

***NEW YORK STATE DEPARTMENT OF HEALTH***

A Funding Availability Solicitation (FAS)

For the

Office of Health Insurance Programs

New York State Health Benefit Exchange (NY-HX)

FAU No. 1106211137

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Schedule of Key Events

Posting Date	July 15, 2011
Proposal Due Date	August 15, 2011
Anticipated Start Date	on or about September 9, 2011

**DESIGNATED CONTACTS:**

Pursuant to State Finance Law §§ 139-j and 139-k, the Department of Health identifies the following designated contacts to whom all communications attempting to influence this procurement must be made:

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## **I. Introduction**

In December 2010 the New York State Department of Health (the Department) applied for an Early Innovator (EI) federal grant to support the design, development and implementation (DDI) of the business requirements, processes and Information Technology (IT) infrastructure needed to operate a New York State Health Benefit Exchange and a New York State Small Business Health Option Program (SHOP) Exchange (NY-HX) in accordance with the requirements of the Patient Protection and Affordable Care Act (ACA). In February 2011 the Department was awarded an Early Innovator grant. The purpose of this Funding Availability Solicitation (FAS, Request for Proposals (RFP) or posting) is to support the Department's solicitation of responses from qualified contractors with demonstrated expertise in the implementation of health exchanges. By mid-2013 the selected contractor must deliver to the Department a fully functional, "operational ready" NY-HX system (NY-HX Solution) that meets all of the requirements in this FAS, along with requisite hardware, software, network and computer facility to run the exchange. Due to this compressed timeframe the Department is seeking a contractor that can demonstrate immediate readiness to execute the requirements herein, upon the approval as to the form of the contract by the Office of the State Comptroller (OSC).

Major goals for the NY-HX are to: 1) Provide immediate support for New York to Design, Develop and deliver to the Department an Operational ready (DDO) NY-HX Solution which meets the needs of the State, New York consumers, and a range of relevant stakeholders (e.g., employers, health plans, citizens, etc.); 2) Design and develop modular, reusable, scalable, open standards technology components for advancing NY-HX capabilities, working in collaboration with the U.S. Department of Health and Human Services (HHS) Center for Consumer Information and Insurance Oversight (CCIIO), the Centers for Medicare and Medicaid Services (CMS), the State of New York and other States; 3) Further mature and refine the NY-HX IT governance structure, building upon the planning work completed by the New York State Insurance Department (NYSDOI) and the Department as a result of the State's first round planning grant award from CCIIO; 4) Refine and evolve the integration strategy of New York's Medicaid and Children's Health Insurance Program (CHIP) into the NY-HX; 5) Design the NY-HX such that it will be able to interoperate with other social benefit programs such as the Supplementary Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF) and Title IVE of the Social Security Act ( Foster Care); and, 6) Position New York and other states to deploy successful Health Insurance Exchanges beginning in July, 2013 for full implementation by January 1, 2014.

This Funding Availability Solicitation (FAS) is being posted by the Department in accordance with Chapter 59 of the Laws of 2011, Section 105 which is set forth below. The Commissioner of the Department is authorized to review all reasonable and responsive proposals submitted in response to this FAS and to select a contractor(s) which in the discretion of the Commissioner is best suited to carry out the purposes set forth in the Early Innovator Grant award to the Department.

§ 105. Notwithstanding any inconsistent provision of sections 112 and 163 of the state finance law, or section 142 of the economic development law, or any other law, the commissioner of health is authorized to enter into a contract without a competitive bid or request for proposal process for the purposes set forth in the Early Innovator federal

grant awarded to the department of health by the federal centers for medicare and medicaid services pursuant to the Patient Protection and Affordable Care Act (P.L. 111-148) and the Health Care and Education Reconciliation Act of 2010 (P.L. 111-152), provided, however, that:

(i) the department of health shall post on its website, for a period of no less than thirty days:

(1) a description of the proposed services to be provided pursuant to the contract or contracts;

(2) the criteria for selection of a contractor or contractors which shall include but not be limited to the ability of the contractor to meet the federal grant requirements;

(3) the period of time during which a prospective contractor may seek selection, which shall be no less than thirty days after such information is first posted on the website; and

(4) the manner by which a prospective contractor may seek such selection, which may include submission by electronic means;

(ii) all reasonable and responsive submissions that are received from prospective contractors in timely fashion shall be reviewed by the commissioner of health;

(iii) the commissioner of health shall select such contractor or contractors that, in his or her discretion, are best suited to carry out the purposes set forth in the Early Innovator federal grant awarded to the department of health; and

(iv) prior to the execution of any resulting contract, the commissioner of health shall submit a copy to the office of the state comptroller for review and approval.

## **II. Background**

On March 23 and 30, 2010, President Obama signed into law the Patient Protection and Affordable Care Act, Public Law 111-148 and the Health Care and Education Reconciliation Act, Public Law 111-152. The two laws are collectively referred to as the Affordable Care Act (ACA). ACA creates new competitive health insurance markets, including the establishment of Exchanges, that will provide millions of Americans and small businesses access to affordable coverage. An Exchange must meet federal certification requirements by January 1, 2013 and be capable of providing open enrollment services by mid-2013. Exchanges in each state must be fully operational by January 1, 2014.

On September 29, 2010, New York State received a \$1 million award from HHS/CCIIO through the State Planning and Establishment Grants for the Affordable Care Act's Exchanges, Funding Opportunity Announcement (FOA) No. IE-HBE-10-001 (Planning Grant). The Planning Grant is being used for initial planning activities related to the implementation of the NY-HX Solution. Major goals for the initial planning year include: 1) compile and evaluate background research from current research platforms and private funding by January 2011; 2) engage stakeholders in the evaluation, planning and development process throughout the one-year planning period; 3) evaluate the extent to which New York can integrate and build on existing programs, as appropriate; 4) identify and utilize existing resources and capabilities, as appropriate, throughout the one-year planning period and determine need for additional resources; 5) design NY-HX governance structure and draft legislation, if required; 6) evaluate financial accounting, auditing, and reporting requirements and potential pathways to securing compliance; 7) identify existing technical infrastructure resources and needs; 8) create a business operations plan and policies for the Exchange; and (9) identify legislation and regulations needed to create, promote, and regulate the Exchange.

The State's planning activities are being augmented by an information technology (IT) gap analysis project funded by the New York State Health Foundation. The work product of this engagement has produced a report (Attachment 13) that recommends the direction New York should take to develop a "consumer-centric" ACA compliant exchange leveraging existing technology assets.

In December 2010 the Department applied for an Early Innovator federal grant to support the DDO of the NY-HX (see Attachment 4). On February 16, 2011 New York was chosen as one of seven EI states. The State received a grant award to design and implement the IT infrastructure needed to operate the NY-HX Solution, including NY-HX application software and eligibility and enrollment functionality. As an EI state, New York and the selected contractor must share components it develops with other states for reuse in their Exchanges. As an EI state, the target date for "Operational Readiness" of the NY-HX Solution is October 10, 2012, to facilitate re-use by other states.

On January 20, 2011, the U.S. Department of Health and Human Services (HHS), Office of Consumer Information and Insurance Oversight (OCIO subsequently renamed CClIO) released the Cooperative Agreement to Support Establishment of State-Operated Health Insurance Exchanges, FOA No. IE-HBE-11-004 (Establishment Grant). This funding opportunity provides funding to support ongoing State efforts to implement Exchanges. It also specifies required core areas, functionality, milestones and benchmarks states must address to meet ACA standards and timeframes, and to qualify for ongoing federal Establishment Grant support. New York intends to apply for Establishment Grant funding.

### **III. Scope of Work**

The selected contractor will contract with the Department to design, develop and deliver to the Department an operational ready (DDO) NY-HX Solution based upon the requirements defined in the ACA and the requirements set forth herein.

The operational ready NY-HX Solution delivered by the contractor must meet all the requirements herein, the requirements of the federal Early Innovator grant award, the requirements in the ACA, all current federal rules and regulations governing exchanges as well as comply with all federal FOAs, guidance and framework documents pertaining to exchanges issued prior to this FAS (Attachments 1 – 13). Since federal rules and regulations governing the DDO of Exchanges have not been finalized, the Department is seeking fixed price proposals from contractors for the delivery of an operational ready exchange, including the key staff and associated hardware and software defined in the FAS.

As additional requirements become known and additional funding becomes available the Department will amend the contract for the additional work based upon the labor rates supplied in the contractor's proposal for the labor categories identified in Attachment 2, Section 12, *Staffing*. The hourly rate must be a fully loaded rate and include all personnel, overhead, indirect, travel, profit, equipment usage, and other miscellaneous costs.

The contractor will also be required to provide the Department with a range of assistance and deliverables, including assessments, analyses, recommendations, options, development of scope of work for subcontracts and/or solicitations and other work products and assistance necessary to design and develop a NY-HX Solution, and enable the Department to achieve all requirements defined herein.

The contractor will also assist the Department and/or Exchange entity/ies (“Exchange Operator(s)”) as needed to develop the procedures and standards necessary for successful implementation and operation of the NY-HX, and required to support the development of detailed business requirements and processes. Work related to these activities will also be handled as contract amendments utilizing the labor rates provided in Attachment 2, Section 12, *Staffing*.

It is the Department’s intent to award the operational phase of the NY-HX Solution to the successful contractor resulting from this FAS.

#### **IV. Term**

The Department intends to award a four (4) year contract that shall include all DDO tasks and the delivery of an operational ready system. The Department shall have the option to extend the contract for five additional years with a possibility of an additional one year extension for the operation of the NY-HX.

#### **V. Business Requirements**

The NY-HX Solution will carry out a number of functions required by the Affordable Care Act. Using the NY-HX portal functionality, insurers and the State will conduct certification management of qualified health plans. Small businesses will use NY-HX Solution to establish health insurance coverage options for their employees. Individuals will use NY-HX Solution portal features to comparison shop health insurance plans, determine plan eligibility options, learn about plan subsidies, cost-sharing, and tax credit options, and complete the plan enrollment process. The NY-HX will facilitate people and small businesses in having a choice for quality, affordable health insurance even if a job loss, job switch, move, or illness occurs. The NY-HX Solution will make purchasing health insurance easier and more understandable—and a consumer-friendly IT infrastructure will be critical to the success of the Exchange.

The NY-HX Solution will share and gather information across the enterprise as appropriate, and will streamline the process for the consumer. Ultimately, the NY-HX Solution will present the consumer with the best information to make an informed choice regarding health insurance options. At a high level, the NY-HX Solution must support six (6) core business areas set forth in the federal definition of the Exchange Business Architecture, including:

1. Eligibility Determination & Enrollment,
2. Plan Management,
3. Financial Management,
4. Customer Service,
5. Communications, and
6. Oversight.

All deliverables resulting from this contract, including but not limited to code, procedures, and any and all system documentation including but not limited to training material, job aids, technical

architecture, etc. will be within the public domain. As an EI the Department and the selected contractor are required to make these deliverables available to other states at no cost.

The contractor cannot reuse any and all deliverables without the written permission of the Department.

Within its NY-HX Solution the contractor must implement all the requirements herein, including but not limited to:

- The requirements in the body of this document, and
- The business requirements and technical requirements defined in Attachments 1-13

The contractor's NY-HX Solution must also conform to all the guidelines defined in Attachments 6-11.

## **VI. Project Plan**

As part of its response to this FAS the offeror should provide a fully loaded project plan and schedule based upon the timeframes defined in Section IX Schedule of this FAS. This plan should define all tasks and milestones the offeror feels are necessary to meet the requirements set forth herein. As necessary and applicable, the plan should incorporate all facets of the Exchange Life Cycle model as defined by the Department of Health and Human Services in the *Collaborative Environment and Life Cycle Governance – Exchange Reference Architecture Supplement* (see Attachment 7). The contractor's project plan should identify the proposed software development lifecycle methodology (SDLC). While the Department believes an iterative or "agile" SDLC approach is warranted for this project, offerors may propose other approaches supported by comprehensive justification.

This plan will be used by the Department as part of the evaluation of responses to ensure that the offeror has a clear and concise understanding of the scope of the NY-HX Solution project. Since the NY-HX Solution must demonstrate operational readiness by October 2012, the Department will also evaluate contractor readiness to commence work to meet the requirements defined herein.

Prior to the project kick-off meeting, the contractor must deliver its updated Project Plan and Schedule to the Department for approval. This plan will be used to baseline the project. The contractor will be required to update this plan throughout the life of the contract.

The contractor will also be required to work with Department staff on utilization of the CMS Application Lifecycle Management (ALM) collaboration portal, a repository where EI states can store project artifacts to promote collaboration and reusability.

## **VII. Location Requirements**

The contractor must establish, within sixty (60) calendar days from OSC approval of the form of the contract, a primary facility in a location approved by the Department. All work specified in this FAS must be performed at this facility, with the exception of activities performed within the actual computer operations and required back-up and recovery facilities. The primary facility may be combined with the computer facility as long as the computer facility is physically secured as required in the FAS.

The primary facility must be within ten (10) miles of the New York State Capitol building in Albany, New York. All other facilities, including but not limited to the primary data center and the disaster recovery site must be within the continental United States. When selecting the location of the primary site the contractor must take into consideration the need to staff up to forty (40) State staff or State contractor staff (not including the selected contractor) within this facility. Initially, ten (10) State staff will be located in this facility.

The contractor is responsible for all costs related to securing and maintaining the contractor's primary project site and any other of its locations for the life of the project. The contractor is also responsible for providing all office equipment and supplies including but not limited to: desktop PCs, LAN and network printers, faxes, copiers, paper, file folders and associated software for up to forty (40) state staff or state contractor staff assigned to perform project activities at the primary site. The contractor must replace the PCs, PC software and network printers every three (3) years with the most current technology available unless otherwise directed by the Department.

The contractor must house all facilities in a secure area, protected by a defined security perimeter, with appropriate security barriers and entry controls

The offeror should also identify in its proposal a primary computer facility and a disaster recovery facility; both must meet, at a minimum, the specifications of a Tier III Data Center Infrastructure as defined by the Uptime Institute.

## **VIII. Technical Requirements**

The contractor will be required to provide within sixty (60) calendar days from OSC approval of the form of the contract a dedicated development environment that will support the DDO effort. This environment will reside in the contractor's primary data center. The contractor must be responsible for the provision and maintenance of all hardware, computer network, personal computer-based workstations, printers, supporting modems, imaging equipment and software needed for the NY-HX Solution. The contractor must arrange for and coordinate the maintenance of all equipment and software.

The technical and system architecture will provide the underlying computing infrastructure (i.e., hardware, software, network, database management system) that enables and supports the NY-HX. The technical architecture design, proposed by the contractor, must address the requirements of scalability, capacity, extensibility, adaptability, performance, availability, stability security and flexibility.

The proposed NY-HX Solution architecture should meet specific technical requirements as defined in Attachment 2 as well as the operational, performance and availability requirements defined in the Service Level Agreements (SLAs). In addition, the proposed technical and system architecture should address the business continuity requirements (i.e., backup/recovery, failover, disaster recovery) deemed necessary to effectively manage and operate the NY-HX. These requirements are defined in Attachment 2.

The Department requires the contractor to integrate “Best of Breed” commercial-off-the-shelf (COTS) products into its solution to meet the needs of the business functions (e.g. Business Rules Engine, Workflow, imaging, etc.). For purposes of the FAS, COTS solutions are those products that can be licensed and utilized by multiple industries, are commercially available from a third party, and provide a common solution throughout the application. Any deviation from this definition requires prior approval by the Department.

The NY-HX Solution technical architecture must conform to the Medicaid Information Technology Architecture (MITA) design principles, in accordance with the Department’s vision of the evolution of its current Medicaid Management Information System (MMIS) environment, eMedNY. By mid-2011, eMedNY will support the Health Insurance Portability and Accountability Act (HIPAA) X.12 5010 transaction set within the service oriented architecture/enterprise service bus (SOA/ESB) framework. Additionally, the Department is in the process of employing the results of a MITA State Self-Assessment (SS-A). The MITA maturity model is an integral part of the State’s system enhancement strategy.

The NY-HX Solution technical architecture must provide the functionality to support and fully integrate, where applicable, inclusion of the Medicaid program, including but not limited to Medicaid eligibility and enrollment determinations and anticipated enhancements to New York’s current Medicaid eligibility system, as well as the six core business areas identified in Section V. The planned enhancements are designed to improve current eligibility determination and enrollment processes and will include the implementation of an Enrollment Center and IT application to support Medicaid eligibility determination and re-certifications. Attachment 2 identifies the technical requirements that the selected contractor must perform.

The Department anticipates that the NY-HX system architecture will include a clustered server environment consisting of a Web server(s), Application server(s) with ESB capability and backend database server(s).

Security will be supported through deployment of X509 Public Key Infrastructure (PKI) featuring a Certificate Authority/PKI server. Lightweight Directory Access Protocol (LDAP) will be used for Exchange service access control through username/password authentication support. Additionally, the Department will adhere to the National Information Exchange Model (NIEM) and Nationwide Health Information Network (NHIN) standards, when applicable, to support information exchange among various systems containing pertinent information to support NY-HX services. The NY-HX Solution must also conform to the security requirements in the Health Insurance Portability and Accountability Act (HIPAA) and Health Information Technology for Economic and Clinical Health Act (HITECH).

The NY-HX Solution must rely on open standards and standard application programming interfaces (APIs) to integrate with the ESB as well as with other third-party components. The NY-HX IT architecture will use an open ESB as the core coordination component of business services across the different applications as feature requirements dictate. Leveraging this proven, working architecture will minimize NY-HX project risk and maximize investment of grant dollars.

The NY-HX technical architecture, business requirements and processes must also support inclusion of Child Health Plus (CHP) program. This will include, but not be limited to functionality in the six (6) core business areas, CHP oversight, financial administration support, communications, customer service, CHP eligibility determination and enrollment processes as well as plan management functions.

The technical architecture proposed in response to this FAS should leverage to the greatest extent possible the current architecture described in Attachment 4 and interface with it through an ESB.

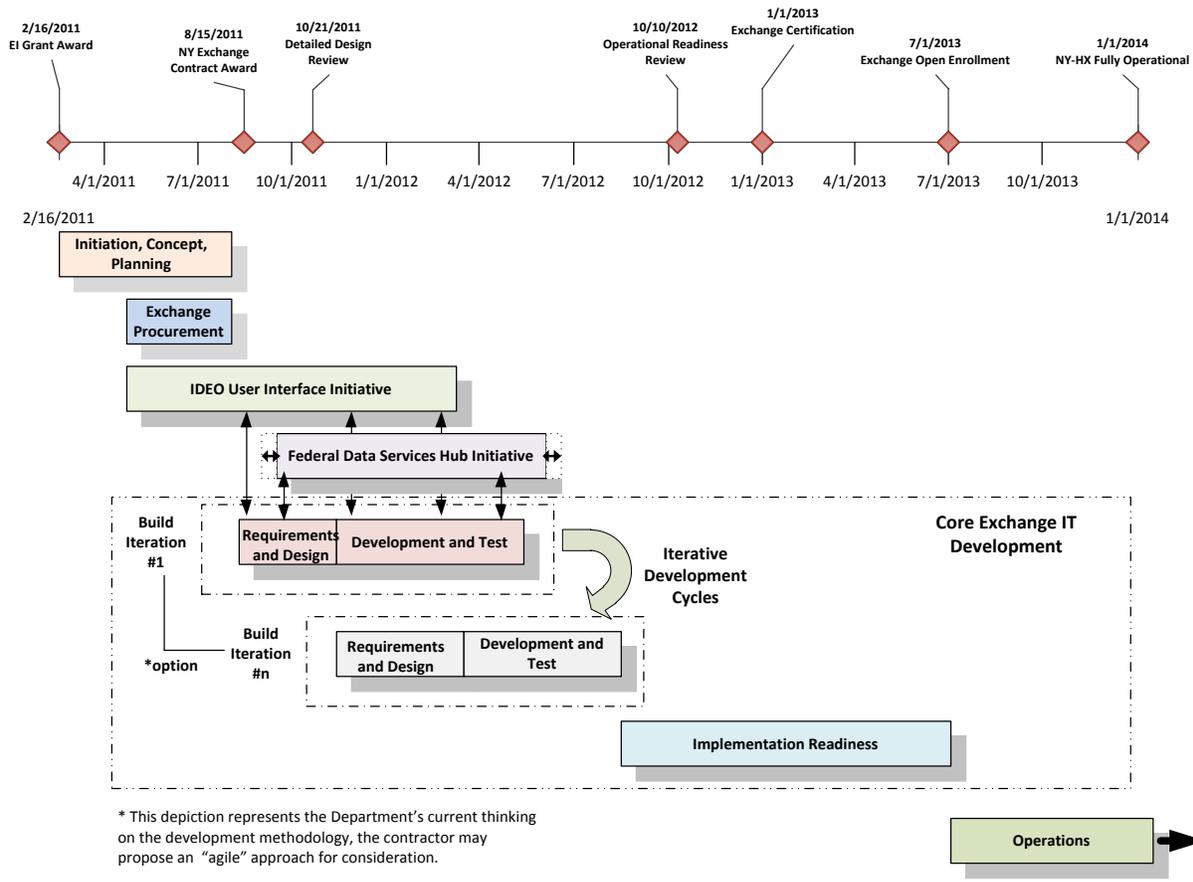
## **IX. Schedule**

The selected contractor must design, develop and implement the Information Technology (IT) infrastructure needed to operate the NY-HX on the timeline specified in Exhibit 1, to enable anticipated open Exchange enrollment starting in July, 2013. This contractor must demonstrate leadership in developing cutting-edge and cost-effective consumer-based technologies and models for insurance eligibility and enrollment for the NY-HX.

Because of the compressed schedule required as a result of the EI grant, offeror responses should demonstrate experience with the implementation of exchanges (including corporate qualifications and staffing qualifications), the readiness to commence work immediately, and the capability to meet the aggressive schedule shown in Exhibit 1. Since Federal and State rules and guidelines are still emerging, timelines may change based on subsequent determinations by CMS.

The user interface (UI) design of the NY-HX Solution must incorporate a design consultancy known as IDEO, which will be the primary UI design architecture for the NY-HX Solution and the contractor is required to integrate these design concepts into its NY-HX Solution. (See Exhibit 1 and Attachment 2 Section 5)

Incorporation of the Exchange Life Cycle and all required deliverables by project phase, as defined in the *Collaborative Environment and Life Cycle Governance – Exchange Reference Architecture Supplement*, is required and must be incorporated in the schedule. (See Attachment 9)



**Exhibit 1**

**X. Payments**

Payment for contractor services provided under this Contract will be in accordance with the schedules and methods defined in this section.

**1. Incurred Costs**

The State of New York is not liable for any cost incurred by prospective offerors prior to the approval of the form of the executed contract by the Office of the Comptroller (OSC) of the State of New York. Additionally, no cost will be incurred by the State for any activity by the selected contractor prior to the contract award.

**2. Fixed Cost Payment Schedule**

The contractor shall be paid a percentage, as shown in the table below, of the total fixed price for each of the milestone as defined in Attachment 2 Technical Requirements, Section 7, System Development Methodology subsections a-d of this FAS. Payment will be made upon the Department's acceptance and approval of the completion of milestone.

The distribution of payment for each fixed price portion of the NY-HX Solution is as follows:

Milestone	Percentage of Fixed Price
<b>Requirements Definition</b>	15
<b>System Design</b>	15
<b>System Construction and System Test</b>	15
<b>User Acceptance Testing</b>	25
<b>CMS Operational Readiness Review</b>	30

All staff necessary to complete the milestones above must be included in the fixed price. The staffing rate must be a fully loaded rate and includes all personnel, overhead, indirect, travel, profit, equipment usage and any other miscellaneous costs.

At a minimum the contractor must propose the quantity of key staff shown in Attachment 2, Section 12.3. Resumes must be provided for these staff. The contractor must determine the staff necessary ***above and beyond this minimum*** and include those individuals in its fixed price.

### **3. Supplemental Staffing Payment**

As additional requirements become known and additional funding becomes available the Department will amend the contract for the additional work based upon the rates supplied in the contractor’s proposal for the labor categories identified in Attachment 2, Section 12, *Staffing*.

The contractor will also be required to provide the Department with a range of assistance and deliverables, including assessments, analyses, recommendations, options, development of scope of work for subcontracts and/or solicitations and other work products and assistance necessary to design and develop the NY-HX Solution, and to enable the Department to achieve all requirements defined herein. The contractor will also assist the Department and/or TBD Exchange entity/ies (“Exchange Operator(s)”) as needed to develop the procedures and standards necessary for successful implementation and operation of the NY-HX, and required to support the development of detailed business requirements and processes.

The contractor shall be paid up to, but not in excess of, the Supplemental Staff price, as presented in the contractor’s proposal. These monthly payments made by the Department will be variable and based on the actual hours spent by contractor’s supplemental staff working on completing Department-approved projects at the hourly rates in the Pricing Schedule appropriate to the staff.

## **XI. Federal Medicaid and Exchange IT Architecture Guidance: Framework for Collaboration with State Grantees**

The Centers for Medicare & Medicaid Services (CMS) is creating a set of integrated architecture technical documents to guide the information technology (IT) development of the Medicaid and Exchange programs. Two sources provide the framework for this guidance, the Medicaid IT Architecture (MITA) and the newly developed Exchange Reference Architecture foundation.

With MITA, CMS is establishing a national framework of enabling technologies and processes that support improved administration for the Medicaid program and foster integrated business and IT transformation across the Medicaid enterprise. With the Exchange Reference Architecture foundation, CMS is informing the states about key architectural principles and guidelines that support the business of providing Medicaid and Exchange services. Included are IT principles, technology standards, IT governance, and identified areas where collaborative discussions are necessary to ensure the most effective and efficient environment for Medicaid and Exchange IT services.

The contractor is required to comply with all reference, guidance and framework documents governing the Exchanges. The guidance documents currently released by the CMS include the following:

### ***A. IT Guidance***

The *Guidance for Exchange and Medicaid Information Technology (IT) Systems, Version 1.0 released on November 3, 2010* (Attachment 6), establishes the overarching IT architecture principles for the Medicaid and Exchange IT systems. The *Exchange Reference Architecture: Foundation Guidance, Version 0.99 released on March 16, 2011* ( Attachment 7) document introduces the scope and overall guidance of the Exchange Reference Architecture, including the Exchange Business Architecture, Information Architecture, and Technical Reference Architecture. The Foundation Guidance also introduces the Exchange Life Cycle (ELC) model and the collaborative Application Life Cycle Management (ALM) environment. It describes how detailed architecture supplements will open a dialogue with and communicate guidance to the Medicaid and Exchange stakeholders.

### ***B. Technical Guidance***

MITA and a complementary set of Exchange Technical Reference Architecture (TRA) supplements jointly provide Medicaid and Exchange technical architecture guidance to enable secure, effective, and efficient Medicaid and Exchange IT system implementation. The Exchange TRA addresses challenging technology topics, including Infrastructure, Web Services, Data Exchange, and a Harmonized Security and Privacy Framework.

The first Exchange TRA supplement released to the states is the *Harmonized Security and Privacy Framework – Exchange TRA Supplement, Version 0.95 released March 16, 2011* (Attachment 8).

### ***C. Exchange Life Cycle and Governance***

CMS' governance approach ensures the effective use and oversight of the MITA and the Exchange Reference Architecture, and encompasses well-established processes from the published CMS Integrated Life Cycle (ILC) and the Exchange Life Cycle (a tailoring of the CMS ILC for use by states), as well as the collaborative ALM environment.

The first governance supplement released to the states is the *Collaborative Environment and Life Cycle Governance – Exchange Reference Architecture Supplement Version 0.91 released on March 16, 2011* (Attachment 9).

### ***D. Business Architecture Guidance***

The *Plan Management Blueprint – Exchange Business Architecture Supplement Version 0.06, released March 23, 2011* (Attachment 10) provides the initial description of the business architecture for the Exchange Plan Management business area for use in discussions with states and federal partners. This document identifies and defines the major Plan Management business functions, processes, and services to be implemented by Exchanges.

The *Eligibility and Enrollment Blueprint – Exchange Business Architecture Supplement, Version 0.6 released March 23, 2011*, (Attachment 11) provides the initial description of the business architecture for the Exchange Eligibility & Enrollment business area for use in discussions with states and federal partners. This document identifies and defines the major Eligibility and Enrollment business functions, processes, and services to be implemented by NY-HX.

The set of current and future guidance documentation, and any future iterations and supplements that incorporate additional direction described in any Final Rule, are a crucial source of information to the Department. These guidance documents will facilitate effective state and federal communication and collaboration, which in turn will promote the successful implementation and operation of Medicaid and Exchange systems. The contractor who is selected from this FAS will be required to implement within the NY-HX, throughout the life of the contract, all requirements described in these and all future guidance documents issued by HHS/CMS.

### ***E. Financial Requirements***

The contractor is required to ensure that the NY-HX Solution delivered as a result of this FAS complies with the requirements in the *Enhanced Funding Requirements: Seven Conditions and Standards, Version 1.0, released April 2011*. This document, and the principles contained in the CMS April 2011 final regulation, build on the work CMS, states and private industry have done over the last six years under the Medicaid Information Technology Architecture (MITA) initiative.

The compliance with these documents will help ensure the Department receives enhanced Federal Financial Participation (FFP) funding, which is approved only when Medicaid infrastructure and information systems projects meet statutory and regulatory requirements to support efficient and effective operation of the program.

## **XII. Proposal Requirements**

### ***A. Submission of Proposals***

1. Interested offerors should submit three (3) originals and ten (10) copies of its Proposal. Responses to this FAS should be clearly marked "*Response to the Procurement Opportunity for the New York State Health Benefit Exchange, FAU #1106211137*".
2. The proposal, which must include a technical and price section, must be received by the Department in Albany, New York, no later than the time on the day specified on page i of this FAS and should be delivered to the following address:

Joseph Zeccolo  
New York State Department of Health  
Corning Tower, Room 2019  
The Governor Nelson A. Rockefeller Empire State Plaza  
Albany, New York 12237

3. It is the offerors' responsibility to see that proposals are delivered to the address specified above prior to the date and time of the proposal due date. Late proposals, for whatever reason, including delay by the carrier or not being received in the Department's mail room in time for transmission to the address specified above, will not be considered.
4. All proposal materials should be printed on 8.5" x 11" white paper (two-sided), be clearly page numbered on the bottom of each page with appropriate header and footer information. A type size of eleven (11) points or larger should be used.
5. One (1) separate CD/DVD should accompany the hard copy proposals. The CD/DVD should contain one (1) copy of the total proposal in Adobe PDF format; one (1) copy of the total proposal in MS Word 2003/XP format and one (1) copy of the project plan in MS Project 2003/XP format. All files on the DVD should be individually identified by component name, offeror, proposal part, and version.
6. The proposal should be as specific as possible in its responses to provide the Department with an adequate understanding of the intent of the proposal;
7. The Department discourages overly lengthy proposals. Proposals should be self-contained. No models, videotapes, illustrations, brochures or Web site postings should be included;
8. In the event of any discrepancies between the original hard copies of the Technical Proposal and Price Proposal and the copies supplied on DVD, the hardcopy will prevail; and
9. The responsible corporate officer for contract negotiation should be listed.

## ***B. Departments Rights***

The Department reserves the right to:

1. Reject any or all proposals received in response to the FAS;
2. Withdraw the FAS at any time, at the agency's sole discretion;
3. Make an award under the FAS in whole or in part;
4. Disqualify any contractor whose conduct and/or proposal fails to conform to the requirements of the FAS;
5. Seek clarifications and revisions of proposals;
6. Use proposal information obtained through site visits, management interviews and the state's investigation of a contractor's qualifications, experience, ability or financial standing, and any material or information submitted by the contractor in response to the agency's request for clarifying information in the course of evaluation and/or selection under the FAS;
7. Prior to the ***bid opening***, amend the FAS specifications to correct errors or oversights, or to supply additional information, as it becomes available;
8. Prior to the bid opening, direct contractors to submit proposal modifications addressing subsequent FAS amendments;
9. Change any of the scheduled dates;
10. Eliminate any mandatory, non-material specifications that cannot be complied with by all of the prospective contractors;
11. Waive any requirements that are not material;
12. Negotiate terms, conditions or price with the successful contractor within the scope of the FAS in the best interests of the state;
13. Conduct contract negotiations with the next responsible contractor, should the agency be unsuccessful in negotiating with the selected contractor;
14. Utilize any and all ideas submitted in the proposals received;
15. Unless otherwise specified in the solicitation, every offer is firm and not revocable for a period of three hundred sixty-five (365) days from the bid opening; and,
16. Require clarification at any time during the procurement process and/or require correction of arithmetic or other apparent errors for the purpose of assuring a full and complete understanding of a contractor's proposal and/or to determine a contractor's compliance with the requirements of the solicitation.

## ***C. Proposal Format***

Offerors should submit its proposal in the format defined in Attachment 15, Proposal Content.

## **XIII. Evaluation, Selection and Award**

The Department will perform an evaluation of the proposals received in response to this FAS. Proposals deemed by the Department to be reasonable, responsive and timely to the submission requirements set forth in the FAS will be evaluated by the review team. The reviewers will make a

recommendation to the Commissioner for the selection of a contractor(s) which is best suited, in the discretion of the Commissioner, to carry out the purposes set forth in the Early Innovator federal grant awarded to the Department and the following requirements of the FAS:

- a clear and concise understanding of the scope of the NY-HX Solution Project,
- leadership in developing cutting-edge and cost-effective consumer-based technologies and models for insurance eligibility, enrollment and plan management,
- experience with the implementation of exchanges,
- immediate readiness and ability to execute the requirements of the Early Innovator project,
- ability to meet the aggressive schedule of the project,
- ability to provide a wide range of knowledgeable staff to provide assistance and deliverables,
- submission of a fully loaded Project Management Plan (PMP), and
- ability to immediately provide a primary computer facility and Disaster Recovery site that meets the Uptime Institutes Tier III standard.

The review team will review both the offeror’s technical and price proposals in the process of recommending a contractor. After evaluation and selection of the contractor, all bidders will be notified in writing of the selection or non-selection of their proposals. The name of the winning bidder(s) will be disclosed. Press releases pertaining to this project shall not be made without prior written approval by the State and then only in conjunction with the issuing office.

