, and availability of funds by the N.C. General Assembly for the purposes set forth in this RFP and any resulting Contract. If funds to effect payment are not available, the Department will provide written notification to the Contractor and may terminate the Contract in accordance with *Section III.D. 55. TERMINATION*. If the Contract is terminated, the Contractor agrees to take back any affected Deliverables and software not yet delivered under the Contract, terminate any Services supplied to the Department under the Contract, and relieve the Department of any further

obligation thereof. The Department shall remit payment for Deliverables and Services accepted prior to the date of the previously mentioned notice in conformance with the payment terms.

**6. BACKGROUND CHECKS AND DISCLOSURE OF LITIGATION AND CRIMINAL CONVICTION OR ADVERSE FINANCIAL CONDITION:**

The Contractor's failure to fully and timely comply with the terms of this Section and *Section IX.E. Certification of Financial Condition and Legal Action Summary*, and *Section IX.F. Disclosure of Litigation and Criminal Convictions* including providing reasonable assurances satisfactory to the State, may constitute a material breach of the Contract and result in Termination for Cause.

- a. Upon execution of this Contract, the Contractor shall notify the State if it, or any of its Subcontractors, or their officers, directors, or their Key Personnel, who may provide services under this Contract, have ever been convicted of a felony, or any crime involving moral turpitude, including, but not limited to fraud, misappropriation, or deception. The Contractor shall promptly notify the Department of any criminal litigation, investigations or proceeding involving the Contractor or any Subcontractor, or any of the foregoing entities' then current officers or directors during the term of this Contract.
- b. The Contractor shall notify the State of any civil litigation, regulatory finding or penalty, arbitration, proceeding, or judgments against it or its Subcontractors during the three (3) years preceding the Effective Period Commencement Date of the Contract, or which may occur during the term of this Contract that involves (1) services or related goods similar to those provided pursuant to any contract and that involve a claim that may affect the viability or financial stability of the Contractor; and (2) a claim or written allegation of fraud by the Contractor or any Subcontractor hereunder, arising out of their business activities; and (3) a claim or written allegation that the Contractor or any Subcontractor hereunder violated any federal, state or local statute, regulation or ordinance. Multiple lawsuits and or judgments against the Contractor or its Subcontractors shall be disclosed to the Department to the extent they affect the financial solvency and integrity of the Contractor or Subcontractor.
- c. Contractor agrees not to use any personnel in the performance of this Contract who have been convicted of any of the crimes listed in subpart a. herein above. In addition, Contractor will not use or authorize any Subcontractor to use in the performance of this Contract any persons who have been convicted of any federal or state crime involving antitrust laws, anti-kickback laws, self-referral laws, improper influencing of public officials, or improper management or destruction of public records or financial records.
- d. The Contractor shall notify the State of any legal action that could adversely affect the Contractor's ability to meet the requirements of the Contract.
- e. All notices under subsection a., b., c., and d. herein shall be provided in writing to the State within thirty (30) Calendar Days after the Contractor learns about any such criminal, regulatory, or civil matters or financial circumstances or material change to prior disclosures, unless such matters are governed by the other stated terms and conditions of the Contract. Details of settlements which are prevented from disclosure by the terms of the settlement shall be annotated as such. Contractor may rely on good faith certifications of its Subcontractors addressing the foregoing, which certifications shall be available for inspection at the option of the State.

- f. The Department reserves the right to request a criminal background check on Contractor's employees or independent contractors or the employees of Contractor's approved Subcontractors.
  - g. Where requested by the Department, Contractor must obtain, at its own expense, and provide the Department, or its designee, a North Carolina State Bureau of Investigation (SBI) and/or Federal Bureau of Investigation (FBI) background check on all employees prior to assignment.
  - h. Contractor shall keep any records related to these verifications in accordance with *Section III.D. 44. RECORDS RETENTION* of the Contract.
7. **BENEFICIARIES:** The Contract shall inure to the benefit and be binding upon the Parties and their respective successors. It is expressly understood and agreed that the enforcement of the terms and conditions of the Contract, and all rights of action relating to such enforcement, shall be strictly reserved to the Department and Contractor. Nothing contained in this Contract shall give or allow any claim or right of action whatsoever by any third person. It is the express intention of the Department and Contractor that any such other person or entity receiving services or benefits under the Contract shall be deemed an incidental beneficiary only and not a contractual third-party beneficiary.
8. **CHANGE IN CORPORATE STRUCTURE:** In cases where Contractor(s) are involved in corporate consolidations, acquisition or mergers, the Parties may negotiate agreements for the transfer of contractual obligations and the continuance of contracts within the framework of the new corporate structure, subject to Department approval and the terms of this Contract.
9. **CHOICE OF LAW AND FORUM:** The validity of this Contract and any of its terms and conditions or provisions, as well as the rights and duties of the Parties, are governed by the laws of North Carolina without regard to its choice of law decisions or statutes. Forum shall be in the District or Superior Courts of Wake County, North Carolina, where all matters, whether sounding in contract or tort, relating to the validity, construction, interpretation, and enforcement shall be determined. This Section shall survive the termination of the Contract for any reason.
10. **CMS APPROVAL:** This RFP and subsequent contracts and amendments are subject to approval by the Centers for Medicare and Medicaid Services pursuant to 42 C.F.R. § 438.806(a).
11. **COMPLIANCE WITH LAWS:**
- a. Contractor shall comply with all laws, ordinances, codes, rules, regulations, licensing requirements, electronic storage standards concerning privacy, data protection, confidentiality, and security that are applicable to the conduct of its business and performance in accordance with this Contract, including those of federal, State, NCDHHS, and local departments and agencies having jurisdiction and/or authority.
  - b. Contractor must include in its Subcontractor agreements an attestation clause that the Subcontractor must comply with all laws, rules, regulations, and licensing requirements applicable to Contractor's performance under this Contract, including but not limited to the applicable provisions of (a) Title XIX of the Social Security Act and Titles 42 and 45 of the Code of Federal Regulations; and (b) those laws, rules, or regulations of federal and



State agencies having jurisdiction over the subject matter of this Contract, whether in effect when this Contract is signed, or becoming effective during the term of this Contract.

- c. Clean Air Act
  - i. Contractor agrees to comply to the extent practicable with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.
  - ii. Contractor agrees to report each violation(s) to the Department and understands and agrees that the Department will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.
  - iii. Contractor agrees to include these requirements in each Subcontractor Agreement.
- d. Federal Water Pollution Control Act
  - i. Contractor agrees to comply to the extent practicable with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.
  - ii. Contractor agrees to report each violation(s) to the Department and understands and agrees that the Department will, in turn, report each violation as required to assure notification to the federal agency providing funds hereunder, and the appropriate Environmental Protection Agency Regional Office.
  - iii. Contractor agrees that these requirements will be included in each Subcontractor Agreement.
- e. Pandemic, Endemic and Other North Carolina State Emergencies
  - i. Contractor agrees to comply with all applicable standards, Executive Orders and Department issued guidance for pandemics, endemics, and other North Carolina State emergencies.
  - ii. Notice shall be provided by the Department of the standards, orders and Department issued guidance prior to the Effective Date of the requirements, where practical.
  - iii. In the event requirements are announced and made effective immediately, such as Executive Orders, the Contractor shall adhere to such requirements.
  - iv. Contractor agrees to communicate to Subcontractors for compliance with all applicable standards, orders, and Department-issued guidance.
- f. Certifications and Representations
  - i. Contractor shall certify annually pursuant to C.F.R. § 200.209 Certifications and Representations that it is in compliance with federal certification and representation requirements regarding Nondiscrimination, Drug-Free Workplace Requirements, Environmental Tobacco Smoke, Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions and Lobbying.
  - ii. Contractor shall certify annually that is in compliance with state certification requirements regarding Verification of Employee Work Authorization, Ineligibility, Prior Convictions and Prior Employment.

12. **CONTRACT ADMINISTRATORS:** Contract Administrators means the persons to whom notices provided for in this Contract shall be given, and to whom matters relating to the administration of this Contract shall be addressed. Contract Administrators for both Parties are included in *Section IX.D. Contract Administrators*. Either Party may change its administrator or their address and telephone number by written notice to the other Party in accordance with *Section III.D. 37. NOTICES* of the Contract.
13. **CONTRACT DISCLOSURES:** Unless otherwise provided herein, Contractor shall complete any initial disclosures required under the Contract within thirty (30) Calendar Days of execution unless another timeframe is approved by the Department. Disclosures should be sent to the Department's Contract Administrator in accordance with *Section III.D. 37. NOTICES* of the Contract.
14. **COOPERATION WITH OTHER STATE VENDORS:** Contractor shall cooperate with Department Vendors that are providing goods or services to or on behalf of the Department in relation to Medicaid Managed Care including those Vendors providing services with respect to system integration, encounter processing, enrollment and eligibility, Ombudsman, data analytics, and those engaged by the Department to monitor, validate, or verify Contractor's performance. Contractor will enter into trade agreements or other agreements as necessary to allow Vendor access to Contractor's confidential information needed in performance of Vendor's service for the Department.
15. **COPYRIGHT:** North Carolina Public Records Laws identifies all documents created for public transactions/business as public records; therefore, no deliverable items produced in whole or in part under this Contract shall be the subject of an application for copyright by or on behalf of Contractor, except as otherwise provided herein. The State shall own all deliverables that Contractor is required to deliver to the Department pursuant to this Contract, except as provided herein.
- a. Contractor shall not acquire any right, title, and interest in and to the copyrights for goods, all software, technical information, specifications, drawings, records, documentation, data, or derivative works thereof, or other work products provided by the State to Contractor.
  - b. The State shall, upon payment for the services in full in accordance with the payment terms of this Contract, shall own copyrighted works first originated and prepared by Contractor for delivery to the State.
  - c. The State hereby grants Contractor a royalty-free, fully paid worldwide, perpetual, nonexclusive, irrevocable license for Contractor's business use, to non-confidential deliverables first originated and prepared by Contractor for delivery to the State.
  - d. Contractor shall maintain ownership of all pre-existing intellectual property that it provides to the State as part of the deliverable(s), and the State shall have a royalty-free, fully paid, worldwide, perpetual, non-exclusive, irrevocable license to use such intellectual property solely for its operations.
  - e. The intellectual property terms of this Contract do not: (i) affect Contractor's ownership of all other intangible intellectual property (e.g., processes, ideas, know how) that Contractor has developed in the course of performance hereunder, (ii) prevent Contractor from selling similar services elsewhere, or (iii) prevent Contractor from marketing, licensing or selling any and all intellectual property it develops hereunder to

other customers, provided no State confidential information is used or disclosed in the process.

- 16. CULTURAL AND LINGUISTIC COMPETENCY AND SENSITIVITY:** Contractor shall make a good faith effort to recruit, develop, train, promote, and retain a culturally and linguistically diverse governance, leadership, and workforce, who are responsive to the population in the service area, or otherwise participate in the State's efforts to promote culturally competent care in accordance with applicable federal and State law and CMS guidelines.