#### **XIV. Service Level Agreements**

Service Level Agreements (SLAs) play an important role in defining and managing the expectations that will be placed upon the contractor. A successfully implemented service level management discipline ensures that information systems function smoothly while fulfilling the business needs of stakeholders.

The operational ready NY-HX Solution must be built out to meet the following service levels by October 2012:

##### **System Availability**

<b>NY-HX Availability Schedule</b>			
<b>Requirements Category</b>	<b>Description</b>	<b>Specifications</b>	<b>Damages</b>
Production Environment Hours of System	The hours that the production environment needs to be operational	<b><u>Access Hours:</u></b> 24 hours/day, 7 days a week	\$1,000 per hour or any portion thereof for any disruption in

NY-HX Availability Schedule			
Requirements Category	Description	Specifications	Damages
Availability	and available. This SLA also applies to the failover and disaster recovery environments when they are used for production.	System availability requirement is 98.5% over the course of a calendar month.	production environment

**Processing Performance**

Processing Performance			
Requirements Category	Description	Specifications	Damages
Electronic Log Files		<p>The contractor must maintain the necessary data in appropriate log files to measure its performance against the SLAs defined in this FAS.</p> <p>If the Department notifies the contractor that damages will be assessed because of nonconformance with an SLA and the log files are not maintained or are damaged in such a way that the contractor cannot substantiate its performance against an SLA it will be construed that the contractor did not meet the SLA in question.</p>	The damages for the appropriate SLA will be assessed.
Electronic Log Files		The contractor must process all electronic log files within 12 hours of receipt	One hundred dollars (\$100) per file
Inbound Files		Process inbound files within 12 hours of receipt of the	One hundred dollars (\$100) per file

Processing Performance			
Requirements Category	Description	Specifications	Damages
		file.	
Outbound File to HUB		If the HUB requires batch files, process these files at a minimum every hour	One hundred dollars (\$100) per file
Image Retrieval	The time it takes to get a viewable image to the application service.	Have at a minimum ninety percent (90%) of document image retrieval response times during a given calendar day and be within 5 seconds. The remaining ten percent (10%) must not average more than twenty (20) seconds for a given calendar day.	\$1,000 per day per occurrence

### Real-Time Transaction Performance

Real-Time Transaction Processing Performance			
Requirements Category	Description	Specifications	Damages
All Real-time Transactions including but not limited to: Web Portal, Web based applications, other real-time connections		Response time for users accessing the NY-HX via real time transactions must not be greater than five (5) seconds for at least ninety percent (90%) of the transactions and no response time must be greater than ten (10) seconds. The contractor must meet this SLA for each day during both peak hours and non-peak hours. The SLA is measured daily and reported monthly.	\$1,000 per hour or any portion thereof that response time does not meet the times designated

## Business Continuity

Business Continuity			
Requirements Category	Description	Specifications	Damages
Backup and Recovery	Backups must be executed daily and weekly.	Daily and weekly backups must be executed and backups must be stored off-site. Recovery must be able to start within one (1) hour of the determination a recovery is necessary	If backup/recovery strategy is not executed as defined, the Department may assess a penalty of \$1,000 per occurrence.
Failover and Fallback	Failover and fallback is the capability to immediately switch operations from the production environment to the failover environment in the event technical problems incapacitate the production environment.	Failover and fallback processes must be executed if the primary production configuration is unavailable	\$10,000 if the failover does not successfully occur within five (5) minutes
Disaster Recovery	Disaster recovery refers to major disruptions to the production environment. Plans, procedures, and infrastructure need to be established to recover from a major disaster and resume daily operations with minimal downtime.	Disaster recovery processes and tests must be executed in the event of a production site failure.	\$100,000 per occurrence, if the disaster recovery site is not operational within two (2) calendar days.

As stated in Section IV above the Department shall have the option to extend the contract for five additional years with a possibility of up to one additional one year extension for the operation of the NY-HX. If this occurs the contractor must meet the SLAs above during the operational period.

## **XV. Terms and Conditions**

### **1. Contract Basis**

This section, along with Appendix A (Standard Clauses for All New York State Contracts), contains the text for the Contract terms and conditions that will be incorporated into the Contract with the selected contractor. The terms and conditions contained in this section and in Appendix A shall constitute the basis for the Contract resulting from this FAS. This FAS, as well as the selected Proposal, shall become part of any contract between the parties. The Department is solely responsible for rendering decisions in matters of interpretation of all terms and conditions.

#### **1. Parties to the Contract**

The parties to this Contract shall be the selected contractor, hereinafter referred to as “the contractor,” and the New York State Department of Health, hereinafter referred to as “the Department.”

#### **2. Execution of Contract**

By their signature, the representatives confirm that they have the proper and legal authority to sign and bind their organization and that each party has the legal right and power to perform all acts required by this Contract. The Contract shall be subject to approval by the Centers for Medicare & Medicaid Services (CMS).

Specifically the Contract shall not be effective or binding on the State until it has been approved as to form by the State Comptroller and filed in his office.

#### **3. Documents Constituting the Contract**

The Contract between the parties, in addition to the signed clauses and any subsequent amendments, shall include the provisions of this Posting and any addenda thereto, as well as the Proposal and any agreed-upon clarification thereto, all of which are incorporated in the Contract by reference.

#### **4. Compliance With Applicable Laws**

The contractor shall at all times during the term of this Contract strictly adhere to all applicable Federal and State laws and implementing regulations as they currently exist and as may hereafter be amended. This includes protection of the confidentiality of all applicant/recipient records, papers, documents, tapes and any other materials that have been or may hereafter be established which relate to this Contract. The contractor acknowledges that these laws include, but are not limited to, the following:

- The Patient Protection and Affordable Care Act, Public Law 111-148 and the Health Care and Education Reconciliation Act, Public Law 111-152, respectively. The two laws are collectively referred to as the Affordable Care Act (ACA).
- Health Information Technology for Economic and Clinical Health Act of 2009

- The e-Government Act of 2002
- Health Insurance Portability and Accountability Act of 1996
- The Privacy Act of 1974
- Title VI of the Civil Rights Act of 1964, 42 U.S.C. Sections 2000d-1 et seq. and its implementing regulation, 45 CFR Part 80 et seq.
- Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. Section 794, and its implementing regulation, 45 CFR Part 84
- Age Discrimination Act of 1975, 42 U.S.C. Sections 6101 et seq. and its implementing regulation, 45 CFR Part 91
- Title VII of the Civil Rights Act of 1964
- Age Discrimination in Employment Act of 1967
- Equal Pay Act of 1963
- Education Amendments of 1972
- Immigration Reform and Control Act of 1986, P.L. 99-603
- Americans with Disabilities Act, P.L. 101-336, July 1990
- All regulations applicable to these laws prohibiting discrimination because of race, color, national origin, handicap, age, sex, and religion.

This assurance is given in consideration of and for the purpose of obtaining any and all Federal and/or State funding.

## **5. Contract Administration**

The CIO, Division of Systems, Office of Health Insurance Programs is designated as the Contract Administrator. The Contract Administrator or designee shall be responsible for all matters related to this Contract.

Whenever, by any provision of the Contract, any right, power, or duty is imposed or conferred on the State or the State agency, said right, power, or duty so imposed shall be possessed and exercised by the Contract Administrator. The Contract Administrator is authorized to delegate certain rights, powers, or duties. Notice of such delegation of authority will be conveyed to the contractor in writing.

The Contract Administrator will issue, from time to time, such written specifications and instructions as may be necessary to clarify to the contractor its scope of work and performance obligations. The Contract Administrator may periodically conduct evaluations, or request independent evaluations be conducted, of the contractor's performance and deliverables. The contractor shall promptly undertake such improvements and corrections as may be reasonably necessary to correct the problems or deficiencies identified in the periodic evaluations.

The Contract Administrator will designate a Project Manager who will be the contractor's primary contact for working with other Department staff. The Project Manager will initially receive all contractor progress reports and deliverables, oversee scheduling of meetings with Department staff, and maintain first-line administrative responsibility for the Contract.

The Project Manager or designee shall determine successful completion of all Implementation Phase milestones. The Project Manager will also track overall progress, formally review and approve all deliverables, authorize contractor reimbursement, and confirm final readiness for start of operations and acceptance of the system.

The Project Manager or designee will chair weekly status meetings during the Implementation Phase and attend all formal project walk-throughs.

The Project Manager shall have direct oversight of the entire NY-HX project and may request periodic presentations by the contractor that demonstrate progress achieved during the project.

In no instance shall contractor staff refer any matter to the Contract Administrator or any other official in New York State unless initial contact, both verbal and in writing, regarding the matter has been first presented to the Project Manager.

## ***2) Contract Amendments and Disputes***

### **1) Amendments**

The Contract may be modified or amended at any time by the mutual consent of the contractor and Department. All such Amendments shall be in writing and shall become effective only when approved by all applicable State authorities and CMS, as necessary.

An approved contract amendment is required whenever a change affects the payment provisions, the scope of work, or the term of the Contract.

If any change in the scope of work affects costs or the time required to perform other work, an equitable adjustment may be made in the payment provisions or delivery schedule, or both. Failure of the contractor to agree to an equitable adjustment shall be considered a dispute and resolved under the provisions described herein.

In general, changes requiring system modifications shall be performed as part of the Evolution Process and shall not require a contract amendment nor additional funding.

If the contractor is required to perform additional work based on new requirements, including changes in State or Federal regulations, the contractor may submit an expansion of work request. Enhanced Federal funding support may be required to implement these changes. A formal proposal from the contractor shall be submitted in response to a request to implement major system changes. That proposal will identify any additional staffing requirements and will present a work plan for the effort and an estimated budget. The contractor's proposal/response shall be submitted in writing by the date requested by the Department. The Department will either approve or reject the estimate or request more information.

A formal Price Proposal submitted by the contractor shall be prepared in a format described by the Department. Such proposal shall illustrate the proposed incremental price using the same rates, the same corporate allocation, and the same markup as was used in the contractor's Proposal submitted in response to this FAS. The incremental prices shall be accompanied by sufficient documentation demonstrating, to the Department's satisfaction, that the changes in the contractor's cost due to the change in the scope of work justifies the incremental price proposal.

Amendments to this Contract are subject to the approval as to form, of the Office of the State Comptroller as specified in Clause 3 of Appendix A.

## **2) Disputes**

Contract disputes will be handled in accordance with the following procedures.

### **a. Negotiation**

Any dispute or controversy between the Department and the contractor arising under or relating to this Contract which either party hereto feels is significant shall be reduced to writing by that party and delivered to the other party. The parties hereto shall then negotiate in good faith and use every reasonable effort to resolve such dispute and shall not resort to any formal proceedings to resolve such dispute until they have reasonably determined that a negotiated resolution is not possible.

### **b. Dispute Resolution**

Any dispute or controversy between the Department and the contractor which cannot be disposed of through negotiation shall be decided by a designee of the Commissioner of the New York State Department of Health. Both the Department and the contractor shall present written statements of issues and facts in dispute. The designee of the Commissioner shall make a determination and issue a written decision within fifteen (15) calendar days.

Upon issuance of such decision, the parties shall proceed diligently with the performance of this Contract and shall comply with the provisions of such decision.

### **c. Appeal to the Commissioner**

The decision of the designee of the Commissioner shall be final and conclusive unless the contractor submits a written appeal to the Commissioner of the New York State Department of Health. Such appeal must be submitted within fifteen (15) calendar days of the date of the decision by the designee of the Commissioner.

In the event of an appeal, the Commissioner shall promptly review the dispute resolution decision and shall confirm, annul, or modify it. The contractor shall be afforded the opportunity to be heard de novo and offer evidence in support of its appeal.

The decision of the Commissioner shall be final and conclusive.

**d. Proceed With Duties**

During the time that the parties hereto are attempting to resolve any dispute in accordance with the provisions of the Contract, each of them shall diligently perform its duties hereunder.

**3. Interpretations, Subcontracting, and Assignments**

**1. Waivers**

No covenant, condition, duty, obligation, or undertaking contained in or made a part of this Contract shall be waived except by the written agreement of the parties and subject to approval of CMS. Forbearance or indulgence in any form or manner by either party, in any regard whatsoever, shall not constitute a waiver of the covenant, condition, duty, obligation, or undertaking to be kept, performed, or discharged by the party to which the provision may apply. Notwithstanding any such forbearance or indulgence, until complete performance or satisfaction of all such covenants, conditions, duties, obligations, and undertakings, the other party shall have the right to invoke any legal or equitable remedy available to it.

**2. Assignments**

The contractor shall not assign, or in any way transfer any interest in, this Contract without prior written approval of the Department and the Office of the State Comptroller. See Clause 2 of Appendix A.

**3. Subcontracting**

The services to be provided by the contractor shall not be subcontracted or delegated to any other organization, subdivision, association, individual, corporation, partnership or group of individuals, or other such entity without the prior written consent of the Department. However, it is the intent of the Department to encourage the contractor to enter into subcontract relationships to obtain the expertise required to fully meet the needs of the State of New York; therefore, the Department will not unreasonably withhold approval of such subcontracts. Suppliers of equipment, expendable supplies, or other purchase orders shall not be considered subcontractors for the purposes of this Contract.

All subcontracts must be approved in writing prior to the effective date of any subcontract. All subcontracts included in the Proposal shall be considered approved by the signing of the Contract. The determination of whether such consent will be provided shall be within the sole discretion of the Department. The contractor shall be wholly responsible for performance of all work performed under the Contract whether or not subcontractors are used. This responsibility shall include subcontractor commitments in meetings or documents where decisions are made.

All subcontracts shall be in writing and must contain certain provisions which are functionally identical to, and consistent with, the provisions of this Contract. Such provisions shall include Appendix A (Standard Clauses for All New York State Contracts), Rights to System, Termination of Contract, Disputes, Audit Requirements, and Confidentiality.

Any subcontract to which the Department has consented shall in no way alter the terms and conditions herein. No subcontract or delegation shall relieve or discharge the contractor from any obligation or liability under the Contract. The subcontractors are subject to the same conditions as the contractor and subsequent contract amendments. Performance of any work by “contract employees” hired by the contractor shall be considered the sole responsibility of the contractor and not be construed as a subcontracting relationship.

**4. Award of Related Contracts**

The Department may undertake or award supplemental contracts for work related to the NY-HX or any portion thereof. The contractor shall be bound to cooperate fully with such other contractors and the Department in all such cases. All subcontractors shall be required to abide by this provision as a condition of the Contract between the subcontractor and the contractor.

**5. Existing Guidelines**

Any reference to State or Federal statutes or the rules or regulations promulgated thereunder shall be deemed to be referring to such statutes, rules, or regulations as they exist on the effective date of the Contract, the date of their adoption, or the specified effective date in the approved State rule or regulation, whichever comes later.

**4. *Rights to System***

**1. Ownership of NY-HX**

The Department shall own, and CMS shall have a nonexclusive, royalty-free, and irrevocable license to reproduce or otherwise use and authorize others to use, all software, procedures, files, and other documentation comprising the NY-HX Solution at any time during the period of the Contract and thereafter. The contractor agrees to deliver such material to the Department within twenty (20) business days from receipt of the request by the Department. Such request may be made by the Department at any time prior to the expiration of the Contract.

The license shall include any software and hardware required to fully operate the NY-HX Solution that is not commercially available to the State of New York and shall specifically include:

- All New York State NY-HX software and supporting programs in the most current version; the NY-HX shall be inclusive of all components designed, developed and/or implemented as a result of this FAS.
- All web services, application services, data services, business rules, job control language (JCL), UNIX scripts, transaction management or database synchronization software, and other system instructions for operating the NY-HX, in the most current version
- All data files, in the most current version
- User and operating manuals and other documentation
- System and program documentation describing the most current version of the NY-HX Solution, including the most current versions of source and object code
- Training programs for Department and other designated State staff, their agents, or designated representatives, in the operation and maintenance of the system
- Any and all performance-enhancing operational plans and products, exclusive of equipment
- All specialized or specially modified operating system software and specially developed programs, including utilities, software, and documentation used in the operation of the NY-HX

All computer source and executable programs and all documentation of the installed system enhancements and improvements shall become the exclusive property of the Department and may not be copied or removed by the contractor or any employee of the contractor without the express written permission of the Department.

Proprietary software proposed for use as an enhancement or within a functional area of the NY-HX Solution may require the contractor to give to the State an irrevocable right to use the software as part of the NY-HX Solution unto perpetuity. Exemptions would be granted if the proprietary product is proposed with this right in place and is defined with sufficient specificity in the proposal that the Department can determine whether to fully accept it as the desired Solution. The contractor shall provide sufficient information regarding the objectives and specifications of any proprietary software to allow its functions to be duplicated by other commercial or public domain products.

Any other specialized software that is not covered under a public domain license that will be integrated into the NY-HX Solution shall be identified as to its commercial source. Licenses to such commercial software shall be established such that the license may revert to the State or successor contractor at the end of the Contract. If this assignment

is not permitted by the licensor, the contractor shall obtain a licensed copy of the commercial software in the State's and/or a successor contractor's name.

Title to the complete system shall be transferred to the State, including portions (e.g., documentation) as they are created during the implementation of the system or prior to the start of Replacement Operations and subsequently at the time of implementation of any changes to the NY-HX Solution.

The contractor shall convey to the Department, every six months or upon request and without limitation, copies of all system documentation, operating instructions and procedures, and all data processing source and executable programs that are part of the NY-HX Solution, whether they are developed by the employees of the contractor or any subcontractor as part of this Contract or transferred from another contract. This deliverable must be in a format acceptable to the Department. If requested by the Department, the contractor shall make this conveyance to a successor contractor.

Any software developed under this Contract, whether it is a part of the operational NY-HX Solution or not, shall be owned by the State of New York and shall be subject to all of the provisions of this section of the Contract.

The provisions of this clause shall be incorporated in any subcontract which relates to the development, operation, or maintenance of any component part of the NY-HX Solution.

The contractor agrees that all work it or any subcontractor performs in connection with this FAS, and any extensions and/or expansions of the scope of the FAS, shall become the sole and exclusive property of the State, to be shared with and reused by other states in compliance with the terms of the EI grant.

## **2. Ownership of Information and Data**

The State of New York and CMS shall have unlimited rights to use, disclose, or duplicate, for any purpose whatsoever, all information and data developed, derived, documented, installed or improved, or furnished by the contractor under this Contract.

All files containing any New York State NY-HX information, Medicaid information, Personally Identifiable Information (PII), and/or Protected Health Information (PHI) are the sole and exclusive property of the State. The contractor shall not use any data obtained as a result of this contract for any purposes not directly related to this Contract without prior written permission from the Department.

## **3. Right to Publish**

Throughout the term of the Contract, the contractor shall secure the written approval of the Department prior to the release of any information that pertains to work or activities covered by this Contract.

#### **4. Confidentiality of Information**

1. Any materials, articles, papers, etc., developed by the Contractor under or in the course of performing this Agreement shall contain the following, or similar acknowledgment: "Funded by the New York State Department of Health". Any such materials must be reviewed and approved by the State for conformity with the policies and guidelines for the New York State Department of Health prior to dissemination and/or publication. It is agreed that such review will be conducted in an expeditious manner. Should the review result in any unresolved disagreements regarding content, the CONTRACTOR shall be free to publish in scholarly journals along with a disclaimer that the views within the Article or the policies reflected are not necessarily those of the New York State Department of Health. The Department reserves the right to disallow funding for any educational materials not approved through its review process.
  
2. Any publishable or otherwise reproducible material developed under or in the course of performing this Agreement, dealing with any aspect of performance under this Agreement, or of the results and accomplishments attained in such performance, shall be the sole and exclusive property of the STATE, and shall not be published or otherwise disseminated by the CONTRACTOR to any other party unless prior written approval is secured from the STATE or under circumstances as indicated in paragraph 1 above. Any and all net proceeds obtained by the CONTRACTOR resulting from any such publication shall belong to and be paid over to the STATE. The STATE shall have a perpetual royalty-free, non-exclusive and irrevocable right to reproduce, publish or otherwise use, and to authorize others to use, any such material for governmental purposes.
  
3. No report, document or other data produced in whole or in part with the funds provided under this Agreement may be copyrighted by the CONTRACTOR or any of its employees, nor shall any notice of copyright be registered by the CONTRACTOR or any of its employees in connection with any report, document or other data developed pursuant to this Agreement.
  
4. All reports, data sheets, documents, etc. generated under this contract shall be the sole and exclusive property of the Department of Health. Upon completion or termination of this Agreement the CONTRACTOR shall deliver to the Department of Health upon its demand all copies of materials relating to or pertaining to this Agreement. The CONTRACTOR shall have no right to disclose or use any of such material and documentation for any purpose whatsoever, without the prior written approval of the Department of Health or its authorized agents.
  
5. The CONTRACTOR, its officers, agents and employees and subcontractors shall treat all information, which is obtained by it through its performance under this Agreement, as confidential information to the extent required by the laws and regulations of the United States and laws and regulations of the State of New York.

6. All subcontracts shall contain provisions specifying:

a. that the work performed by the subcontractor must be in accordance with the terms of this Agreement, and

b. that the subcontractor specifically agrees to be bound by the confidentiality provisions set forth in the Agreement between the State and the contractor

#### **5. Inspection of Work Performed**

The Department or any authorized representative of the State of New York, the U.S. Department of Health and Human Services, the U.S. Comptroller General, the U.S. General Accounting Office, or their authorized representatives shall, at all reasonable times, have the right, without prior notice, to enter the contractor's premises or such other places where duties under this Contract are being performed to inspect, monitor, or otherwise evaluate (including periodic systems testing) the work being performed. The contractor and all subcontractors must provide reasonable access to all facilities and assistance to the State and Federal representatives. All inspections and evaluations shall be performed in such a manner as will not unduly delay work.

#### **5. Termination of Contract**

This Contract shall be subject to the following termination provisions. The Contract may be terminated by mutual written consent of the parties. The Contract may also be terminated by the Department:

- For default
- For convenience
- For unavailability of funds
- For contractor financial instability

All notices of termination, as defined in the sections below, shall be in writing and shall be forwarded by either certified or registered mail, return receipt requested, commercial overnight mail service or hand delivery.

##### **1. Termination for Default**

The Department may terminate this Contract in whole, or in part, whenever the Department determines that the contractor has failed to satisfactorily perform its contracted duties and responsibilities or failed to negotiate a proposed contract change in a responsive manner, and that the contractor is unable or unwilling to cure such failure within a reasonable period of time, as specified in writing by the Contract Administrator, taking into consideration the gravity and nature of the default. Such termination shall be referred to herein as "Termination for Default."

Upon determination by the Department that the contractor has failed to satisfactorily perform its contracted duties and responsibilities or to negotiate a proposed contract change in a responsible manner, the Contract Administrator shall notify the contractor of the failure and, unless the failure cannot be remedied, establish a reasonable time period in which to cure such failure if remedy is possible. The Department may reduce or stop payments at its sole discretion pending completion of the cure. If the contractor is unable to cure the failure within the specified time period, the Contract Administrator will notify the contractor that the Contract, in whole or in part, has been terminated for default on the date specified in the notice.

If, after notice of termination for default, it is determined by the Department, or by a court, that the contractor was not in default, or that the contractor's failure to perform or make progress in performance or to conclude negotiations was due to causes beyond the control and without error or negligence of the contractor or any of its subcontractors, the Notice of Termination shall be deemed to have been issued as a termination for the convenience of the State, and the rights and obligations of the parties shall be governed accordingly.

In the event of termination for default, in whole or in part, as provided by this clause, the Department may procure, upon such terms and in such manner as may be deemed appropriate, supplies or services similar to those terminated, and the contractor shall be liable to the Department for any excess costs for such similar supplies or services and all other damages allowed by law. In addition, the contractor shall be liable to the Department for administrative costs incurred by the Department in procuring such similar supplies or services. Charges for such costs may be assessed against the contractor's letter of credit for any outstanding payments for services.

The rights and remedies of the Department provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Contract.

## **2. Termination for Convenience**

The Department may terminate performance of work under this Contract, in whole or in part, whenever for any reason the Contract Administrator shall determine that such termination is in the best interest of the State upon sixty (60) calendar days' prior written notice to the contractor.

In the event that the Department elects to terminate the Contract pursuant to this provision, the Contract Administrator shall notify the contractor of the basis and extent of termination. Termination shall be effective as of the close of business on the date specified in the notice, and the contractor shall comply with all specified provisions of the Notice of Termination.

### **3. Termination for Unavailability of Funds**

It is understood and agreed by the parties hereto that all obligations of the Department, including the continuance of payments hereunder, are contingent upon the availability and continued appropriation of State and Federal funds, and in no event shall the Department be liable for any payments hereunder in excess of such available appropriated funds. In the event that the amount of any available or appropriated funds provided by the State or Federal sources for the purchase of services hereunder shall be reduced, terminated, or not be continued at an aggregate level sufficient to allow for the purchase of the specified services to be provided hereunder, for any reason whatsoever, the Contract Administrator shall notify the contractor of such reduction of available funds, and the Department shall be entitled to reduce this contractual commitment hereunder or to terminate the Contract as it deemed necessary, without penalty, under the same provisions as Termination for Convenience.

### **4. Termination for Financial Instability**

In the event that the contractor ceases to conduct business in the normal course, makes a general assignment for the benefit of creditors, or suffers or permits the appointment of a receiver for its business or its assets, the Department may, at its option, immediately terminate this Contract. In the event that the Department elects to terminate the Contract under this provision, it shall do so by the Contract Administrator sending notice of termination to the contractor specifying the date of termination. In the event of the filing of a petition in bankruptcy by or against a principal subcontractor, the contractor shall immediately so advise the Contract Administrator. The contractor shall ensure that all tasks related to the subcontract are performed in accordance with the terms of this Contract.

### **5. Procedures on Termination**

Upon delivery to the contractor of a Notice of Termination specifying the nature of the termination and the date upon which such termination becomes effective, the contractor shall:

- Stop work on the date and to the extent specified in the Notice of Termination.
- Place no further orders or subcontracts for materials, services, or facilities.
- Terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the Notice of Termination.
- Assign to the Department in the manner and to the extent directed by the Contract Administrator all of the rights, title, and interest of the contractor under the orders or subcontracts so terminated, in which case the Department shall have the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts using funds due the contractor.
- With the advance approval of the Contract Administrator, settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts,

the cost of which would be reimbursable, in whole or in part, in accordance with the provisions of this Contract.

- Within ten (10) business days from the effective date of termination, transfer title to the State of New York (to the extent that title has not already been transferred) and deliver in the manner, at the times and to the extent directed by the Contract Administrator, all files, processing systems, data manuals, or other documentation in any form, that relate to the work terminated by the Notice of Termination.
- Complete the performance of such part of the work as shall not have been terminated by the Notice of Termination.
- Take such action as may be necessary, or as the Contract Administrator may direct, for the protection and preservation of the property related to the Contract which is in the possession of the contractor and in which the State of New York has or may acquire an interest.

The contractor shall proceed immediately with the performance of the above obligations notwithstanding any delay in determining or adjusting the amount of any item of reimbursable price under this clause.

## **6. Termination Claims**

After receipt of a Notice of Termination, the contractor shall submit to the Contract Administrator any partial or full termination claim for payments in the form and with the certification prescribed by the Contract Administrator. Such claim shall be submitted promptly, but in no event later than six (6) months from the effective date of termination, unless one (1) or more extensions in writing are granted by the Contract Administrator within such six (6) month period or authorized extension thereof. Upon contractor submission of its termination claim within the time allowed, the Contract Administrator may, subject to any review required by the Department procedures in effect as of the date of execution of the Contract, determine, on the basis of information available, the amount, if any, due to the contractor by reason of the termination and shall thereupon cause to be paid to the contractor the amount so determined. In no case shall the contractor's termination claims include any claim for unrealized anticipatory profits.

Subject to the provisions of the previous paragraph and subject to any review required by the Department procedures, the contractor and the Department may agree upon the amounts to be paid to the contractor by reason of the total or partial termination of work pursuant to this article. The Contract shall be amended accordingly.

In the event of the failure of the contractor and Department to agree, in whole or in part, as to the amounts with respect to costs to be paid to the contractor in connection with the total or partial termination of work pursuant to this article, the Contract Administrator shall determine on the basis of information available the amount, if any, due to the contractor by reason of termination and the State shall pay to the contractor the amount so determined. The contractor shall have the right of appeal, as stated

under the Disputes provisions contained herein, from any such determination made by the Department.

## **6. *Guarantees, Warranties, and Certifications***

### **1. Warranty**

Notwithstanding prior acceptance of deliverables or software, the contractor shall expressly warrant all modified or developed programs and documentation as properly functioning when installed and compliant with the terms of the Contract thereafter. The contractor must correct all errors and design deficiencies in the system enhancements and improvements installed at the start of operations and in subsequent system modifications. Incorrect or defective programs and documentation shall be replaced within one (1) week of notification from the Contract Administrator of such deficiencies or within such period as may be necessary to make correction(s) using all due diligence and dispatch as agreed upon between the Department and the contractor. If the contractor fails to repair an identified error, deficiency, or defect within such period, the Department may, at its sole discretion, act to repair, and the contractor expressly agrees to reimburse the Department for all costs incurred thereby. This warranty shall be in effect throughout the term of the Contract and for three (3) months thereafter. Deficiencies properly noted before expiration of the warranty shall be covered regardless of such expiration. System modifications and other changes made during the Contract period shall also be covered by this warranty.

### **2. Conformance With State and Federal Regulations and Requirements**

The contractor shall comply with the federal Early Innovator grant award and all State and Federal laws, regulations, and policies as they exist or as amended that are or may be applicable to the Early Innovator federal grant and this Contract, including those not specifically mentioned in this section. Authority to design and develop modifications to the operational NY-HX or to make software or operational changes to implement new State or Federal requirements will be given to the contractor by the Contract Administrator.

In the event that the contractor requests, in writing, that the Department issue program policy determinations or operation guidelines required for proper performance of this Contract, the Department shall acknowledge receipt of the request, in writing, and respond to the request within a mutually agreed-upon time frame.

### **3. Notices**

Any notice required or permitted to be given to a party shall be in conformance with Appendix G of the Sample State Contract included in Attachment 23.

#### **4. Conflict of Interest**

As part of its proposal submission, the offeror (and/or any subcontractor(s)) must comply with the following:

1) Disclose any potential or actual conflict of interest, including but not limited to, any relationship or interest, financial, business, beneficial or otherwise, which is in conflict with the proper discharge of their responsibilities under this FAS. If there is no conflict(s) of interest, so indicate. In cases where such relationship (s) and/or interests exist, offeror must describe how a potential or actual conflict of interest and/or disclosure of confidential information relating to this contract will be avoided;

2) Guarantee knowledge and full compliance with the New York State Public Officers' Law (POL), as amended, including but not limited to Sections 73 and 74, as amended, with regard to ethical standards applicable to State employees;

3) Further, offeror acknowledges that State employees must not benefit from the awarding of the contract, subject to POL, Sections 73 and 74, which are referenced as the Code of Ethics and found at <http://www.nyintegrity.org/law/ethc/POL74.html>, and in particular, Section 74(2) entitled "Rule with respect to conflicts of interest", no officer or employee or a state agency should have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, which is in substantial conflict with the proper discharge of his duties in the public interest; and,

4) State that the offeror understands and acknowledges that subject to the State Finance Law, Section 163-a, if a vendor prepares and furnishes specifications for a state agency technology procurement proposal, to be used in a competitive acquisition, such vendor shall not be permitted to bid on such procurement either as a prime vendor or as a subcontractor.

The Department reserves the right to reject proposals, at its sole discretion, based on any potential or actual Conflict of Interest. Failure to comply with these provisions may result in disqualification from the procurement process, withdrawal of a proposed contract award, and criminal proceedings as may be required by law.

During the term of this Contract, the contractor shall not engage in any business or personal activities or practices or maintain any relationships that conflict in any way with the contractor fully performing its obligations under this Contract.

Additionally, the contractor acknowledges that, in governmental contracting, even the appearance of a conflict of interest is harmful to the interests of the State. Thus, the contractor agrees to refrain from any practices, activities, or relationships that could reasonably be considered to be in conflict with the contractor's fully performing its

obligations to the Department under the terms of this Contract, without the prior written approval of the Department.

In the event the contractor is uncertain whether the appearance of a conflict of interest may reasonably exist, the contractor shall submit to the Department a full disclosure statement setting forth the relevant details for the Department's consideration and direction. Failure to promptly submit a disclosure statement or to follow the Department's direction in regard to the apparent conflict shall be grounds for termination of the Contract.

#### **5. Indemnification and Limit of Liability**

1. Neither party shall be liable for any delay or failure in performance beyond its control resulting from acts of God or force majeure. The parties shall use reasonable efforts to eliminate or minimize the effect of such events upon performance of their respective duties under the Contract.

2. The Contractor shall be fully liable for the actions of its agents, employees, partners or subcontractors and shall fully indemnify and hold harmless the State and the Department from suits, actions, damages and costs of every name and description relating to personal injury and damage to real or personal tangible property caused by the Contractor, its agents, employees, partners or subcontractors, without limitation; provided however, that the Contractor shall not indemnify for the portion of any claim, loss or damage arising hereunder due to the negligent act or failure to act of the State.

3. The Contractor shall indemnify, defend and hold the Department harmless, without limitation, from and against any and all damages, expenses (including reasonable attorneys' fees), claims, judgments, liabilities and cost which may be finally assessed against the Department in any action for infringement of a United States Letter Patent with respect to the Products furnished, or of any copyright, trademark, trade secret or other third party proprietary right in relation to the Products furnished or utilized, provided that the State shall give the Contractor:

- (i) prompt written notice of any action, claim or threat of infringement suit, or other suit, (ii) the opportunity to take over, settle or defend such action, claim or suit at the Contractor's sole expense, and (iii) assistance in the defense of any such action at the expense of the Contractor. Where a dispute of claim arises relative to a real or anticipated infringement, the State may require the Contractor, at Contractor's sole expense, to submit such information and documentation, including formal patent attorney opinions, as the Commissioner shall require.

4. The Contractor shall not be obligated to indemnify that portion of damages, expenses (including reasonable attorneys' fees), claims, judgment, liabilities, cost or other dispute based upon; i) Department's unauthorized modification or alteration

of a Product; ii) Department's unauthorized use of the Product in combination with the products not furnished by the Contractor; iii) Department's unauthorized use in other than the specified operating conditions and environment.

5. In addition to the foregoing, if the use of any item(s) or part(s) thereof shall be enjoined for any reason or if the Contractor believes that it may be enjoined, the Contractor shall have the obligation, at its own expense and sole discretion as the State's exclusive remedy to take action in the following order of precedence:

- (i) to procure for the State the right to continue using such item(s) or part(s) thereof, as applicable,
- (ii) to modify the component so that it becomes non-infringing equipment of at least equal quality and performance; or
- (iii) to replace said item(s) or part(s) thereof, as applicable, with non-infringing components of at least equal quality and performance, or
- (iv) if none of the foregoing is commercially reasonable, then provide monetary compensation to the Department up to the dollar amount of the Contract Award. Time is of the essence in matters where the uses of any item(s) or part(s) thereof are enjoined.

6. For all other claims against the Contractor where liability is not otherwise set forth in the Contract as being "without limitation", and regardless of the basis on which the claim is made, the Contractor's liability under the Contract for direct damages shall be limited to three million dollars (USD). Unless otherwise specifically enumerated herein, neither party shall be liable to the other for special, indirect or consequential damages, including lost data or records (unless the Contractor is required to back-up the data or records as part of the work plan), even if the party has been advised of the possibility of such damages. Neither party shall be liable for lost profits, lost revenue or lost institutional operating savings.

7. Notwithstanding the foregoing or anything herein to the contrary, the Department will not consider any limitation of liability for personal injury or death, infringement, or damage to real or personal property, regardless of the nature of the damages sought for any such claim.

8. The Department may, in addition to other remedies available to them at law or equity and upon notice to the Contractor, retain such monies from amounts due the Contractor, or may proceed against the performance and payment bond, maintenance or demolition bond, or letter of credit, if any, as may be necessary to satisfy any claim for damages, penalties, costs and the like asserted by or against them.

9. The Department does not agree to any indemnification provisions that require the Department to indemnify or hold harmless the Contractor or third parties.

## **6. Patent or Copyright Infringement**

The contractor agrees to indemnify, defend, and hold harmless the State from any and all claims, actions, damages, liabilities, costs, and expenses, including reasonable attorney's fees and expenses, arising out of any claims of infringement by the contractor

of any United States Patent or trade secret; or any copyright, trademark, service mark, trade name, or similar proprietary rights conferred by common law or by any law of the United States or any state said to have occurred because of systems provided or work performed by the contractor. The contractor shall do what is necessary to render the subject matter non-infringing in order that the Department may continue its use without interruption. The obligations created under this section shall continue during the term of this Contract.

## **7. Year 2000 Warranty**

### **a. Definitions**

For purposes of this warranty, the following definitions shall apply:

- i. **“Product”** shall include, without limitation: any piece or component of equipment, hardware, firmware, middleware, custom or commercial software, or internal components or subroutines therein which perform any date/time data recognition function, calculation, comparing or sequencing. Where services are being furnished, e.g. consulting, systems integration, code or data conversion or data entry, the term “Product” shall include resulting deliverables.
- ii. **“Contractor’s Product”** shall include all Product delivered under this Contract by the contractor other than Third Party Product.
- iii. **“Third Party Product”** shall include product manufactured or developed by a corporate entity independent from the contractor on a non-exclusive licensing or other distribution Agreement with the third party manufacturer. “Third Party Product” does not include product where the contractor is: a) a corporate subsidiary or affiliate of the third party manufacturer/developer; and/or b) the exclusive re-seller or distributor of product manufactured or developed by said corporate entity.

### **b. Warranty Disclosure**

At the time of proposal, Product order or Product quote, the contractor is required to disclose the following information in writing to the Department:

- i. **For the contractor Product and for Products (including but not limited to, contractor and/or Third Party Products and/or Department Installed Product) which have been specified to perform as a system:** Compliance or non-compliance of the Products individually or as a system with the Warranty Statement set forth below; and
- ii. **For Third Party Product Not Specified as Part of a System:** Third Party Manufacturer’s statement of compliance or non-compliance of any Third Party Product being delivered with Third Party Manufacturer/Developer’s Year 2000

warranty. If such Third Party Product is represented by Third Party Manufacturer/Developer as compliant with Third Party Manufacturer/Developer's warranty, the contractor shall pass through said Third Party Warranty from the Third Party Manufacturer to the Department but shall not be liable for the testing or verification of Third Party's compliance statement.

An absence or failure to furnish the required written warranty disclosure shall be deemed a statement of compliance of the Product(s) or systems(s) in question with the year 2000 warranty statement set forth below.

**c. Year 2000 warranty 'compliance' shall be defined in accordance with the following warranty statement:**

The contractor warrants that Product(s) furnished pursuant to this Contract shall, when used in accordance with the Product documentation, be able to accurately process date/time data (including, but not limited to, calculating, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, and the years 1999 and 2000, including leap-year calculations. Where a purchase requires that specific Products must perform as a package or system, this warranty shall apply to the Products as a system.

In the event of any breach of this warranty, the contractor shall restore the Product to the same level of performance as warranted herein, or repair or replace the Product with conforming Product so as to minimize interruption to the Department's ongoing business processes, time being of the essence, at the contractor's sole cost and expense. This warranty does not extend to correction of Department errors in data entry or data conversion.

This warranty shall survive beyond termination or expiration of the Contract.

Nothing in this warranty shall be construed to limit any rights or remedies otherwise available under this Contract.

**7. Performance Bond or Standby Letter of Credit**

Upon final approval of the form of the contract by the State Comptroller, the contractor has fifteen (15) business days to submit to the Department a performance bond or a standby letter of credit as described below:

**1. Performance Bond**

Upon final approval of the form of the Contract by the State Comptroller and notification of Contract award, the Contractor has fifteen (15) business days to forward a Performance Bond, subject to the approval of the Department, in the amount of two million dollars (\$2,000,000.00) to the Department of Health contact listed on page ii of the FAS. The Performance Bond must

be maintained for the full term of the Contract including any extensions or renewals. The Performance Bond shall not cover nor relieve the Contractor's obligations under this Contract to furnish the required Certificates of Insurance. The Department has the right to recover damages under the terms and conditions of the Contract on behalf of the State where Contractor's failure to perform cannot, in the Department's estimation, be offset by a credit issued by the Contractor against present or future payments due.

The State and the Contractor agree that recovery against the Performance Bond will be subject to the following conditions:

- (a) any notice of the Contractor's breach will be specific as to the nature of the breach claim and the remedy sought to satisfy such claim. Such notice will be sent to Contractor by certified mail. The Department will permit a reasonable period time in which Contractor may cure the breach.
- (b) drafts shall be drawn periodically upon confirmation of the claim by the State and the Contractor. Partial drafts will be permitted.
- (c) all drafts must reference the number and issue date of the Performance Bond and have attached the certified letter or notice of the breach that was sent to Contractor.

## **2. Standby Letter of Credit**

Without additional cost to the Department, and as a material condition of the Contract, the Contractor must furnish, for the initial period of one year to be automatically extended, without amendment, for additional one year periods from the expiration date, for the duration of the contract term (including any extensions), unless notice to not extend is sent by the financial institution at least ninety (90) days prior to the expiration date, an irrevocable Standby Letter of Credit (SLOC) for the benefit of the Department in the amount of two million (\$2,000,000) U.S. Dollars. In the event of notice of non-extension, the Department may draw up to the full amount. The SLOC shall be issued by a financial institution ("Issuer") licensed to do business under the laws of the State of New York. The Issuer shall be subject to the approval of the Department. The form for the SLOC shall be subject to the approval of the Department. The Contractor must provide a draft SLOC to the Department within ten (10) business days of notice from the Department of contract approval. Failure to provide the draft SLOC to the Department within ten (10) business days of such notice will constitute grounds for termination for cause. The executed SLOC must be provided to the Department within ten (10) business days of the Department's approval of the draft SLOC. The Department reserves the right to extend the due date for the executed SLOC based on circumstances the Department determines to be reasonable. Failure to provide the final SLOC to the Department within the date set will constitute grounds for termination for cause. The SLOC must contain provisions that satisfy the following requirements:

- 1. No Contingent Obligations: The obligations of Issuer under the SLOC shall in no way be contingent upon reimbursement by the Contractor.
- 2. Required Notices:

Issuer is required to provide the Department with written notice of: i) any failure by the Contractor to abide by its SLOC agreement with the issuer; ii) any failure of the Issuer to renew the SLOC. Such written notice shall be provided so that it is received by the Department within five (5) business days of each such event. As set forth in ii, should the Contractor fail to obtain an SLOC from another financial institution, the Department shall be entitled to draw the balance of the SLOC within one(1) business day of receipt of such notice.

The SLOC must provide funds to the Department for any liability, loss, damage, or expense as a result of the Contractor's failure to perform fully and completely all requirements of the Contract. Such requirements include, but are not limited to, the Contractor's obligation to pay liquidated damages, indemnify the Department under circumstances described in the Contract and the Contractor's obligation to perform the services required by the Contract throughout the entire term of the Contract.

The SLOC shall also provide that the bank where the drafts are drawn must be located within New York State.

### ***8. Performance Standards and Damage Provisions***

The contractor shall, at all times, comply with all system and operational performance requirements and expectations specified in this FAS, the performance levels contained in the most recent Federal Systems Performance Review (SPR), Part 11 of the State Medicaid Manual, and all related Action Transmittals (AT) and Information Memoranda (IM), as well as any modifications or changes thereto, and any changes to CFR Parts 42, 45, and 95 as they refer to the MMIS and its operations and the use of fiscal agent services. The Department, at its sole option, may continue to apply these requirements if Federal requirements are removed.

Notwithstanding anything to the contrary, the contractor shall warrant that the new NY-HX shall meet all requirements of this FAS and the federal Early Innovator grant award, shall be fully operational ready by October, 2012, and will meet all CMS requirements for the Department to claim the maximum allowable Federal financial participation through the end of the Contract term. The contractor further warrants that it shall meet all performance requirements listed in this FAS during the term of this Contract.

The contractor shall, at all times, operate the NY-HX Solution and perform its activities in conformity with the policies and procedures of the New York State Medicaid program.

All requirements described in the FAS are subject to monitoring by the Department. The Department reserves the right to monitor performance at any time and may exercise such option, at its discretion, without notice. In the event of a failure to meet the performance requirements, the contractor agrees that the Department may assess and withhold from payments due its actual damages for the losses set forth below and as assessed at the Department's discretion.

The Department confirms that the amounts stated for each occurrence of each performance failure define the maximum liquidated damages due from the contractor and that the amount claimed shall

be adjusted downward to eliminate any proportion of the damage caused by the Department's failure to meet its contractual responsibility.

**1. Liquidated Damages - Failure to Meet Performance Requirements**

It is agreed by the Department and the contractor that, in the event of a failure to meet the performance requirements listed herein, damage is deemed to be sustained by the State. It is further agreed that it is and will be impractical and extremely difficult to ascertain and determine the actual damages that the State will sustain in the event of, and by reason of, such failure. It is therefore agreed that the contractor will pay the State for such failures at the sole discretion of the Department according to the following subsections.

Damage assessments are linked to performance of operational responsibilities. Where an assessment is defined as an "up to (amount)," the dollar value per occurrence may be set at the discretion of the Department, up to the amount specified.

For those requirements subject to a cure period, written notification of each failure to meet a performance requirement will be given to the contractor by the Contract Administrator. The contractor shall have five (5) business days, from the date of receipt of the written notification of a failure, to perform to specifications to affect the cure of the failure. However, additional days can be approved by the Department, if deemed necessary, at its discretion. Liquidated damages may be imposed retroactively to the date of failure to perform and continue for the period of time until the cure is affected. The imposition of liquidated damages is not in lieu of any other remedy available to the Department.

**2. Systems Documentation**

The contractor is responsible for providing complete, accurate, and timely documentation of the operational NY-HX Solution, or any components thereof, to the Department. Two (2) paper copies and an electronic copy must be provided in accordance with the specification approved by the Department. The electronic copy must be on a media and in a format approved by the Department.

**1. Requirements**

The contractor shall provide the systems documentation in final form for any component of the NY-HX within thirty (30) calendar days of the date the Department approves the start of operations for that component.

The contractor shall provide the systems documentation in its final form for all operational components within fifteen (15) calendar days of a request by the Department, provided that those components have been operational for more than thirty (30) calendar days.

The contractor shall provide updates to the systems documentation in final form for any evolution changes to the NY-HX within ten (10) business days of the Department approval of migration of the evolution changes to production operations.

The contractor shall provide a complete set of system documentation in final form every six (6) months. This requirement shall be in effect thirty (30) business days after all components of the NY-HX have been approved by the Department for operations for thirty (30) calendar days or more.

**2. Damages**

One hundred dollars (\$100.00) for each calendar day, or any part thereof, from the date the documentation was due until the date it is provided and found acceptable as to format and completeness of contents by the Department. If any of the systems documentation requirements results in a due date that falls on a Saturday, Sunday, or Department-approved holiday, the due date shall be deemed to be the next business day.

**3. Deliverables**

Copies of each deliverable, as approved in the contractor's work plan, must be delivered to the Department in final form, in the number specified, and on the date specified in Department-approved plans. The Department requires five (5) paper copies and an electronic copy of all deliverables. The electronic copy must be on a media and in a format approved by the Department.

**1. Requirement**

Deliverables shall be delivered in final form and in accordance with Department-approved schedules.

Deliverables shall meet the content requirements specified by the Department and must be approved by the Department. If the Department determines that a deliverable cannot be approved, the contractor shall have a cure period beginning with notice from the Department that the deliverable is not approved. The cure period will be specified in the notice of deliverable rejection.

**2. Damages**

One hundred dollars (\$100.00) for each business day that a deliverable is late, includes less than the required number of copies, or is delivered on the incorrect media. An additional one hundred dollars (\$100.00) for each business day following the cure period that a deliverable continues to be unacceptable to the Department.

## **9. Other Contract Terms and Conditions**

### **1. Choice of Law and Venue**

The laws of the State of New York shall govern this Contract. Any lawsuit arising out of this Contract, whether brought by the contractor or the State agency, shall be brought in New York State courts.

### **2. Force Majeure**

The contractor shall not be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations, directly or indirectly, by an act of war, hostile foreign action, nuclear explosion, riot, strike, widespread electrical power blackout or brownout, civil insurrection, earthquake, hurricane, tornado, or other catastrophic event beyond the reasonable control of the contractor or its subcontractor(s).

### **3. Licenses/Approvals/Insurance**

The contractor certifies that, at the time of entering into this Contract, it has currently in effect, at no cost to the State, all necessary licenses, certifications, approvals, insurance, etc., required to properly provide the services and/or supplies covered by this Contract. Additionally, all employees of the contractor performing services under this Contract will possess the qualifications, training and hold the required license or certification, if any, to perform their responsibilities. Any revocation, withdrawal, or nonrenewal of necessary license, certification, approval, insurance, etc., required for the contractor to properly perform this Contract, shall be grounds for termination of this Contract by the Department.

### **4. Litigation**

The contractor shall promptly notify the Department in the event that the contractor learns of any actual litigation in which it is a party defendant in a case which involves or impacts services provided under this Contract. The contractor, within fifteen (15) calendar days after being served with a summons, complaint, or other pleading which has been filed in any Federal or State court or administrative agency, shall deliver copies of such document(s) to the Contract Administrator. The term "litigation" includes an assignment for the benefit of creditors, and filings in bankruptcy, reorganization and/or foreclosure.

### **5. Contractor Not State Agent**

The contractor and its subcontractors, if any, and the agents, officers, and employees of the contractor or any subcontractor, in the performance of this Contract shall act as independent contractors and not as officers or employees of the State. It is further

understood that this Contract shall not be construed as a partnership or joint venture between the contractor or any subcontractor and the State agency.

## **6. Audit Requirements**

The contractor, in accordance with 95 CFR Part 74, shall maintain accounting books, accounting records, documents, and other evidence pertaining to the administrative costs and expenses of this Contract to the extent and in such detail as shall properly reflect all revenues; all net costs, direct and apportioned; and other costs and expenses, of whatever nature, that relate to performance of contractual duties under the provisions of this Contract. The contractor's accounting procedures and practices shall confirm to generally accepted accounting principles, and the costs properly applicable to this Contract shall be readily ascertainable therefrom.

If, during the term of the Contract, work is performed on a cost-reimbursement basis, the allowability of direct and indirect costs shall be governed by 95 CFR Section 74.175.

The contractor shall agree to the following terms for access to records relating to the Contract:

- Unless the Department specifies, in writing, a shorter period of time, the contractor agrees to preserve and make available all of its other pertinent books, documents, papers, and records involving transactions related to this Contract for a period of seven (7) years from the date of expiration or termination of the Contract.
- Records involving matters in litigation shall be kept for one (1) year following the termination of litigation, including all appeals if the litigation has not terminated within the seven (7) years.
- Authorized Federal and State representatives, including, but not limited to, personnel of the Department, other State entities with statutory authority, independent auditors acting on behalf of the State and/or Federal agencies providing funds, and the Comptroller General of the United States shall have access to and the right to examine the items listed above during the Contract and during the post-Contract period or until resolution. During each Contract period, access to these items shall be provided in Albany. During the Contract and post-Contract period, delivery of, and access to, the listed items shall be at no cost to the Department.

The retention periods in the previous paragraphs are minimum time periods. All record retention must meet the requirements of Appendix A, Clause 10 - Records.

## 7. Employment Practices

During the term of this Contract, the contractor shall not discriminate against employees or applicants for employment because of race, marital status, ancestry, arrest record or conviction, physical condition, developmental disability, sexual orientation, color, religion, creed, age, sex, handicap, or national origin. In furtherance of that nondiscrimination, the contractor shall:

- Take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, marital status, ancestry, arrest record or conviction, physical condition, developmental disability, color, religion, creed, age, sex, handicap, or national origin. Such action shall be taken in conjunction with any of the contractor's acts in the capacity of an employer, including, but not limited to, employment of individuals; upgrading; demotions; transfers; recruitment; recruitment advertising; layoffs; terminations; changes in rates of pay or other forms of compensation; selection for training, including apprenticeship; and participation in recreational and educational activities.
- Post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
- State, in all solicitations or advertisements for employees, that all qualified applicants will receive consideration for employment without regard to race, marital status, ancestry, arrest record or conviction, physical condition, developmental disability, sexual orientation, color, religion, creed, age, sex, handicap, or national origin.
- Comply with all of the provisions of Executive Order No. 11246, entitled "Equal Employment Opportunity" as supplemented in U.S. Department of Labor regulations (41 CFR Part 60) and with any rules, regulations, and guidelines as the State of New York or the United States shall issue to implement these regulations.
- Keep all such information, records, and reports as may be required by Executive Order No. 1146 and by rules and regulations or orders of the United States, and furnish or submit the same at such times as may be required. The contractor shall also permit the Department, the United States, or any of their designated representatives to have access to any of the contractor's books, records, and accounts for the purpose of investigation to ascertain compliance with the aforesaid rules, regulations, and orders, and the covenants and conditions herein contained.
- The contractor shall cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Contract so that the provisions will be binding on each

subcontractor; provided, however, that the foregoing provisions shall not apply to subcontracts for standard commercial supplies or raw materials. The contractor shall take such action with respect to any subcontract as the Department, or, where applicable, the United States, may direct as a means of enforcing such provisions, including sanctions for noncompliance.

**8. State-Owned and contractor-Owned Property**

The contractor shall be responsible for the proper custody and care of any State-owned property furnished by the Department for use in connection with the performance of the Contract and will reimburse the Department for any loss or damage. Likewise, the Department shall be responsible for the proper custody and care of any contractor-owned property furnished by the contractor to the State agency for use in connection with the performance of the Contract and will reimburse the contractor for any loss or damage. Such property will be inventoried annually, designating specific location.

**9. Insurance and Indemnity**

The successful bidder must without expense to the State procure and maintain, until final acceptance by the Department of Health of the work covered by this proposal and the contract, insurance of the kinds and in the amounts hereinafter provided, in insurance companies authorized to do such business in the State of New York covering all operations under this proposal and the contract, whether performed by it or by subcontractors. Before commencing the work, the successful bidder shall furnish to the Department of Health a certificate or certificates, in a form satisfactory to the Department, showing that it has complied with the requirements of this section, which certificate or certificates shall state that the policies shall not be changed or canceled until thirty days written notice has been given to the Department. The kinds and amounts of required insurance are:

- a. A policy covering the obligations of the successful bidder in accordance with the provisions of Chapter 41, Laws of 1914, as amended, known as the Workers' Compensation Law, and the contract shall be void and of no effect unless the successful bidder procures such policy and maintains it until acceptance of the work (reference Appendix E).
- b. Policies of Bodily Injury Liability and Property Damage Liability Insurance of the types hereinafter specified, each within limits of not less than \$500,000 for all damages arising out of bodily injury, including death at any time resulting therefrom sustained by one person in any one occurrence, and subject to that limit for that person, not less than \$1,000,000 for all damages arising out of bodily injury, including death at any time resulting therefrom sustained by two or more persons in any one occurrence, and not less than \$500,000 for damages arising out of damage to or destruction of property during any single occurrence and not

less than \$1,000,000 aggregate for damages arising out of damage to or destruction of property during the policy period.

- i. Contractor's Liability Insurance issued to and covering the liability of the successful bidder with respect to all work performed by it under this proposal and the contract.
- ii. Protective Liability Insurance issued to and covering the liability of the People of the State of New York with respect to all operations under this proposal and the contract, by the successful bidder or by its subcontractors, including omissions and supervisory acts of the State.
- iii. Automobile Liability Insurance issued to and covering the liability of the People of the State of New York with respect to all operations under this proposal and the contract, by the successful bidder or by its subcontractors, including omissions and supervisory acts of the State.

**10. Severability**

To the extent that this Contract may be executed and performance of the obligations of the parties may be accomplished within the intent of the Contract, the terms of this Contract are severable, and should any term or provision hereof be declared invalid or become inoperative for any reason, such invalidity or failure shall not affect the validity of any other term or provision hereof. The waiver of any breach of a term hereof shall not be construed as a waiver of any other term, or the same term upon subsequent breach.

**11. Titles and Headings**

In the event of any conflict or ambiguity between a title heading and the provision under such heading, the provision shall take precedence.

**12. Lobbying Statute**

Chapter 1 of the Laws of 2005, as amended by Chapter 596 of the Laws of 2005, provides, among other things, the following as pertains to development of procurement contracts with governmental entities:

- a. makes the lobbying law applicable to attempts to influence procurement contracts once the procurement process has been commenced by a state agency, unified court system, state legislature, public authority, certain industrial development agencies and local benefit corporations;
- b. requires the above mentioned governmental entities to record all contacts made by lobbyists and contractors about a governmental procurement so that the

- public knows who is contacting governmental entities about procurements;
- c. requires governmental entities to designate persons who generally may be the only staff contacted relative to the governmental procurement by that entity in a restricted period;
  - d. authorizes the New York State Commission on Public Integrity to impose fines and penalties against persons/organizations engaging in impermissible contacts about a governmental procurement and provides for the debarment of repeat violators;
  - e. directs the Office of General Services to disclose and maintain a list of non-responsible contractors pursuant to this new law and those who have been debarred and publish such list on its website;
  - f. requires the timely disclosure of accurate and complete information from offerers with respect to determinations of non-responsibility and debarment;
  - g. expands the definition of lobbying to include attempts to influence gubernatorial or local Executive Orders, Tribal–State Agreements, and procurement contracts;
  - h. modifies the governance of the New York State Commission on Public Integrity
  - i. provides that opinions of the Commission shall be binding only on the person to whom such opinion is rendered;
  - j. increases the monetary threshold which triggers a lobbyist's obligations under the Lobbying Act from \$2,000 to \$5,000; and
  - k. Establishes the Advisory Council on Procurement Lobbying.

Generally speaking, two related aspects of procurements were amended: (i) activities by the business and lobbying community seeking procurement contracts (through amendments to the Legislative Law) and (ii) activities involving governmental agencies establishing procurement contracts (through amendments to the State Finance Law).

Additionally, a new section 1-t was added to the Legislative Law establishing an Advisory Council on Procurement Lobbying (Advisory Council). This Advisory Council is authorized to establish the following model guidelines regarding the restrictions on contacts during the procurement process for use by governmental entities (see Legislative Law §1-t (e) and State Finance Law §139-j). In an effort to facilitate compliance by governmental entities, the Advisory Council has prepared model forms and language that can be used to meet the obligations imposed by State Finance Law §139-k, Disclosure of Contacts and Responsibility of Offerers. Sections 139-j and 139-k are collectively referred to as “new State Finance Law.”

It should be noted that while this Advisory Council is charged with the responsibility of providing advice to the New York State Commission on Public Integrity regarding procurement lobbying, the Commission retains full responsibility for the interpretation, administration and enforcement of the Lobbying Act established by Article 1-A of the Legislative Law (see Legislative Law §1-t (c) and §1-d). Accordingly, questions regarding

the registration and operation of the Lobbying Act should be directed to the New York State Commission on Public Integrity.

The STATE reserves the right to terminate this AGREEMENT in the event it is found that the certification filed by the Contractor in accordance with New York State Finance Law §139-k was intentionally false or intentionally incomplete. Upon such finding, the STATE may exercise its termination right by providing written notification to the Contractor in accordance with the written notification terms of this Agreement.

**13. Accessibility of State Agency Web-based Intranet and Internet Information and Applications**

Any web-based intranet and internet information and applications development, or programming delivered pursuant to the contract or procurement will comply with New York State Enterprise IT Policy NYS-P08-005, "Accessibility Web-based Information and Applications", and New York State Enterprise IT Standard NYS-S08-005, Accessibility of Web-based Information Applications, as such policy or standard may be amended, modified or superseded, which requires that state agency web-based intranet and internet information and applications are accessible to persons with disabilities. Web content must conform to New York State Enterprise IT Standard NYS-S08-005, as determined by quality assurance testing. Such quality assurance testing will be conducted by Department of Health, contractor or other, and the results of such testing must be satisfactory to the Department of Health before web content will be considered a qualified deliverable under the contract or procurement.

**14. Information Security Breach and Notification Act**

Section 208 of the State Technology Law (STL) and Section 899-aa of the General Business Law (GBL) require that State entities and persons or businesses conducting business in New York who own or license computerized data which includes private information including an individual's unencrypted personal information plus one or more of the following: social security number, driver's license number or non-driver ID, account number, credit or debit card number plus security code, access code or password which permits access to an individual's financial account, must disclose to a New York resident when their private information was, or is reasonably believed to have been, acquired by a person without valid authorization. Notification of breach of that private information to all individuals affected or potentially affected must occur in the most expedient time possible without unreasonable delay, after measures are taken to determine the scope of the breach and to restore integrity; provided, however, that notification may be delayed if law enforcement determines that expedient notification would impede a criminal investigation. When notification is necessary, the State entity or person or business conducting business in New York must also notify the following New York State agencies: the Attorney General, the Office of Cyber Security & Critical Infrastructure Coordination (CSCIC) and the Consumer Protection Board (CPB).

Information relative to the law and the notification process is available at:  
<http://www.cscic.state.ny.us/security/securitybreach/>

**15. Piggybacking**

New York State Finance Law section 163(10)(e) (see also <http://www.ogs.state.ny.us/procurecounc/pgbguidelines.asp>) allows the Commissioner of the NYS Office of General Services to consent to the use of this contract by other New York State Agencies, and other authorized purchasers, subject to conditions and the contractor's consent.

**16. M/WBE Utilization Plan for Subcontracting and Purchasing**

The New York State Department of Health recognizes the need to take affirmative action to ensure that Minority and Women Owned Business Enterprises are given the opportunity to participate in the performance of the Department of Health's contracting program. This opportunity for full participation in our free enterprise system by traditionally, socially and economically disadvantaged persons is essential to obtain social and economic equality and improve the functioning of the State economy.

It is the intention of the New York State Department of Health to fully execute the mandate of Executive Law, Article 15-A and provide Minority and Women Owned Business Enterprises with equal opportunity to bid on contracts awarded by this agency in accordance with the State Finance Law.

To implement this affirmative action policy statement, the contractor agrees to file with the Department of Health within 10 days of notice of award, a staffing plan of the anticipated work force to be utilized on this contract or, where required, information on the contractor's total work force, including apprentices, broken down by specified ethnic background, gender, and Federal occupational categories or other appropriate categories specified by the Department. The form of the staffing plan shall be supplied by the Department.

After an award of this contract, the contractor agrees to submit to the Department a work force utilization report, in a form and manner required by the Department, of the work force actually utilized on this contract, broken down by specified ethnic background, gender and Federal occupational categories or other appropriate categories specified by the Department.

**17. Department Responsibilities**

1. The Department reserves the right to review and approve all aspects of the contractor's work as it relates to this FAS;
2. The Department will determine that the contractor has addressed each requirement and will notify the contractor when it has been determined that a requirement has been

- satisfied in each deliverable. The Department will use the Requirements Traceability Matrix created and maintained by the contractor to assist in this process;
3. The Department reserves the right, at its sole discretion, to determine if the contractor has successfully met or completed all requirements for a milestone; and the Department reserves the right, at its sole discretion, to withhold payments based on a deliverable, milestone or phase completion when the contractor has failed to meet all of the requirements;
  4. The Department has sole responsibility of approving the addition of new System Enhancements and setting the priority of System Enhancements. When the Department submits a Change System Request (CSR), the contractor shall open the CSR in the tracking tool and assign a CSR number. The contractor shall begin work on the System Management project after receiving the Department's approval in writing; and,
  5. The Department will conduct a timely review of all materials submitted to the Department by the contractor.
  6. The Department will notify the contractor regarding changes in Federal, State and Department requirements that affect the contractor's performance with regard to the requirements in this FAS;
  7. The Department will establish policies and make administrative decisions concerning the requirements in this FAS; and,
  8. The Department will provide policy and contract clarification as requested by the contractor.

**18. General Contractor Responsibilities**

1. All deliverables, materials or other submissions provided by the contractor must meet the form and content requirements specified by the Department. Such deliverables or other materials shall be subject to Department approval;
2. If the Department determines that a deliverable cannot be approved, the contractor will have a cure period beginning with notice from the Department that the deliverable is not approved. The cure period will last for ten (10) business days from the notice of deliverable rejection;
3. The contractor work plan also must provide sufficient time (a minimum of ten (10) business days) for Department review and approval of each deliverable based on the scope of the deliverable;
4. The contractor must deliver to the Department five (5) paper copies of all document deliverables and an electronic copy on the date specified in Department-approved plans. The electronic copy must be in a format approved by the Department;
5. The contractor must establish project management and reporting standards and communication protocols to be approved by the Department;
6. The contractor must maintain all approved project documentation in the NY-HX Solution metadata repository; and,
7. The contractor shall be responsible for full, current and detailed knowledge of, and compliance with, the requirements of New York State and Federal law and the pertinent regulations and guidelines promulgated thereunder. The contractor also shall be responsible for ascertaining all relevant requirements for NY-HX Solution and bring same to the attention of the Department.

## **19. Public Information**

Disclosure of information related to this procurement and the resulting contract shall be permitted consistent with the laws of the State of New York and specifically the Freedom of Information Law (FOIL) contained in Article 6 of the Public Officers Law. The State shall take reasonable steps to protect from public disclosure any of the records relating to this procurement that are exempt from disclosure. Information constituting trade secrets or critical infrastructure information for purposes of FOIL shall be clearly marked and identified as such by the contractor upon submission. Determinations as to whether the materials or information may be withheld from disclosure will be made in accordance with FOIL at the time a request for such information is received by the State.

## **20. Work**

The work shall be commenced and shall be actually undertaken within such time as the Department of Health may direct by notice, whether by mail, telegram, or other writing, whereupon the undersigned will give continuous attention to the work as directed, to the end and with the intent that the work shall be completed within such reasonable time or times, as the case may be, as the Department may prescribe.

The Department reserves the right to stop the work covered by this proposal and the contract at any time that the Department deems the successful bidder to be unable or incapable of performing the work to the satisfaction of the Department and in the event of such cessation of work, the Department shall have the right to arrange for the completion of the work in such manner as the Department may deem advisable and if the cost thereof exceeds the amount of the bid, the successful bidder and its surety be liable to the State of New York for any excess cost on account thereof.

## **21. HIPAA**

The contractor must comply with the requirements defined in Appendix H of the Sample State Contract included in Attachment 23.

## **22. No Subcontracting**

Subcontracting by the contractor shall not be permitted except by prior written approval and knowledge of the Department of Health.

## **23. Superintendence by Contractor**

The Contractor shall have a representative to provide supervision of the work which Contractor employees are performing to ensure complete and satisfactory performance with the terms of the Contract. This representative shall also be authorized to receive and put into effect promptly all orders, directions and instructions from the Department of Health. A confirmation in writing of such orders or directions will be given by the Department when so requested from the Contractor.

#### **24. Sufficiency of Personnel and Equipment**

If the Department of Health is of the opinion that the services required by the specifications cannot satisfactorily be performed because of insufficiency of personnel, the Department shall have the authority to require the Contractor to use such additional personnel, to take such steps necessary to perform the services satisfactorily at no additional cost to the State.

#### **25. Experience Requirements**

The Contractor shall submit evidence to the satisfaction of the Department that it possesses the necessary experience and qualifications to perform the type of services required under this contract and must show that it is currently performing similar services. The Contractor shall submit at least two references to substantiate these qualifications.

#### **26. Contract Amendments**

This agreement may be amended by written agreement signed by the parties and subject to the laws and regulations of the State pertaining to contract amendments. This agreement may not be amended orally.

The contractor shall not make any changes in the scope of work as outlined herein at any time without prior authorization in writing from the Department of Health and without prior approval in writing of the amount of compensation for such changes.