**17. DEFAULT:**

- a. If, through any cause, the Contractor shall fail to fulfill in timely and proper manner the obligations under this Contract, the Department shall have the right to terminate this contract by giving written notice to the Contractor and specifying the effective date thereof. In case of default by the Contractor for any reason, the Department may procure substitute services from other sources and hold the Contractor responsible for any excess cost occasioned thereby. Contractor is responsible for any delays resulting from its failure to deliver or provide services or other deliverables required under this Contract. Default or Termination for Cause may be cause for debarment.
- b. In addition, in the event of default by the Contractor under this Contract or upon the Contractor filing a petition for bankruptcy or the entering of a judgment of bankruptcy by or against the Contractor, the Department may immediately cease doing business with the Contractor, immediately terminate this Contract for cause, and act to debar the Contractor from doing future business with the State.

- 18. DISCLOSURE CONFLICTS OF INTEREST:** The Contractor shall disclose any known conflicts of interest, or perceived conflicts of interest, at the time they arise, as follows:

- a. Disclose any relationship to any business or associate to whom the Contractor is currently doing business that creates or may give the appearance of a conflict of interest related to this Contract.
- b. By signing the RFP, the Contractor certifies that it shall not knowingly take any action or acquire any interest, either directly or indirectly, that will conflict in any manner or degree with the performance of its services during the term of the Contract.
- c. Disclose prior to employment or engagement by the Contractor, any firm principal, staff member or subcontractor, known by the Contractor to have a conflict of interest or potential conflict of interest related to this Contract.
- d. All notices required by this subsection must be provided to the Department within thirty (30) Calendar Days Contractor becoming aware of the conflict.

- 19. DISCLOSURE OF LITIGATION AND CRIMINAL CONVICTION OR ADVERSE FINANCIAL CONDITION:** The Contractor's failure to fully and timely comply with the terms of this Section, including providing reasonable assurances satisfactory to the State, may constitute a material breach of the Contract and result in Termination for Cause.

- a. The Contractor shall notify the State in its offer, if it, or any of its subcontractors, or their officers, directors, or key personnel who may provide Services under any contract awarded pursuant to this solicitation, have ever been convicted of a felony, or any crime involving moral turpitude, including, but not limited to fraud, misappropriation, or deception. The Contractor shall promptly notify the State of any criminal litigation,

investigations or proceeding involving the Contractor or any subcontractor, or any of the forgoing entities' then current officers or directors during the term of the Contract or any Scope Statement awarded to the Contractor.

- b. The Contractor shall notify the State in its offer, and promptly thereafter as otherwise applicable, of any civil litigation, regulatory finding or penalty, arbitration, proceeding, or judgments against it or its subcontractors during the three (3) years preceding its offer, or which may occur during the term of any awarded to the Contractor pursuant to this solicitation, that involve (1) Services or related goods similar to those provided pursuant to any contract and that involve a claim that may affect the viability or financial stability of the Contractor, or (2) a claim or written allegation of fraud by the Contractor or any subcontractor hereunder, arising out of their business activities, or (3) a claim or written allegation that the Contractor or any subcontractor hereunder violated any federal, state or local statute, regulation or ordinance. Multiple lawsuits and or judgments against the Contractor or subcontractor shall be disclosed to the State to the extent they affect the financial solvency and integrity of the Contractor or subcontractor.
- c. In the event the Contractor, an officer of the Contractor, or an owner of a twenty-five percent (25%) or greater share of the Contractor, is convicted of a criminal offense incident to the application for or performance of a state, public or private Contract or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of North Carolina employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which, in the sole discretion of the State, reflects upon the Contractor's business integrity, and such contractor shall be prohibited from entering into a contract for goods or Services with any department, institution, or agency of the State.
- d. The Contractor shall notify the State of any legal action that could adversely affect the Contractor's financial conditions or ability to meet the requirements of the Contract.
- e. All notices under subsection a, b, c, and d herein shall be provided in writing to the State within thirty (30) Calendar Days after the Contractor learns about any such criminal, regulatory, or civil matters or financial circumstances or material change to prior disclosures, unless such matters are governed by the other stated terms and conditions annexed to the solicitation. Details of settlements which are prevented from disclosure by the terms of the settlement shall be annotated as such. Contractor may rely on good faith certifications of its subcontractors addressing the foregoing, which certifications shall be available for inspection at the option of the State.

**20. DISCLOSURE OF OWNERSHIP INTEREST:** The Contractor must provide the following information regarding ownership and control as described in 42 C.F.R. § 455.104:

- a. The Name, Address, Date of Birth and Social Security Numbers of any individual with an ownership or control interest in the Contractor, including those individuals who have direct, indirect, or combined direct/indirect ownership interest of five percent (5%) or more of the Contractor's equity, owns five percent (5%) or more of any mortgage, deed of trust, note, or other obligation secured by the Contractor if that interest equals at least five percent (5%) of the value of the Contractor's assets, is an officer or director of

- a Contractor organized as a corporation, or is a partner in a Contractor organized as a partnership (Sections 1124(a)(2)(A) and 1903(m)(2)(A)(viii) of the Social Security Act and 42 C.F.R. § 455.100-104);
- b. The Name, Address, and Tax Identification Number of any corporation with an ownership or control interest in the Contractor, including those individuals who have direct, indirect, or combined direct/indirect ownership interest of five percent (5%) or more of the Contractor's equity, owns five percent (5%) or more of any mortgage, deed of trust, note, or other obligation secured by the Contractor if that interest equals at least five percent (5%) of the value of the Contractor's assets, is an officer or director of a Contractor organized as a corporation, or is a partner in a Contractor organized as a partnership (Sections 1124(a)(2)(A) and 1903(m)(2)(A)(viii) of the Social Security Act and 42 C.F.R. §§ 455.100-104). The address for corporate entities must include as applicable primary business address, every business location, and P.O. Box address;
  - c. Whether the person (individual or corporation) with an ownership or control interest in the Contractor is related to another person with ownership or control interest in the Contractor as a spouse, parent, child, or sibling; or whether the person (individual or corporation) with an ownership or control interest in any sub-contractor of the Contractor in which the Offeror has a five percent (5%) or more interest is related to another person with ownership or control interest in the Contractor as a spouse, parent, child, or sibling;
  - d. The name of any disclosing entity, other disclosing entity, fiscal agent or managed care entity as defined in 42 C.F.R. § 455.101 in which an owner of the Contractor has an ownership or control interest; and
  - e. The Name, Address, Date of Birth and Social Security Number of any agent or managing employee (including Key Staff personnel as noted in *Section V.A.9. Staffing and Facilities* of the Contractor as defined in 42 C.F.R. § 455.101.
  - f. Contractor and subcontractors must disclose the information on individuals or corporations with an ownership or control interest as described above to the Department as follows:
    - i. With the Contractor's response to the RFP (*Section IX.H. Disclosure of Ownership Interest*);
    - ii. Upon effective date of the Contract;
    - iii. Upon renewal or extension of the Contractor's contract; and
    - iv. Within thirty-five (35) Calendar Days after any change in the Contractor's ownership.

**21. ELECTRONIC PROCUREMENT (NCGS § 143-48.3):**

- a. **GENERALLY APPLICABLE TO GOODS AND SERVICES PURCHASES:**
  - i. Purchasing shall be conducted through the Statewide E-Procurement Service. The State's third-party agent shall serve as the Supplier Manager for this E-Procurement Service. The Contractor shall register for the Statewide E-Procurement Service within two (2) business days of notification of award in order to receive an electronic purchase order resulting from award of this Contract.
  - ii. The Supplier Manager will capture an order from a State approved user, including the shipping and payment information, and submit the order in accordance with E-

Procurement Service procedures. Subsequently, the Supplier Manager will send those orders to the appropriate Vendor on State Contract. The State or State-approved user, not the Supplier Manager, shall be responsible for the solicitation, bids received, evaluation of bids received, award of Contract, and the payment for goods delivered.

- iii. Contractor shall at all times maintain the confidentiality of its username and password for the Statewide E-procurement Services. Contractor shall be responsible for all activity and all charges by its agents or employees. Contractor agrees not to permit a third party to use its E-Procurement Services account. If there is a breach of security through the Contractor's account, Contractor shall immediately change its password and notify the Supplier Manager of the security breach by email. Contractor shall cooperate with the State and the Supplier Manager to mitigate and correct any security breach.

**b. E-PROCUREMENT FEES – APPLICABLE ONLY TO GOODS PURCHASES**

- i. **THE SUCCESSFUL BIDDER(S) SHALL PAY A TRANSACTION FEE, CURRENTLY 1.75% (.0175), ON THE TOTAL DOLLAR AMOUNT (EXCLUDING SALES TAXES) FOR THE AMOUNT OF ANY GOODS INCLUDED ON EACH PURCHASE ORDER ISSUED THROUGH THE STATEWIDE E-PROCUREMENT SERVICE (OR ANY OFFICIAL REPLACEMENT SERVICE). NCGS § 66-58.12; See *NC E-Procurement Terms of Use*.** This applies to all purchase orders, regardless of the quantity or dollar amount of the purchase order. The transaction fee shall not be stated or included as a separate item on the invoice. Contractor will receive a credit for transaction fees they paid for the purchase of any item(s) if an item(s) is returned through no fault of the Contractor. Transaction fees are non-refundable when an item is rejected and returned, or declined, due to the Contractor's failure to perform or comply with specifications or requirements of the Contract.
- ii. Contractor or its authorized reseller, as applicable, will be invoiced monthly for the State's transaction fee by the E-Procurement Supplier Manager (Supplier Manager), based on a) purchase activity for the prior month, or b) purchases for which the supplier invoice has been paid. Unless the Supplier Manager receives written notice from the Contractor identifying with specificity any errors in an invoice for the transaction fee within thirty (30) Calendar Days of the receipt of invoice, such invoice shall be deemed to be correct and Contractor shall have waived its right to later dispute the accuracy and completeness of the invoice. Payment of the transaction fee by the Contractor is due to the account designated by the State within thirty (30) days after receipt of the invoice for the transaction fee, or it shall be considered a material breach of contract.
- iii. Pursuant to NCGS § 147-86.23, the service will charge 1) interest on past due balances at the rate set by the Secretary of Revenue pursuant to NCGS § 105-241.21 as of the date the balances are past due, and 2) late payment penalties, currently ten percent (10%) of the account receivable. No interest shall be charged on disputed and overdue amounts to the extent the State agrees to reduce or adjust the amount in dispute. The Supplier Manager shall provide, whenever reasonably requested by the Contractor in writing (including electronic documents), supporting

documentation from the E-Procurement Service that accounts for the amount of the invoice.