#### **27. Provisions Upon Default**

1. In the event that the Contractor, through any cause, fails to perform any of the terms, covenants or promises of this agreement, the Department acting for and on behalf of the State, shall thereupon have the right to terminate this agreement by giving notice in writing of the fact and date of such termination to the Contractor

2. If, in the judgement of the Department of Health, the Contractor acts in such a way which is likely to or does impair or prejudice the interests of the State, the Department acting on behalf of the State, shall thereupon have the right to terminate this agreement by giving notice in writing of the fact and date of such termination to the Contractor. In such case the Contractor shall receive equitable compensation for such services as shall, in the judgement of the State Comptroller, have been satisfactorily performed by the Contractor up to the date of the termination of this agreement, which such compensation shall not exceed the total cost incurred for the work which the Contractor was engaged in at the time of such termination, subject to audit by the State Comptroller.

#### **28. Conflicts**

If, in the opinion of the Department of Health, (1) the specifications conflict, or (2) if the specifications are not clear as to (a) the method of performing any part of the work, or as to (b) the types of materials or equipment necessary, or as to (c) the work required to be done in every such situation, the Contractor shall be deemed to have based his bid upon performing the work and furnishing materials or equipment in the most inexpensive and

efficient manner. If such conflicts and/or ambiguities arise, the Department of Health will furnish the Contractor supplementary information showing the manner in which the work is to be performed and the type or types of material or equipment that shall be used.

## Attachment 1: Business Requirements

The contractor must deliver an operational ready exchange that meets at a minimum the business requirements defined in this Section and the requirements by October 2012:

### 1. Overall Requirements

- Provide recommendations regarding existing and potential business processes and mechanisms to support all Exchange core functions (e.g. eligibility and enrollment, verification, advance payment of premium tax credits and cost sharing reductions, consumer assistance, including navigator function and facilitated enrollment; plan certification, quality rating, risk adjustment, adjudication of appeals, outreach and enrollment, etc.) as required to develop the business requirements for the NY-HX Solution, as more particularly outlined below and as outlined in the ACA, all applicable guidance documents, FOAs, etc. Review available information, help assess entities and functions (both within and outside of state agencies) that currently provide such assistance or perform such function, to help develop appropriate NY-HX business rules and processes, and to ensure appropriate IT design/structure to best support such functions for the NY-HX.
- Coordinate the Exchange IT design and development process as needed, as directed by the Department, with other NY-HX planning and development efforts. This may include but is not limited to coordinating with work conducted through Exchange Establishment Grant(s) with the EI Collaborative Agreement and the Department to design, develop test, document and implement the following requirements:
  - a) Business requirements for systems and program operations regarding the portal and calculator, including but not limited to:
    - Requirements related to online comparison of qualified health plans.
    - Requirements related to online application and selection of qualified health plans.
    - Premium tax credit and cost-sharing reduction calculator functionality.
    - Requests for assistance.
    - Linkages to other State health subsidy programs and other health and human services programs, as appropriate.
    - Quality rating functionality.
  - b) Business requirements regarding eligibility determinations, including Exchange and other applicable state health subsidy programs, including but not limited to:
    - Designing, developing and implementing automated eligibility determinations to the extent practicable/envisioned under requirements across all programs
    - Integrating or interfacing with other applicable state health subsidy programs, as appropriate, to support enrollment transactions and eligibility referrals.
    - Designing, developing and implementing automated “smart” eligibility verification systems
    - Coordinating appeals.
    - Coordinating applications and notices.
    - Managing transitions.

- Communicating the enrollment status of individuals.
- c) Business requirements for systems and program operations regarding the enrollment process, including but not limited to:
  - Providing customized plan information to individuals based on eligibility and qualified health plan data, including customization based on consumer preferences (e.g. quality, providers in network), and tailored/narrowed to customer needs/eligibility.
  - Submitting enrollment transactions to qualified health plan issuers.
  - Receiving acknowledgements of enrollment transactions from qualified health plan issuers.
  - Submitting relevant data to HHS.
- d) Business requirements for systems and program operations regarding exemptions from individual responsibility requirement and payment, including but not limited to:
  - Accepting requests for exemptions.
  - Reviewing and adjudicating requests.
  - Exchanging relevant information with HHS.
- e) Business requirements for systems and program operations regarding premium tax credit and cost-sharing reduction administration, including but not limited to providing relevant information to qualified health plan issuers and HHS to start, stop, or change the level of premium tax credits and cost-sharing reductions.
- f) Business requirements for systems and program operations regarding notification and appeals of employer liability for the employer responsibility payment, including but not limited to:
  - Coordination of employer appeals with appeals of individual eligibility.
  - Submission of relevant data to HHS.
- g) Business requirements for systems and program operations regarding information receipt and reporting to HHS, Treasury, the IRS, other appropriate federal and state agencies and/or authorized third parties and enrollees, including but not limited to:
  - Capturing data used in enrollment process.
  - Submitting relevant data to HHS for later use in information reporting.
  - Capacity to generate information reports to enrollees.
- h) Business requirements and design options for systems and program operations regarding SHOP-specific functions, including recommendations regarding the role of brokers.

## **2. Eligibility and Enrollment**

Develop, test, document and implement the business requirements, rules and processes as part of the development of integrated Exchange and Medicaid IT systems to help facilitate “no wrong door” for eligibility determinations.

Assess the existing State health coverage application, renewal, appeals processes and notice requirements in the context of federal health reform and existing state and federal requirements, and make recommendations regarding coordination and/or alignment of the current business requirements and processes with new federal requirements and responsibilities of the Exchange. Final policies must be translated into appropriate business

requirements and processes as required for the design, development and/or implementation of the NY-HX Solution.

### **3. *Plan Management***

Develop, test, document and implement standards and policies regarding the certification, recertification and decertification of qualified health plans, including but not limited to:

- A clear certification policy, including but not limited to, a timeline for application submission, evaluation, and selection of qualified health plans.
- An assessment of current plan certification activities and components handled within existing state agencies, including recommendations regarding the component(s) that should be handled by the Exchange, and how certification processes and components could best be structured in terms of state and ACA requirements.
- Recommendations regarding the integration of staff and IT systems needed to receive applications, evaluate data from insurers, and notify insurers of the result of the solicitations for applications for qualified health plans, including use of the Federal quality rating system to be developed by HHS.
- Final policies must be translated into appropriate business requirements and processes as required for the design, development and/or implementation of the NY-HX Solution.

### **4. *Financial Management***

Define the scope of financial management activities required to comply with CMS requirements.

Draft a financial management structure, which includes responding to audit requests and inquiries of the HHS Secretary and the U.S. Government Accountability Office as needed. Translate into appropriate business requirements and processes as required for the design, development and/or implementation of the NY-HX Solution.

The NY-HX Solution must be able to allow for the aggregation of premiums, collection of premiums and remission of payments to plans for enrollees.

The NY-HX Solution must be able to receive, transmit and calculate premium tax credits, advance payments and cost sharing reductions for qualified individuals.

Identify various means and options to help make financial activities associated with the management of the Exchange transparent.

### **5. *Communications***

Analyze applicable federal and state requirements for Exchange applications, notices and appeals, to help define the business requirements for the NY-HX Solution(s) to support these functions, including the potential range of modes and methods of communication, devices, etc. that might best be utilized.

Develop proposed business processes for appeals functions, to the extent required as a core function of the Exchange, and ensure that NY-HX Solution appropriately reflects such business requirements.

**6. ACA Requirements**

Ref. No.	Requirement Description	Source
1.	The contractor must ensure that the NY-HX Solution supports and facilitates the purchase of qualified health plans	ACA: Section 1311( b)
2.	The contractor must ensure that the NY-HX provides for the establishment of a Small Business Health Options Program (in this title referred to as a `SHOP Exchange') that is designed to assist qualified employers in the State who are small employers in facilitating the enrollment of their employees in qualified health plans offered in the small group market in the State	ACA: Section 1311( b)
3.	The contractor must ensure that the NY-HX Solution supports and facilitates required reporting re health plan compliance with marketing requirements, including prohibitions on marketing practices or benefit designs that have the effect of discouraging the enrollment in such plan by individuals with significant health needs;	ACA: Section 1311( c)
4.	The contractor must ensure that the NY-HX provides information to enrollees and prospective enrollees on the availability of in-network and out-of-network providers;	ACA: Section 1311( c)
5.	<p>The contractor must ensure that the NY-HX Solution supports receipt and transmission of health plan information, including but not limited to data regarding inclusion of essential community providers, implementation of quality improvement strategies, and information regarding</p> <p>(i) accreditation with respect to local performance on clinical quality measures such as the Healthcare Effectiveness Data and Information Set, patient experience ratings on a standardized Consumer Assessment of Healthcare Providers and Systems survey, as well as consumer access, utilization management, quality assurance, provider credentialing, complaints and appeals, network adequacy and access, and patient information programs by any entity recognized by the Secretary for the accreditation of health insurance issuers or plans (so long as any such entity has transparent and rigorous methodological and scoring criteria); or</p> <p>(ii) receive such accreditation within a period established by an Exchange for such accreditation that is applicable to all qualified health plans;</p>	ACA: Section 1311( c)
6.	The contractor must ensure that the NY-HX utilizes a uniform enrollment form that qualified individuals and qualified employers use in enrolling in qualified health plans offered through the NY-HX, and that takes into	ACA: Section 1311( c)

Ref. No.	Requirement Description	Source
	account criteria that the National Association of Insurance Commissioners develops and submits to the Secretary;	
7.	The contractor must ensure that the NY-HX utilizes the standard format established for presenting health benefits plan options;	ACA: Section 1311( c)
8.	The contractor must ensure that the NY-HX Solution can provide information to enrollees and prospective enrollees, and to each Exchange in which the plan is offered, on any quality measures for health plan performance endorsed under section 399JJ of the Public Health Service Act, as applicable.	ACA: Section 1311( c)
9.	The contractor must ensure that the NY-HX includes the quality rating in the information provided to individuals and employers through the Internet portal established under paragraph	ACA: Section 1311( c)
10.	The contractor must ensure that the NY-HX includes enrollee satisfaction information in the information provided to individuals and employers through the Internet portal established under paragraph (5) in a manner that allows individuals to easily compare enrollee satisfaction levels between comparable plans.	ACA: Section 1311( c)
11.	The contractor must ensure that the NY-HX provides for an initial open enrollment, as determined by the Secretary (such determination to be made not later than July 1, 2012); annual open enrollment periods, as determined by the Secretary for calendar years after the initial enrollment period; special enrollment periods specified in section 9801 of the Internal Revenue Code of 1986 and other special enrollment periods under circumstances similar to such periods under part D of title XVIII of the Social Security Act; and special monthly enrollment periods for Indians (as defined in section 4 of the Indian Health Care Improvement Act).	ACA: Section 1311( c)
12.	The contractor must ensure that the NY-HX make available qualified health plans to qualified individuals and qualified employers.	ACA: Section 1311( d)
13.	The contractor must ensure that the NY-HX not make available any health plan that is not a qualified health plan.	ACA: Section 1311( d)
14.	The contractor must ensure that the NY-HX Solution implements and supports procedures for the certification, recertification, and decertification, consistent with guidelines developed by the Secretary under subsection (c), of health plans as qualified health plans.	ACA: Section 1311( d)
15.	The contractor must ensure that the NY-HX maintains an Internet website through which enrollees and prospective enrollees of qualified health plans may obtain standardized comparative information on such plans.	ACA: Section 1311( d)
16.	The contractor must ensure that the NY-HX assigns a rating to each qualified health plan offered through such Exchange in accordance with the criteria developed by the Secretary under subsection (c)(3).	ACA: Section 1311( d)

Ref. No.	Requirement Description	Source
17.	The contractor must ensure that the NY-HX utilizes a standardized format for presenting health benefits plan options, including the use of the uniform outline of coverage established under section 2715 of the Public Health Service Act. ACA: Section 1311( d)	ACA: Section 1311( d)
18.	The contractor must ensure that the NY-HX in accordance with section 1413, inform individuals of eligibility requirements for the Medicaid program under title XIX of the Social Security Act, the CHIP program under title XXI of such Act, or any applicable State or local public program and if through screening of the application by the Exchange, the Exchange determines that such individuals are eligible for any such program, enroll such individuals in such program. ( ACA: Section 1311( d)	ACA: Section 1311( d)
19.	The contractor must ensure that the NY-HX establish and make available by electronic means a calculator to determine the actual cost of coverage after the application of any premium tax credit under section 36B of the Internal Revenue Code of 1986 and any cost-sharing reduction under section 1402.	ACA: Section 1311( d)
20.	<p>The contractor must ensure that the NY-HX subject to section 1411( grant a certification attesting that, for purposes of the individual responsibility penalty under section 5000A of the Internal Revenue Code of 1986, an individual is exempt from the individual requirement or from the penalty imposed by such section because--</p> <p>(i) there is no affordable qualified health plan available through the Exchange, or the individual's employer, covering the individual; or</p> <p>(ii) the individual meets the requirements for any other such exemption from the individual responsibility requirement or penalty.</p>	ACA: Section 1311( d)
21.	<p>The contractor must ensure that the NY-HX shall transfer to the Secretary of the Treasury--</p> <p>(i) a list of the individuals who are issued a certification under subparagraph (H), including the name and taxpayer identification number of each individual;</p> <p>(ii) the name and taxpayer identification number of each individual who was an employee of an employer but who was determined to be eligible for the premium tax credit under section 36B of the Internal Revenue Code of 1986 because--</p> <p>(I) the employer did not provide minimum essential coverage; or</p> <p>(II) the employer provided such minimum essential coverage but it was determined under section 36B(c)(2)(C) of such Code to either be unaffordable to the employee or not provide the required minimum actuarial value; and</p> <p>(iii) the name and taxpayer identification number of each individual who notifies the Exchange under section 1411(b)(4) that they have changed</p>	ACA: Section 1311( d)

Ref. No.	Requirement Description	Source
	employers and of each individual who ceases coverage under a qualified health plan during a plan year (and the effective date of such cessation)	
22.	The contractor must ensure that the NY-HX provides to each employer the name of each employee of the employer described in subparagraph (I)(ii) who ceases coverage under a qualified health plan during a plan year (and the effective date of such cessation)	ACA: Section 1311( d)
23.	The contractor must ensure that the NY-HX Solution facilitates and supports the role of Navigators and other authorized third party assistors	ACA: Section 1311( d)
24.	The contractor must ensure that the NY-HX publishes the average costs of licensing, regulatory fees, and any other payments required by the Exchange, and the administrative costs of such Exchange, on an Internet website to educate consumers on such costs. Such information shall also include monies lost to waste, fraud, and abuse.	ACA: Section 1311( d)
25.	<p>(3) TRANSPARENCY IN COVERAGE.—<i>As added by section 10104(f)(2).</i></p> <p>(A) IN GENERAL.—The NY-HX Solution shall support the receipt and transmission of information to and from health plans seeking certification as qualified health plans,, and enable accurate and timely disclosure to the public, of the following information :</p> <p>(i) Claims payment policies and practices.</p> <p>(ii) Periodic financial disclosures.</p> <p>(iii) Data on enrollment.</p> <p>(iv) Data on disenrollment.</p> <p>(v) Data on the number of claims that are denied.</p> <p>(vi) Data on rating practices.</p> <p>(vii) Information on cost-sharing and payments with respect to any out-of-network coverage.</p> <p>(viii) Information on enrollee and participant rights under this title.</p> <p>(ix) Other information as determined appropriate by the Secretary.</p>	ACA: Section 1311(f)
26.	The contractor must ensure that the NY-HX enrolls a qualified individual in	ACA: Section 1312( a)

Ref. No.	Requirement Description	Source
	any qualified health plan available to such individual.	
27.	<p>The contractor must ensure that the NY-HX provides</p> <p>(A) EMPLOYER MAY SPECIFY LEVEL- The NY-HX Solution must support the ability of a qualified employer to provide support for coverage of employees under a qualified health plan , to the extent a qualified employer selects any level of coverage under section 1302(d) to be made available to employees through an Exchange.</p>	ACA: Section 1312( a)
28.	<p>The contractor must ensure that the NY-HX allows each employee of a qualified employer that elects a level of coverage under subparagraph (A) to enroll in a qualified health plan that offers coverage at that level.</p>	ACA: Section 1312( a)
29.	<p>The contractor must ensure that the NY-HX allows a qualified individual enrolled in any qualified health plan to pay any applicable premium owed by such individual to the health insurance issuer issuing such qualified health plan.</p>	ACA: Section 1312( b)
30.	<p>The contractor must ensure that the NY-HX Solution supports an oversight mechanism to ensure that no penalty or other fee is imposed on an individual who cancels enrollment in a plan because the individual becomes eligible for minimum essential coverage (as defined in section 5000A(f) of the Internal Revenue Code of 1986 without regard to paragraph (1)(C) or (D) thereof) or such coverage becomes affordable</p> <p>(within the meaning of section 36B(c)(2)(C) of such Code).</p>	ACA: Section 1312( 4)(d)
31.	<p>The contractor must ensure that the NY-HX allows agents or brokers to enroll individuals and employers in any qualified health plans in the individual or small group market as soon as the plan is offered through an Exchange in the State; and assists individuals in applying for premium tax credits and cost-sharing reductions for plans sold through an Exchange</p>	ACA: Section 1312( 4)(e)
32.	<p>The contractor must ensure that the NY-HX keeps an accurate accounting of all activities, receipts, and expenditures and shall annually submit to the Secretary a report concerning such accountings.</p>	ACA: Section 1313( a)
33.	<p>The contractor must ensure that the NY-HX gathers appropriate information about an applicant for enrollment in a qualified health plan offered through an Exchange in the individual market and for individuals who are seeking financial assistance and who may be determined eligible for enrollment in public or subsidized coverage, including but not limited to the name, Social Security number, immigration status, address, date of birth, income and family size, changes in circumstances, any employer and employer-based coverage for each individual who is to be covered by the plan and/or who is</p>	ACA: Section 1411( b)

Ref. No.	Requirement Description	Source
	seeking financial assistance for enrollment in a plan or enrollment in public coverage (in this subsection referred to as an `enrollee')	
34.	The contractor must ensure that the NY-HX submits the information provided by an applicant under subsection (b) to the Secretary for verification in accordance with the requirements of this subsection and subsection (d).	ACA: Section 1411( c)
35.	The contractor must ensure that NY-HX provides a mechanism for an applicant to resolve discrepancies with other records as applicable or if information not verified by the HHS Secretary, including provision for receipt, imaging, cataloguing of documents.	ACA: Section 1411 (e)
36.	The contractor must ensure that the NY-HX provides a way for individual's to enroll through the Exchange and to apply for premium tax credits and cost-sharing reductions.	ACA: Section 1411 (a)
37.	If an inconsistency involving the eligibility for, or amount of, any premium tax credit or cost-sharing reduction is unresolved under this subsection as of the close of the period under subparagraph (A)(ii)(II), the contractor must ensure that the NY-HX notifies the applicant of the amount (if any) of the credit or reduction that is determined on the basis of the records maintained by persons under subsection (c).	ACA: Section 1411 (e)
38.	The contractor must ensure that the NY-HX contacts the applicant to confirm the accuracy of the information, notifies the applicant in the cases where the inconsistency or inability to verify information is not resolved under subparagraph (A),	ACA: Section 1411, (e)
39.	The contractor must ensure that where the HHS Secretary notifies NY-HX , or it is otherwise determined that an enrollee that is eligible for a premium tax credit under section 36B of such Code or cost-sharing reduction under section 1402 because the enrollee's (or related individual's) employer does not provide minimum essential coverage through an employer-sponsored plan or that the employer does provide that coverage but it is not affordable coverage, that NY-HX IT Solution enables the Exchange to notify the employer of such fact and that the employer may be liable for the payment assessed under section 4980H of such Code.	ACA: Section 1411 (e)
40.	The contractor must ensure that the NY-HX notifies an applicant of any inconsistency involving, or inability to verify, information provided under subsection (b)(5) is not resolved as of the close of the period under subparagraph (A)(ii)(II),	ACA: Section 1411( (e)(4)

Ref. No.	Requirement Description	Source
	<p>The contractor must ensure that the NY-HX solution can receive, transmit, and potentially calculate information regarding application of premium tax credits and/or cost sharing.</p> <p>The contractor must ensure that the NY-HX solution can support the collection, remission and potential aggregation of premiums and payments to plans on behalf of enrollees.</p>	
41.	The contractor must ensure that the NY-HX notifies each person receiving notice under this paragraph of the appeals processes established under 1411 subsection (f).	ACA: Section 1414
42.	The contractor must ensure that the NY-HX allows the use of a single, streamlined form provided by the Secretary that may be filed with an Exchange or with State officials operating one of the other applicable State health subsidy programs	ACA: Section 1413
43.	The contractor must ensure that the NY-HX provides a secure, electronic interface allowing an exchange of data (including information contained in the application forms described in subsection (b)) that allows a determination of eligibility for all such programs based on a single application. Such interface shall be compatible with the method established for data verification under section 1411(c)(4).	ACA: Section 1413
44.	The contractor must ensure that the NY-HX provides electronic matching against existing Federal and State data, including vital records, employment history, enrollment systems, tax records, and other data determined appropriate by the Secretary to serve as evidence of eligibility and in lieu of paper-based documentation.	ACA: Section 1561
45.	The contractor must ensure that the NY-HX supports simplification and submission of electronic documentation, digitization of documents, and systems verification of eligibility.	ACA: Section 1561
46.	The contractor must ensure that the NY-HX provides for the reuse of stored eligibility information (including documentation) to assist with retention of eligible individuals.	ACA: Section 1561
47.	The contractor must ensure that the NY-HX provides the capability for individuals to apply, recertify and manage their eligibility information online, including at home, at points of service, and other community-based locations.	ACA: Section 1561
48.	The contractor must ensure that the NY-HX provides the ability to expand the	ACA: Section 1561

Ref. No.	Requirement Description	Source
	enrollment system to integrate new programs, rules, and functionalities, to operate at increased volume, and to apply streamlined verification and eligibility processes to other Federal and State programs, as appropriate.	
49.	The contractor must ensure that the NY-HX provides notification of eligibility, recertification, and other needed communication regarding eligibility, which may include communication via email and cellular phones.	ACA: Section 1561
50.	The contractor must ensure that the NY-HX provides other functionalities necessary to provide eligible's with streamlined enrollment process.	ACA: Section 1561
51.	The contractor must ensure that the NY-HX ensures that individuals who apply for but are determined to be ineligible for medical assistance under the State plan or a waiver or ineligible for child health assistance under the State child health plan under title XXI, are screened for eligibility for enrollment in qualified health plans offered through such an Exchange and, if applicable, premium assistance for the purchase of a qualified health plan under section 36B of the Internal Revenue Code of 1986 (and, if applicable, advance payment of such assistance under section 1412 of the Patient Protection and Affordable Care Act), and, if eligible, enrolled in such a plan without having to submit an additional or separate application, and that such individuals receive information regarding reduced cost-sharing for eligible individuals under section 1402 of the Patient Protection and Affordable Care Act, and any other assistance or subsidies available for coverage obtained through the Exchange;	ACA: Section 2201
52.	The contractor must ensure that the NY-HX utilizes a secure electronic interface sufficient to allow for a determination of an individual's eligibility for such medical assistance, child health assistance, or premium assistance, and enrollment in the State plan under this title, title XXI, or a qualified health plan, as appropriate.	ACA: Section 2201
53.	The contractor must ensure that the NY-HX establishes and has in operation, not later than January 1, 2014, an Internet website that is linked to any website of an Exchange established by the State under section 1311 of the Patient Protection and Affordable Care Act and to the State CHIP agency (if different from the State Medicaid agency) and allows an individual who is eligible for medical assistance under the State plan or under a waiver of the plan and who is eligible to receive premium credit assistance for the purchase of a qualified health plan under section 36B of the Internal Revenue Code of 1986 to compare the benefits, premiums, and cost-sharing applicable to the individual under the State plan or waiver with the benefits, premiums, and cost-sharing available to the individual under a qualified health plan offered through such an Exchange, including, in the case of a child, the coverage that would be provided for the child through the State plan or waiver with the	ACA: Section 2201

Ref. No.	Requirement Description	Source
	coverage that would be provided to the child through enrollment in family coverage under that plan and as supplemental coverage by the State under the State plan or waiver.	
54.	NY -HX IT Solution must support the receipt and transmission of presumptive Medicaid eligibility information and determinations from qualified entities as applicable.	ACA: Section 2202
55.	NY-HX Solution must facilitate and support data collection and public reporting required for Exchange accountability and transparency, including but not limited to standardized data reporting on price, quality, benefits, consumer choice and other factors that will help measure and evaluate performance. Successful Exchanges must ensure public accountability in areas such as objective information on the performance of plans; availability of automated comparison functions to inform consumer choice; fair and impartial treatment of consumers, plans and other partners; and prohibitions on conflict of interest.	HHS Guidance
56.	The contractor must ensure that the NY-HX provides information on the availability of in-network and out-of-network providers as identified in Section 1311(c)(1)(B) and (C), including provider directories and availability of essential community providers	HHS Guidance
57.	The contractor must ensure that the NY-HX provides timely information for consumers requesting their amount of cost sharing for specific services from specified providers as described in Section 1311(e)(3)(C)	HHS Guidance
58.	The contractor must ensure that the NY-HX provides comparison shopping tools that promote choice based on price and quality and enable consumers to narrow plan options based on their preferences.	HHS Guidance
59.	The contractor must ensure that the NY-HX will streamline the process for small businesses. Federal rules will provide a framework for SHOP Exchanges, including options for how employers can provide contributions toward employee coverage that meet standards for small business tax credits.	HHS Guidance
60.	<b>Performance Measures.</b> contractor must ensure that NY-HX has mechanism to collect, store and accurately and timely report coverage data and other key performance measures to facilitate research, analysis, and evaluation	HHS Guidance
61.	The contractor must ensure that the NY-HX provides seamless coordination between Medicaid and CHIP programs and private coverage via State Exchanges	NY-General
62.	The contractor must ensure that the NY-HX provides one door for consumers	NY-General

Ref. No.	Requirement Description	Source
	to access all options	

**7. Other Business Requirements**

At a minimum the DDO phase will include all the requirements herein and all business processes, services defined in the guidance documents listed in Section X *Federal Medicaid and Exchange IT Architecture Guidance: Framework for Collaboration with State Grantees* and other requirements defined in the federal rules and regulations governing exchanges

## Attachment 2: Technical Requirements

The contractor must deliver an operational ready exchange that meets at a minimum the requirements defined in this Section by October 2012:

### ***1. Interoperability Current Technical Architecture***

As part of the grant application CCIIO requested that states complete a readiness assessment and describe their legacy hardware and software, targeted hardware and software and show the gaps between their current state of readiness and the future exchange environment. Recognizing the importance of developing an NY-HX Solution based upon open standards and fully supportive of flexibility, scalability and extensibility the Department proposed using much of the technological infrastructure currently being used within the current MMIS (eMedNY).

The current eMedNY MMIS technical architecture provides the ability for health care delivery personnel to view applicable data at the point of care. Through their own prescribing data exchange gateways, or by adopting Department gateway client software, hospitals, clinics, and private medical practices are able to request and receive the data from the eMedNY MMIS.

The proposed NY-HX Solution must build upon this architecture and include an interface based on a SOA as the basis for developing and invoking services. The Contractor will also need to consider potential use of capabilities and services associated with the SHIN-NY.

Web Services will be the underlying technology in building the additional interface channel. Web Services Definition Language (WSDL), SOAP and extensible Markup Language (XML) will be used throughout this solution.

The offeror should describe in its response to this FAS how it will integrate and interoperate with the existing MMIS architecture as shown in Exhibit 2. Offerors should note that the Department is currently in the process of procuring a successor fiscal agent to operate the eMedNY. In addition to interfacing with the current eMedNY contractor, the contractor selected as a result of the FAS shall be responsible to interface with the successor contractor at no additional cost to the Department.

## Current System NY-HX

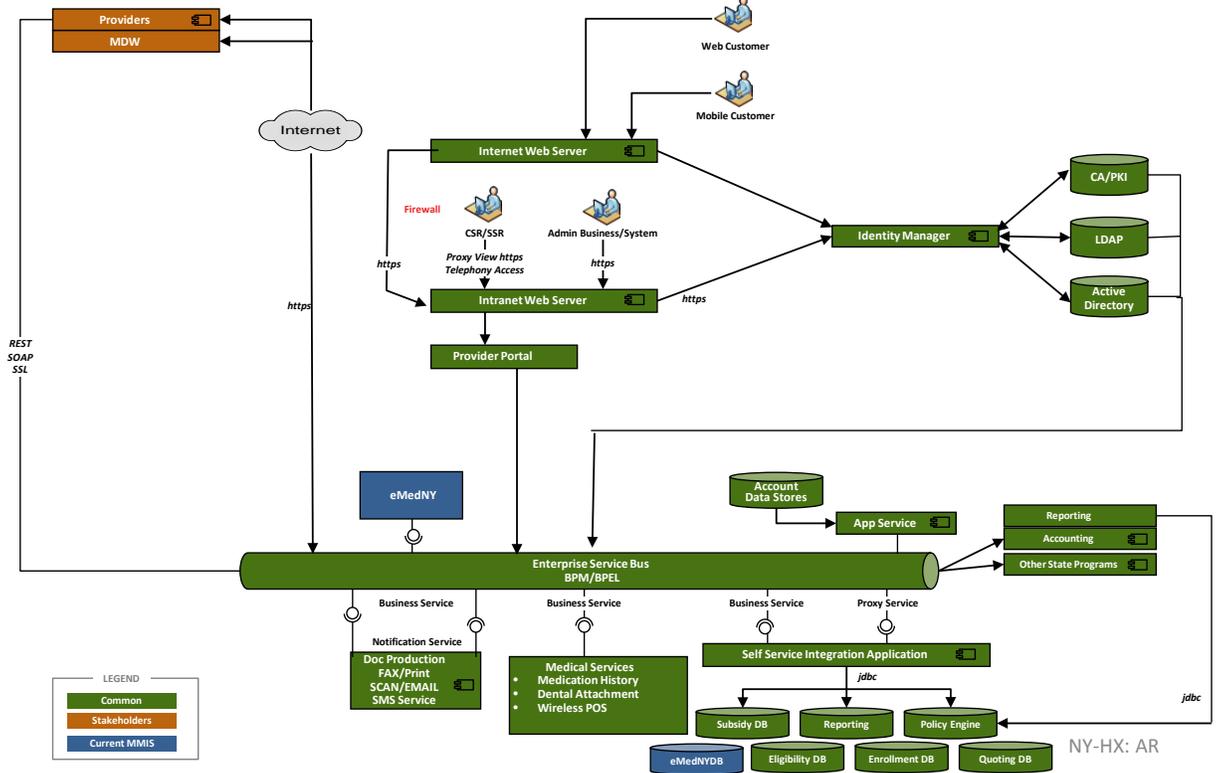


Exhibit 2

### 2. Development Architecture

The Department requires that the contractor selected as a result of this FAS provide all the hardware, software, networking, COTS products, security features, etc. to create a development environment in the contractor's data center.

At the center of the NY-HX architecture is an Enterprise Service Bus (ESB). The ESB is fundamentally a messaging infrastructure that provides an abstraction layer on top of enterprise messaging systems to exploit the value of messaging without writing code. This architecture facilitates the integration of scalable enterprise Exchange applications and services.

The major strength of an ESB is that it can support reuse by:

1. Acting as a client, invoking existing Web services from a message flow;
2. Acting as an intermediary - providing a new interface or adding some value to an existing Web service; and,

3. Implementing a Web service interface to an existing legacy or non-standards based application.

In general, the core ESB will be used as a standards-based key Service-Oriented Architecture (SOA) infrastructure component. This provides foundational services for more complex services through an event-driven and XML-based messaging engine. The ESB supports transformation services between the format of the sending application and the receiving application, including the transformation of data formats. The ESB facilitates the ability of integration architects and developers to exploit the value of messaging without writing code. The foundation of the ESB is built on base functions divided into their constituent parts, with distributed deployment where needed.

In order to effectively integrate disparate systems, the core exchange architecture must leverage the ESB within an SOA framework. The architecture must provide an integration backbone that will be the broker between service consumers and producers. Using the ESB promotes the reusability design objectives of SOA. The ESB functioning as a message broker can be configured to provide data filters and transforms, security filters, and routing transparency between the services and their consumers. This promotes a more robust flexible architecture with most of these complex functions provided by native capabilities of the bus through configuration rather than custom software development.

### ***3. Production Ready Architecture***

The production ready environment need not be in place until the benchmarking phase of the project schedule. The contractor at that time must install in the prime and disaster recovery data centers all the hardware, software, networking, COTS products, security features, etc. to create a “production ready” environment.

The production NY-HX Solution must be provided via a private cloud which will provide rapid provisioning of:

- Software as a Service (SaaS)
- Infrastructure as a Service (IaaS)
- Platform as a Service (PaaS)

### ***4. Business Continuity and Disaster Recovery***

#### **a. Overview**

The contractor’s approach to the development of the NY-HX Solution must incorporate a comprehensive business continuity and disaster recovery methodology that will protect valuable information assets of the NY-HX and allow continuous availability of all applications.

System availability is of the utmost importance and whether it is a natural disaster or other event that interrupts operations, the proposed business continuity solution must provide the ability to recover quickly with minimal impact to ongoing NY-HX operations.

The NY-HX Business Continuity requirements are categorized in the following three (3) areas:

1. Backup/Recovery;
2. Failover; and,
3. Disaster Recovery.

The NY-HX environments must be designed for 24 hours a day, 7 days a week availability.

**b NY-HX Business Continuity Backup/Recovery**

All elements of the contractor's proposed backup/restore solution must be high-speed, high-capacity, enterprise-class components. Incremental and full system backups must be automated and conducted on each of the environments.

**c NY-HX Business Continuity Failover**

The proposed NY-HX failover solution must provide for continued operation in the event of a failure in any of the environments. This solution should include but not be limited to redundancy in:

1. Data center power and air conditioning;
2. Network infrastructure components;
3. Server level components;
4. Database component; and,
5. Storage level components.

Together, these components should provide for a complete and robust failover capability that will switch from the current environment to a full-service alternate environment in the event of disruptions such as a failed disk or failed server.

**d NY-HX Business Continuity & Disaster Recovery**

The contractor must develop a Disaster Recovery Plan, acceptable to the Department within thirty (30) calendar days of OSC approval of the form of the contract.

In the event that the failover solution cannot be successfully executed, the contractor must ensure the NY-HX is operational at a disaster recovery site within twenty-four (24) hours. The disaster recovery site must also meet the Tier III requirements published by the Uptime Institute.