**22. ENTIRE AGREEMENT AND ORDER OF PRECEDENCE:** This Contract consists of the following documents incorporated herein by reference:

- a. Any amendments, business requirements, or implementation plans, executed by the Parties, in reverse chronological order and any Contractor policies, plans, processes, procedures, strategy documents, work plans or work flows that require Department approval and have been approved, in reverse chronological order;
- b. Execution of Contract, if any;
- c. Best and Final Offers or negotiation documents, in reverse chronological order, if any;
- d. Written clarifications, in reverse chronological order, if any;
- e. Addenda to the RFP, in reverse chronological order, if any; and
- f. This RFP in its entirety; and
- g. Offeror's proposal.

In the event of a conflict between the Contract Documents, the term in the Contract with the highest precedence shall prevail. These documents constitute the entire agreement between the parties and supersede all prior oral or written statements or agreements.

**23. EQUAL EMPLOYMENT OPPORTUNITY:** Contractor shall comply with all federal and state requirements and North Carolina Executive Order 24 dated October 18, 2017, concerning fair employment and employment of the disabled, and concerning the treatment of all employees without regard to discrimination by reason of race, color, ethnicity, national origin, age, disability, sex, pregnancy, religion, National Guard or veteran status, sexual orientation, gender identity or expression.

**24. EQUITY, DIVERSITY, AND INCLUSION (EDI):** Contractor shall make a good faith effort to recruit, develop and retain a diverse workforce and encourage and promote an inclusive and equitable workplace, in accordance with applicable federal and state law.

**25. FORCE MAJEURE:** Neither Party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations because of events beyond its reasonable control, including without limitation, fire, power failures, any act of war, hostile foreign action, nuclear explosion, riot, strikes or failures or refusals to perform under subcontracts, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

**26. GENERAL INDEMNITY & LIMITATION OF LIABILITY:** Subject to any limitations of liability specified in the Contract, the Contractor shall hold and save the State, its officers, agents, and employees, harmless from liability of any kind, including all claims and losses accruing or resulting to any other person, firm, or corporation furnishing or supplying work, services, materials, or supplies in connection with the performance of this Contract, and from any and all claims and losses accruing or resulting to any person, firm, or corporation that may be injured or damaged by the Contractor in the performance of this Contract and that are attributable to the negligence or intentionally tortious acts of the Contractor. The Contractor represents and warrants that it shall make no claim of any kind or nature against

the State's agents who are involved in the delivery or processing of Contractor goods and/or services to the State. The representations and warranties in the preceding sentences shall survive the termination or expiration of this Contract. The State, Department, and/or Office of the Attorney General shall have the option to participate at their own expense in the defense of such claim(s) or action(s) filed and the State shall be responsible for its own litigation expenses if it exercises this option.

**27. GOVERNING LAWS:** This Contract is made under and shall be governed, construed, and enforced in accordance with the laws of the State of North Carolina, without regard to its conflict of laws or rules. This term shall survive the termination or expiration of this Contract.

**28. GOVERNMENTAL RESTRICTIONS:**

- a. In the event any governmental restrictions are imposed which necessitate alteration of the material, quality, workmanship, or performance of the items or services offered prior to their delivery, it shall be the responsibility of the Contractor to notify, in writing, the issuing Department immediately, indicating the specific regulation which required such alterations. The Department reserves the right to accept any such alterations, including any price adjustments occasioned thereby, or to cancel the Contract.
- b. Should any part of the scope of work under this Contract relate to a state program that is no longer authorized by law (e.g., which has been vacated by a court of law, or for which CMS has withdrawn federal authority, or which is the subject of a legislative repeal), the Contractor must do no work on that part of the Contract after the effective date of the loss of program authority. The Department must adjust the capitation rates specified in *Section VIII. CFSP Data Book and Capitation Methodology* of the Contract to remove costs that are specific to any program or activity under the Contract that is no longer authorized by law. If the Contractor works on a program or activity no longer authorized by law after the date the legal authority for the work ends, the Contractor shall not be paid for that work. If the Department paid the Contractor in advance to work on a no-longer-authorized program or activity and under the terms of this Contract the work was to be performed after the date the legal authority ended, the payment for that work shall be returned to the Department. However, if the Contractor worked on a program or activity prior to the date legal authority ended for that program or activity, and the Department included the cost of performing that work in its payments to the Contractor, the Contractor may keep the payment for that work even if the payment was made after the date the program or activity lost legal authority.

**29. HISTORICALLY UNDERUTILIZED BUSINESS (HUBS):** Pursuant to NCGS § 143-48 and Executive Order 150 (1999), the Department invites and strongly encourages participation with businesses owned by minorities, women, disabled individuals, disabled business enterprises, and nonprofit work centers for the blind and severely disabled. Contractor agrees to make a good faith effort to seek out and pursue opportunities to utilize HUBs, as defined in NCGS § 143-128.4, within the scope of services of this Contract, including via the use of subcontractors owned by HUBs.

**30. INDEPENDENT CONTRACTORS:** Contractor and its employees, officers and executives, and subcontractors, if any, shall be independent Contractors and not employees or agents of the Department. The Contract shall not operate as a joint venture, partnership, trust, agency, or



any other similar business relationship.

- 31. INHERENT SERVICES:** If any services, deliverables, functions or responsibilities not specifically described in the Contract are required for the proper performance, provision, and delivery of the services and deliverables to be delivered by Contractor pursuant to the Contract, or are an inherent part of or necessary subtask included within the Contract, they will be deemed to be implied by and included within the scope of the Contract to the same extent and in the same manner as if specifically described in the Contract. Unless otherwise expressly provided in the Contract, Contractor will furnish all necessary management, supervision, labor, facilities, furniture, computer and telecommunications equipment, software, supplies and materials necessary to provide the services to be delivered by Contractor under the Contract.
- 32. INSURANCE:** During the term of the Contract, the Contractor, at its sole cost and expense, shall provide commercial insurance coverage of such type and with such terms and limits as may be reasonably associated with the Contract. At a minimum, the Contractor shall provide and maintain the following coverage and limits:
- a. Worker's Compensation - Contractor shall provide and maintain Worker's Compensation Insurance, as required by the laws of North Carolina, as well as employer's liability coverage with minimum limits of five hundred thousand dollars (\$500,000), covering all of Contractor's employees who are engaged in any work under the Contract. If any work is sublet, the Contractor shall require the Subcontractor to provide the same coverage for any of his employees engaged in any work under the Contract.
  - b. Commercial General Liability - General Liability Coverage on a Comprehensive Broad Form on an occurrence basis in the minimum amount of two million dollars (\$2,000,000) Combined Single Limit.
  - c. Automobile - Automobile Liability Insurance, to include liability coverage, covering all owned, hired, and non-owned vehicles, used relating to the Contract. The minimum combined single limit shall be five hundred thousand dollars (\$500,000) for bodily injury and property damage; five hundred thousand dollars (\$500,000) for uninsured/under insured motorist; and five thousand dollars (\$5,000) for medical payment.
  - d. Requirements - Providing and maintaining adequate insurance coverage is a material obligation of the Contractor and is of the essence of this Contract. All such insurance shall meet all laws of the State of North Carolina. Such insurance coverage shall be obtained from companies that are authorized to provide such coverage and that are authorized by the Commissioner of Insurance to do business in North Carolina. The Contractor shall always comply with the terms of such insurance policies, and all requirements of the insurer under any such insurance policies, except as they may conflict with existing North Carolina laws or this Contract. The limits of coverage under each insurance policy maintained by the Contractor shall not be interpreted as limiting the Contractor's liability and obligations under the Contract.
- 33. INTELLECTUAL PROPERTY INDEMNITY:** Contractor shall hold and save the Department, State, its officers, agents, and employees, harmless from liability of any kind, including costs and expenses, resulting from infringement of the rights of any third party in any copyrighted material, patented or unpatented invention, articles, device, or appliance delivered relating to this contract. This term shall survive the termination or expiration of this Contract.

34. **LITIGATION:** If a demand is asserted, or litigation or administrative proceedings, other than those administrative proceedings related to adverse benefit determinations addressed by other provisions of the Contract, are begun against the Contractor or against the Department and Contractor jointly relating to the services being provided under this Contract, the Contractor shall notify the Department within five (5) State Business Days of becoming aware of such action. To the extent no conflict of interest exists or arises, Parties may agree to joint defense and agree to cooperate fully in defense of such litigation.
- In the event of litigation against the Department related to the Contract, Contractor's performance, or services provided under the Contract, Contractor will cooperate with Department fully in the defense of such litigation.
  - Any civil or administrative settlements between the PHP, as a delegee of the Department, and any member, provider, or other person, related to Medicaid Managed Care are public record. All settlements must be reported to the Department within thirty (30) Calendar Days of an executed settlement agreement and a copy of the settlement agreement must be provided to the Department upon request.
  - This provision shall survive expiration or termination of the Contract.
35. **MEDIA CONTACT APPROVAL AND DISCLOSURE:** Contractor shall not use the name or seal of the North Carolina Division of Health Benefits, the North Carolina Department of Health and Human Services or the State of North Carolina in any media release or public announcement or disclosure relating to the terms of this Contract without prior approval of the Department. Contractor shall not provide any information to the media regarding a recipient of services under this Contract without first receiving approval from the Department. In the event the Contractor is contacted by the media for information related to the terms of this Contract or a recipient of services under the Contractor shall make immediate contact with the Department when the contact occurs. Contractor must submit any information related to such media release or public disclosure to the Department for review and approval at least seven (7) State Business Days in advance of intended disclosure. The Department may, at its sole discretion, object to its publication or require changes to the information intended for public release. The requirements of this Section shall not apply to any information the Contractor is required by law to disclose.
36. **MONITORING OF SUBCONTRACTORS:** Contractor shall perform on-going monitoring of all subcontractors and shall confirm compliance with subcontract requirements. As part of on-going monitoring, the Contractor shall identify to the subcontractor(s) deficiencies or areas for improvement and shall require the subcontractor(s) to take appropriate corrective action. Contractor shall perform a formal performance review of all subcontractors at least annually. Contractor shall review encounter data of its subcontractor for quality and accuracy before the data is submitted to the Department.
37. **NOTICES:** Any notices permitted or required under the Contract must be delivered to the appropriate Contract Administrator for each Party. Unless otherwise specified in the Contract, any notices shall be in writing and **delivered by email**. In addition, notices may be delivered by first class U.S. Mail, commercial courier (e.g., FedEx, UPS, DHL), or personally delivered provided the notice is also emailed to the Contract Administrator at approximately the same time. All Notices required under this Contract including, but not limited to legal matters, contract termination, allegations of breach, and audits shall be delivered in

accordance with this Section of the Contract.