The contractor is also required to ensure that in the event of a disaster an alternate site is available for the DDO staff and will be fully operational within seventy-two (72) hours.

**5. IDEO**

The NY-HX Solution will be developed to meet the needs of health insurance consumers (including individuals, small businesses, navigators and others who may assist consumers) across the State. It will be designed to provide a customer service experience on par with modern e-commerce

capabilities. The modern electronic consumer experience will serve as the basis for design of the Exchange's portal and underlying information technology applications. This design will ensure that consumers will enjoy the same flexible, real-time access to health insurance products and services they have grown accustomed to by using the Internet. A robust customer service function will also be developed to support consumer inquiries and insurance plan selection.

To support this consumer-centric design, the Department will participate in a unique public/private partnership with CMS, the Robert Wood Johnson Foundation, The Atlantic Philanthropies, Blue Shield of California Foundation, Kaiser Permanente, the Colorado Health Foundation, the California Endowment, the New York Health Foundation, the California Health Care Foundation and IDEO (a design and innovation firm), for the NY-HX Solution User Interface (UI). This partnership will include a collaborative design process involving other entities, including other states and philanthropic organizations. This design will support the best-in-class user experience to help ensure that large numbers of eligible consumers successfully enroll in and retain coverage. The selected contractor will be required to interface and integrate its design into the IDEO design effort.

## **6. Security**

The contractor must comply fully with all security policies and procedures of the Department, as well as with all applicable State and Federal requirements, in performance of this contract. The contractor must not, without written authorization from the Department, divulge to third parties any confidential information obtained by the contractor or its agents, distributors, resellers, subcontractors, officers or employees in the course of performing contract work. This information includes but is not limited to: security procedures, business operations information or commercial proprietary information in the possession of the Department, Protected Health Information (PHI) or other data.

Adoption of strong security and privacy protections is necessary to establishing the public trust. Studies have consistently shown that while consumers have a favorable view of new healthcare technology and are willing to share their own Personally Identifiable Information (PII), Protected Health Information (PHI), or financial information, they remain concerned about the adequacy of security and privacy.

Unfortunately, there is no single, integrated, comprehensive approach to security and privacy that respects applicable federal requirements under Federal Information Security Management Act (FISMA), Health Insurance Portability and Accountability Act (HIPAA), Health Information Technology for Economic and Clinical Health Act (HITECH), the Privacy Act, Tax Information Safeguarding Requirements, and state and federal regulations. Despite efforts to harmonize information security frameworks by many private and government organizations, many differences remain. These differences include system categorization, selection of operational security controls, and the use of program management controls. CMS developed the *Harmonized Security and Privacy Framework – Exchange TRA Supplement* to facilitate and ensure better compliance with the applicable federal and state laws and regulations governing security and privacy in the health care arena.

The offeror should describe in its response the security features it will design, develop and implement within the NY-HX. At a minimum the security in the NY-HX must adhere to the following:

- Federal Information Security Management Act (FISMA) of 2002
- Health Insurance Portability and Accountability Act (HIPAA) of 1996
- Health Information Technology for Economic and Clinical Health Act (HITECH) of 2009
- Privacy Act of 1974
- e-Government Act of 2002
- Patient Protection and Affordable Care Act of 2010, Section 1561 Recommendations
- Safeguards for Protecting Federal Tax Returns and Return Information (26 U.S.C. § 6103 and related provisions) and
- Compliance with the *Harmonized Security and Privacy Framework – Exchange TRA Supplement*

## **7. System Development Methodology**

The offeror should describe in its proposal the System Development Methodology that it will implement for the work associated with this FAS. The offeror should note where their methodology parallels and/or differs with the CMS defined Exchange Life Cycle model as defined in the *Collaborative Environment and Life Cycle Governance – Exchange Reference Architecture Supplement*.. The offeror should confirm it will produce and provide all life cycle artifacts as defined by the Exchange Life Cycle model.

The Department is requiring the contractor to provide the IBM Rational Suite (RequisitePro, ClearQuest, ClearCase etc.) to manage requirements, provide requirements traceability throughout the System Development Lifecycle (SDLC), integrate testing (test scripts etc.) and provide configuration management.

### **a. Requirements Definition**

The offeror should describe in detail its approach to requirements gathering, analysis and traceability. The offeror should describe its steps in conducting a thorough requirements analysis. The offeror should describe how the Department’s stakeholders will be identified and how they will become active participants in the process. The offeror should also describe in its proposal the documentation deliverables it will produce as part of the requirements analysis documentation.

The Requirements Definition process must, at a minimum include the following activities and deliverables. The contractor must:

1. Schedule and facilitate a series of Joint Application Design (JAD) sessions involving members of the Department and any additional stakeholders identified by the Department;
2. Complete the Requirements Definition Document (RDD) after the last JAD session and review this document with members of the Department and any additional stakeholders identified by the Department;
3. Maintain a Requirements Traceability Matrix that will be used throughout the life of the contract. This document will be used to map each requirement to all milestones and project phases in which they occur. The matrix must be continuously updated by the contractor throughout the life of the contract. All requirements emerging from the JAD sessions or System Change Management must be added to the matrix by the contractor; and,
4. Update the Project Plan based upon the requirements identified in the JAD sessions and added to the traceability matrix.

**b. System Design**

After the analysis is complete, the contractor must produce a Requirements Definition Document (RDD) and a Technical Design Document (TDD) and any other design documentation deliverables that support scope definition and facilitate the traceability of requirements from requirements analysis through to the final system documentation.

In the System Design Process, the contractor must create a detailed design for the NY-HX. The purpose of this phase is to certify that the contractor and the Department have the same understanding of the project scope, detail, dependencies and interrelationships with the MMIS, the Medicaid Data Warehouse, external source systems, internal analytical applications and the external data marts. System design deliverables must be developed according to the plans set forth during the Project Initiation Stage.

The major objectives of the System Design Process are to:

1. Ensure the contractor has a thorough, detailed understanding of the NY-HX, its operational use and business requirements;
2. Validate and refine the business requirements with the Department;
3. Confirm how the proposed solution follows Medicaid Information Technology Architecture (MITA) principles; and
4. Provide a basis for the system build.

At a minimum the contractor must:

1. Create a Requirements Definition Document (RDD) and Technical Design Document (TDD) for each new initiative or modification to an application or infrastructure component; and

2. Complete all documentation deliverables outlined in the *Collaborative Environment and Life Cycle Governance – Exchange Reference Architecture Supplement*.

**c. System Construction and System Test**

Once the design documents are approved the contractor will be required to build and validate the NY-HX. Development efforts in this phase are based on the technical solution created during System Design, which, in turn, was based on the functional and operational requirements captured during System Requirements Definition.

Included in this phase is the construction of all components of the system, including utilities required to adequately prepare and load the data. In addition, System Construction consists of testing each unit and then an integration test of all system components, with each set of tests being performed against a progressively larger grouping of components until the operation of the system in its entirety has been verified.

Since the ultimate goal of System Construction is to produce a system that is operational ready for acceptance testing by the Department, an aspect of this phase is the creation of the various training materials and system documentation that support the implementation of a web-based prototype that will be made available to the Department, New York consumers, and a range of relevant stakeholders (e.g., employers, health plans, citizens, etc.).

These materials need to address both the use and maintenance of the system, and will play an integral part in the System Acceptance and System Implementation phases of the lifecycle.

The Department's standard system development methodology calls for the use of the Oracle Business Process Architect tool for business process modeling. The contractor is required to supply and use this tool in its SDM.

The contractor must also:

1. Update each RDD and TDD to reflect changes that occurred during the development and test periods;
2. Report the number of defects encountered during unit and system testing, and document the cause for each defect;
3. Develop and deliver:
  - a. All application server components,
  - b. All business rules,
  - c. All Web services,
  - d. All business process services for the six core business areas,
  - e. All security components,
  - f. All utilities that will be used to monitor the performance;
  - g. All components of the Web Portal; and
  - h. All application components.

#### **d. User Acceptance Testing**

The purpose of User Acceptance Testing (UAT) is for users to test the system in a pseudo environment to verify that the system is performing to specifications. User Acceptance Testing is the final phase in ensuring that the NY-HX Solution is “operational ready”. UAT provides the Department and other users of the system (New York consumers, and a range of relevant stakeholders, e.g., employers, health plans, citizens, etc.) an opportunity to review and accept system components prior to production implementation of the NY-HX Solution. The acceptance test demonstrates that the system software meets the detailed functional requirements and specifications and that the system infrastructure works within the defined constraints. UAT is required throughout the life of the contract when enhancements or modifications to the NY-HX Solution are made.

#### **e. Change Control Management**

The Change Control Management process ensures the integrity of the NY-HX Solution by preventing the implementation of all processes, data, hardware, and software until the validity of the change has been verified through the Department. As part of this process the contractor must propose and maintain a Change Management System. This system will assist the Department staff in establishing reasonable completion dates and setting priorities for modifications. This system must also allow the Department and contractor management staff to review current priorities and timeliness, change priorities by adding new tasks and target dates, and then immediately see the impact of these new priorities on pre-existing priorities and their target dates.

The contractor must:

1. Develop a Change Control Management Plan that sets forth change control policies and procedures, including the implementation of a Change Control Management System;
2. Implement a Change Control Management System that:
  - a. Supports online entry of new Change System Requests (CSR);
  - b. Provides contractor and Department staff online access to a Change Management System with security levels specified by the Department;
  - c. Provides online reporting and status inquiry for all CSRs in the Department specified category(s);
  - d. Displays status, reports coding changes, attaches test results, and records all notes from the Department and contractor staff related to each CSR; and
  - e. Produces reports that are downloadable in the Department-approved formats.

#### **f. Scope Management**

The contractor will be required to take a proactive approach to managing scope and submit a Scope Management Plan that describes its approach, policies and procedures governing managing project scope.

As the contractor evaluates CSRs for additional functionality, the contractor must provide to the Department, as part of its analysis, the impact the change will have on the resources already committed and the deliverables already scheduled.

If the requirement is approved by the Department the contractor must provide any recommendations for any additional hardware, software or other improvements that would be necessary to implement the change. For example, this might be additional storage/processing capability for the NY-HX or a recommendation for a separate platform that receives a feed from the NY-HX or interacts directly with the NY-HX to provide the needed functionality. If deemed critical to the success of the project, the Department reserves the right to acquire the financial resources (contract amendment) to obtain requisite hardware and software. The offeror should describe in detail the processes, tools and procedures it will use to manage scope.

#### **g. Status Reporting Requirements**

Status reporting ensures that the Department and the contractor have a common understanding of project progress. It identifies any roadblocks to success and enables these to be circumvented before they negatively impact the project. Status reporting includes contractor submission of the following:

1. Weekly Status reports including descriptions of:
  - a. Activities completed in the preceding period;
  - b. Activities planned for the next period;
  - c. Issues requiring resolution;
  - d. Risks and associated mitigation plans; and
  - e. Actual project progress (schedule and budget) against planned, with explanation of any variances and associated mitigation plans.
2. Monthly status reports which provide a brief summary of weekly reports; and
3. Quarterly status reports which provide a brief summary of monthly reports.

#### **h. Meeting Requirements**

##### **i. General Meeting Requirements**

- The contractor's key staff must be available to the Department at the Department's offices as requested for any meetings that may arise as a result of the project tasks associated with this FAS; and
- The contractor will be responsible for recording minutes for all meetings it will attend.

##### **ii. Status Meetings**

The contractor must:

- Hold an NY-HX operational meeting weekly with the Department to describe at a minimum:
  - performance issues;
  - availability;
  - Discontinuity of service incidents and their resolutions; and
  - Maintenance plans and priorities for the NY-HX.

- Prepare the agenda for the weekly status meeting and disseminate it to the Department three (3) business days prior to the status meeting; and
  - Take minutes for the weekly status meeting and disseminate them to the Department two (2) business days following the status meeting.
- iii. Quarterly Meetings
- The contractor must conduct quarterly status user group meetings for each user group identified by the Department. Quarterly meetings must begin within ninety (90) calendar days of the contract start date.

## **8. Workflow**

The NY-HX Solution must have the capability to move, control and track content through business processes. The NY-HX Solution will be required to use a COTS workflow product to track the movement of information and documents through the business processes. The COTS product must support a sequential progression of work activities and/or a complex set of processes each taking place concurrently, eventually impacting each other according to a set of rules, routes, and roles.

The COTS Workflow Management Systems will allow the Department to define and control the various activities associated with the business processes. In addition, it must provide the Department, through a series of reports, the opportunity to measure and analyze the execution of the processes so that continuous improvements can be made.

## **9. Business Rules Engine**

The contractor must employ a state-of-the-art COTS Business Rules Engine (BRE) or a Business Process Management System (BPMS) that has a BRE component to record business rules across all Business Areas supported by the NY-HX. The Business Rules Engine must at a minimum allow policy changes and table changes to be entered into the NY-HX quickly and without developer intervention. Changes to the business rules enforced through the Business Rules Engine must be able to be applied to the NY-HX immediately if desired by the Department.

The offeror should describe within its proposal the rationale for selecting the proposed BRE, (e.g., types of pre-existing edits and areas of coverage, total cost of ownership, overall level of effort for maintenance, etc.)

## **10. MITA / SOA Alignment**

The MITA Application Architecture is a component of the MITA Technical Architecture. MITA approaches application integration using standards that are based on Service-Oriented Architecture (SOA), a modular component design approach that allows for interoperability across components and with external applications and across data sources. The basic SOA principles are:

1. The system must be modular;
2. The modules must be distributable;
3. Module interfaces must be clearly defined and narrow;
4. Interface layer is separate from the processing layer; and,

5. Service provider modules must be sharable.

The Department believes that MITA enabling guidelines, processes and tools provide a framework for the continuous improvement of service delivery and business process based on efficient technology utilization. The Department understands that MITA is an evolving set of standards that is not fully developed and is not requesting “full adherence” to all specifications nor the highest maturity levels. However, the Department is requiring the contractor to identify and explain in its proposal their proposed systems’ alignment with the SOA principles defined above and its corporate vision for addressing MITA requirements.

The Department will use MITA as a tool to assist in the strategic application of technology and enhancements that provide value and contribute to continuous improvements in the Medicaid program’s maturity. To this end, the Department is interested in implementing an NY-HX that will:

1. Enhance its maturity in all areas;
2. Employ a Service-Oriented Architecture (SOA) that takes advantage of COTS products and allows for the reuse of system functionality. The contractor must utilize proven COTS tools that are flexible and reusable for various functions; and,
3. Serve as both a foundation and a catalyst for the Department to continuously improve the efficiency of its business and service delivery capabilities throughout the life of the contract.

### ***11. Federal/State HUBs***

The Federal government will be developing a Hub to provide a centralized approach to accessing and sharing information across federal agencies to support the Exchange. The Hub will streamline and simplify information flows between states and federal agencies to support Exchange operations. The Hub provides an opportunity for federal agencies and states to collaborate in defining Service-Oriented Architecture (SOA) services to support the data exchange requirements needed by all Exchanges. The Hub will provide a single interface to the states that supports the verification of information as well as the exchange of information with all of the federal partners as deemed appropriate.

The contractor must also design, develop and implement third-party verification functionality for NY-HX, to interface with a state “Hub” or other third party data sources not included in the federal HUB. This verification functionality must have the capacity to identify and present a subset of available information relevant to the determination of eligibility for an Exchange system user.

The NY-HX Solution developed by the contractor must interface and operate with the Hub for the inquiry and exchange of information with federal agencies.

### ***12. Staffing***

The Contractor must assemble its project team at the primary project site no later than two (2) weeks following contract approval. The Contractor has full responsibility for the successful completion of the project. The Contractor must secure the facility, ready the office space as defined in this FAS and supply and install all hardware, software and telecommunication links for the DDO effort.

The offeror should name Key staff in its proposal and provide a detailed resume for each. All proposed key staff must be available no later than two (2) weeks following contract approval. Key staff consists of the project's senior leadership, technical architect and business architect. These resources are responsible for providing the overall leadership and management, obtaining necessary corporate resources, and creating standards and processes required for the successful implementation of the NY-HX. All key staff positions must be full-time roles filled by a single, dedicated person who is assigned to work at the contractor's primary site.

As additional requirements become known and additional funding becomes available the Department will amend the contract for the additional work based upon the labor rates supplied in the contractor's proposal for the labor categories identified this Section of the FAS. The hourly rate must be a fully loaded rate and include all personnel, overhead, indirect, travel, profit, equipment usage, and other miscellaneous costs.

Upon receipt of an order to supply the staff the contractor must supply the staff as quickly as possible based upon the qualifications / experience defined below.

### **1. Staffing Plan**

Key staff should be named in the Proposal and shall not be changed without prior written approval of the Contract Administrator, which shall not be unreasonably withheld, unless due to the resignation, death, termination, military recall, or extended illness for any named individuals. If the Department gives written approval of the transfer, reassignment or replacement of key staff such personnel will remain assigned to the performance of duties under this contract until replacement personnel, approved by the Department, are in place performing the key staff functions

All key replacement personnel not named in the proposal shall be identified, and resumes and references shall be submitted for Department review and approval prior to the required start date for the position. The contractor will not be paid for unfilled key personnel positions. In the event the Department does not approve the contractor's designee, the contractor shall submit a replacement for Department approval within two (2) weeks.

As part of its proposal the offeror should provide a detailed Staffing and Organizational Plan discussing each phase of the project and the staffing level that is anticipated to accomplish that phase.

This staffing plan should include an organizational chart for each stage of the project depicting the key staff and showing all other proposed staff by title, minimum qualifications for that title and number of positions being proposed. This plan must be detailed and will be used to determine if the contractor has a comprehensive understanding of the breadth and depth of this FAS. The Department will require that the contractor update the Staffing and Organization Plan semi-annually.

### **2. Removal of contractor Employee**

The Department, at its discretion will notify the contractor that it deems any employee associated with this engagement as unsuitable and will require his/her immediate removal. In the event a primary (key) employee of the contractor is removed from the project pursuant to the request of the

Contract Administrator, the contractor will have thirty (30) calendar days in which to fill the vacancy with another employee of acceptable technical experience and

### **3. Key Staff**

The chart below identifies the Key staff that will be assigned to the project. All key staff must be assigned full time and be located in the contractor's primary facility. The key staff are to be included in the contractor's fixed price and the staffing rate must be a fully loaded rate and includes all personnel, overhead, indirect, travel, profit, equipment usage and any other miscellaneous costs.

The column entitled "Quantity in the Fixed Price" indicates the *minimum* key staff required by title. Resumes must be provided for these staff. The contractor must determine the staff necessary **above and beyond this minimum** and include those individuals in its fixed price.

Labor Category	General Responsibility	Qualifications / Experience	Quantity in the Fixed Price
Account Executive	<ul style="list-style-type: none"> <li>• Ultimate responsibility for the NY-HX</li> <li>• Acquisition of adequate resources</li> <li>• Formal communication and correspondence with the Department</li> <li>• Foster cooperative relationship among State and contractor staff</li> <li>• Ensures compliance with all SLAs; and</li> <li>• Ensures compliance with the approved Quality Management Plan</li> <li>• Contract Administration</li> <li>• Scheduling and provision of resources</li> <li>• Focal point of contact for the Department regarding financial and administrative issues and concerns</li> </ul>	<p>At least five (5) years previous account executive experience on a large-scale Information Technology project.</p> <p>At least two (2) years previous experience with an MMIS or with major operations-related components of an MMIS or other large healthcare systems and an ongoing relationship management with a large client.</p> <p>At least three (3) years implementing quality improvement and customer satisfaction monitoring programs.</p> <p>Demonstrated ability to effectively communicate with customer’s senior management; and</p> <ul style="list-style-type: none"> <li>• Demonstrated strong analytical, organizational and problem solving abilities</li> </ul>	1

Labor Category	General Responsibility	Qualifications / Experience	Quantity in the Fixed Price
Project Director	<ul style="list-style-type: none"> <li>• Management of the planning, design, testing and implementation of the NY-HX</li> <li>• Ensures that all System Design and Development is performed in accordance with the proposed SDLC</li> <li>• Initiates recommendations to the Department for system application improvements</li> <li>• Implements and oversees processes that accurately estimate design and development efforts</li> <li>• Reports system design and development activities to the Department weekly</li> <li>• Management of the system operational enhancement team</li> <li>• Management of the overall change control over the NY-HX</li> </ul>	<ul style="list-style-type: none"> <li>• At least seven (7) years experience in design, development, implementation, operations, maintenance, and modifications of a large MMIS or insurance application.</li> <li>• Experience with the complete architecture and interfaces related to the proposed NY-HX</li> <li>• Demonstrated comprehensive experience managing the planning, developing, testing, and implementing of software application changes;</li> <li>• Demonstrated comprehensive experience using the proposed software development lifecycle methodologies and COTS products;</li> <li>• At least five (5) years' experience simultaneously managing large scale concurrent projects and effectively responding to unanticipated Department business priorities; and</li> <li>• At least five (5) years' experience managing a staff of over 50 in a complex IT environment.</li> <li>•</li> </ul>	1

Labor Category	General Responsibility	Qualifications / Experience	Quantity in the Fixed Price
Director PMO	<ul style="list-style-type: none"> <li>• Project management responsibilities</li> <li>• Requirements tracking</li> <li>• Estimations</li> <li>• Scheduling of Projects</li> <li>• Resource contention resolution</li> <li>• Focal point of contact for the Department regarding project status, meetings, reporting requirements, scope changes</li> <li>• Creates and executes project work plans and revises as appropriate to meet changing needs and requirements</li> <li>• Runs projects/programs from design and development to production.</li> <li>• Defines resources and schedule for project/program implementation.</li> <li>• Create strategies for risk mitigation and contingency planning.</li> <li>• Plans and schedule project deliverables, goals, and milestones.</li> <li>• Directs and oversees project team and manages conflicts within group.</li> <li>• Performs team assessments and evaluations.</li> <li>• Efficiently identifies and solves project issues.</li> <li>• Demonstrates leadership to define requirements for project risk.</li> <li>• Designs and maintain technical and project documentation.</li> </ul>	<ul style="list-style-type: none"> <li>• At least five (5) years in project management oversight responsibilities, e.g., planning, design, development, implementation, and operation of large-scale Information Technology project</li> <li>• At least three (3) years Insurance environment, preferably with the architecture and interfaces related to the proposed R-MMIS solution</li> <li>• At least three (3) years' experience in scheduling and controlling all aspects of a large-scale IT system preferably in the health care field.</li> <li>• Demonstrated strong analytical, organizational and problem solving abilities</li> <li>• Demonstrated ability to implement a large-scale IT system on-time and on-budget</li> </ul>	1

Labor Category	General Responsibility	Qualifications / Experience	Quantity in the Fixed Price
Development Manager	Analyze, design, and program complex projects and assist lower level technical staff. This will include coordinating activities on multiple staff projects, designing testing plans, assuring quality control, and providing technical leadership to project teams.	<ul style="list-style-type: none"> <li>• Minimum 8 years' experience in managing and overseeing large scaled projects comprised of sub-projects and distinct deliverables;</li> <li>• Minimum six (6) years' experience coordinating and delegating the assignments for the a staff numbering over 20;</li> <li>• Bachelor's degree in Information Technology or related field is required; MBA or related higher level degree is preferred.</li> </ul>	1
Senior Business Analyst – Eligibility and Enrollment	<ul style="list-style-type: none"> <li>• Creates logical and innovative solutions to complex problems;</li> <li>• Presents proposals to stakeholders</li> <li>• Works closely with stakeholders examining existing business models and flows of data and designs an appropriate improved IT solution.</li> <li>• Works closely with developers and a variety of stakeholders to ensure technical compatibility and stakeholder satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>• Minimum of six (6) years' experience with the analysis and redesign of business processes</li> <li>• Minimum of four (4) years leading a group of staff numbering over 25 in the development of program specifications and the implementation of software solutions for web-based and portal-based applications.</li> <li>• Experience with some or all of the following is strongly preferred: <ul style="list-style-type: none"> <li>○ Functional requirements gathering for health information technology, preferably with Eligibility and/or Enrollment systems.</li> <li>○ Experience with business process models and/or use cases.</li> <li>○ Advising state government agencies on health and insurance related matters.</li> </ul> </li> </ul>	1

Labor Category	General Responsibility	Qualifications / Experience	Quantity in the Fixed Price
Senior Business Analyst – Plan Management	<ul style="list-style-type: none"> <li>• Creates logical and innovative solutions to complex problems;</li> <li>• Presents proposals to stakeholders</li> <li>• Works closely with stakeholders examining existing business models and flows of data and designs an appropriate improved IT solution.</li> <li>• Works closely with developers and a variety of stakeholders to ensure technical compatibility and stakeholder satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>• Minimum of six (6) years’ experience with the analysis and redesign of business processes</li> <li>• Minimum of four (4) years leading a group of staff numbering over 25 in the development of program specifications and the implementation of software solutions for web-based and portal-based applications.</li> <li>• Experience with some or all of the following is strongly preferred: <ul style="list-style-type: none"> <li>○ Functional requirements gathering for health information technology, preferably with Plan Management systems.</li> <li>○ Experience with business process models and/or use cases.</li> <li>○ Advising state government agencies on health and insurance related matters.</li> </ul> </li> </ul>	1
Database Administrator	<ul style="list-style-type: none"> <li>• Design and maintain data elements and the database(s) for all components of NY-HX</li> <li>• Coordinate data between the NY-HX and the HUB</li> <li>• Monitor database performance and perform database reorganization as needed.</li> <li>• Develop database utilities and automated reporting</li> <li>• Analyze, consolidate and tune database for optimal efficiency</li> <li>• Oversee backup, clustering, mirroring, replication and failover</li> </ul>	<ul style="list-style-type: none"> <li>• At least five (5) years’ experience as a Data Administrator with the proposed RDMS.</li> <li>• At least three (3) years’ experience as a Data Administrator in an Insurance System or large-scale integrated healthcare claims processing system in the proposed database software</li> <li>• At least three (3) years’ experience with an insurance systems data model.</li> <li>• At least three (3) years’ experience with the proposed data modeling COTS product</li> <li>•</li> </ul>	1

Labor Category	General Responsibility	Qualifications / Experience	Quantity in the Fixed Price
Enterprise Architect	<ul style="list-style-type: none"> <li>• Acquisition and implementation of all hardware and software required to operate the NY-HX</li> <li>• Management of the planning, design, and implementation of the technical aspects of the NY-HX</li> <li>• Responsible for the proper, timely, and efficient performance of the NY-HX enterprise business processes.</li> <li>• That the business policies and rules for a business process are applied.</li> <li>• The information needed to support a business processes is accurate and timely.</li> <li>• Along with the PMO Director and Technical Systems Manager, coordinate project tasks so that architectural components will be available when needed.</li> <li>• Primary technical contact with the Department</li> </ul>	<ul style="list-style-type: none"> <li>• At least five (5) years of experience in the planning and design of the technical aspects of an preferably in the proposed hardware and software environment</li> <li>• At least five (5) years' experience in evaluating and identifying new technologies preferably in an Insurance System or large-scale integrated healthcare claims processing system</li> <li>• At least five (5) years' experience in directing the design of process workflows and automated components preferably in the proposed COTS product</li> <li>• At least five (5) years' experience in directing performance measurements and performance tuning in Insurance System or large-scale integrated healthcare claims processing system</li> <li>• Must have extensive experience and deep knowledge of the proposed NY-HX solution</li> <li>• Experience with SOA, ESBs, and RESTful web services a must</li> </ul>	1

Labor Category	General Responsibility	Qualifications / Experience	Quantity in the Fixed Price
Technical Architect	<ul style="list-style-type: none"> <li>• Responsible for the technical operational aspects of the NY-HX</li> <li>• Installation and operation of all hardware and software required to operate the NY-HX</li> <li>• Primary technical contact with the Department</li> <li>• Management of the overall change control over the NY-HX</li> <li>• System performance tuning, improvement and balancing</li> </ul>	<ul style="list-style-type: none"> <li>• At least five (5) years' experience in Insurance System design, development and implementations</li> <li>• At least three (3) years' experience with implementing the proposed architecture in an Insurance System or a large-scale integrated healthcare claims processing system; and</li> <li>• At least three (3) years' experience with the complete architecture and interfaces related to the proposed NY-HX</li> <li>• Demonstrated comprehensive experience managing the planning, developing, testing, and implementing of software application changes;</li> <li>• Demonstrated comprehensive experience using software development lifecycle methodologies;</li> <li>• Demonstrated ability to simultaneously manage large scale concurrent projects and effectively respond to unanticipated Department business priorities; and</li> <li>• At least five (5) years experience in managing a staff of fifty (50) or more in a complex IT environment.</li> </ul>	1

Labor Category	General Responsibility	Qualifications / Experience	Quantity in the Fixed Price
Senior Policy Analyst	<ul style="list-style-type: none"> <li>• Assist the Department to achieve high level milestones and timeframes as identified in the Early Innovator grant.</li> <li>• Provide strategic business advice for successful establishment of the Exchange, in accordance with evolving state and federal requirements.</li> <li>• Evaluate and recommend modification to policies and protocols to effectuate the redesign of departmental systems and processes.</li> <li>• Provide policy analyses and recommendations to the Department.</li> <li>• Identify and analyze the need for modification and improvement in policies and standards.</li> <li>• Identify policy decisions needed; recommend policies, changes as appropriate to meet goals and objectives.</li> <li>• Function as a liaison with constituency and advocacy groups, stakeholders and other state and federal agencies.</li> <li>• Thoroughly research and collect information to facilitate the discussion of complex or potentially problematic issues with department coordinators.</li> <li>• Collaborate with Department program staff to develop and execute a corrective action plan.</li> <li>• Analyze causal relationships between activities and outcomes.</li> <li>• Develop recommendations to achieve stated goals.</li> <li>• Serves as a subject matter expert in one or more core business areas of the Exchange, including but not limited to eligibility and enrollment including, Medicaid, CHP and other public coverage options; plan management; financial management; customer service; communications; and oversight.</li> </ul>	<ul style="list-style-type: none"> <li>• At least six (6) years of previous health policy experience, two of which must have included administrative and/or supervisory experience.</li> <li>• Bachelor's degree in business, health, or human services related field is required; MPH, MBA or related higher level degree is preferred.</li> <li>• Excellent writing, analytic and research skills.</li> <li>• Experience with some or all of the following is strongly preferred: <ul style="list-style-type: none"> <li>○ informatics or data/information management with health information technology</li> <li>○ Drafting and/or reviewing RFPs.</li> <li>○ Working with health benefits exchanges or similar health coverage mechanisms or entities.</li> <li>○ Advising state government agencies on health and insurance related matters.</li> <li>○ Eligibility and enrollment in Medicaid, CHP, other public coverage programs in New York</li> <li>○ Data management</li> </ul> </li> </ul>	2

Labor Category	General Responsibility	Qualifications / Experience	Quantity in the Fixed Price
Policy Analyst, Plan Management and Benefits Design	<ul style="list-style-type: none"> <li>• Develop and document standards and policies regarding the certification, recertification and decertification of qualified health plans.</li> <li>• Develop a clear certification policy including but not limited to a timeline for application submission, evaluation and selection of qualified health plans.</li> <li>• Provide recommendations regarding benefit design options for public and private health coverage options to be offered through the exchange, including but not limited to any state-mandated supplements to Essential health benefits, under ACA, Medicaid “benchmark” and/or Basic Health Plan options, with the anticipated goals of providing cost-effective, appropriate coverage that meets the needs of consumers.</li> <li>• Provide recommendations regarding coverage offerings and enrollment processes through the Exchange to help minimize coverage disruptions and maximize continuity of care.</li> <li>• Develop a process for plan management to monitor and review.</li> <li>• Assist in the implementation process of the quality rating system for plans as required by ACA.</li> </ul>	<ul style="list-style-type: none"> <li>• Excellent writing, analytic, and research skills.</li> <li>• Bachelor’s degree and at least three(3) years experience with one or more of the following required: <ul style="list-style-type: none"> <li>○ insurance certification documents</li> <li>○ Managed care policy and issues.</li> <li>○ Data management experience.</li> <li>○ Research of health Insurance issues.</li> </ul> </li> </ul>	1

Labor Category	General Responsibility	Qualifications / Experience	Quantity in the Fixed Price
Policy Analyst, Consumer Assistance	<ul style="list-style-type: none"> <li>• Assist in developing criteria and policies for Navigators and other potential third party assistors</li> <li>• Utilizing information from new and existing consumer assistance programs and other sources, develop recommendations, policies re Exchange Consumer Assistance</li> <li>• Help develop a program to provide for efficient distribution and management of consumer assistance across phone, web, paper and face to face interviews.</li> <li>• Develop policies to facilitate interface between Navigators and Exchange, including applicable state health subsidy programs to support enrollment transactions and eligibility referrals.</li> <li>• Assist the Department of Health in analyzing data collected by consumer assistance programs and begin developing a plan and process for use of information to strengthen qualified health plan accountability and functioning of Exchanges.</li> <li>• Develop a monitoring process for measurement and reporting of communication effectiveness.</li> </ul>	<ul style="list-style-type: none"> <li>• -Bachelor's degree in a health or human services related field is required.</li> <li>• Excellent writing, analytic, and research skills.</li> <li>• At least three(3) years of experience with one or more of the following: <ul style="list-style-type: none"> <li>○ Consumer assistance, preferably within low income populations.</li> <li>○ Data management, both the collection and interpretation of data.</li> </ul> </li> </ul>	1
Policy Analyst, Marketing and Financial Management	<ul style="list-style-type: none"> <li>• Plan assessment, reinsurance, risk adjustment and risk corridors.</li> <li>• Reconciliation of reductions in enrollee out-of-pocket costs.</li> <li>• Develop a process for determination of issuer and health plan advance tax credits and payments.</li> <li>• Develop a process for determining exemptions from the individual responsibility requirement and payment, in compliance with federal legislation.</li> </ul>	<ul style="list-style-type: none"> <li>• Bachelor's degree in a business management or financial field and at least three(3) years of experience with one or more of the following required: <ul style="list-style-type: none"> <li>○ marketing, especially to small businesses and hard to insure individuals</li> <li>○ fiscal and/or operations management as related to health insurance and reimbursement</li> </ul> </li> </ul>	2

Labor Category	General Responsibility	Qualifications / Experience	Quantity in the Fixed Price
Actuarial	<ul style="list-style-type: none"> <li>▪ Perform actuarial projections/studies in various phases of health reform, including testing the effectiveness of current and proposed regulations;</li> <li>▪ May assist in actuarial projections for plans of operation of a state health exchange;</li> <li>▪ Develop updated actuarial assumption tables when warranted;</li> <li>▪ and</li> <li>▪ Other ad hoc actuarial, consulting and financial/accounting technical assistance, as required.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Minimum of three (3) years experience with compiling, analyzing and evaluating data (e.g. social, economic and/or statistical data) and information;</li> <li>▪ Experience with one or more of the following is strongly preferred               <ul style="list-style-type: none"> <li>▪ Government regulatory actuarial functions;</li> <li>▪ Performing actuarial computations for reserves, premium rates and special policy firms</li> </ul> </li> <li>▪ Bachelor's in mathematics, statistics, actuarial science, or related field is required.</li> </ul>	2

**4. Supplemental Staff**

As additional requirements become known and additional funding becomes available the Department will amend the contract for the additional work based upon the labor rates supplied in the contractor’s proposal for the labor categories identified below.

The contractor will also be required to provide the Department with a range of assistance and deliverables, including assessments, analyses, recommendations, options, development of scope of work for subcontracts and/or solicitations and other work products and assistance necessary to design and develop a NY-HX Solution, and to enable the Department to achieve all requirements defined herein.

The contractor will also assist the Department and/or TBD Exchange entity/ies (“Exchange Operator(s)”) as needed to develop the procedures and standards necessary for successful implementation and operation of the NY-HX, and required to support the development of detailed business requirements and processes. Work related to these activities will also be handled as contract amendments utilizing the labor rates provided for the labor categories below.

Labor Category	General Responsibility	Qualifications / Experience
Senior Business Analyst – Eligibility and Enrollment	<ul style="list-style-type: none"> <li>• Creates logical and innovative solutions to complex problems;</li> <li>• Presents proposals to stakeholders</li> <li>• Works closely with stakeholders examining existing business models and flows of data and designs an appropriate improved IT solution.</li> <li>• Works closely with developers and a variety of stakeholders to ensure technical compatibility and stakeholder satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>• Minimum of six (6) years’ experience with the analysis and redesign of business processes</li> <li>• Minimum of four (4) years leading a group of staff numbering over 25 in the development of program specifications and the implementation of software solutions for web-based and portal-based applications.</li> <li>• Experience with some or all of the following is strongly preferred:               <ul style="list-style-type: none"> <li>○ Functional requirements gathering for health information technology, preferably with Eligibility and/or Enrollment systems.</li> <li>○ Experience with business process models and/or use cases.</li> <li>○ Advising state government agencies on health and insurance related matters.</li> </ul> </li> </ul>

Labor Category	General Responsibility	Qualifications / Experience
Senior Business Analyst – Plan Management	<ul style="list-style-type: none"> <li>• Creates logical and innovative solutions to complex problems;</li> <li>• Presents proposals to stakeholders</li> <li>• Works closely with stakeholders examining existing business models and flows of data and designs an appropriate improved IT solution.</li> <li>• Works closely with developers and a variety of stakeholders to ensure technical compatibility and stakeholder satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>• Minimum of six (6) years’ experience with the analysis and redesign of business processes</li> <li>• Minimum of four (4) years leading a group of staff numbering over 25 in the development of program specifications and the implementation of software solutions for web-based and portal-based applications.</li> <li>• Experience with some or all of the following is strongly preferred: <ul style="list-style-type: none"> <li>○ Functional requirements gathering for health information technology, preferably with Plan Management systems.</li> <li>○ Experience with business process models and/or use cases.</li> <li>○ Advising state government agencies on health and insurance related matters.</li> </ul> </li> </ul>
Business Analyst	<ul style="list-style-type: none"> <li>• Designs new IT solutions to improve business efficiency and productivity</li> <li>• Translates stakeholder requirements into design documents</li> </ul>	<ul style="list-style-type: none"> <li>• Minimum of three (3) years’ experience with analysis and redesign of business processes</li> <li>• Minimum of two (2) years of experience in workflow analysis with the proposed COTS product</li> <li>•</li> </ul>
Senior Developer	<ul style="list-style-type: none"> <li>• Research and develop estimates and write design specifications for proposed system modifications, as well as code and test complex computer programs.</li> <li>• Service-oriented Design and Analysis</li> <li>• Workflow design, development and implementation</li> </ul>	<ul style="list-style-type: none"> <li>• Minimum of six (6) years’ experience with writing application software in the proposed hardware and software environment</li> <li>• Minimum of five (5) years of experience in data analysis, data access, data structures, data manipulation, databases, programming, testing, software conversions;</li> <li>• Minimum of four (4) years leading a group of staff numbering over 5 in the design of program specifications and the implementation of software solutions.</li> <li>•</li> </ul>
Developer	<ul style="list-style-type: none"> <li>• Coding and debugging applications in the proposed software languages</li> <li>• Unit test computer programs, interface with co-workers and other project personnel,</li> <li>• Prepare test JCL,</li> <li>• Prepare unit test cases</li> <li>• Business Rules Implementation</li> <li>• Assure computer programs are in compliance with specifications through careful review of test results.</li> </ul>	<ul style="list-style-type: none"> <li>• Minimum of 2 years experience with writing application software, data analysis, data access, data structures, data manipulation, databases, design, programming, testing and implementation, technical and user documentation, software conversions; in the proposed hardware and software environment</li> <li>•</li> </ul>

Labor Category	General Responsibility	Qualifications / Experience
Database Specialist	<ul style="list-style-type: none"> <li>• Design and document database architecture</li> <li>• Build database scheme, tables, procedures and permissions</li> <li>• Set up data sharing and disk partitioning</li> <li>• Analyze and sustain capacity and performance requirements</li> <li>• Monitor systems and platforms for availability.</li> <li>• Oversee backup, clustering, mirroring, replication and failover</li> <li>• Restore and recover corrupted databases</li> <li>• Install and test upgrades and patches</li> <li>• Implement security and encryption</li> </ul>	<ul style="list-style-type: none"> <li>• Minimum four (4) years' experience as a database administrator in a large IT environment preferably in a an Insurance System or large-scale integrated healthcare claims processing system</li> <li>• Minimum of eight (8) years' experience in the contractor's proposed database that is beyond the requirements of a developer or senior developer</li> <li>• Minimum of three (3) years' experience in the installation and operation of a database in an Insurance System or large-scale integrated healthcare claims processing system</li> <li>• Minimum two (2) years' experience implementing database security and encryption</li> <li>•</li> </ul>
Network Specialist	<ul style="list-style-type: none"> <li>• Maintains and supports computer communication networks within and or between organizations</li> <li>• Monitors network usage and performance</li> <li>• Plans and implements future IT projects</li> </ul>	<ul style="list-style-type: none"> <li>• Minimum four (4) years' experience as a network specialist in a large IT environment</li> <li>• Minimum of four (4) years' experience in the contractor's proposed network architecture</li> <li>• Minimum two (2) years' experience implementing network security and encryption</li> </ul>
Trainer	<ul style="list-style-type: none"> <li>• Assess relevant training needs for staff individuals and providers</li> <li>• Design training courses and programs necessary to meet training needs</li> <li>• Plan and personally deliver training courses where necessary</li> <li>• Uses various adult learning methods</li> </ul>	<ul style="list-style-type: none"> <li>• Requires a 4 year degree</li> <li>• Three (3) years relevant training experience, or equivalent</li> <li>• Three (3) years experience in delivering training</li> </ul>
Technical Writer	<ul style="list-style-type: none"> <li>• Communicate technical messages to specific stakeholders at levels they can fully understand</li> <li>• Working with analysts, developers and managers to clarify technical issues and obtain information to produce user manuals;</li> <li>• Writing, editing and presenting information in clear and simple manner in an agreed upon format, making sure the information is organized effectively;</li> </ul>	<ul style="list-style-type: none"> <li>• Requires a 4 year degree</li> <li>• At least three (3) years relevant experience</li> <li>• At least three (3) years experience in developing stakeholder material</li> </ul>

Labor Category	General Responsibility	Qualifications / Experience
Senior Policy Analyst	<ul style="list-style-type: none"> <li>• Assist the Department to achieve high level milestones and timeframes as identified in the Early Innovator grant.</li> <li>• Provide strategic business advice for successful establishment of the Exchange, in accordance with evolving state and federal requirements.</li> <li>• Evaluate and recommend modification to policies and protocols to effectuate the redesign of departmental systems and processes.</li> <li>• Provide policy analyses and recommendations to the Department.</li> <li>• Identify and analyze the need for modification and improvement in policies and standards.</li> <li>• Identify policy decisions needed; recommend policies, changes as appropriate to meet goals and objectives.</li> <li>• Function as a liaison with constituency and advocacy groups, stakeholders and other state and federal agencies.</li> <li>• Thoroughly research and collect information to facilitate the discussion of complex or potentially problematic issues with department coordinators.</li> <li>• Collaborate with Department program staff to develop and execute a corrective action plan.</li> <li>• Analyze causal relationships between activities and outcomes.</li> <li>• Develop recommendations to achieve stated goals.</li> <li>• Serves as a subject matter expert in one or more core business areas of the Exchange, including but not limited to eligibility and enrollment including, Medicaid, CHP and other public coverage options; plan management; financial management; customer service; communications; and oversight.</li> </ul>	<ul style="list-style-type: none"> <li>• At least six (6) years of previous health policy experience, two of which must have included administrative and/or supervisory experience.</li> <li>• Bachelor’s degree in business, health, or human services related field is required; MPH, MBA or related higher level degree is preferred.</li> <li>• Excellent writing, analytic and research skills.</li> <li>• Experience with some or all of the following is strongly preferred: <ul style="list-style-type: none"> <li>○ informatics or data/information management with health information technology</li> <li>○ Drafting and/or reviewing RFPs.</li> <li>○ Working with health benefits exchanges or similar health coverage mechanisms or entities.</li> <li>○ Advising state government agencies on health and insurance related matters.</li> <li>○ Eligibility and enrollment in Medicaid, CHP, other public coverage programs in New York</li> <li>○ Data management</li> </ul> </li> </ul>

Labor Category	General Responsibility	Qualifications / Experience
Policy Analyst, Plan Management and Benefits Design	<ul style="list-style-type: none"> <li>• Develop and document standards and policies regarding the certification, recertification and decertification of qualified health plans.</li> <li>• Develop a clear certification policy including but not limited to a timeline for application submission, evaluation and selection of qualified health plans.</li> <li>• Provide recommendations regarding benefit design options for public and private health coverage options to be offered through the exchange, including but not limited to any state-mandated supplements to Essential health benefits, under ACA, Medicaid “benchmark” and/or Basic Health Plan options, with the anticipated goals of providing cost-effective, appropriate coverage that meets the needs of consumers.</li> <li>• Provide recommendations regarding coverage offerings and enrollment processes through the Exchange to help minimize coverage disruptions and maximize continuity of care.</li> <li>• Develop a process for plan management to monitor and review.</li> <li>• Assist in the implementation process of the quality rating system for plans as required by ACA.</li> </ul>	<ul style="list-style-type: none"> <li>• Excellent writing, analytic, and research skills.</li> <li>• Bachelor’s degree and at least three(3) years experience with one or more of the following required: <ul style="list-style-type: none"> <li>○ insurance certification documents</li> <li>○ managed care policy and issues.</li> <li>○ Data management experience.</li> <li>○ Research of health Insurance issues.</li> </ul> </li> </ul>
Policy Analyst, Consumer Assistance	<ul style="list-style-type: none"> <li>• Assist in developing criteria and policies for Navigators and other potential third party assistors</li> <li>• Utilizing information from new and existing consumer assistance programs and other sources, develop recommendations, policies re Exchange Consumer Assistance</li> <li>• Help develop a program to provide for efficient distribution and management of consumer assistance across phone, web, paper and face to face interviews.</li> <li>• Develop policies to facilitate interface between Navigators and Exchange, including applicable state health subsidy programs to support enrollment transactions and eligibility referrals.</li> <li>• Assist the Department of Health in analyzing data collected by consumer assistance programs and begin developing a plan and process for use of information to strengthen qualified health plan accountability and functioning of Exchanges.</li> <li>• Develop a monitoring process for measurement and reporting of communication effectiveness.</li> </ul>	<ul style="list-style-type: none"> <li>• -Bachelor’s degree in a health or human services related field is required.</li> <li>• Excellent writing, analytic, and research skills.</li> <li>• At least three(3) years of experience with one or more of the following: <ul style="list-style-type: none"> <li>○ Consumer assistance, preferably within low income populations.</li> <li>○ Data management, both the collection and interpretation of data.</li> </ul> </li> </ul>

Labor Category	General Responsibility	Qualifications / Experience
Policy Analyst, Marketing and Financial Management	<ul style="list-style-type: none"> <li>• Plan assessment, reinsurance, risk adjustment and risk corridors.</li> <li>• Reconciliation of reductions in enrollee out-of-pocket costs.</li> <li>• Develop a process for determination of issuer and health plan advance tax credits and payments.</li> <li>• Develop a process for determining exemptions from the individual responsibility requirement and payment, in compliance with federal legislation.</li> </ul>	<ul style="list-style-type: none"> <li>• Bachelor’s degree in a business management or financial field and at least three(3) years of experience with one or more of the following required: <ul style="list-style-type: none"> <li>○ marketing, especially to small businesses and hard to insure individuals</li> <li>○ fiscal and/or operations management as related to health insurance and reimbursement</li> </ul> </li> </ul>
Actuarial	<ul style="list-style-type: none"> <li>▪ Perform actuarial projections/studies in various phases of health reform, including testing the effectiveness of current and proposed regulations;</li> <li>▪ May assist in actuarial projections for plans of operation of a state health exchange;</li> <li>▪ Develop updated actuarial assumption tables when warranted;</li> <li>▪ and</li> <li>▪ Other ad hoc actuarial, consulting and financial/accounting technical assistance, as required.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Minimum of three (3) years experience with compiling, analyzing and evaluating data (e.g. social, economic and/or statistical data) and information;</li> <li>▪ Experience with one or more of the following is strongly preferred <ul style="list-style-type: none"> <li>▪ Government regulatory actuarial functions;</li> <li>▪ Performing actuarial computations for reserves, premium rates and special policy firms</li> </ul> </li> <li>▪ Bachelor’s in mathematics, statistics, actuarial science, or related field is required.</li> </ul>

### 13. Facilities

To ensure adequate space and office facilities, the offeror should detail how the following minimum requirements (including any phased approaches) will be met:

1. The Contractor must maintain the primary facility for this contract within a ten (10) mile radius of the New York State Capitol building, in a location approved by the Department;
2. Lease agreements will be subject to Department review and approval;
3. The Department will not withhold approval of any facility it deems reasonably adequate;
4. The Contractor is responsible for providing a location secured office space, accessible to authorized Department staff and other Department authorized consultant staff twenty-four (24) hours per day, seven (7) days per week without prior notice, admission, escort or other requirements. The Contractor will provide this facility space to house its own staff, Department staff, other Department consultant and contractor staff and to satisfy all phones, installation and other requirements specified in this FAS. It is anticipated that the Department, the Department’s consultant and contractor staff will be collocated in this facility. This space is expected to be largely integrated with Department consultant and contractor staff workspace and used for the following activities:

- a. Contract administration/housing key personnel;
  - b. Project coordination;
  - c. Joint application design (JAD) and review sessions;
  - d. Demonstrations of design prototypes;
  - e. Discussion and presentations of proposed system design changes;
  - f. Deliverable walk-throughs;
  - g. Technical and user support help desk functions;
  - h. System testing task walk-throughs;
  - i. User acceptance test support;
  - j. Implementation planning;
  - k. Transition management support; and
  - l. Regularly scheduled and Department-requested training sessions;
5. The Contractor is responsible for all costs related to securing and maintaining the Contractor's primary project site and any other of its locations for the life of the project, including, but not limited to:
- a. Leasehold requirements including improvements;
  - b. Utilities;
  - c. Telephone and data service (lines will terminate at the point of demarcation on the Department network);
  - d. Office equipment and supplies;
  - e. Janitorial services;
  - f. Security including Physical Security and Access to Medicaid Data Warehouse Facility;
  - g. Storage, transportation, shredding and HIPAA compliant disposal of confidential documents and other media;
  - h. Insurance;
  - i. Maintenance of all necessary telecommunications circuits between the Department offices and the Contractor's facilities;
  - j. Sufficient electrical outlets, electrical power and distribution system;
  - k. Hardware and software acquisition and maintenance; and
  - l. Installation and maintenance of data lines for the PC network.
6. For any project activities approved by the Department to be performed at a location other than at the primary Contractor project site, the Contractor must provide toll-free communications with Department staff to conduct project work;
7. The Contractor must prepare a Facility Management Plan meeting the requirements of the FAS as part of Project Start-up activities and submit it to the Department for review and approval within thirty (30) calendar days of OSC approval of the form of this contract. The plan must include, at a minimum but not limited be to the following details:

- a. Facility description and build-out plan;
  - b. Floor plan (including square footage);
  - c. Seating chart;
  - d. Electrical specifications;
  - e. Telecommunications specifications;
  - f. Internet specifications;
  - g. Fire and smoke detection specifications;
  - h. Department and Department's consultant office space;
  - i. Security system for office and operation;
  - j. Parking plans;
  - k. Meeting rooms with a description that includes:
    - i. Number and type of meeting rooms;
    - ii. Seating capacity of each meeting room; and
    - iii. Equipment to be contained in each meeting room;
  - l. Archival facilities description that includes:
    - i. Location;
    - ii. Storage capacity;
    - iii. Fire and smoke detection specifications; and
    - iv. Physical security;
8. The Contractor must provide all equipment and software necessary during the project for its staff to successfully transfer, design, develop, test, implement and maintain NY-HX;
9. The Contractor is responsible for all State and contractor space, equipment, installation and office needs of its primary project site and any other locations associated with the contract including:
- a. One (1) office (approximately 250 square feet each) with digital speaker phones, appropriate size table, desks and chairs, 4'x 6' white boards and appropriate digital presentation screens;
  - b. One (1) office (approximately 150 square feet each) with digital speaker phones, appropriate size table, desks and chairs and 4'x 6' white boards;
  - c. Flexible, integrated cubicles (approximately 64 square feet each) designed to accommodate up to forty (40) State staff or State contractor staff (not including the selected contractor). Phones, furniture, layout design and other work-space essentials must be flexible to accommodate additional staff as business enterprise needs require;
  - d. One (1) conference room with table seating for twenty-five (25) staff with overflow seating for a minimum of thirty (30) with audio visual (AV) projection equipment with one (1) work station that has secure connectivity to the NY-HX, the Internet, Department and Contractor LANs, digital speaker phone with conference call capability, 4'x 6' white boards, one (1) electronic whiteboard;
  - e. Secure and adequately sized break/lunchroom exclusively accessible to State project and State consultant staff;

- f. A minimum of forty (40) reserved parking spaces for Department use, including five (5) visitors and the necessary handicap spots to meet all regulations. Department parking space will be designated and within easy access to the facility mentioned above. Handicap parking must meet all local, State and Federal requirements for number and design. If parking is mixed with other tenants, Department space must be reserved and numbered. This space must be available throughout the entire contract period and at no additional cost to the State;
10. The Contractor must provide courier service to Department-specified sites with local (Albany) pickup and delivery service two (2) times each business day. One (1) run shall be in the morning and one (1) run in the afternoon;
  11. Unless otherwise provided in this FAS, the Contractor is solely responsible for obtaining all permits, approvals, licenses, certifications and similar authorizations required by any local, State or Federal entities for the project and maintaining them throughout the duration of the contract;
  12. The Contractor must observe all Occupational Safety and Health Administration (OSHA), environmental impact and fire code requirements, building codes and all handicapped accessibility regulations;
  13. The Contractor is responsible for providing and maintaining all necessary telecommunications circuits between Department offices and the Contractor's facilities;
  14. The Contractor must provide enough personal computers for all on premises Department and Department's contractor staff, including the QA contractor staff. Those computers must adhere to Transaction Processing Performance Council (TPC) benchmarks and have suitable, sufficient processor speed, memory and hard drive space to operate and support the current release of Microsoft's operating system and Office Suite software, as well as any additional equipment and software necessary to access and utilize the Department's LAN.
  15. The Contractor must also replace all office automation equipment for all must on premises Department and Department contractor staff, including the QA contractor staff, every three (3) years;
  16. The Contractor must provide climate-controlled space with proper controls over temperature, humidity, air movement, and air cleanliness for all staff.
  17. The Contractor must protect equipment from physical risks, including but not limited to power failures and other electrical anomalies. A suitable electrical supply shall be provided that:
    - a. Includes a dependable power supply with an uninterruptible power supply (UPS) and surge protection devices for equipment supporting critical business operation to

support orderly shut down or continuous running until operations may be transitioned to the hot site. Equipment must be regularly checked to ensure it has adequate capacity and be tested in accordance with the manufacturer's recommendations;

- b. Runs back-up generators in the event of a power outage;
- c. Includes multiple feeds to avoid a single point of failure in the power supply; and
- d. Includes surge protection devices.

18. The Contractor must conduct ongoing facilities management.

#### **Physical Security and Access to the Facilities**

1. The Contractor must designate one or more persons responsible for the security of each facility;
2. The Contractor must house the facilities in a secure area, protected by a defined security perimeter, with appropriate security barriers and entry controls to include, but not be limited to:
  - a. Physical access;
  - b. Access by visitors shall be recorded and supervised; and
  - c. Access rights regularly reviewed and updated;
3. The Contractor must ensure that communication switches and network components outside the central computer room shall receive the level of physical protection necessary to prevent unauthorized access;
4. Power and telecommunications cabling carrying information or supporting information services must be protected from interception or damage. The Contractor must document what existing power and/or cabling is covered by this standard and must communicate that to Department for appropriate protective action;
5. The Contractor, or subcontractor with administrative control (i.e., primary physical access) over wiring closets, communications and service rooms, must ensure that they are properly secure to protect information resources and to prevent unauthorized access to sensitive information;
6. The Contractor must obtain prior Department approval for the use of any equipment by the Contractor, its subcontractors, agents or others working with it to access the NY-HX from outside the Contractor's premises. The security provided must be equivalent to that for on-site equipment used for the same purpose, taking into account the risks of working outside the Contractor's premises. This equipment may include, but not be limited to, all forms of personal computers, personal digital assistants or similar devices that are used for home working or are being transported away from the normal work location;

7. Any Contractor devices that will be connected to the Department's network must be screened and approved by the Department prior to connection;
8. Regardless of ownership, the use of any equipment outside the Contractor's premises for information processing of State business requires approval by the Department;
9. The Contractor must provide adequate security and safeguards to protect Department and contract employees from harm and to protect all equipment from unauthorized access and harm. These measures must include, but are not limited to:
  - a. Sufficient lighting;
  - b. Night-time and weekend security patrols;
  - c. Security Access Reader Card System with magnetic locks monitored by security personnel, Request to Exit Devices, Sounders, etc., to make the system complete;
  - d. Outside surveillance cameras with recordings archived for seven (7) calendar days;
  - e. Recorded and supervised visitor access; and
  - f. Regular review and updating of access rights to the project site.

**Attachment 3: FOA, Cooperative Agreements to Support Innovative Exchange Information Technology Systems**

Available on the DOH website in a .zip file on the FAS face page

**Attachment 4: *Grant Application Package***



# STATE OF NEW YORK DEPARTMENT OF HEALTH

Corning Tower The Governor Nelson A. Rockefeller Empire State Plaza Albany, New York 12237

Richard F. Daines, M.D.  
*Commissioner*

James W. Clyne, Jr.  
*Executive Deputy Commissioner*

December 22, 2010

Michelle Feagins  
Services Office of Consumer Information and Insurance Oversight  
Department of Health and Human Services  
Washington, D.C.

Dear Ms. Feagins:

Enclosed for review and approval by the U.S. Department of Health and Human Services, Office of Consumer Information and Insurance Oversight (OCIIO) is the New York State Department of Health's grant application describing the Department's plan to conduct the New York State Health Benefit Exchange (NY-HX) Information Technology (IT) Systems Project. This grant application has been completed in response to the OCIIO's State Planning and Establishment Grants for the Affordable Care Act's Exchange, Funding Opportunity Announcement (FOA) IE-HBE-11-001.

Major goals for the NY-HX Information Technology (IT) Systems Project are to: 1) Further mature New York's readiness to implement a NY-HX solution which meets the needs of the State; 2) Design/develop modular, reusable, scalable, open standards technology components for advancing NY-HX capabilities; 3) Further mature and refine the NY-HX governance structure, building upon the governance planning work completed by the New York State Insurance Department (NYSDOI) as a result of their first round planning grant award from OCIIO; 4) Refine and evolve the integration strategy of New York's Medicaid/Children's Health Insurance Program (CHIP) into the NY-HX; and, 5) Position New York and other States to deploy successful Health Insurance Exchanges no later than 2014. The estimated budget to complete these activities is \$37,186,765.

If you have any questions, please contact the Project Director, Mr. Thomas W. Donovan, CIO, and Office of Health Insurance Programs at (518) 257-4548. We appreciate the cooperation you and your staff have provided in moving this initiative forward.

Sincerely,

Donna Frescatore  
Medicaid Director  
Deputy Commissioner  
Office of Health Insurance Programs

#### Attachments

cc: Frederick Miller  
Thomas Donovan  
Robert W. Reed  
Dennis Wright

**Application Title:** Development and Implementation of the of the New York State Health Benefit Exchange (NY-HX)

**Applicant Organization Name:** New York State Department of Health (<http://www.health.ny.gov/>)

**Program/Funding Opportunity Number (FOA):** State Planning and Establishment Grants for the Affordable Care Act's Exchange; FOA: IE-HBE-11-001

**Project Director:** Mr. Thomas Donovan, Chief Information Officer, New York State Department of Health, Office of Health Insurance Programs; 11 Corporate Woods, 3<sup>rd</sup> Floor Albany, NY 12211; (518) 649-4401

**Congressional District(s) Served:** All 29 Congressional Districts Statewide

**Type of Project:** Information Technology System Development

**Projected Date for Project Completion:** February 2013

The New York State Department of Health (the Department) requests funding to support the design, development and implementation (DDI) of the New York State Health Benefit Exchange (NY-HX) in accordance with the requirements of the Patient Protection and Affordable Care Act. The Department's Medicaid enterprise supports one of the largest insurance programs in the nation providing health care coverage to nearly five (5) million New Yorkers with over three (3) million members receiving their health care through enrollment in a managed care plan. New York State Medicaid's annual cost is expected to reach \$51 billion in State Fiscal Year (SFY) 2010-11. The eMedNY Medicaid Management Information System (MMIS) processes payments for approximately one of every three health care dollars paid in the State. It is also the primary source of Medicaid data used for financial reporting, program analysis, auditing, and quality measurement. The Department plans to use these assets as the basis for designing and developing an Exchange to serve all New York State health insurance consumers. This approach will also result in the development of Exchange IT components fully extensible and scalable to any other jurisdiction.

Major goals for the NY-HX Information Technology (IT) Systems Project are to: 1) Further mature New York's readiness to design, develop and implement (DDI) the New York Health Insurance Exchange (NY-HX) solution which meets the needs of the State, New York consumers, and a range of relevant stakeholders (e.g., employers, health plans, providers); 2) Design/develop modular, reusable, scalable, open standards technology components for advancing NY-HX capabilities, working in collaboration with OCCIO, CMS and other States; 3) Further mature and refine the NY-HX IT governance structure, building upon the planning work completed by the New York State Insurance Department (NYSDOI) and the Department as a result of the State's first round planning grant award from OCIO; 4) Refine and evolve the integration strategy of New York's Medicaid/Children's Health Insurance Program (CHP) into the NY-HX; and, 5) Position New York and other states to deploy successful Health Insurance



Exchanges beginning in mid-2013 for full implementation by January 1 2014. The estimated budget to complete these activities is \$37,186,765.

## A. COMMITMENT

The New York State Department of Health, Office of Health Insurance Programs (the Department), in close collaboration with the New York State Department of Insurance (NYSDOI), has embarked on a comprehensive initiative to design, develop and implement a health insurance exchange (Exchange) by 2014. The New York State Health Benefit Exchange (NY-HX) will be developed to meet the needs of health insurance consumers (including individuals, small businesses, navigators and others who may assist consumers) across the State. It will be designed to provide a customer service experience on par with modern e-commerce capabilities. The modern electronic consumer experience will serve as the basis for design of the Exchange's portal and underlying information technology applications. This design will ensure that consumers will enjoy the same flexible, real-time access to health insurance products and services they have grown accustomed to by using the Internet. A robust customer service function will also be developed to support consumer inquiries and insurance plan selection.

To support this consumer-centric design, the Department will leverage many of the information technology (IT) components of the current Medicaid enterprise (e.g., the eMedNY Medicaid Management Information System (MMIS) and Medicaid Information Services Center (the Center)). This grant application details the Department's commitment and strategy to defining and developing innovative, fully re-usable Exchange design elements and IT technical components. Led by the State's Medicaid Director, the Department plans to leverage work completed in conjunction with the NYSDOI as part of the State's 2010 Office of Consumer and Information Oversight (OCIO) State planning grant award.

The Department's Medicaid enterprise supports one of the largest insurance programs in the nation. The New York Medicaid and Child Health Plus Programs (CHP) together provide health care coverage to nearly five (5) million New Yorkers, with over three (3) million members receiving their health care through enrollment in a managed care plan. New York State Medicaid's annual cost is expected to reach \$51 billion in State Fiscal Year (SFY) 2010-11. The eMedNY MMIS processes payments for approximately one of every three health care dollars paid in the State. It is also the primary source of Medicaid data used for financial reporting, program analysis, auditing, and quality measurement. By using these assets as the basis for designing and developing an Exchange, existing IT components will be fully extensible and scalable to any other jurisdiction.

The Department's commitment to the New York State Health Benefit Exchange (NY-HX) Information Technology Systems Project is demonstrated in three major areas: 1) the Department's long-standing tradition of leadership in implementing innovative health insurance programs; 2) an expansive stakeholder support network based on a foundation established by the New York State Governor's Health Care Reform Cabinet (Cabinet) and Health Care Advisory Committee and Workgroups (Advisory Committee); and, 3) New York's tradition of leadership in development of IT infrastructure and systems to support its Medicaid program and national Health Information Technology initiatives.

## **National Leader in the Innovation of Health Insurance Programs**

The Department enjoys a long-standing tradition of leadership in developing innovative health insurance programs and has already implemented many of the core elements of Federal health reform, including public coverage expansions and simplifications, private health insurance reforms and quality initiatives. NY Medicaid's reform agenda also supports related initiatives including: broadened coverage to increase accessibility; increased investment in ambulatory care to reduce preventable inpatient hospital stays; and a strengthened commitment to quality through primary care standards, retrospective review of services and selective contracting.

### **Expansive Stakeholder Network**

The Governor's Cabinet and Advisory Committee provide a solid foundation for stakeholder involvement in this initiative. The Cabinet is comprised of representatives from a variety of State agencies. The Advisory Committee includes organizations representing health care providers, large and small businesses, disability rights advocates, consumers, organized labor, local governments, health plans/insurers, and health policy experts (<http://www.healthcarereform.ny.gov/>). It advises the Cabinet on reform provisions, ensuring stakeholder engagement in all aspects of Federal health care reform. An Advisory Committee work group on Exchanges was formed and submitted a response to U.S. Department of Health and Human Services (HHS) request for input from States, consumer advocates, employers, insurers, and other interested stakeholders to support HHS efforts to define Exchange rules and standards. This response is available for review at [http://healthcarereform.ny.gov/docs/nys\\_comments\\_title\\_i\\_ppaca.pdf](http://healthcarereform.ny.gov/docs/nys_comments_title_i_ppaca.pdf).

In conjunction with the Governor's Office, the Department will build upon the collaborative model established by the NYSDOI to complete the NY-HX IT Systems Project. Active stakeholder engagement will be evident throughout all phases of this initiative. Stakeholder groups will include health care providers, consumers (including disabled individuals and individuals who have experienced a long-term illness), businesses, organized labor, local governments, health plans and health insurers, health policy experts. The extensive stakeholder involvement campaign implemented as part of statewide health care reform activities and planning for the NY-HX will continue. This campaign will be expanded to focus on the establishment of a learning network to disseminate information to other States. Stakeholder involvement will be promoted through the allocation of Exchange planning and implementation grant funds to support the assignment of staff dedicated to stakeholder outreach coordination and support, and associated travel expenses.

### **National Leader in the Development of Medicaid IT Systems and Health Information on Technology**

The Department also enjoys a tradition as a national leader in development of IT infrastructure and systems to support health reform, including national Health Information Technology (HIT) and its Medicaid and CHP programs. The State has made a substantial investment in developing the IT infrastructure necessary to support health reform.

A number of Medicaid-related initiatives are also in progress and available for leveraging to support the NY-HX project. They include: 1) a Medicaid Medication History project; 2) the procurement of a service oriented architecture (SOA) based replacement Medicaid Management Information (R-MMIS); 3) the implementation of an Enrollment Center and system to support Medicaid eligibility determination and recertification; 4) a health information exchange pilot project enabling health care provider access to Medicaid health records; and 4) the implementation of SOA-based enhancements to the eMedNY MMIS to support Health Insurance Portability and Accountability Act (HIPAA) version 5010 standards. The Department plans to fully leverage these investments to support the NY-HX effort.

### **State Legislative Support**

The New York State Legislature participates in the implementation of health care reform through monthly meetings organized by the Deputy Secretary for Health, Medicaid and Oversight and the State Medicaid Director. These meetings provide opportunities to inform the legislators of current activities and gain their perspective on planning for the Exchange and provisions within health care reform that will require legislative action. The Department anticipates decisions relative to the structure of the NY-HX (i.e., State agency, quasi-independent health authority, non-profit) will be forthcoming in 2011. Regardless of the nature of the NY-HX governance structure, it will be fully supported by the Department's approach to the design, development and implementation of the Exchange. At present there is no pending Exchange-related legislation.