38. **OUTSOURCING:** Any Contractor or Subcontractor providing call or contact center services to the State of North Carolina or any of its agencies shall disclose to inbound callers the location from which the call or conduct center services are being provided. If, after award of a contract, the Contractor wishes to relocate or outsource any portion of performance to a location outside of the United States, or to contract with a Subcontractor for any such performance, which Subcontractor and nature of the work has not previously been disclosed to the State in writing, prior written approval must be obtained from the State agency responsible for the contract. Contractor shall give notice to the using agency of any relocation of the Contractor, employees of the Contractor, or other persons providing performance under a State contract to a location outside of the United States
39. **OWNERSHIP OF DELIVERABLES:** All project materials, including deliverables, software, data, and documentation created during the performance or provision of services hereunder that are not licensed to the Department or other State entity, or are not proprietary to the Contractor are the property of the Department and must be kept confidential or returned to the Department, or destroyed. Proprietary Contractor materials shall be identified to the Department by the Contractor prior to use or provision of services hereunder and shall remain the property of the Contractor. Derivative works of any Contractor proprietary materials prepared or created during the performance of provision of services hereunder shall be subject to a perpetual, royalty free, nonexclusive license to the Department and the State. This term shall survive termination or expiration of the Contract.
40. **PAYMENT AND REIMBURSEMENT:**
- a. **Managed Care Payments:** The Department will make the following Managed Care payments to the Contractor, as applicable:
- i. Risk-adjusted Monthly Per Member Per Month (PMPM) capitated payments;
  - ii. Maternity event payments;
  - iii. Additional directed payments to certain providers; and
  - iv. Enhanced case management pilot to address unmet health-related needs payments, also known as Healthy Opportunities Pilot payments.
- b. **PMPM Capitated Payments**
- i. The Contractor must accept capitation rates and risk adjustment methodology developed by the Department and its actuary and approved by CMS, as specified in *Section VIII. CFSP Data Book and Capitation Methodology* of the Contract.
  - ii. Capitated payments shall be made on a PMPM, prospective basis at the first check-write of each month, unless another schedule is set by the Department.
  - iii. The Department will make PMPM capitation payments to the Contractor based on the number of Members in each rate cell (as defined in the Rate Book applicable to the rating period and as determined by the monthly cutoff date in Medicaid Eligibility data system) multiplied by the applicable risk adjustment factor. The payment amount will be pro-rated for partial-month PHP enrollment.
  - iv. PMPM capitation payments will be reconciled on a regular schedule to account for enrollment and eligibility changes not reflected in the initial monthly payment to the Contractor and may result in changes to a subsequent monthly capitation

payment. Additional details on reconciliation can be found in *Section V.L. Technical Specifications*.

- v. The PMPM capitated rates are specified in the Rate Book. However, capitated payments shall be denied for new Members when, and for so long as, payment for those Members is denied by CMS in accordance with the requirements at 42 C.F.R. § 438.730.
- c. **Maternity Event Payments:** As provided in *Section V.J. Financial Requirements*, the Contractor will be eligible to receive a separate maternity event payment. Payment will be made after the Contractor submits required documentation of an eligible delivery event to the Department. The Contractor must accept maternity event capitation rates developed by the Department and its actuary and approved by CMS.
- d. **Additional Directed Payments for Certain Providers:** The Department will make payments to the Contractor to support additional, utilization-based, directed payments to certain providers as allowed under 42 C.F.R. § 438.6(c)(1)(iii)(B) and in accordance with *Section V.E.4. Provider Payments*.
- e. **Enhanced Case Management Pilots to Address Unmet Health-Related Needs Payments, also known as the Healthy Opportunities Pilot Payments:**
  - i. General Information
    - a) If the Contractor covers a Healthy Opportunities Pilot region, the Contractor shall receive, separate from capitation payments, the following funds from the Department to use for the Pilots, subject to availability of State funds:
      - 1. Capped allocation which includes funding for two payment types:
        - i. Pilot service delivery payments; and
        - ii. Pilot administrative payments;
      - 2. Pilot care management payments; and
      - 3. Pilot value-based payments.
    - b) Contractor shall participate in the reconciliation of actual Pilot spending against Pilot payments received from the Department. Contractor shall be required to return all unused Pilot funds to the Department at the end of the Pilot program in accordance with the Department's Healthy Opportunities Pilot Payment Protocol.
  - ii. Capped Allocation
    - a) The Department will set an initial capped allocation amount for each Pilot Service Delivery Period as defined in the Department's Healthy Opportunities Pilot Payment Protocol.
    - b) The Department will notify Contractor of its capped allocation amount, including the amounts for Pilot service delivery payments and Pilot administrative payments, at least thirty (30) Calendar Days prior to the start of each Pilot Service Delivery Period.
    - c) The Department reserves the right to adjust Contractor's capped allocation during the Pilot Service Delivery Period based on actual spending on Pilot services or due to significant changes to enrollment from that assumed in the allocation formula (e.g., if the Department determines Contractor is at significant risk of not expending the eighty (80%) percent of its allocation within the Pilot service delivery year).

- i. Before adjusting Contractor's capped allocation, the Department will inform Contractor within sixty (60) Calendar Days that it is at risk of an adjustment and allow Contractor to submit a report explaining its anticipated spending through the remainder of the Pilot Service Delivery Period for the Department's consideration. The Contractor shall submit this report within ten (10) Calendar Days of being informed by the Department that it is at risk of an adjustment.
  - d) Pilot Service Delivery Payments
    - 1. The Department shall distribute monthly, prospective payments to Contractor from the Pilot service delivery payment component of its capped allocation.
    - 2. The Department shall distribute the first payment at least thirty (30) Calendar Days prior to Pilot Service Delivery Period.
  - e) Pilot Administrative Payments
    - 1. The Department shall distribute as part of Contractor's capped allocation Pilot administrative payments for Contractor to retain to cover administrative costs associated with Pilot operations.
    - 2. The Department shall determine the amount of Contractor's Pilot administrative payments, including setting the percentage of the PHP's Pilot Administrative Payment Withhold for each applicable performance period.
    - 3. The Department shall distribute the Pilot administrative payment, except for the PHP's Pilot Administrative Payment Withhold, for each Pilot Service Delivery Period at a frequency as defined in the Department's Healthy Opportunities Pilot Payment Protocol.
    - 4. The Department shall distribute the administrative payments retained as part of the Pilot Administrative Payment Withhold to the PHP only if the PHP, in partnership with its Tier 3 AMH and CIN Delegated Pilot Care Management Entities, meets the performance target(s), as determined by the Department, after the end of the applicable performance period as specified in *Section V.E.4.bb. Healthy Opportunities Pilot Payments*.
- iii. Pilot Care Management Payments:
  - a) The Department shall make fixed payments to Contractor and Contractor shall make Pilot care management payments to Designated Pilot Care Management Entities as specified in *Section V.E.4. Provider Payments*. The Department will determine Pilot care management payments and document them in the Department's Healthy Opportunities Pilot Payment Protocol, and the Pilot Care Management Payment Withhold and document them in the Department's Healthy Opportunities Pilot Standard Plan Value-Based Payment Guide.
  - b) Pilot Care Management Payment Withhold
    - 1. The Department shall retain the Pilot Care Management Payment Withhold from the fixed Pilot care management payments made to the PHP for Tier 3 AMH and CIN Designated Pilot Care Management Entities in a manner and frequency as specified in *Section V.E.4. Provider Payments*.
    - 2. As necessary, the PHP shall distribute the funds retained as part of the Pilot Care Management Payment Withhold to Tier 3 AMH and CIN Designated

Pilot Care Management Entities in accordance with *Section V.E.4. Provider Payments*.

iv. **Pilot Value-Based Payments:**

- a) The Department will establish a Pilot-specific value-based payment (VBP) program.
- b) As provided in *Section V.E.4.bb. Healthy Opportunities Pilot Payments*, the Contractor shall be required to participate in the Pilot-specific value-based payments program and will be eligible to receive separate Pilot-specific value-based payments from the Department. Payment will be made after the Department has reviewed documentation of Contractor's performance against targets. The value-based payments made by the Department to Contractor will be subject to adjustments in accordance with the Department's assessment of Contractor's performance against specific targets to be detailed in the Department's Healthy Opportunities Pilot Standard Plan Value-Based Payment Guide and the Healthy Opportunities Pilot Value-Based Payment Technical Specifications Manual.

f. **Payment in Full:**

- i. The PHP shall accept managed care payments under this Section as payment in full for the services provided under Contract, unless otherwise specified by the Contract.
- ii. Members shall be entitled to receive all covered services as provided in *Section V.C.1. Benefits Package* for the entire period for which payment has been made by the Department.

g. **Payment Adjustments:** Payment adjustments may be initiated by the Department based on the eligibility and enrollment reconciliation or when keying errors or system errors affecting correct managed care payments to the Contractor occur. Each payment adjustment transaction shall be included on the remittance advice in the month following the correction. Each transaction shall include identifying information and the payment adjustment amount.

h. **Recoupment:**

- i. If the Contractor erroneously reports (intentionally or unintentionally), fraudulently reports, or knowingly fails to report any information affecting managed care payments to the Contractor, and is consequently overpaid, the Department may request a refund of the overpayment or recoup the overpayment by adjusting payments due in any one or more subsequent months.
- ii. The Department may also recoup erroneous overpayments made to the Contractor as a consequence of keying errors or system errors. Each recoupment transaction shall be included on the remittance advice in the month following the correction. Each transaction shall include identifying Member information and the recoupment amount.
- iii. The Department shall provide at least ten (10) Calendar Days' notice to Contractor of its intent to recoup overpayments and shall offer Contractor the opportunity to contest any such alleged overpayments. The Department shall not take any collection action under this Contract, including recoupment while the dispute is pending and unresolved, unless otherwise allowed by law.

**i. Other Managed Care Payment Terms and Conditions:**

- i. Payment will only be made for services provided and is contingent upon satisfactory performance by the Contractor of its responsibilities and obligations under the Contract.
- ii. Except as otherwise provided, the Department may apply withholds, monetary sanctions, liquidated damages, or other adjustments described in *Section V.E.4. Provider Payments*, *Section V.F.1. Quality Management and Quality Improvement*, *Section V.J. Financial Requirements*, and *Section VI. Contract Performance* to any payment due to Contractor.
- iii. The Contractor is responsible for all payments to subcontractors under the Contract. The Department shall not be liable for any purchases or subcontracts entered into by the Contractor or any subcontracted Provider in anticipation of funding.
- iv. All payments shall be made by electronic funds transfers. Contractor shall set up the necessary bank accounts and provide written authorization to Medicaid's Fiscal Agent to generate and process monthly payments.
- v. Contractor shall not use funds paid under this Contract for services, administrative costs or populations not covered under this Contract related to non-Title XIX or non-Title XXI Members. 42 C.F.R. § 438.3(c)(2).
- vi. Contractor shall maintain separate accounting for revenue and expenses for payments under this Contract in accordance with CMS requirements.

**j. Third-Party Resources:**

The capitated rates set forth in this Contract have been adjusted to account for the primary liability of third parties for some of the services rendered to Members. As required in *Section V.K.4. Third Party Liability (TPL)*, the Contractor shall be responsible for actively seeking and identifying the liability of third parties and engaging in third party resource recovery and cost avoidance to pay for services rendered to Members pursuant to this Contract. All funds recovered by the Contractor from third party resources shall be treated as income to Contractor.

**41. PERFORMANCE BOND:**

- a. The Contractor shall furnish a performance bond to the Department within thirty (30) Calendar Days after award of the contract. This security will be in the form a surety bond licensed in North Carolina with an A.M. Best's rating of no less than A-.
- b. The amount of the performance bond shall be FIFTEEN MILLION DOLLARS (\$15,000,000).
- c. The Contractor shall bear the cost of the performance bond.
- d. The performance bond must be made payable to the North Carolina Department of Health and Human Services.
- e. The contract number and contract period must be specified on the performance bond.
- f. For as long as the Contractor has liabilities of FIFTY THOUSAND DOLLARS (\$50,000) or more outstanding under this Contract, or fifteen (15) months following the termination date of this Contract, whichever is later, the performance bond must be maintained to guarantee payment of the Contractor's obligations.
- g. In the event of a default by the Contractor, the Department shall obtain payment under the performance bond for the purposes of the following:

- i. Paying any damages sustained by providers, non-contracting providers, non-providers, and other subcontractors by reason of a breach of the Contractor's obligations under this Contract;
  - ii. Reimbursing the Department for any payments made by the Department on behalf of the Contractor, including payment of the Contractor's obligations to providers;
  - iii. Reimbursing the Department for any administrative expenses incurred by reason of a breach of the Contractor's obligations under this Contract, including expenses incurred after termination of this Contract; and
  - iv. In the event the Contractor terminates the Contract prior to the end of the Contract period, a claim against the bond may be made by the Department to cover cost of issuing a new solicitation and selecting a new Contractor or transitioning Members to another Contractor.
- 42. **PLE 1099s:** PLE shall submit 1099s for all voting members that are physicians who have received reimbursement for the treatment of at least one beneficiary as proof of participation.
- 43. **PROHIBITION AGAINST CONTINGENT FEES AND GRATUITIES:** Contractor warrants that it has not paid, and agrees not to pay, any bonus, commission, fee, or gratuity to any employee or official of the State for obtaining any Contract or award issued by the State and its Departments and other agencies or entities. The Contractor further warrants that no commission or other payment has been or will be received from or paid to any third-party contingent on the award of any Contract by the State, except as shall have been expressly communicated to the Department in writing prior to acceptance of the Contract or award in question. The Contractor and its authorized signatory further warrant that no officer or employee of the State has any direct or indirect financial or personal beneficial interest, in the subject matter of the Contract; obligation or Contract for future award of compensation as an inducement or consideration for making the Contract. Subsequent discovery by the State of non-compliance with these provisions shall constitute sufficient cause for termination of all outstanding contracts. Violations of this provision may result in debarment of the Contractor as permitted by 09 NCAC 06B.1206, 01 NCAC 05B.1520, or other provision of law.
- 44. **RECORDS RETENTION:** All records and data held by the Contractor as it relates to this Contract shall be retained and maintained as required by North Carolina law, federal law, State and Department Record Retention requirements and policies.
  - a. All records created or modified by the Contractor and not duplicated in Department system via interfaces must be retained for ten (10) years, unless a longer period is required by federal or state law or policy. Federal record retention standards are located in 45 C.F.R. § 74.53. The State policy is mandated by the State Archives of North Carolina. See <https://archives.ncdcr.gov/government>.
  - b. Records shall not be destroyed, purged, or disposed of without the express written consent of the Department.
  - c. If any litigation, claim, negotiation, audit, disallowance action or other action involving this Contract start before the expiration of the legally required retention period, the records must be retained until completion of the action and resolution of all issues which arise from it.



- d. In the event there are changes in record retention requirements or policies due to North Carolina law, federal law, State or Department record retention Policies, the Contractor shall make the necessary changes to be in compliance with all Records Retention requirements.
  - e. Record Retention requirements included within the body of this RFP, subsequent contract and amendments, are intended to supplement this term. In the event of conflict, the provisions of this term are the controlling requirements.
  - f. At the point the Contract terminates/expires, all data must be transitioned to the State in a format prescribed by the Department unless that data has exceeded its archive requirements. The Department may request verification from the Contractor that archive requirements are being met.
  - g. The Contractor shall develop policies and procedures of record retention. The Contractor's Policy for Record Retention shall include specific standards for the following:
    - i. Reports submitted to the Department;
    - ii. Data submitted to the Department;
    - iii. Financial records;
    - iv. Transfer of medical records;
    - v. Quality data; and
    - vi. Prescription files.
      - a) Contractor shall comply with all standards for record retention standards in 45 C.F.R. § 74.53 and the standards determined by NCDHHS.
      - b) Contractor shall submit its Policy for Record Retention to the Department for review.
      - c) Contractor shall submit its Policy for Record Retention to the Department if there are significant changes.
  - h. The Contractor shall maintain indirect cost rate proposals and cost allocation plans shall be retained for ten (10) years, unless otherwise required by federal or state law.
  - i. This term survives termination or expiration of the Contract.
45. **RESPONSE TO STATE INQUIRES AND REQUEST FOR INFORMATION:** The Contractor shall prioritize requests from the Department to respond to inquiries from any Departments under the State of North Carolina, the North Carolina Legislature or other government agencies or bodies. Contractor shall respond to urgent requests from the Department within twenty-four (24) hours and according to the guidance and timelines provided by the Department. Contractor may be required to participate with and respond to inquiries from a consultant contracted with the Department regarding policies and procedures requiring review to determine compliance.
46. **RIGHT TO PUBLISH:** The Department agrees to allow the Contractor to publish material associated with the terms of this Contract provided the Contractor receives prior written approval from the Department. The Contractor shall submit for review any presentation or publication that will be given to outside parties that contains data and information relating to the terms of this Contract at least thirty (30) Calendar Days in advance. The Contractor shall not advertise or publish information for commercial benefit concerning this contract without the prior written approval of the Contracting Officer.

47. **SEVERABILITY**: If a court of competent authority holds that a provision or requirement of the Contract violates any applicable law, each such provision or requirement shall be enforced only to the extent it is not in violation of law or is not otherwise unenforceable and all other provisions and requirements of the Contract shall remain in full force and effect.
48. **SITUS**: The place of this Contract, its situs and forum, shall be Wake County, North Carolina, where all matters, whether sounding in Contract or tort, relating to its validity, construction, interpretation, and enforcement shall be determined.
49. **SOVEREIGN AND GOVERNMENTAL IMMUNITY**: Notwithstanding any other term or provision in this Contract, nothing herein is intended nor shall be interpreted as waiving any claim or defense based on the principle of sovereign immunity that otherwise would be available to the Department and State under applicable law. Notwithstanding any other term or provision in this Contract, nothing herein is intended nor shall be interpreted as waiving any claim or defense based on the principle of governmental immunity that otherwise would be available to the Contractor under applicable law against a third party.
50. **STATE CONTRACT REVIEW**: This RFP and subsequent contracts are exempt from the State contract review and approval requirements pursuant to G.S § 143B-216.80(b)(4).
51. **SUBCONTRACTORS**:
- a. Unless otherwise notified by the Department, acceptance of Contractor's proposal includes any Subcontractor(s) specified therein.
  - b. Work performed under this Contract by the Contractor or its employees shall not be subcontracted without prior written approval of the Department. Contractor must submit a written request for approval in accordance with Paragraph 37. **NOTICES** of this *Section III. D.* of the Contract at least thirty (30) Calendar Days prior to the anticipated start of services by the Subcontractor. Any request for Subcontractor approval shall include a completed *Section IX.I. Subcontractor Identification Form*.
  - c. Upon request, the Contractor shall provide the Department with complete copies of any contracts made by and between the Contractor and all subcontractors. The selected Contractor remains solely responsible for the performance of its subcontractors. Subcontractors, if any, shall adhere to the same standards required of the selected Contractor and this Contract. Any contracts made by the Contractor with a subcontractor shall include an affirmative statement that the Department is an intended third-party beneficiary of the Contract; that the contract with the subcontractor does not create a contract between the Department and subcontractor; and that the Department shall be indemnified by the Contractor for any claim presented by the subcontractor. Notwithstanding any other term herein, Contractor shall timely exercise its contractual remedies against any non-performing subcontractor and, when deemed appropriate by the Department, substitute another subcontractor.
  - d. The Contractor shall neither participate with nor enter into any agreement with any individual or entity that has been excluded from participation in federal health care programs. The Contractor shall not contract for the administration, management, or provision of medical services (or the establishment of policies or provision of operational support for such services), either directly or indirectly, with an individual convicted of crimes described in Section 1128(b)(8)(B) of the Act. [42 C.F.R. 438.808(a); 42 C.F.R.

438.808(b)(2); 42 C.F.R. 431.55(h); Section 1903(i)(2) of the Act; 42 C.F.R. 1001.1901(c); 42 C.F.R. 1002.3(b)(3); SMDL 6/12/08; SMDL 1/16/09]

- e. Any contract(s) between the Contractor and subcontractor(s) require:
  - i. The subcontractor to agree that the state, CMS, the DHHS Inspector General, the Comptroller General, or their designees have the right to audit, evaluate, and inspect its premises, any books, records, contracts, computer or other electronic systems of the subcontractor relating to its Medicaid Members, or of the subcontractor's contractor, that pertain to any aspect of services and activities performed, or determination of amounts payable under the Contractor's contract with the State;
  - ii. The subcontractor to agree that the right to audit by the State, CMS, the DHHS Inspector General, the Comptroller General or their designees, will exist through ten (10) years from the final date of the contract period or from the date of completion of any audit, whichever is later; and
  - iii. That if the State, CMS, or the DHHS Inspector General determine that there is a reasonable possibility of fraud or similar risk, the State, CMS, or the DHHS Inspector General may inspect, evaluate, and audit the subcontractor at any time.
- f. Any contract(s) between the Contractor and subcontractor(s) shall include:
  - i. The activities and obligations, and related reporting responsibilities, are specified in the contract or written agreement between the Contractor and the subcontractor.
  - ii. Provision for revocation of the delegation of activities or obligations or specify other remedies in instances where the Department or the Contractor determines that the subcontractor has not performed satisfactorily. 42 C.F.R. § 438.230(c)(1)(i) - (iii)
  - iii. Requirement to comply with all applicable Medicaid laws, regulations, including applicable subregulatory guidance and contract provisions. 42 C.F.R. § 438.230(c)(2).