## **B. OPPORTUNITIES TO SHARE, LEVERAGE AND RE-USE EXCHANGE INFORMATION TECHNOLOGY (IT) SYSTEMS' COMPONENTS**

As part of the preparation of this grant application, the Department explored options to establishing partnerships to develop an Exchange, but was unable to develop a comprehensive interstate strategy in time to meet the grant application submission deadline. However, it is clear that collaboration will be critical to meeting OCIO's goal of providing reusable Exchange components. To this end, the Department plans to pursue collaborative relationships and will continue its discussions with North Carolina representatives during the initial phases of the project. The Department also plans to expand this outreach to other States and anticipates the creation of an advisory panel and other consultative roles as collaborative vehicles to share, leverage and reuse NY-HX IT components. While the timing of grant application process did not permit us to obtain other State commitments, as IT components are developed, the Department will reach out to other States, gauge their interest and obtain feedback and input to refine our Exchange design and processes.

### **Extent to which the program may be broadly applicable to and/or replicable in other States.**

The Department will build upon the application architecture that was implemented in the Medicaid Medication History pilot. This application architecture

supplied the New York health care provider community with access to medication history, formulary and eligibility information. It did so by:

1. Maintaining a high availability of the interface while processing the increasing number of incoming and outgoing patient eligibility (X12N 270/271) and medication history (NCPDP SCRIPT 8.1 RxHREQ and RxHRES) transactions. The interface will continue to exchange transactions over secured Web-based connections using Hypertext Transfer Protocol (HTTP/S) as the communication protocol;
2. Enhancing the interface to support secure Web services (WS) and Simple Object Access Protocol (SOAP) as the means to request and exchange eligibility and medication history services over the Web. This step also included the release of a gateway designed to be used as an Edge Server at sites that need to use the eMedNY MMIS interface. Sites may choose to deploy a gateway or provide an alternative server to facilitate communication with eMedNY using either HTTP/S or WS/SOAP; and,
3. Providing a Continuous Availability infrastructure with all the support procedures and enabling technologies required to achieve a production ready environment.

Building the NY-HX on a SOA-compliant architecture, the Department will leverage the advantages offered by our enterprise service bus using open Web services standards. The resulting solution will be highly reusable, scalable and extensible for other States and organizations.

**Extent to which applicant expresses commitment to share architecture with other States.**

As evidenced by the development of the current MMIS technical architecture, the Department recognizes the importance of developing an Exchange solution based upon open standards and fully supportive of flexibility, scalability and extensibility. By completing this grant application, the Department is demonstrating its commitment to sharing this architecture with other States.

The current eMedNY MMIS technical architecture provides the ability for health care delivery personnel to view applicable data at the point of care. Through their own prescribing data exchange gateways, or by adopting Department gateway client software, hospitals, clinics, and private medical practices are able to request and receive the data from the eMedNY MMIS.

The NY-HX solution will build upon this architecture and will include an interface based on a SOA as the basis for developing and invoking services. Web Services will be the underlying technology in building the additional interface channel. Web Services Definition Language (WSDL), SOAP and extensible Markup Language (XML) will be used throughout this solution.

At the center of the architecture will be an Enterprise Service Bus (ESB). The ESB is fundamentally a messaging infrastructure that provides an abstraction layer on top of enterprise messaging systems to exploit the value of messaging without writing code. Using a standards-based ESB as the core, the Department will build upon the existing

architecture used in the Medication History Project. This architecture facilitates the integration of scalable enterprise Exchange applications and services.

The major strength of an ESB is that it can support reuse by:

4. Acting as a client, invoking existing Web services from a message flow;
5. Acting as an intermediary - providing a new interface or adding some value to an existing Web service; and,
6. Implementing a Web service interface to an existing legacy or non-standards based application.

In general, the core ESB is used as a standards-based key Service-Oriented Architecture (SOA) infrastructure component. This provides foundational services for more complex services through an event-driven and XML-based messaging engine. The ESB supports transformation services between the format of the sending application and the receiving application, including the transformation of data formats. The ESB facilitates the ability of integration architects and developers to exploit the value of messaging without writing code. The foundation of the ESB is built on base functions divided into their constituent parts, with distributed deployment where needed.

In order to effectively integrate disparate systems, the core exchange architecture leverages the ESB within an SOA framework. The architecture provides an integration backbone that broker between service consumers and producers. Using the ESB promotes the reusability design objectives of SOA. The ESB functioning as a message broker can be configured to provide data filters and transforms, security filters, and routing transparency between the services and their consumers. This promotes a more robust flexible architecture with most of these complex functions provided by native capabilities of the bus through configuration rather than custom software development.

The Department relies on open standards and standard application programming interfaces (APIs) to integrate with the ESB as well as with other third-party components. The NY-HX IT architecture will use an open ESB as the core coordination component of business services across the different applications as feature requirements dictate. Leveraging this proven, working architecture will minimize NY-HX project risk and maximize investment of grant dollars.

### **C. READINESS TO ESTABLISH AN EXCHANGE INFORMATION TECHNOLOGY (IT) SYSTEM BASED ON COMPLETED READINESS ASSESSMENT**

#### **C.1 Technical Architecture**

The NY-HX vision is evolving. The Department's goal is to implement a solution that provides "one stop shopping" for consumers seeking the best health insurance options to meet their individual needs. To realize this vision, the optimal technical architecture for the NY-HX must seamlessly collect and integrate information from a variety of sources, including health insurance consumers, employers, private insurance plans, Medicare, Medicaid, subsidized insurance plans, New York State government, and the Federal government.

As previously mentioned in Section B, a number of technical components requisite to the design of the NY-HX Exchange solution currently exist. This gives the Department a head start in its quest to deploy a final health exchange solution. Central to the current architecture is the ESB, which provides the fundamental messaging infrastructure supporting currently deployed applications, such as the Medicaid Medication History pilot. Inherent to the utilization of the ESB is the concurrent development of the SOA framework and all the constituent components that define such a framework, including SOAP-based Web services, Web services description language (WSDL), XML, and supporting message transport.

This architecture currently resides in the Department's eMedNY MMIS data center, which meets the Uptime Institute's classification of a Tier III data center, composed of multiple active power and cooling distribution paths and redundant hardware components. The data center has the additional capacity to add the necessary components for the NY-HX without any additional modifications to the facility. A fully redundant Tier III Disaster Recovery (DR) site with sufficient capacity to meet the requirements of the NY-HX is also available.

The Department is also currently embracing Medicaid Information Technology Architecture (MITA) design principles for the upgrade of its current MMIS, eMedNY. By mid-2011, eMedNY will support the Health Insurance Portability and Accountability Act (HIPAA) X.12 5010 transaction set within the SOA/ESB framework. Additionally, the Department is in the process of competitively procuring a replacement MMIS (R-MMIS) solution, whose requirements were defined employing the results of a MITA State Self-Assessment (SS-A). The MITA maturity model will be an integral part of the State's R-MMIS design, development, implementation and system enhancement strategy.

The Department's "To Be" NY-HX architecture expands upon the existing core SOA framework and ESB to build-out all anticipated features and services characterizing the Exchange. Examples of anticipated Exchange functions include, but are not limited to: 1) Eligibility; 2) Enrollment; 3) Disenrollment; 4) Health Plan Account Management; 5) Health Plan Comparison Engine (including coverage rating and quoting); 6) Tax Credit Administration for Small Businesses and Individuals, 7) Automated Eligibility Determinations and Verification Based on Interface with Federal Tax, SSA and Homeland Security databases; 8) Premium Collection; and, 9) Notice Generation.

NY-HX functionality will be designed to facilitate eligibility determinations and enrollment in public coverage and private insurance options. This design will be coordinated with anticipated enhancements to New York's current Medicaid eligibility system, including the implementation of an Enrollment Center and IT application/automated assessment tool to support Medicaid eligibility determination and re-certifications. The Department anticipates piloting this automated assessment tool and placing it into production in April 2011 along with the initiation of Enrollment Center operations. The Department anticipates that this application will employ a business rules component which will lend itself to reusability by other jurisdictions. Many of the fundamental architectural building blocks currently implemented in the "As Is" environment will be re-used, expanded, and incorporated into the Exchange architecture.

The Department anticipates that the final core Exchange system architecture will include a clustered server environment consisting of a Web server(s), Application server(s) with Enterprise Service Bus (ESB) capability, backend database server(s), and legacy systems. Security will be supported through deployment of x509 Public Key Infrastructure (PKI) featuring a Certificate Authority/PKI server. Lightweight Directory Access Protocol (LDAP) will be used for Exchange service access control through username/password authentication support. Additionally, the Department will adhere to the National Information Exchange Model (NIEM) and Nationwide Health Information Network (NHIN) standards, when applicable, to support information exchange among various systems containing pertinent information to support NY-HX services.

This approach to developing the NY-HX technical architecture will support anticipated enhancements to New York's current Medicaid eligibility system. These enhancements will improve current eligibility determination and enrollment processes and will include the implementation of an Enrollment Center and IT application to support Medicaid eligibility determination and re-certifications.

## **C.2 Standards**

### **C.2.1 1561 Recommendations**

The Department strongly supports the development and use of standards, as recommended by Section 1561 of the Affordable Care Act, to advance Exchange deployments. As these standards evolve and are fully defined, the Department will adopt them within the NY-HX environment. The Department has significant experience incorporating standards within existing IT applications and health programs. For example, it utilizes the HIPAA x.12 4010 transaction set within its MMIS and is currently developing support for the 5010 transaction set for release in 2011. International Classification of Diseases, 10th Revision, Clinical Modification (ICD-10-CM) for diagnosis coding and the International Classification of Diseases, 10th Revision, Procedural Coding System (ICD-10-PCS) for inpatient hospital procedure coding will be implemented by October 2013.

#### **How is the applicant incorporating NIEM into its process?**

The Department plans to continue with its adoption of the National Information Exchange Model (NIEM) to facilitate information sharing across the NY-HX. Many Exchange business processes involve cross-domain information exchange, especially related to eligibility and enrollment processes. Adoption of NIEM and the incorporation of XML schemas and structures assist greatly with information sharing between disparate systems. As part of the NY-HX design phase, the Department will review available messaging systems, such as Java Messaging System (JMS) and International Business Machine's (IBM's) WebSphere message queuing (WebSphere MQ) to support message transport requirements. A messaging model, such as point-to-point or publish/subscribe, will also be considered to support information dissemination.

The Department will also draw upon its experience implementing a SOA-based architecture for the HIPAA X.12 5010 transaction set. The HIPAA 5010 design includes a messaging architecture which is consistent with NIEM.

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**What implication will this have from a data management standpoint?**

Adoption of NIEM will support overall data management. By using standard data schemas and structures, inter-domain information sharing will be facilitated. Adoption of a messaging system will also assist with information transport requirements to many different disparate systems connected to the NY-HX.

**How will the Applicant adapt to the Section 1561 recommendations?**

Section 1561 recommendations were adopted by the Secretary of HHS on September 17, 2010. Given that these recommendations and guidance will evolve concurrent with the development of the NY-HX, the Department will stress modular and layered design principles facilitated by SOA so that solution components can be easily modified or replaced based on the availability of standards. Once Section 1561 recommendations are transformed into executable standards, they will be fully adopted by the Department.

**Use of x.12n HIPAA 834 enrollment and 270/271 eligibility transactions.**

The eMedNY MMIS fully supports the HIPAA transaction set in the administration of the New York State Medicaid program. Most recently, the Department has undertaken a MITA, SOA-based design for support of the 5010 transaction set within MMIS. The NY-HX design and build team will have full access to the MMIS 5010 design, including the design specifications for the 270/271 and 834 transactions.

**C.2.2 HIPAA**

**How will the administrative, physical, and technical requirements of HIPAA relate to future Exchange operations?**

HIPAA Security and Privacy Rules require covered entities and business associates to secure protected health information (PHI). The Department has extensive experience adhering to these HIPAA provisions within current health programs administered by the State, most notably Medicaid. The Department will draw upon its HIPAA compliance program for Medicaid and apply applicable elements of the approach to the NY-HX initiative.

The Department will develop a full HIPAA Risk Analysis and Risk Management Plan, consistent with National Institute of Standards and Technology (NIST) recommendations. As part of this analysis, threats, vulnerabilities, and risks will be assessed. Risk mitigation measures will then be identified so that adequate administrative, physical, and technical safeguards are in place to fully secure PHI.

**Is the applicant prepared to adhere to these rules as it develops new Exchange interfaces?**

The Department is fully prepared to adhere to all HIPAA Security and Privacy rules and, where possible, the NY-HX design will support the necessary controls to ensure HIPAA compliance.

### **C.2.3 Accessibility for Individuals with Disabilities**

#### **How is the applicant poised to adapt to these standards (Section 508)?**

During the NY-HX design and development phases, the Department will incorporate accessibility reviews of the Exchange presentation layer to ensure compliance with accessibility requirements, most notably Section 508. Additionally, the New York State Chief Information Officer/Office for Technology (CIO/OFT) has IT Policy NYS-P08-005 (<http://www.oft.state.ny.us/Policy/NYS-P08-005.pdf>) which provides accessibility guidance for Web-based Information and Applications.

### **C.2.4 Security**

The NY-HX will adhere to the Final Implementation Plan (FIP) for Privacy and Security Solutions for Interoperable Health Information Exchange. To ensure this, FIP and HIPAA compliance will be incorporated within NY-HX design elements and as administrative policies of the Exchange. All visitors to the NY-HX portal will be provided with a Privacy Notice summarizing FIP and HIPAA compliance principles.

### **C.2.5 Federal Information Processing Standards (FIPS)**

#### **Is the applicant prepared to adhere to these rules as it develops new Exchange interfaces?**

Recommendation 5.3 of Section 1561 advises States administering Exchanges to 1) encrypt data in motion, 2) record actions related to PHI provided for determining eligibility, and 3) generate eligibility system audit logs. The Department is prepared to incorporate these recommendations into the NY-HX design specification. For data in motion, a variety of options are available depending upon the data in motion event. For example, secure sockets layer (SSL) can be implemented between the NY-HX portal and the user whenever PHI is transmitted. For information exchange between systems, encryption can be supported by the messaging system in place. Traceability and audit logs will also be included in the NY-HX design. These functions also support HIPAA compliance requirements. The FIPS 140-7 security standard to accredit cryptographic modules is also included in the R-MMIS requirements.

### **C.3 Stakeholder Engagement**

Stakeholder engagement will be a critical component of this initiative. In conjunction with the Governor's Office, the Department will continue its active collaboration with the NYSDOI, Department of Labor, Office of Temporary and Disability Assistance, Office of Mental Health, Office of Alcoholism and Substance Abuse Services, Office of Children and Family Services to complete the design and development of the NY-HX. Active stakeholder engagement will be evident throughout all phases of this initiative. Stakeholder groups will include health care providers, consumers (including disabled individuals and individuals who have experienced long-term illness (es)), businesses, organized labor, local governments, health plans and health insurers, health policy experts. The extensive stakeholder involvement campaign implemented as part of statewide health care reform activities and planning for the NY-HX will continue. Stakeholder involvement will be promoted through the allocation of

grant funds to support the assignment of staff dedicated to stakeholder outreach coordination and support, and associated travel expenses.

#### **C.4 Governance**

The Department approaches governance as a two-tiered function comprised of program governance and IT project governance. As part of the initial OCIO grant opportunity, the NYSDOI and other State entities are assessing different Exchange program governance models, including State Agency, non-profit, and independent State Authority models. This planning effort and future decisions regarding program governance structure will provide additional guidance to the design and build phases of the NY-HX Exchange effort defined in this grant application.

The Department anticipates that the current eMedNY Project Management Office (PMO), described fully in Section D, will provide needed support whatever program governance structure is ultimately adopted, especially related to execution of the Software Development Lifecycle (SDLC).

The NY-HX project work plan presented in this application anticipates some potential refinement during the Initiation and Concept phases based on future decisions about the precise form of the Exchange program governance structure. The Department believes this approach provides the best opportunity to align an optimal program governance structure with required IT governance and the implementation objectives of the NY-HX solution.

#### **C.5 Planning and Resource Capabilities**

##### **C.5.1 Project Plan**

As part of this grant application, the Department has prepared an initial, comprehensive project work plan to track all development activities for the NY-HX IT System. This plan spans the two year grant period and includes critical dates and durations for milestones, reviews, and relevant design and development work tasks. The work plan incorporates all relevant phases of the Centers for Medicare & Medicaid Services (CMS) Investment and System Life Cycle (ILC) framework along with project review gateways and deliverables.

The Department also has a comprehensive system development lifecycle (SDLC) utilized within the current Medicaid program. This SDLC has been used successfully to manage the development of over 140 Medicaid enhancement development projects annually. Components of this SDLC will be incorporated into the NY-HX program, when applicable and beneficial.

This grant application also includes detailed resource plans tied to the proposed work plan. These resource plans will be used to derive annual budgets, define the proposed staffing plan, and identify potential risks.

## **C.6 Collecting Data and Information**

### **How is the current system structured for reporting?**

The Department is planning to complete the design specification for the NY-HX reporting system as part of the execution of the proposed work plan included in this grant application. The Department has extensive experience developing and deploying reporting systems for a myriad of complex health care programs. We anticipate that the NY-HX core will include a comprehensive reporting system comprised of a report designer and built-in interfaces to a variety of back-end database systems. The Department plans to leverage the business intelligence capability within the Medicaid Data Warehouse. Ad hoc reporting will also be supported and is considered to be crucial to the management and administration of the NY-HX.

### **Is this system conducive for adapting to new reporting demands?**

The reporting system envisioned to support the NY-HX will be flexible and include the necessary features to easily develop new reports as requirements evolve. In general, reporting capabilities are limited only by what information is available in the NY-HX database repositories. Given this constraint, the Department recognizes the importance of establishing the proper relationships among core Exchange data elements during the early stages of design, while simultaneously allowing for long term flexibility and adaptability.

### **How will the State receive, process, and respond to complaints by consumers and small businesses on Exchange operations?**

The Department plans to offer multiple ways for consumers to file Exchange complaints, including email, online complaint forms, and call center access. While this grant application requests funding to support the DDI of the NY-HX, the Department will design the Exchange to support and interface with numerous operational support entities, including Navigators and independent Consumer Assistance programs, and to be able to receive and report on types of consumers assistance, including complaints, in a format compatible with the new OCCIO data collection system for independent consumer assistance programs (CAP). Navigators will assist individuals with accessing coverage and care, filing complaints and appeals, and the like. CAP programs, facilitated enrollers and other community based organizations will also support individual consumers.

Additionally, the Department will draw upon the Information Technology Infrastructure Library (ITIL) standard to provide a proven framework for service management. ITIL's incident and problem management processes will be especially helpful in addressing consumer complaints.

### **Does the system support the transmission of certain information to insurers for resolution purposes and the transition of certain data to HHS, for monitoring and oversight purposes?**

The NY-HX will support transmission of information to insurers for resolution purposes and the transition of certain data to the U.S. Health and Human Services (HHS) agency for monitoring and oversight purposes. NIEM will be utilized to facilitate information exchange. All PHI which is in the data-in-motion state will be encrypted.

During the planning and design phases of this project, a messaging system to support NIEM will be defined.

### **How will the State manage health plan data?**

The Department envisions that the NY-HX will include a plan management module/service(s) that supports add/edit/delete and compare functions for health plans available through the Exchange. Through this module key health plan attributes, such as plan demographics, plan type, coverage profile and rating, will be maintained. The database model for health plan data entities will support easy comparison of health plans to meet consumer research requirements. Additionally, the Exchange data model will support multiple relationships between health plan data entities and consumer and employer groups associated with those health plans. This will facilitate complex reporting requirements.

### **C.7 Meeting Consumer Needs**

#### **Indicate plans for the Exchange to operate a call center, Web portal, etc.**

The NY-HX will include a call center and Web portal for consumer access. The Exchange core will include a Web server which will act as the “gateway” into the NY-HX. From the Web portal, the consumer will be presented with all the necessary options to conduct their Exchange business. Basic Exchange information will be presented on the portal, along with an overview of insurance plan options and pertinent laws and regulations associated with the Affordable Care Act. Health plan comparison functions will be available to the consumer, along with eligibility and enrollment functions. Employer groups will have similar features available to them and additional features to manage employee enrollments and tax credits.

The NY-HX operational environment will also include a Call Center. Both the Call Center and Web portal will co-exist synergistically. The Web portal will provide information on how to access the Call Center and the Call Center will direct consumers to the Web portal, when necessary.

The Department is currently developing a Medicaid/public coverage enrollment center which can serve as a key “no wrong door” gateway and helpful foundation for Exchange consumer interaction. Additionally, the eMedNY MMIS currently supports a call center that services health care providers and Medicaid recipients. NY-HX project initiation and concept phase tasks will assess how these services can be integrated into the Exchange to best support consumers. At the very least, lessons learned from these initiatives will be utilized.

As previously mentioned, the Department will draw upon the ITIL standard to develop a comprehensive service management framework for supporting Exchange users. ITIL will help the Department manage the entire NY-HX service environment, which will encompass the call center, Web portal, and other Exchange IT components and services.

### **D. PROGRAM REQUIREMENTS**

Implementation of the IT systems to support the NY-HX will consist of a multitude of public and private entities some of whom are directly participating in the

exchange of health data and others. Most notably this includes health insurance consumers directly affected by the data being exchanged. In order to exchange and retrieve information from such disparate sources it is essential that a set of policies, standards and services be in place to encourage trust between those exchanging data and provide the consumer with the assurances that necessary steps have been taken to protect and secure their health insurance related information. It is essential that a strong IT governance structure be implemented to ensure this trust and protect this information.

### **D.1 IT Project Governance**

IT Governance is the mechanism(s) that ensures the necessary policies, standards and services that enable the use of the internet for secure and meaningful exchange of health information to improve health and health care are adequately and appropriately established, coordinated, overseen and enforced. The Department recognizes the need for a strong IT governance structure and has gained the knowledge and experience in the implementation and operation of such a structure from the myriad of projects currently in production.

Over the last several years a strong Project Management Organization (PMO) has been established. The PMO oversees all system development projects and validates that projects abide by the Department's System Development Methodology, processes and procedures. The PMO structure ensures that all program requirements are met and addressed. This is accomplished by entering all functional user requirements into a Requirements Traceability Matrix and then following the requirements throughout the SDLC.

PMO processes and procedures ensure that a requirement can be traced through systems design, development and implementation. It also ensures that testing use cases are built for all requirements and the testing is thorough and complete. The PMO also conducts extensive risk analysis and mitigation, ensuring a smooth implementation with few surprises.

The Department is currently exchanging MMIS information on a daily basis with the health care provider network in the areas of member management eligibility and formulary. As a result of the medication history pilot project, the Department is sharing clinical claims data with New York-Presbyterian Hospital, a prominent university hospital in New York City affiliated with Columbia University's College of Physicians and Surgeons and Cornell's University's Weill Medical College. Additionally, an upcoming pilot project will include the sharing of MMIS clinical claims with several other State agencies including the Office of Children and Family Services (OCFS) and the Office of People with Developmental Disabilities (OPWDD).

As a result of these projects (which are operated by the Department's MMIS fiscal agent Computer Sciences Corporation (CSC)), the Department has obtained the knowledge, skills and abilities to implement the necessary policies and procedures that encourage trust relationships between the public and private entities with which data is exchanged. Presbyterian Hospital, OCFS and OPWDD all have stringent policies and guidelines governing the privacy and confidentiality of data. In the latter two

organizations, the Department has the confidence and trust of the parents or guardians of the clients served and all necessary steps to protect individual data have been taken.

While the Department plans to comply with all standards specified in the funding opportunity announcement (FOA), the implementation of a well-defined IT governance structure is the most effective way to ensure the development and implementation of a robust, secure technical architecture to meet the programmatic needs. The NY-HX project work plan presented in this application anticipates some refinement of the governance model developed by the NYSDOI as part of its initial OCIO planning grant award.

## **D.2 Standards**

The Department understands and has implemented IT standards making the exchange of data easier and secure. In order to have optimal exchanges, it is imperative that all partners use an open, robust and secure architecture that supports interoperability at various levels within the open systems, including but not limited to application, data and portal.

In partnership with CSC, the Department has positioned itself to build upon the robust technological infrastructure that has been installed. This architecture is built upon a SOA paradigm implemented through Web services. At the core of this architecture is an ESB that will house multiple services for the NY-HX. This architecture provides the ability to run multiple services and allow some services to be slightly modified (i.e., for large or small providers). The overarching principle within the architecture is that it be open and compliant with the national standards for health care interoperability recognized by the HHS. The NY-HX will conform to the NIEM. By following this model the Department will be able to provide accurate, timely, complete and relevant information to customers and decision makers. By adhering to the NIEM standards barriers to information sharing will be removed and development time will be reduced, thereby reducing the cost of ownership and improving overall quality.

Lastly, by implementing the NIEM standards the NY-HX will be able to collaborate with other States, especially bordering States, to verify consumer eligibility and recertification of consumers crossing State lines. Development of the NY-HX under the NIEM model will also provide a repository of business rules that can be combined into a number of services that can operate on an open ESB structure, supporting the reuse of programs by other States or entities.

The Department's current MMIS environment employs standard HIPAA transaction sets to exchange consumer eligibility, enrollment and disenrollment information with the health care provider community. These capabilities are available for reuse as part of our NY-HX IT system development strategy.

Over the course of the last several years the Department has been successful in incorporating the Nationwide Health Information Network (NHIN) standards into its current Medicaid architecture. The Department has completed an analysis its implementation of NHIN standards. Results of this analysis indicate that its Medicaid technical architecture is principally aligned with NHIN.

### **D.3 Applicability to Other States**

As mentioned previously, by developing the NY-HX in a SOA ESB framework and by using services that are open, the application will be transportable and easily replicable by other States. The Department also anticipates the implementation of consumer-centric NY-HX, providing a first-class customer experience with a seamless Web interface for all consumers, including those potentially eligible for Medicaid, CHP or a Qualified Health Plan, small businesses, navigators and other third party consumer assistors.

Given the exigencies of time and the aggressive Exchange delivery schedule, the Department plans to utilize the services of its current fiscal agent contractor, CSC, to develop and implement the NY-HX. Further, CSC's experience as one of the prime contractors involved in the design, development and implementation of the Massachusetts' Health Connector Project positions the Department to develop a consumer-centric NY-HX. The Department will apply the lessons learned from the Health Connector Project to the implementation of the NY-HX.

### **D.4 Plan for Achieving Compliance with Additional HHS Guidance**

The Department has fully read, understands and will comply with version 1.0 of the document entitled "Guidance for Exchange and Medicaid Information Technology (IT) Systems" issued by OCIO and CMS dated November 3, 2010. We also understand that this is a preliminary document and that OCIO and CMS will expand and provide additional assistance in the subjects addressed in Version 1.0. Further, the Department has fully read, understands and will comply the HHS adoption of Health Information Technology (HIT) Office of the National Coordinator for HIT (ONC) 1561 standards.

The eMedNY MMIS implementation has given the Department a great deal of experience complying with evolving CMS requirements and intends to continue its approach with the NY-HX. We currently have monthly conference calls with our CMS regional office to discuss project progress and will place the NY-HX initiative onto that agenda. The Department will also support regular meetings and reviews with OCIO representatives and will participate in any and all conference calls that may be held with regard to Exchange IT Systems. Lastly, we will actively participate in any workgroups that are certain to evolve from this initiative.

As members of such workgroups Department representatives will attend national and regional meetings and conferences, actively participating by making presentations of lessons learned and participating as a member panel discussions.

### **D.5 Summary of New York Medicaid's Advance Planning Document (APD) Submissions (2008-present)**

The Department has submitted a number of Advanced Planning Documents (APDs) to the Centers for Medicare & Medicaid Services (CMS) for Medicaid systems funding over the last three years, including:

1. Medicaid Data Warehouse (MDW) Procurement APD and Request for Proposals (RFP) (2008). Status: Approved by CMS. Procurement has been completed and the project is underway.

2. Medicaid Data Warehouse (MDW) Quality Assurance APD and Request for Proposals (RFP) (2008). Status: Approved by CMS. Procurement has been completed and the project is underway.
3. Medicaid Data Warehouse (MDW) As-Needed APD (AN-APD) to Support a Computer Sciences Corporation (CSC) Contract Amendment (2010). Status: Approved by CMS.
4. Replacement Medicaid Management Information Systems (R-MMIS) Procurement (2009). Status: Approved by CMS. Vendor proposals have been submitted and the evaluation process is in progress.
5. eMedNY Medicaid Management Information Systems As-Needed APD (AN-APD): HIPAA 5010, NCPDP D.O and ICD10 Standards Implementation (2009). Status: Approved by CMS. Projects are in progress.
6. American Recovery and Reinvestment Act (ARRA) Health Information Technology/Electronic Health Record (EHR) Incentive Program: Planning Advance Planning Document (PAPD) (2009) and Implementation Advance Planning Document (IAPD) (2010). Status: PAPD approved by CMS and planning work is complete. IAPD is in review by CMS.

## **E. RESOURCES AND CAPABILITIES**

The Department will assemble a team of technical and subject matter experts (SMEs) comprised of State and contractor staff for this engagement. This team will report into the Office of Health Insurance Program's Division of Systems, an organization that has a successful track record in implementing large scale systems.

Much of the Department's success is attributable to our approach to project management which we view as a systematic, proven methodology that has delivered measurable results. This is evidenced by the successful implementation of the projects discussed in this application. Our project management approach not only represents industry best practices, but has been adapted and continually improved over years of successful projects.

At the core of our project management approach is a comprehensive Systems Development Life Cycle (SDLC). Our methodology draws upon our team's experience in integrating multiple interfaces during concurrent implementations of the eMedNY MMIS and the Department's Medicaid Data Warehouse. It also stresses continual and effective communication between State, contractor staff and stakeholders.

For the NY-HX, the Department will employ the CMS ILC framework to drive the DDI process and also draw upon our SDLC when it is advantageous to do so. Both SDLC methodologies are quite similar.

Over the last several years we have put in place a PMO that ensures projects stay on schedule and within budget, risks are identified and mitigated, quality management is

adhered to throughout every step of the project and our Systems Development Methodology (SDM) is followed. It is also the responsibility of the PMO to ensure projects stay within scope and prevent scope creep.

The Department is committed to assembling a project team whose key staff will consist of:

- **Project Manager (State and CSC)** – The State and CSC Managers work together to coordinate and control scope, budget and schedule. These individuals will be experienced in implementing projects, with the development methodologies that provide the “construction” framework for the project activities, and with the technologies being employed by the project.
- **Technical Lead** – The Technical Lead serves as a key advisor to the Project Manager on all technical issues. In addition, he/she enforces all development standards and development processes as pertaining to SDM.
- **Security Lead** – The Security Lead is responsible for ensuring adherence to all security aspects of the project, including assessment and highlighting of any risk factors associated with the project to the Technical Lead and the Project Manager.
- **Quality Assurance Lead** – The Quality Assurance Lead is responsible for ensuring all aspects of the project meet the quality specifications as stated in the SDLC. This individual will be an independent contractor whose sole function will be to implement the project’s Quality Management Plan.
- **Stakeholder Outreach Lead** – The Stakeholder Outreach Lead is responsible for ensuring that consumer interface, usability and accessibility of the NY-HX system meets the needed of the broad range of project stakeholders (i.e., the State, consumers, third party assistors, small businesses, and the like).

The Department’s Project Manager will be responsible for subcontractor oversight. The key to effective subcontract management is a clear and unambiguous statement of the requirements, deliverables, timeframes, performance standards, and quality control procedures in subcontract documents and in all oral and written correspondence throughout the project. Our SDM, along with the ILC framework, ensures that these documents fully convey our requirements and monitors compliance with contract terms through regular interaction between the Department’s Project Management team and subcontractor personnel.

In summary, the Department’s utilization of proven mechanisms for project management, communication, and coordination, together with the technical expertise of the team assigned to the project, ensure that the resources brought by subcontractors will be effectively controlled by our management team; that staff and other resources will be used efficiently and expeditiously; and that the project will successfully accomplish the Department’s objectives.

## F. EVALUATIVE MEASURES

Since this grant application requests HHS/OCIIO funding for the DDI of NY-HX IT systems, evaluative measures will focus on industry-standard project management practices relative to IT systems quality and risk management processes. As part of its standard project management methodology, the Department and its contractors will implement quality and risk management plans designed to monitor project progress and evaluate key indicators to determine if project goals and objectives are being met. In addition to the project goals and objectives described in this narrative, the Department will establish a series of detailed key indicators as part of the project initiation and concept phases.

While monitoring project progress is a responsibility of all project team members, it is the primary responsibility of the Project Manager. Data to support evaluative activities will be gathered informally on a daily basis and formally at weekly status meetings. Lead staff will report progress on weekly targets and milestones. The Project Manager will evaluate input from team leads and use this input to closely monitor progress toward attainment of weekly project goals and objectives, progress against the project work plan and schedule, as well as current and emergent risks to achieving these targets and milestones. Risk assessment and mitigation strategies will also be implemented.

The Department's quality management and risk management programs provide the foundation of project evaluative measures. Quality management encompasses taking a proactive approach to analyzing and assessing the quality and accuracy of performance within all aspects of the project. To maintain continuous focus on the importance of delivery of quality systems and services, project management staff must plan, implement, rigorously enforce, and constantly improve a quality management program. This program will include a Quality Management Methodology (QMM) and Quality Management Plan (QMP) that set forth a proactive approach to analyzing and assessing the quality and accuracy of project performance. Activities will include a systematic process of review of all project deliverables to ensure adherence to requirements defined during the Requirements Analysis ILC phase. Corrective Action Plans will be developed in response to major project issues and risks that pose serious threat to project progress.

A Risk Management Plan will also be implemented to support a continuous, systematic review of project issues that may escalate to project risks, a formal assessment of these risks, including evaluating and establishing a risk priority based on the likelihood the risk will occur and the potential impact of the risk, assign risk management responsibility, and creation of risk mitigation strategies. Risks and associated mitigation strategies will be informally reviewed on a daily basis and formally reviewed at weekly status meetings.