- 52. **SUBSTANCE USE DATA (42 C.F.R. PART 2):** Contractor is fully bound by the provisions of 42 C.F.R. Part 2 upon receipt of data from DHB that includes Patient Identifying Information (PII) regarding substance use disorder, as those terms are defined by 42 C.F.R. 2.11. Contractor shall implement appropriate safeguards to prevent the unauthorized uses and disclosures of data protected under 42 C.F.R. Part 2. Contractor shall report any unauthorized uses, disclosures, or breaches of data subject to this term and condition, to the Contract Administrators for DHB within three (3) Calendar Days of the unauthorized use, disclosure, or breach. This notice is in addition to any other notice requirement regarding unauthorized disclosure of PII or PHI required by the Contract. Information disclosed to Contractor is limited to that which is necessary for the Contractor to perform its duties under the Contract. Contractor shall not re-disclose information to a third party unless that third party is a contract agent of the Contractor or subcontractor, helping to provide services described in the contract and only if the subcontractor only further discloses the information back to the contractor or lawful holder from which the information originated.
- 53. **SURVIVAL:** The expiration, termination, or cancellation of this Contract will not extinguish the rights of either party that accrue prior to expiration, termination, or cancellation or any obligations that extend beyond termination, expiration or cancellation, either by their

inherent nature or by their express terms.

54. **TAXES:** Any applicable taxes shall be invoiced as a separate item and in accordance with this paragraph and applicable laws.
- a. N.C. Gen. Stat. § 143-59.1 bars the Department from entering into Contracts with Contractors if the Contractor or its affiliates meet one of the conditions of N.C. Gen. Stat. § 105-164.8(b) and refuses to collect use tax on sales of tangible personal property to purchasers in North Carolina. Conditions under N.C. Gen. Stat. § 105-164.8(b) include: (1) Maintenance of a retail establishment or office, (2) Presence of representatives in the State that solicit sales or transact business on behalf of the Contractor and (3) Systematic exploitation of the market by media-assisted, media-facilitated, or media-solicited means. By execution of the proposal document the Contractor certifies that it and all its affiliates, (if it has affiliates), collect(s) the appropriate taxes.
  - b. All agencies participating in this Contract are exempt from federal taxes, such as excise and transportation. Exemption forms submitted by the Contractor will be executed and returned by the using agency.
55. **TERMINATION:** Any notice or termination made under the Contract shall be provided to Contractor's and Department's respective Contract Administrators.
- a. The Contractor obligations set forth in this Section shall survive the expiration or termination of this Contract and shall remain fully enforceable by Department against Contractor. In the event that Contractor fails to fulfill each obligation set forth in this Section, Department shall have the right, but not the obligation, to arrange for the provision of such services and the fulfillment of such obligations, all at the sole cost and expense of Contractor, and Contractor shall refund to Department all sums expended by Department in so doing.
  - b. Termination without Cause:  
This Contract may be terminated, in whole or in part, without cause by the Department by giving at least sixty (60) Calendar Days' prior written notice to the other party. The termination shall be effective at 11:59:59 p.m. on the last day of the calendar month in which the sixty (60) Calendar Day notice period expires. In the event of termination without cause:
    - i. Department and Contractor shall work together on a daily basis in good faith to minimize any disruption of services to NC Medicaid beneficiaries;
    - ii. Contractor shall perform all of the Contractor transition and other obligations specified in the Contract;
    - iii. Department and Contractor shall resolve any outstanding obligations under this Contract; and
    - iv. Contractor shall pay Department in full any refunds or other sums due to Department under this Contract.
  - c. Termination for Cause:
    - i. In accordance with 42 C.F.R. § 438.708, Department shall have the right to terminate this Contract with Contractor and to enroll Contractor's Members in other managed care plans if Department determines that Contractor has failed to carry out the substantive terms of this Contract or has failed to meet applicable requirements in Sections 1905(t), 1903(m), and/or 1932 of the Social Security Act.

- ii. Upon written notification to Contractor of Department's intent to terminate this Contract, Department may give Members written notice of such intent and allow the Members to disenroll immediately without cause in accordance with 42 C.F.R. § 438.722.
  - iii. If Department seeks to terminate this Contract pursuant to 42 C.F.R. § 438.708, Department shall provide Contractor with a pre-termination hearing as required by 42 C.F.R. § 438.710(b) and as described in this Contract.
  - iv. Department shall have the right to terminate this Contract for cause when the performance of Contractor or one of its subcontractors has threatened to place the health or safety of any Beneficiary in jeopardy, and Contractor knew or should have known of the issue and failed to take appropriate action immediately to correct the problem;
  - v. Department shall have the right to terminate this Contract for cause when Contractor becomes subject to exclusion from participation in the Medicaid program pursuant to Section 1902(p)(2) of the Social Security Act or 42 U.S.C. 1396a(p);
  - vi. Department shall have the right to terminate this Contract for cause when Contractor has fraudulently misled any Beneficiary or has fraudulently misrepresented the facts or law to any Beneficiary, and Contractor failed to take appropriate action immediately to correct the problem;
  - vii. Department shall have the right to terminate this Contract for cause when gratuities of any kind with the intent to influence have been offered or received by a public official, employee or agent of the State by or from Contractor, its agents or employees;
  - viii. Department shall have the right to terminate this Contract for cause if Contractor loses accreditation with NCQA.
  - ix. Department shall have the right to terminate this Contract for cause if Contractor declares bankruptcy.
  - x. Department shall have the right to terminate this Contract as otherwise set forth in this Contract.
- d. Automatic Termination:  
This Contract shall immediately and automatically terminate without further Contractor obligation to Department, except as provided below in Subsection e., if:
- i. Either of the two (2) sources of reimbursement for Medical Assistance (appropriations from the North Carolina General Assembly and appropriations from the United States Congress) no longer exists; or
  - ii. The sum of all contractual obligations of Department exceeds the balance of funds available to Department for a Contract year in which this Contract is effective.
  - iii. Written certification from the Department that one or the other or both of the conditions described above has been met shall be conclusive and binding upon the parties. Department shall attempt to provide Contractor with ten (10) State Business Days' prior notice of the possible occurrence of events described above.
  - iv. In the event of immediate and automatic Contract termination, Contractor shall cooperate fully with the Department in transferring any data and information or providing such other assistance as described in this Section in an expedient manner.

e. Contract Expiration, Termination, and Transition Obligations of Contractor:

At least sixty (60) Calendar Days before Contract expiration, and within thirty (30) Calendar Days of receipt of notice by Contractor of any Contract termination, Contractor shall provide notice of termination to Members. In all cases, Contractor's notification letter must be approved by Department before Contractor mails the notice to Members. No less than ninety (90) Calendar Days prior to the date of planned expiration or forty-five (45) Calendar Days of planned termination of this Contract, Contractor shall:

- i. Provide Department with Contractor's plan for the transfer of all Members to other appropriate managed care entities, and make all Department required changes to said plan;
- ii. Assist Department in the implementation of the Department-approved plan for Member transition in such a manner as to ensure the continuity of services for Members;
- iii. Promptly provide Department with information about all outstanding claims, as of the date of termination, and arrange for the payment of such claims;
- iv. Arrange for the secure maintenance of all Contractor records for audit and inspection by Department, CMS, and other authorized government officials;
- v. Provide for the transfer of all data, including encounter data and records, to Department or its agents as may be requested by Department;
- vi. Provide for the preparation and delivery of all reports, forms and other documents to Department as may be required pursuant to this Contract or any applicable policies and procedures of Department; and
- vii. Notify all Members in writing of the pending expiration or termination of this Contract. Such notice shall also include all information required by Department.

56. **TIME IS OF THE ESSENCE:** Time is of the essence in the performance of this contract and all provisions that specify a time for performance.

57. **TITLES AND HEADINGS:** Titles and headings in this RFP, and in any subsequent contract, are for convenience only and shall have no binding force of effect.

58. **USE OF THIRD PARTY ADMINISTRATOR:** If Contractor uses the services of a Third Party Administrator (TPA) to adjust or settle claims for Members, then the Contractor shall do all of the following:

- a. Ensure the TPA has a current license issued by, and is in good standing with DOI, as required by NCGS §§ 58-56-2(5) and 58-56-51;
- b. Have a written agreement with the TPA that is compliant with Article 56 of Chapter 58 of the General Statutes, as applicable, and includes a statement of the duties the TPA is expected to perform on behalf of the Contractor, as specified in NCGS § 58-56-6;
- c. Establish the rules, in accordance with this Contract, pertaining to claims payment and shall provide the TPA with the rules in accordance with NCGS § 58-56-26; and
- d. Submit to the Department with the Technical Response an attestation that the Contractor understands it is solely responsible to provide for competent administration of its claims under the Contract, as provided in NCGS § 58-56-26.

59. **WAIVER:** The failure to enforce or the waiver by the State of any right or of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance. The Department reserves the right to waive any of the requirements in this Contract by providing written notice of such waiver to Contractor. In order to constitute a waiver, said waiver must be entitled “Waiver of Contract Requirements,” list the specific requirement(s) being waived, the timeframe for such waiver, and be signed and dated by the Deputy Secretary for the Division of Health Benefits. For avoidance of doubt or dispute, there shall be no tacit, de facto, verbal, informal, or written waivers signed by anyone other than the Deputy Secretary for the Division of Health Benefits. Without such explicit written and signed “Waiver of Contract Requirements” document, the waiver is not effective.

## **E. Confidentiality, Privacy and Security Protections**

1. The requirements of this Section shall survive expiration or termination of the Contract. The requirements to protect the privacy and security of State-owned data shall survive so long as Contractor holds State-owned data.
2. **Confidential Information**
  - a. The Contractor, its agents, and its Subcontractors shall maintain the privacy, security and confidentiality of all data, information, working papers, instruments, studies, reports, and other documents related to the Contract in accordance with the standards of the NCDHHS privacy and security policies, state regulations, and federal regulations including: the Privacy Rule at 45 C.F.R. Parts 160 and 164, subparts A and E, the Security Standards at 45 C.F.R. Parts 160, 162 and 164, subparts A and C (“the Security Rule”), as required by HIPAA, and the applicable provisions of the Health Information Technology for Economic and Clinical Health Act (HITECH).
  - b. The Contractor shall treat all information obtained through its performance under the Contract as confidential information and shall not use or disclose such information except as provided under this Contract. The Contractor will implement necessary privacy and security measures to safeguard the receipt, storage, and processing of confidential information arising under this Contract, including the use of strong encryption algorithms meeting NIST criteria and HIPAA security standards to encrypt all confidential information including protected health information (PHI) and personally identifiable information (PII) while in transit and at rest. Any use, sale, disclosure, or offer of confidential information to any individual or organization except as contemplated under the Contract or approved in writing by the Department shall be a violation of the Contract. Any such violation will be considered a material breach of the Contract.
  - c. Contractor warrants that all its employees, Subcontractors, and any approved third-party contractors shall hold all information received during performance of the Contract in the strictest confidence and shall not disclose the same to any third party except as contemplated under the Contract or approved in writing by the Department. Contractor warrants that its employees, Subcontractors, and any approved third-party Contractors are subject to a non-disclosure, confidentiality or similar agreement that is enforceable in North Carolina and sufficient in breadth to include and protect confidential information related to the Contract. The Contractor shall, upon request by the Department, verify and produce true copies of any such agreements. Production of such

agreements by the Contractor may be made subject to applicable confidentiality, non-disclosure, or privacy laws, provided that the Contractor produces satisfactory evidence supporting exclusion of such agreements from disclosure under the North Carolina Public Records laws in NCGS § 132-1 et. seq. The Department may, in its sole discretion, provide a non-disclosure and confidentiality agreement satisfactory to the Department for the Contractor's execution. The Department may exercise its rights under this paragraph as necessary or proper, in its discretion, to comply with applicable security regulations or statutes, including but not limited to 26 U.S.C. 6103, SSA, and IRS Publication 1075 (Tax Information Security Guidelines for Federal, State, and Local Agencies and Entities), HIPAA, and implementing regulation in the Code of Federal Regulations and any future regulations imposed upon the Department of Information Technology Services or the North Carolina Department of Revenue pursuant to future statutory or regulatory requirements.

- d. The Department, State auditors, State Attorney General, Federal officials as authorized by Federal law or regulations, and State officials as authorized by State law or regulations, as well as the authorized representatives of the foregoing, shall have access to confidential information, persons, and records in accordance with the requirements of State and Federal laws and regulations. No other person or entity shall be granted access to confidential information unless State and Federal laws and regulations allow such access. Use or disclosure of confidential information shall be limited to purposes directly connected with the administration of the Contract.
- e. The Contractor warrants that without prior written approval of the Department, the Contractor shall not incorporate confidential or proprietary information of any person or entity not a Party to the Contract into any materials furnished to the Department, nor without such approval shall the Contractor disclose to the Department or induce the Department to use any confidential or proprietary information of any person or entity not a party to the Contract.
- f. The foregoing confidentiality provisions do not prevent the Contractor from disclosing information that (i) at the time of disclosure by the Department is already known by the Contractor without an obligation of confidentiality other than under this Contract, (ii) is publicly known or becomes publicly known through no act of the Contractor other than an act that is authorized by the Department, (iii) is rightfully received by Contractor from a third party and Contractor has no reason to believe that the third party's disclosure was in violation of an obligation of confidence to the Department, (iv) is independently developed by the Contractor without use of the Department's confidential information, (v) is disclosed without similar restrictions to a third party by the Department, or (vi) is required to be disclosed pursuant to a requirement of law or a governmental authority, so long as the Contractor, to the extent possible provides the Department with timely prior notice of such requirement and coordinates with the State in an effort to limit the nature and scope of such required disclosure.

### **3. HIPAA and HITECH**

- a. The Department has declared itself to be a hybrid entity under HIPAA with the Division of Health Benefits being a covered health care component. As such, this Contract and related activities are subject to HIPAA and Health Information Technology for Economic



and Clinical Health Act (HITECH). Contractor shall comply with all HIPAA and HITECH requirements and regulations, as amended, including:

- i. Compliance with the Privacy Rule, Security Rule, and Notification Rule;
  - ii. The development of and adherence to applicable Privacy and Security Safeguards and Policies;
  - iii. Timely reporting of violations regarding the access, use, and disclosure of protected health information (PHI); and
  - iv. Timely reporting of privacy and/or security incidents at:  
<https://www.ncdhhs.gov/about/administrative-divisions-offices/office-privacy-security>.
- b. Contractor will be performing functions on behalf of the Department that make Contractor a business associate for purposes of HIPAA regulations Contractor and this Contract are subject to the terms and conditions of the Business Associate Agreement attached to this Contract.
  - c. Contractor shall cooperate and coordinate with the Department and its privacy officials and other compliance officers as mandated by HIPAA and HITECH and accompanying regulations, or as requested by the Department, during performance of the Contract so that both Parties are in compliance with HIPAA and HITECH.
  - d. In addition to federal law and regulation, Contractor shall comply with State rules and regulation regarding protected information and Department and State policies including State IT Security Policy and standards. These policies may be revised from time to time and the Contractor shall comply with all such revisions.

**4. North Carolina Identity Theft Protection Act and Other Protections**

Certain data and information received, generated, maintained or used by Contractor may be classified as *"identifying information"* within the meaning of NCGS § 14-113.20(b) or *"personal information"* within the meaning of NCGS § 75-61(10). Contractor is subject to the North Carolina Identity Theft Protection Act requirements, NCGS § 132-1.10 and NCGS § 75-65 and must protect such identifying information and personal information as required by law, Department and State policy, and the terms of this Contract. Contractor shall report security incidents and breaches of all protected information, whether PHI, identifying information, or personal information as required in these Confidentiality, Privacy, and Security Provisions.

**5. State of North Carolina and NCDHHS Privacy and Security Requirements**

- a. The Contractor shall implement internal data security measures, and other industry security best practices utilizing appropriate hardware and software necessary to monitor, maintain, and ensure data integrity in accordance with all applicable federal regulations, state regulations, NCDHHS privacy and security policies. The Contractor will maintain all Privacy and security safeguards throughout the term of this agreement. In addition, the Contractor agrees to maintain compliance with the following:

NCDHHS Privacy Manual and Security Manual, both located online at:

<https://www2.ncdhhs.gov/info/olm/manuals/dhs/pol-80/man/>

<https://policies.ncdhhs.gov/departamental/policies-manuals/section-viii-privacy-and-security>

NC Statewide Information Security policies, located online at:

<https://it.nc.gov/resources/cybersecurity-risk-management/esrmo-initiatives/statewide-information-security-policies>

- b. **Encryption and Transmission:** The Contractor will implement strong encryption algorithm that meets industry encryption standard criteria as defined by NIST and HIPAA Security Standards to encrypt all confidential information including protected health information (PHI) and personally identifiable information (PII) while in transit and at rest to ensure data confidentiality and security.
  - c. **Data Security:** The Contractor shall implement internal data security measures, environmental safeguards, firewalls, access controls, and other industry security best practices utilizing appropriate hardware and software necessary to monitor, maintain, and ensure data integrity in accordance with all applicable federal regulations, state regulations and NCDHHS privacy and security policies. In the event the Contractor obtains written consent by a NCDHHS Division or Office to enter into a third-party agreement to whom the Contractor provides confidential information, the Contractor shall ensure that such agreement contains provisions reflecting obligations of data confidentiality and data security stringent as those set forth in the contract.
  - d. **Duty to Report:** In addition to any NCDHHS Privacy and Security Office (PSO) notification requirements in a Business Associate Agreement (BAA) with a NCDHHS Division or Office, the Contractor shall report all suspected and confirmed privacy and significant cybersecurity incidents as defined by NCGS § 143B-1320(a)(16a) involving unauthorized access, use, disclosure, modification, or data destruction to the NCDHHS Privacy and Security Office at <https://security.ncdhhs.gov/> within twenty-four (24) hours after the incident is first discovered. If the privacy or security incident involves Social Security Administration (SSA) data or Centers for Medicare and Medicaid Services (CMS) data, the Contractor shall report the incident within one (1) hour after the breach is first discovered. At a minimum, such privacy and security incident report will contain to the extent known: the nature of the incident, specific information about the data compromised, the date the privacy or security incident occurred, the date the Contractor was notified, and the identity of affected or potentially affected individual(s). During the performance of this contract, the Contractor is to notify the NCDHHS Privacy and Security Office of any contact by the federal Office for Civil Rights (OCR) received by the Contractor. In addition, the Contractor will reasonably cooperate with NCDHHS Divisions and Offices to mitigate the damage or harm of such security incidents.
  - e. **Cost Borne by Contractor:** If any applicable federal regulations, state regulations, local law, or rules requires the NCDHHS division/office or the Contractor to give affected persons written notice of a privacy or security breach arising out of the Contractor's performance under this contract, the Contractor shall bear the cost of the notice.
6. **Continuous Monitoring**
- a. The Contractor shall maintain compliance with the State Chief Information Officer's (CIO) Continuous Monitoring Process mandate, requiring that Contractors hosting state-owned data outside of NC DIT's infrastructure environment work with state agencies to implement a risk management program that continuously monitors risk through the performance of assessments, risk analysis, and data inventory.

- b. To comply with this mandate, set forth in NCGS § 143B-1376 [http://www.ncleg.net/EnactedLegislation/Statutes/HTML/ByChapter/Chapter\\_143B.html](http://www.ncleg.net/EnactedLegislation/Statutes/HTML/ByChapter/Chapter_143B.html) and based upon NIST 800-137, "Information Security Continuous Monitoring (ISCM) for Federal Information Systems and Organizations", the Contractor shall perform security/risk assessments on its information systems using the latest NIST 800-53 controls to assess its compliance with enterprise security standards as outlined below.
- c. **Security Assessment**
  - i. Contractors providing Infrastructure as a Service, Platform as a Service and/or Software as a Service for the state agency are required to obtain approval from the NCDHHS Privacy and Security Office to ensure their compliance with statewide security policies.
  - ii. To obtain such approval, the Contractor shall annually provide both a written attestation to its compliance and an industry recognized, third party assessment report, such as the Federal Risk and Authorization Management Program (FedRAMP) certification, SOC 2 Type 2, HiTRUST or ISO 27001. State agencies will be required to review these security assessment reports, assess the risk of each contractor and vendor, ensure completion of all findings using a Corrective Action Plan (CAP), and provide an annual certification to the Contractor's compliance to the State CIO.
- d. As a part of the continuous monitoring process and in lieu of the security assessment requirements above, the following risk analysis compliance is required:
  - i. The Contractor shall perform a risk analysis, either by using a third-party assessor or by performing a self-analysis, on a three-year cycle (with a third-party analysis mandated every third year).
  - ii. The Contractor shall provide a risk analysis for its cloud-hosted providers or off-site hosting service providers.
  - iii. The Contractor shall provide all findings identified in this risk analysis to NCDHHS Privacy and Security Office within thirty (30) Calendar Days of analysis completion, also including a corrective action plan documenting how each finding will be remediated.
- e. The Contractor shall work with the state agency to provide a data inventory of all cloud hosted services, by assisting the state agency with completing a Privacy Threshold Analysis (PTA) documenting the data classification and the data fields hosted within the cloud, offsite, or Contractor-hosted environment. The Contractor shall review a Privacy Threshold Analysis (PTA) with the NCDHHS Privacy and Security Office annually and assist with updating the PTA when changes to the data being hosted occur.
- f. NCDHHS Privacy & Security office may perform periodic independent security assessments of Contractor hosted applications on the public/private/hybrid cloud or On-Prem data centers. The Contractor must provide access to their applications' hosting environment and their key resources to NCDHHS designated resources and NCDHHS engaged vendors to perform a privacy & security risk assessment that includes vulnerability analysis, penetration testing, and risk analysis based on the latest NIST 800-53, Federal, State and NCDHHS requirements.

**7. Service Organization Control (SOC) Reports**

Except as otherwise provided in this Section, all SOC 1 and SOC 2 Type II reports, and associated SOC 2 corrective action plans, must be submitted within ten (10) Calendar Days of Contract execution and annually thereafter to the NCDHHS Privacy and Security Office in a format to be specified by the State. The Department will accept ISO 27001 certification for security controls in lieu of a SOC 2 Type II report. Annual reports must be submitted within thirty (30) Calendar Days of completion unless another timeframe is approved by the Department.

**8. North Carolina Identity (NCID) Service**

- a. For all software owned or leased by Contractor that connects to State hardware or software, Contractor must externalize identity management and may be required to utilize the North Carolina Identity Service for the identity management and authentication related functions performed by Contractor's applications. NCID is the State's enterprise identity management (IDM) service. The North Carolina Department of Information Technology operates it. Additional information regarding this service can be found in the DIT Service Catalog at: <https://it.nc.gov/services/nc-identity-management-ncid> and the NCID Web site at: <https://www.ncid.its.state.nc.us/>.
- b. The use of any other IDM service will require Department and State approval. The protocol (web services, LDAP, SAML, etc.) shall be determined by the Department and the Contractor based on the implementation. In addition, Contractor may be required to implement multi factor authentication per the State specifications.

**9. Privacy and Security Related Deliverables**

- a. The following shall be submitted in response to this RFP:
  - i. Vendor Readiness Assessment Report (VRAR) <https://it.nc.gov/documents/vendor-readiness-assessment-report;>
  - ii. System Security Plan (SSP) <https://it.nc.gov/documents/system-security-plan-template;>
  - iii. Vendor SOC 2 or ISO 27001 or FedRamp or equivalent compliance certificates;
  - iv. Network Architecture Diagram; and
  - v. Data Flow Diagram and Description.
- b. The following shall be submitted to the Department no later than thirty (30) Calendar Days after Contract Award, unless the Department sets another due date, in which case Contractor shall have a least thirty (30) Calendar Days advanced notice of the due date:
  - i. Final version of SSP;
  - ii. Final version of VRAR;
  - iii. Final version of network architecture and data flow diagrams;
  - iv. Self-Assessment (NIST 800-53) – The template will be provided by the Department upon contract execution;
  - v. Business Continuity Plan (BCP);
  - vi. Disaster Recovery Plan (DRP); and
  - vii. Continuous Operation Plan (COOP).

## F. Public Records and Trade Secret Protections

1. Pursuant to NCGS § 132-1, et seq., this Contract and information or documents provided to the Department under the Contract are Public Record and subject to inspection, copy and release to the public unless exempt from disclosure by statute.
2. **Any proprietary or confidential information which conforms to exclusions from public records as provided by Chapter 132 of the General Statutes must be clearly marked as such with each page containing the trade secret or confidential information identified with bold face as "CONFIDENTIAL." If only a portion of each page marked "CONFIDENTIAL" contains trade secret information, the trade secret information shall be designated with a contrasting color or by a box around such information.** Any material labeled as confidential constitutes a representation by the Contractor that it has made a reasonable effort in good faith to determine that such material is, in fact, a trade secret under NCGS § 66-152(3). Under no circumstances shall price information be designated as confidential. Contractor is urged and cautioned to limit the marking of information as trade secret or confidential so far as is possible.
3. Regardless of what Contractor may label as a trade secret, the determination of whether it is or is not entitled to protection will be made in accordance with NCGS § 132-1.2 and NCGS § 66-152(3). If any challenge, legal or otherwise, is made related to the confidential nature of information redacted by the Contractor, the Department will provide reasonable notice of such action to Contractor, and Contractor shall be responsible for the cost and defense of, or objection to, release of any material. The Department is not obligated to defend any challenges as to the confidential nature of information identified by the Contractor as being trade secret, proprietary, and otherwise confidential. The Department shall have no liability to Contractor with the respect to disclosure of Contractor's confidential information ordered by a court of competent authority pursuant to NCGS § 132-9 or other applicable law.
4. A redacted copy of this Contract and any subsequent amendments, documents, or materials relating to or provided as part of this Contract, shall be provided to the Department within thirty (30) Calendar Days of execution. Redacted copies must clearly indicate where information has been redacted. For the purposes of this Contract, redaction means to edit the document by obscuring information that is considered confidential and proprietary **and** meets the definition of Confidential Information set forth in NCGS § 132-1.2. In lieu of redacting information by obscuring, Contractor may replace the information, paragraphs or pages with the word "Redacted." By submitting a redacted copy, the Contractor warrants that it has formed a good faith opinion, having received such necessary or proper review by counsel and other knowledgeable advisors, that the portions marked Confidential and/or Redacted meet the requirements of Chapter 132 of the General Statutes. Redacted copies provided by Contractor to the Department may be released in response to public record requests without notification to the Contractor. Information submitted by Contractor that is not marked "Confidential" or "Trade Secret" will become a public record.
5. This Section shall survive termination or expiration of the Contract for any reason.

## IV. Minimum Qualifications

The Department has defined below Minimum Qualifications that the Offeror is required to meet to have its response evaluated as defined in *Section II.G. Evaluation Process and Contract Award*. The Offeror must complete *Section IX. A. Response to Minimum Qualifications* and provide the appropriate details to support each requirement as part of *Section IX. Offeror's RFP Proposal and Response*.

Qualification	
1.	The Offeror must meet the definition of Prepaid Health Plan (PHP) as defined under NCGS § 58-93-5 or S.L.2023-134, s.9E.22.(k) to be codified as NCGS § 108D-62 or be a consortium established under 122C-116.
2.	<p>The Offeror agrees to submit only one response to this RFP as an entity that meets the definition of PHP as defined under NCGS § 58-93-5 or S.L.2023-134, s.9E.22.(k) to be codified as NCGS § 108D-62 or as a consortium established under NCGS § 122C-116 and as defined below.</p> <ul style="list-style-type: none"><li>a. An entity participating in an Offeror consortium established under NCGS § 122C-116 may not serve as a lead entity on another proposal and may not participate in any other Offeror consortium.</li><li>b. An entity that owns five percent (5%) or greater in any Offeror may not serve as an Offeror entity on any other proposal.</li></ul>
3.	The Offeror agrees to all of the terms and conditions, including confidentiality, privacy and security protections and public records and trade secrets protections, specified herein.
4.	The Offeror agrees to comply with the Conflict of Interest requirements within this RFP, as outlined in <i>Section III.D.18. <u>DISCLOSURE OF CONFLICTS OF INTERESTS</u></i> and <i>Section V.A.9.m. <u>Conflict of Interest</u></i> .
5.	The Offeror agrees to comply with the Performance Bond requirements within this RFP, as outlined in <i>Section III.C.41. <u>PERFORMANCE BOND</u></i> .
6.	The Offeror certifies the Offeror is not located outside of the United States in accordance with 42 C.F.R. § 438.602(i).
7.	The Offeror must demonstrate at least five (5) years of experience in operating a fully at-risk managed care contract for children engaged in child welfare system in a Medicaid Program. Experience must be within the last ten (10) years.
8.	The Offeror is financially stable and has disclosed any legal actions that could adversely affect its financial condition or ability to meet the requirements of this RFP as required by <i>Section IX. Attachment E: Certification of Financial Condition and Legal Action Summary</i> .

## V. Scope of Services

*Section V. Scope of Services* is located in a separate document titled **02 Section V. Scope of Services**.

## VI. Contract Performance

*Section VI. Contract Performance* requirements is located in a separate document titled **03 Section VI. Contract Performance and Section VII. Attachments A. – R.**

## VII. Attachments A. – R.

*Section VII. Attachments A. – R.* is located in a separate document titled **03 Section VI. Contract Performance and Section VII. Attachments A. – R.**

1. Attachment A: CFSP Organization Roles and Positions
2. Attachment B: Summary of Medicaid Services
3. Attachment C: Anticipated Contract Implementation Schedule
4. Attachment D: Required CFSP Quality Metrics
5. Attachment E: CFSP Network Adequacy Standards
6. Attachment F: Required Standard Provisions for CFSP and Provider Contracts
7. Attachment G: Medicaid Managed Care Addendum for Indian Health Care Providers
8. Attachment H: Provider Appeals
9. Attachment I: Reporting Requirements
10. Attachment J: Risk Level Matrix
11. Attachment K: Managed Care Terminology Provided to the CFSP for Use with Members Pursuant to 42 C.F.R. § 438.10
12. Attachment L: 1. North Carolina Medicaid Managed Care and CFSP Enrollment Policy
13. Attachment L: 2. CFSP Advanced Medical Home Program Policy
14. Attachment L: 3. CFSP Pregnancy Management Program Policy
15. Attachment L: 4. CFSP Care Management for High-Risk Pregnancy Policy
16. Attachment L: 5. CFSP Uniform Credentialing and Re-credentialing Policy
17. Attachment L: 6. CFSP Management of Inborn Errors of Metabolism Policy
18. Attachment L: 7. CFSP Behavioral Health Service Definition Policy
19. Attachment M: Addendum for Division of State Operated Healthcare Facilities
20. Attachment N: Performance Metrics, Service Level Agreements (SLAs) and Liquidated Damages
21. Attachment O: Timeframes for Healthy Opportunities Pilot Service Authorization
22. Attachment P: Healthy Opportunities Pilot Interpersonal Violence (IPV)-Related Services: Conditions, Requirements, and Standards
23. Attachment Q: Healthy Opportunities Screening Questions
24. Attachment R: Tailored Plan Medicaid Managed Care Catchment Areas

## VIII. CFSP Data Book and Capitation Rate Methodology

This solicitation includes the Draft Rate Book which is intended to include sufficient information to support entities in making business decisions related to responding to the RFP. Final rates will reflect the more recent historical experience and changes to program requirements not reflected in the Draft Rate Book. The Draft Rate Book shall be provided via an addendum. See *Section II.D. Schedule of Important Events*. The final rates shall be provided in advance of the launch of the CFSP.

## IX. Offeror's RFP Proposal and Response

*Section IX. Offeror's RFP Proposal and Response, A. – R.* is located in a separate document titled **04 Section IX. Offeror's RFP Proposal and Response**. This includes the following subparts that are part of the Offeror's Proposal and Response.

- A. Response to Minimum Qualifications
- B. Response to Technical Evaluation Questions
- C. CFSP Key Personnel
- D. Contract Administrators
- E. Certification of Financial Condition and Legal Action Summary
- F. Disclosure of Litigation and Criminal Convictions
- G. Disclosure of Conflicts of Interest
- H. Disclosure of Ownership Interest
- I. Subcontractor Identification Form
- J. Business Associate Agreement
- K. National Correct Coding Initiative Confidentiality Agreement
- L. Locations of Workers Utilized by the Contractor
- M. State Certifications
- N. Federal Certifications and Disclosures
- O. Historically Underutilized Businesses
- P. Request for Proposed Modifications to the Terms and Conditions
- Q. Legal grounds for Making Information Confidential
- R. Evaluation Methodology