## **A. PROJECT GOALS AND OBJECTIVES**

1. Further mature New York's readiness to design, develop and implement (DDI) the New York Health Insurance Exchange (NY-HX) solution which meets the needs of the State, New York consumers, small businesses, third party assistors, and a range of relevant stakeholders (e.g., employers, health plans, providers);
2. Design/develop modular, reusable, scalable, open standards technology components for advancing NY-HX capabilities, working in collaboration with OCCIO, CMS and other states;
3. Further mature and refine the NY-HX IT governance structure, building upon the planning work completed by the New York State Insurance Department (NYSDOI) and the Department as a result of the State's first round planning grant award from OCIO;
4. Refine and evolve the integration strategy of New York's Medicaid/Children's Health Insurance Program (CHP) into the NY-HX; and,
5. Position New York and other states to deploy successful Health Insurance Exchanges beginning in mid-2013 for full implementation by January 1 2014.

## **B. GENERAL WORK PLAN DESCRIPTION**

The Department's work plan to advance solutions for Exchange IT Systems will be executed over a two year period as required by the grant award. The work plan will incorporate all required Software Development Lifecycle (SDLC) phases, reviews, milestones, and deliverables, as specified by the grant and as required by the CMS Investment and System Life Cycle (ILC) framework. The Department recognizes the importance of adopting and adhering to proven development methodologies and frameworks, such as ILC, to reduce project risks to achieve successful project outcomes.

The work plan will also further refine the program governance structure for the NY-HX program. Currently, various Exchange program governance models are being reviewed and developed for consideration under the state's Exchange planning grant and by outside experts. Regardless of which form New York Exchange governance takes pursuant to future decisions (e.g., existing or new state agency, independent Authority, non-profit entity), the proposed work plan and development of the various components articulated in the grant proposal can proceed, subject to further refinement as needed. This work plan assumes close collaboration between the Department and NYSDOI, especially during the Initiation and Concept Phases of this project, the time period when outstanding program governance structure issues are anticipated to be resolved. At the appropriate time, the adopted Exchange program governance structure will provide necessary oversight of the work effort under this grant.

As previously mentioned, the Department will leverage, whenever possible, the development, test, and production facilities and environments currently in place to support MMIS operations. This approach will also be used for the Disaster Recovery strategy.



The table below provides a general summary of the work activities and components which will be addressed within each major implementation lifecycle (ILC) phase. In general, the Department will first define business needs and requirements for the NY-HX, develop technical design specifications to meet those business needs, build the technical components based on the design specifications, test all built components, and prepare for implementation. Operations and Maintenance are considered outside the scope of this grant. As ILC requires, gateway reviews will be performed during the execution of the SDLC, especially during transitions from one phase to the next.

The Department may add functionality to the Exchange IT solution in phases or multiple releases. This strategy will be finalized during the Initiation, Concept, and Planning phases of the work plan presented here. Only the first release of the Exchange solution is covered in this work plan.



**Exhibit 1: Summary of Project Phase Work Activities for New York’s Health Benefit Exchange IT Systems Development Project**

ILC Phase and Key Project Team Participants	Phase Description	Issues/Questions Addressed During Phase	Reviews	Deliverables
<p><b>Initiation</b></p> <hr/> <p><i>Key Phase Participants:</i></p> <ul style="list-style-type: none"> <li>• Project Directors (State/Contractor)</li> <li>• Project Managers (State/Contractor)</li> <li>• Design Director</li> <li>• Design Lead</li> <li>• Reqs Lead</li> <li>• Enterprise Architect</li> <li>• Business Analysts</li> <li>• Steering Committees per Governance Plan</li> <li>• QA Lead</li> </ul>	<p>This phase will be used to review the Health Insurance Exchange business needs and how these needs integrate within the overall Enterprise Architecture. During this time period, a decision regarding the program governance structure for the management and execution of the Exchange is anticipated, along with any needed refinements to the work plan.</p>	<ul style="list-style-type: none"> <li>• What type and number of products will be offered on exchange?</li> <li>• How will the exchange interact with brokers, carriers, and employers?</li> <li>• What technical components, architectures, solutions currently exist to support the need of the exchange?</li> <li>• What is the appropriate program governance structure for the Exchange?</li> </ul>	<p><b>Architecture Review:</b> used to investigate how current solutions, if any, can be leveraged to meet Exchange requirements.</p>	<ul style="list-style-type: none"> <li>• High Level Business Process Models</li> <li>• Requirements Document</li> <li>• Architectural Diagrams</li> <li>• Briefings/presentations</li> </ul>
<p><b>Concept</b></p> <hr/> <p><i>Key Phase Participants:</i></p> <ul style="list-style-type: none"> <li>• Project Directors (State/Contractor)</li> <li>• Project Managers</li> </ul>	<p>This phase commences upon completion of the Initiation phase and the Architecture Review gateway. During this phase, sufficient requirements detail is</p>	<ul style="list-style-type: none"> <li>• What is the appropriate IT governance structure for the Exchange?</li> <li>• To develop the solution will outside contractor support be required?</li> <li>• What are the general requirements for</li> </ul>	<p><b>Project Startup Review:</b> a formal inspection of the proposed New York Exchange IT solution to determine if the approach is sound, viable, and worthy of a funding outlay.</p>	<ul style="list-style-type: none"> <li>• Acquisition Strategy</li> <li>• Concept of Operations</li> <li>• Risk Analysis</li> <li>• Alternative Analysis</li> <li>• Scope Definition</li> <li>• Project Charter</li> <li>• Performance Measures</li> </ul>



ILC Phase and Key Project Team Participants	Phase Description	Issues/Questions Addressed During Phase	Reviews	Deliverables
(State/Contractor) <ul style="list-style-type: none"> <li>• Design Director</li> <li>• Design Lead</li> <li>• Reqs Lead</li> <li>• Enterprise Architect</li> <li>• Business Analysts</li> <li>• Steering Committees per Governance Plan</li> <li>• QA Lead</li> </ul>	developed to support the detailed cost and schedule estimates, alternatives analysis, and the overall business case for the Exchange. Final refinement of the governance structure will be completed during this phase.	eligibility, enrollment, tax credit administration, and cost-sharing assistance? <ul style="list-style-type: none"> <li>• How will plan management work, specifically certification, recertification, and decertification?</li> <li>• Are there alternative solutions?</li> <li>• How will Medicaid/CHP eligibility and enrollment activities be integrated into the Exchange?</li> <li>• What is the overall scope of the Health Benefit Exchange project?</li> </ul>	Information regarding the business objectives, high-level technical design and milestones are reviewed to ensure the effort supports the overall mission and objectives of a Health Exchange.	<ul style="list-style-type: none"> <li>• Briefings/presentations</li> </ul>
<p><b>Planning</b></p> <hr/> <p><i>Key Phase Participants:</i></p> <ul style="list-style-type: none"> <li>• Project Directors (State/Contractor)</li> <li>• Project Managers (State/Contractor)</li> </ul>	During this phase a comprehensive Project Management Plan for the establishment of the Exchange, including all commensurate control documents will be	<ul style="list-style-type: none"> <li>• What are risks associated with this project?</li> <li>• How will requirements be managed?</li> <li>• What are security requirements?</li> <li>• How will</li> </ul>	<p><b>Project Baseline Review:</b> a formal inspection of the entire project and performance measurement baseline to obtain approval of project scope, cost, schedule, a project management plan. Review</p>	<ul style="list-style-type: none"> <li>• Information Security Risk Assessment</li> <li>• Project Management Plan</li> <li>• Project Schedule</li> <li>• Release Plan</li> <li>• Briefings/presentations</li> </ul>



ILC Phase and Key Project Team Participants	Phase Description	Issues/Questions Addressed During Phase	Reviews	Deliverables
<ul style="list-style-type: none"> <li>• Design Director</li> <li>• Design Lead</li> <li>• Reqs Lead</li> <li>• Enterprise Architect</li> <li>• Business Analysts</li> <li>• Steering Committees per program Governance Plan</li> <li>• QA Lead</li> </ul>	<p>developed.</p>	<p>communications be managed?</p> <ul style="list-style-type: none"> <li>• What is the change management approach?</li> <li>• What are detailed project schedule and work assignment requirements (i.e., Gantt chart)?</li> <li>• How will quality assurance be applied?</li> </ul>	<p>of project risk and user requirements is also conducted.</p>	
<p><b>Requirements Analysis</b></p> <hr/> <p><i>Key Phase Participants:</i></p> <ul style="list-style-type: none"> <li>• Project Directors (State/Contractor)</li> <li>• Project Managers (State/Contractor)</li> <li>• Design Director</li> <li>• Design Lead</li> <li>• Reqs Lead</li> <li>• Enterprise Architect</li> <li>• Technical Architect</li> <li>• Data Architect</li> <li>• SOA Domain Lead</li> <li>• Business Analysts</li> </ul>	<p>During this phase, the business requirements which were initially defined during the Concepts Phase will be further analyzed and decomposed into functional and non-functional requirements. This decomposition will define inputs, outputs, processes, and interfaces comprising Exchange functionality.</p>	<ul style="list-style-type: none"> <li>• What are all the functional requirements for the Exchange? Such as:                         <ul style="list-style-type: none"> <li>○ Plan certification, recertification, and decertification.</li> <li>○ Plan benefit option presentation to consumers.</li> <li>○ Plan comparison.</li> <li>○ Consumer eligibility, including Medicaid/CHP/ Exchange subsidy automated eligibility</li> </ul> </li> </ul>		<ul style="list-style-type: none"> <li>• Functional Requirements Document</li> </ul>



ILC Phase and Key Project Team Participants	Phase Description	Issues/Questions Addressed During Phase	Reviews	Deliverables
<ul style="list-style-type: none"> <li>• Steering Committees per program Governance Plan</li> <li>• QA Lead</li> </ul>	<p><i>Note- New York will leverage existing SDLC concepts and approaches currently in place to manage enhancements to the New York Medicaid system.</i></p>	<p>determinations.</p> <ul style="list-style-type: none"> <li>○ Consumer enrollment</li> <li>○ Premium collection</li> <li>○ Electronic calculator for cost analysis.</li> <li>○ Employer tax credit administration.</li> <li>○ Cost-sharing assistance administration.</li> <li>○ Mandate exemption/exception determinations</li> <li>○ Eligibility Verification interfaces with appropriate federal, other data bases</li> <li>○ Availability and Affordability determinations for employer-sponsored coverage when required for Exchange enrollment</li> <li>○ Exchange of Information with Employers, Health</li> </ul>		



ILC Phase and Key Project Team Participants	Phase Description	Issues/Questions Addressed During Phase	Reviews	Deliverables
		Plans, federal and state agencies, others		
<p><b>Design</b></p> <p><b>Key Phase Participants:</b></p> <ul style="list-style-type: none"> <li>• Project Directors (State/Contractor)</li> <li>• Project Managers (State/Contractor)</li> <li>• Design Director</li> <li>• Design Lead</li> <li>• Reqs Lead</li> <li>• Enterprise Architect</li> <li>• Technical Architect</li> <li>• Data Architect</li> <li>• SOA Domain Lead</li> <li>• Test Lead</li> <li>• Security Lead</li> <li>• Developers</li> <li>• Business Analysts (Consumer Portal/User Interface, Notices, etc)</li> <li>• Steering Committees per program</li> </ul>	<p>This phase is used to develop detailed specifications for the physical system needed to meet the Exchange business needs. Programming logic, database design, and software architecture is defined.</p> <p><i>Note- New York will leverage existing SDLC concepts and approaches currently in place to manage enhancements to the New York Medicaid system.</i></p>	<ul style="list-style-type: none"> <li>• What are the specific architectural requirements in terms of hardware, software, and network?</li> <li>• Will SOA be adopted?</li> <li>• Can MITA on the Medicaid-side be leveraged to support Exchange architecture and vice-versa?</li> <li>• What are user interface design requirements?</li> <li>• What is the supporting data model?</li> <li>• What are the data storage requirements?</li> <li>• What security measures are to be implemented?</li> </ul>	<p><b>Preliminary Design Review:</b> conducted to achieve confidence that the design satisfies the functional and non-functional Exchange requirements. The system architecture is formally inspected.</p> <p><b>Detailed and Final Design Review:</b> a final review to ensure the proposed system architecture design meets the functional and non-functional requirements of the Exchange and adheres to accepted standards and approaches.</p>	<p><b>Preliminary Design Review</b></p> <ul style="list-style-type: none"> <li>• System Security Plan</li> <li>• Requirements Traceability Matrix</li> <li>• Test Plans</li> <li>• Logical Data Model</li> <li>• Data Use Agreement</li> <li>• Technical Architecture Diagrams</li> </ul> <p><b>Detailed and Final Design Review</b></p> <ul style="list-style-type: none"> <li>• System Design Document</li> <li>• Interface Control Document</li> <li>• Database Design Document</li> <li>• Physical Data Model</li> <li>• Data Management Plan</li> <li>• Data Conversion Plan</li> <li>• Automated Code Review</li> </ul>



ILC Phase and Key Project Team Participants	Phase Description	Issues/Questions Addressed During Phase	Reviews	Deliverables
Governance Plan • QA Lead				
<b>Development</b>  <i>Key Phase</i> <i>Participants:</i> <ul style="list-style-type: none"> <li>• Project Directors (State/Contractor)</li> <li>• Project Managers (State/Contractor)</li> <li>• Design Director</li> <li>• Design Lead</li> <li>• Reqs Lead</li> <li>• Enterprise Architect</li> <li>• Technical Architect</li> <li>• Data Architect</li> <li>• SOA Domain Lead</li> <li>• Test Lead</li> <li>• Security Lead</li> <li>• Developers</li> <li>• Business Analysts</li> <li>• Steering Committees per program Governance Plan</li> <li>• QA Lead</li> </ul>	During this phase the detailed Exchange specifications documented in the previous phase are transformed into machine-executable form. This phase is also used to ensure that all system components are properly integrated with and interfaced to other system components to provide required Exchange functionality. All test cases are finalized.  <i>Note- New York will leverage existing SDLC concepts and approaches currently in place to manage enhancements to the New York Medicaid</i>	<ul style="list-style-type: none"> <li>• Are all architectural components in place to support development and testing?</li> <li>• Have all system components been developed and integrated?</li> <li>• Are all interfaces developed?</li> <li>• Has the physical data model been defined and implemented?</li> <li>• Are all agreed upon standards being implemented?</li> <li>• Have all test cases been defined and documented?</li> </ul>		<ul style="list-style-type: none"> <li>• Coding</li> <li>• Test Data and Test Cases</li> <li>• Development and Test Environments</li> </ul>



ILC Phase and Key Project Team Participants	Phase Description	Issues/Questions Addressed During Phase	Reviews	Deliverables
	<i>system.</i>			
<p><b>Test</b></p> <hr/> <p><i>Key Phase Participants:</i></p> <ul style="list-style-type: none"> <li>• Project Directors (State/Contractor)</li> <li>• Project Managers (State/Contractor)</li> <li>• Design Director</li> <li>• Design Lead</li> <li>• Reqs Lead</li> <li>• Enterprise Architect</li> <li>• Technical Architect</li> <li>• Data Architect</li> <li>• SOA Domain Lead</li> <li>• Test Lead</li> <li>• Security Lead</li> <li>• Developers</li> <li>• Business Analysts</li> <li>• Steering Committees per program Governance Plan</li> <li>• QA Lead</li> </ul>	<p>This phase is used to determine whether the developed Exchange IT system is ready for implementation. Determination is made by executing previously designed test cases which have been cross-referenced to all system requirements. Several validation tests are conducted, including requirements validation, system integration, interface, regression, security, performance, stress, usability, and user acceptance.</p> <p><i>Note- New York will leverage existing SDLC concepts and approaches currently in place to manage enhancements to</i></p>	<ul style="list-style-type: none"> <li>• Has the system passed all test cases?</li> <li>• What test cases failed?</li> <li>• Have defects been fixed and re-tested?</li> <li>• Has the system passed user acceptance testing?</li> </ul>	<p><b>Pre-Operational Readiness Review:</b> a review conducted at the end of the test phase to confirm the system is ready for final implementation.</p>	<ul style="list-style-type: none"> <li>• Contingency Plan</li> <li>• Inter/Intra-Agency Agreements</li> <li>• Test Case Specification</li> <li>• Implementation Plan</li> <li>• User Manuals</li> <li>• Operations and Maintenance Manual</li> <li>• Training Plan</li> <li>• Integration Testing</li> <li>• End-to-End Testing</li> <li>• Test Summary Report</li> <li>• Defect Reports</li> <li>• Security Testing Results</li> <li>• Briefings/Presentations</li> </ul>



ILC Phase and Key Project Team Participants	Phase Description	Issues/Questions Addressed During Phase	Reviews	Deliverables
	<i>the New York Medicaid system.</i>			
<p><b>Implementation</b></p> <p><i>Key Phase</i>  <i>Participants:</i></p> <ul style="list-style-type: none"> <li>• Project Directors (State/Contractor)</li> <li>• Project Managers (State/Contractor)</li> <li>• Design Director</li> <li>• Design Lead</li> <li>• Enterprise Architect</li> <li>• Technical Architect</li> <li>• Data Architect</li> <li>• SOA Domain Lead</li> <li>• Security Lead</li> <li>• Developers</li> <li>• Steering Committees per program Governance Plan</li> <li>• QA Lead</li> </ul>	<p>During this phase, the developed and tested Exchange IT solution is moved from development status to production status. Data conversion is completed as required to support the production environment.</p>	<ul style="list-style-type: none"> <li>• Are all Exchange system components in place and functional to support operations and maintenance?</li> <li>• Is the Business Continuity Plan in place?</li> <li>• Have all major system defects and bugs, as identified, during the test phase resolved?</li> </ul>	<p><b>Operational Readiness Review:</b> a final review to confirm the system is production-ready.</p>	<ul style="list-style-type: none"> <li>• Production Ready Environment</li> </ul>
<p><b>Operations and Maintenance</b></p>	<p>This phase is associated with operating and maintaining a “live” Exchange system.</p>		N/A	N/A



ILC Phase and Key Project Team Participants	Phase Description	Issues/Questions Addressed During Phase	Reviews	Deliverables
	This phase will not be executed as part of this Exchange IT System Funding Opportunity.			

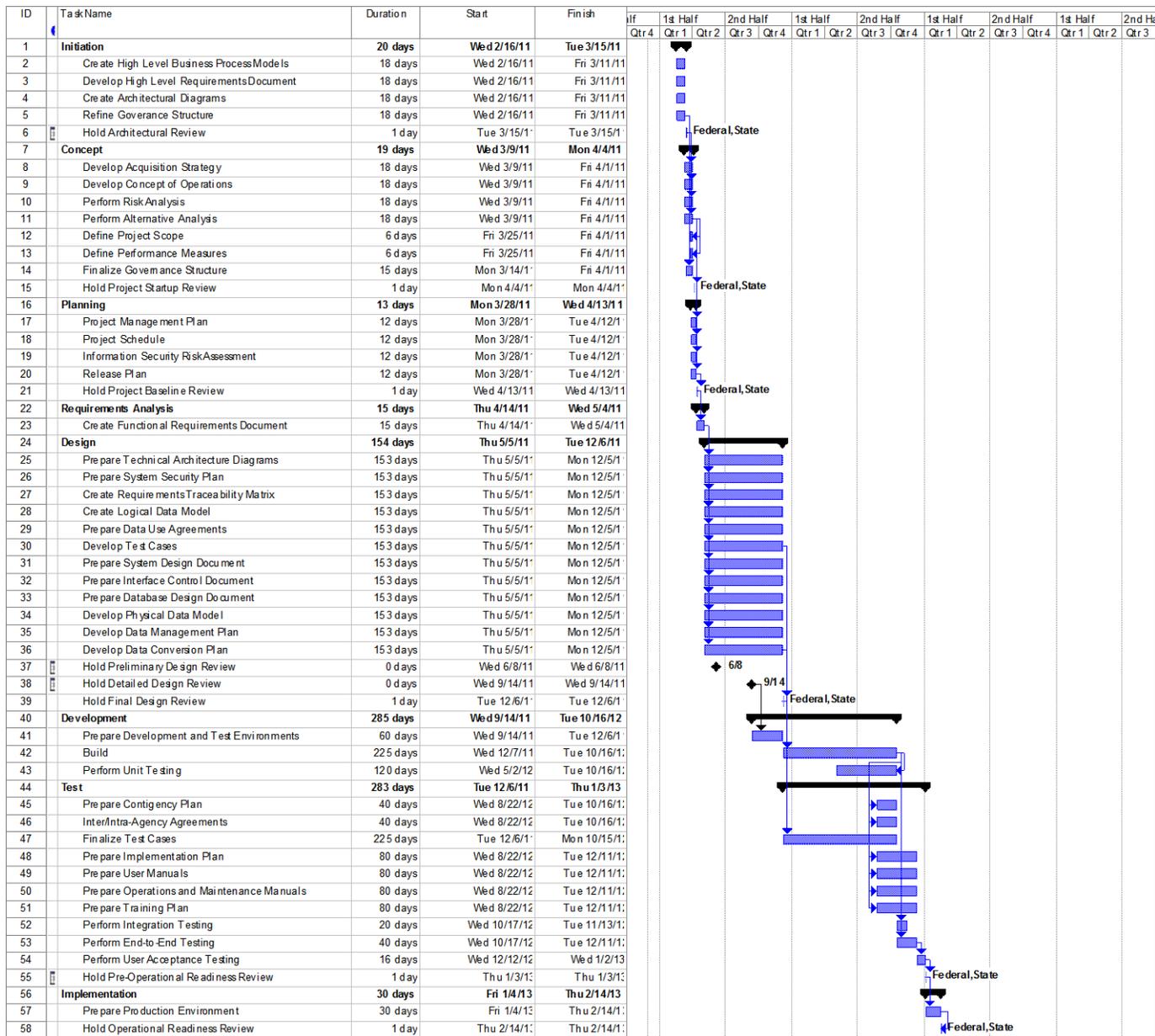
### **C. WORK PLAN TIMELINE**

The following Gantt chart provides the timeline for the work plan outlined in the table above. Project phase durations along with critical milestones are provided.

The project is assumed to start on February 16, 2011 and reaches implementation readiness within 24 months, on or about February 14, 2013. Additional releases of NY-HX functionality make occur beyond the timeline presented here.



Exhibit 2: Gantt Chart for NY-HX IT Systems Project



The following table summarizes the start and end dates for the major phases of the project. Please note that some phases overlap when it is practical to perform activities in parallel.

**Exhibit 3: Project Phase Timeline Summary**

Phase	Planned Start Date	Planned End Date	Duration (Days)
Initiation	2/16/2011	3/15/2011	20 days
Concept	3/9/2011	4/4/2011	19 days
Planning	3/28/2011	4/13/2011	13 days
Requirements Analysis	4/14/2011	5/4/2011	15 days
Design	5/5/2011	12/6/2011	154 days
Development	9/14/2011	10/16/2012	285 days
Test	12/6/2011	1/3/2013	283 days
Implementation	1/4/2013	2/14/2013	30 days

**D. FUNDING RESOURCES FOR WORK PLAN EXECUTION**

**Exhibit 4: Funding Sources for Development and Implementation of New York’s Health Insurance Exchange**

Project Phase	Exchange IT System FOA Funding	State Funding*	Medicaid Federal Funding**
Initiation	X	X	
Concept	X	X	
Planning	X	X	X
Requirements Analysis	X	X	X
Design	X	X	X
Development	X	X	X
Test	X	X	X
Implementation	X	X	X

\*This initiative relies heavily on the Department’s ability to leverage existing and future State and Federal investments in its Medicaid IT enterprise. As such, the Department considers the State dollars expended to develop these assets as in-kind contributions to the NY-HX development project.

\*\*Some NY-HX development costs related to Medicaid eligibility determination and enrollment activities and associated Exchange interface development work can potentially be allocated to newly proposed 90/10 Medicaid eligibility Federal funding if CMS draft rulemaking is approved and enacted. Cost allocations will be finalized based on outcome of Medicaid eligibility rulemaking process and New York’s ability to obtain funding for its Medicaid eligibility MMIS strategy.

**A. STATE PERSONNEL (SALARY AND FRINGE)**

Total grant funding for State staff in the amount of \$6,878,065 is requested for project specific activities for 2 years. Total Salary: \$5,313,141; Total Fringe: \$1,564,926.

Salary and Fringe benefit estimates for State staff are based on blended hourly rates across multiple staffing classifications, including: Salary rate: \$85 per hour; Fringe rate: \$25 per hour.

**Exhibit 1: NY-HX State Staffing Request**

<b>ILC Phase/Position Title</b>	<b>Hours</b>	<b>%</b>	<b>#FTE</b>	<b>Salary</b>	<b>Fringe</b>	<b>Total Cost</b>
<b>Initiation</b>						
Medicaid Director	8	5%	1	\$ 638	\$ 188	\$ 825
Project Director	150	100%	1	\$ 12,750	\$ 3,750	\$ 16,500
Administrative Assistant	150	100%	1	\$ 12,750	\$ 3,750	\$ 16,500
NY-HX Project Manager	150	100%	1	\$ 12,750	\$ 3,750	\$ 16,500
NY-HX Project Lead	150	100%	1	\$ 8,850	\$ 3,750	\$ 12,600
Project Management Office	150	100%	1	\$ 12,750	\$ 3,750	\$ 16,500
Stakeholder Outreach	450	100%	3	\$ 38,250	\$ 11,250	\$ 49,500
<b>Total Initiation Phase</b>			<b>9</b>	<b>\$ 98,738</b>	<b>\$ 30,188</b>	<b>\$ 128,925</b>
<b>Concept</b>						
Medicaid Director	7	5%	1	\$ 606	\$ 178	\$ 784
Project Director	95	100%	1	\$ 8,075	\$ 2,375	\$ 10,450
Administrative Assistant	143	100%	1	\$ 12,113	\$ 3,563	\$ 15,675
NY-HX Project Manager	143	100%	1	\$ 12,113	\$ 3,563	\$ 15,675
NY-HX Project Lead	143	100%	1	\$ 8,408	\$ 3,563	\$ 11,970
Project Management Office	143	100%	1	\$ 12,113	\$ 3,563	\$ 15,675
Requirements Definition Lead	143	100%	1	\$ 12,113	\$ 3,563	\$ 15,675
Design Lead	143	100%	1	\$ 12,113	\$ 3,563	\$ 15,675
Member Management Subject Matter Experts (SMEs)	285	100%	2	\$ 24,225	\$ 7,125	\$ 31,350
Provider Management Subject Matter Experts (SMEs)	285	100%	2	\$ 24,225	\$ 7,125	\$ 31,350
Test Lead	143	100%	1	\$ 12,113	\$ 3,563	\$ 15,675
Implementation Lead	143	100%	1	\$ 12,113	\$ 3,563	\$ 15,675
Stakeholder Outreach	428	100%	3	\$ 36,338	\$ 10,688	\$ 47,025
<b>Total Concept Phase</b>			<b>17</b>	<b>\$ 186,663</b>	<b>\$ 55,991</b>	<b>\$ 242,654</b>

ILC Phase/Position Title	Hours	%	#FTE	Salary	Fringe	Total Cost
<b>Planning</b>						
Medicaid Director	5	5%	1	\$ 414	\$ 122	\$ 536
Project Director	98	100%	1	\$ 8,288	\$ 2,438	\$ 10,725
Administrative Assistant	98	100%	1	\$ 8,288	\$ 2,438	\$ 10,725
NY-HX Project Manager	98	100%	1	\$ 8,288	\$ 2,438	\$ 10,725
NY-HX Technical Project Lead	98	100%	1	\$ 8,288	\$ 2,438	\$ 10,725
Project Management Office	98	100%	1	\$ 8,288	\$ 2,438	\$ 10,725
Requirements Definition Lead	98	100%	1	\$ 8,288	\$ 2,438	\$ 10,725
Design Lead	98	100%	1	\$ 8,288	\$ 2,438	\$ 10,725
Member Management Subject Matter Experts (SMEs)	195	100%	2	\$ 16,575	\$ 4,875	\$ 21,450
Provider Management Subject Matter Experts (SMEs)	195	100%	2	\$ 16,575	\$ 4,875	\$ 21,450
Test Lead	98	100%	1	\$ 8,288	\$ 2,438	\$ 10,725
Implementation Lead	98	100%	1	\$ 8,288	\$ 2,438	\$ 10,725
Stakeholder Outreach	293	100%	3	\$ 8,288	\$ 2,438	\$ 10,725
<b>Total Planning Phase</b>			<b>17</b>	<b>\$ 116,440</b>	<b>\$ 34,247</b>	<b>\$ 150,686</b>
<b>Requirements Analysis</b>						
Medicaid Director	6	5%	1	\$ 478	\$ 141	\$ 619
Project Director	113	100%	1	\$ 9,563	\$ 2,813	\$ 12,375
Administrative Assistant	113	100%	1	\$ 9,563	\$ 2,813	\$ 12,375
NY-HX Project Manager	113	100%	1	\$ 9,563	\$ 2,813	\$ 12,375
NY-HX Technical Project Lead	113	100%	1	\$ 9,563	\$ 2,813	\$ 12,375
Project Management Office	113	100%	1	\$ 9,563	\$ 2,813	\$ 12,375
Requirements Definition Lead	113	100%	1	\$ 9,563	\$ 2,813	\$ 12,375
Design Lead	113	100%	1	\$ 9,563	\$ 2,813	\$ 12,375
Member Management Subject Matter Experts (SMEs)	225	100%	2	\$ 19,125	\$ 5,625	\$ 24,750
Provider Management Subject Matter Experts (SMEs)	225	100%	2	\$ 19,125	\$ 5,625	\$ 24,750
Test Lead	113	100%	1	\$ 9,563	\$ 2,813	\$ 12,375
Implementation Lead	113	100%	1	\$ 9,563	\$ 2,813	\$ 12,375

ILC Phase/Position Title	Hours	%	#FTE	Salary	Fringe	Total Cost
Stakeholder Outreach	338	100%	3	\$ 28,688	\$ 8,438	\$ 37,125
<b>Total Requirements Analysis Phase</b>			<b>17</b>	<b>\$ 153,478</b>	<b>\$ 45,141</b>	<b>\$ 198,619</b>
<b>Design</b>						
Medicaid Director	58	5%	1	\$ 4,909	\$ 1,444	\$ 6,353
Project Director	1155	100%	1	\$ 98,175	\$ 28,875	\$ 127,050
Administrative Assistant	1155	100%	1	\$ 98,175	\$ 28,875	\$ 127,050
NY-HX Project Manager	1155	100%	1	\$ 98,175	\$ 28,875	\$ 127,050
NY-HX Technical Project Lead	1155	100%	1	\$ 98,175	\$ 28,875	\$ 127,050
Project Management Office	1155	100%	1	\$ 98,175	\$ 28,875	\$ 127,050
Requirements Definition Lead	1155	100%	1	\$ 98,175	\$ 28,875	\$ 127,050
Design Lead	1155	100%	1	\$ 98,175	\$ 28,875	\$ 127,050
Member Management Subject Matter Experts (SMEs)	2310	100%	2	\$ 196,350	\$ 57,750	\$ 254,100
Provider Management Subject Matter Experts (SMEs)	2310	100%	2	\$ 196,350	\$ 57,750	\$ 254,100
Test Lead	1155	100%	1	\$ 98,175	\$ 28,875	\$ 127,050
Implementation Lead	1155	100%	1	\$ 98,175	\$ 28,875	\$ 127,050
Stakeholder Outreach	3465	100%	3	\$ 294,525	\$ 86,625	\$ 381,150
<b>Total Design Phase</b>			<b>17</b>	<b>\$1,575,709</b>	<b>\$ 463,444</b>	<b>\$ 2,039,153</b>
<b>Development</b>						
Medicaid Director	84	5%	1	\$ 7,172	\$ 2,109	\$ 9,281
Project Director	1688	100%	1	\$ 143,438	\$ 42,188	\$ 185,625
Administrative Assistant	1688	100%	1	\$ 143,438	\$ 42,188	\$ 185,625
NY-HX Project Manager	1688	100%	1	\$ 143,438	\$ 42,188	\$ 185,625
NY-HX Technical Project Lead	1688	100%	1	\$ 143,438	\$ 42,188	\$ 185,625
Project Management Office	1688	100%	1	\$ 143,438	\$ 42,188	\$ 185,625
Requirements Definition Lead	1688	100%	1	\$ 143,438	\$ 42,188	\$ 185,625
Design Lead	1688	100%	1	\$ 143,438	\$ 42,188	\$ 185,625
Member Management Subject Matter Experts (SMEs)	3375	100%	2	\$ 286,875	\$ 84,375	\$ 371,250
Provider Management Subject Matter Experts (SMEs)	3375	100%	2	\$ 286,875	\$ 84,375	\$ 371,250

ILC Phase/Position Title	Hours	%	#FTE	Salary	Fringe	Total Cost
Test Lead	1688	100%	1	\$ 143,438	\$ 42,188	\$ 185,625
Implementation Lead	1688	100%	1	\$ 143,438	\$ 42,188	\$ 185,625
Stakeholder Outreach	5063	100%	3	\$ 430,313	\$ 126,563	\$ 556,875
<b>Total Development Phase</b>			<b>17</b>	<b>\$2,302,172</b>	<b>\$ 677,109</b>	<b>\$ 2,979,281</b>
<b>Test</b>						
Medicaid Director	21	5%	1	\$ 1,785	\$ 525	\$ 2,310
Project Director	420	100%	1	\$ 35,700	\$ 10,500	\$ 46,200
Administrative Assistant	420	100%	1	\$ 35,700	\$ 10,500	\$ 46,200
NY-HX Project Manager	420	100%	1	\$ 35,700	\$ 10,500	\$ 46,200
NY-HX Technical Project Lead	420	100%	1	\$ 35,700	\$ 10,500	\$ 46,200
Project Management Office	420	100%	1	\$ 35,700	\$ 10,500	\$ 46,200
Requirements Definition Lead	420	100%	1	\$ 35,700	\$ 10,500	\$ 46,200
Design Lead	420	100%	1	\$ 35,700	\$ 10,500	\$ 46,200
Member Management Subject Matter Experts (SMEs)	840	100%	2	\$ 71,400	\$ 21,000	\$ 92,400
Provider Management Subject Matter Experts (SMEs)	840	100%	2	\$ 71,400	\$ 21,000	\$ 92,400
Test Lead	420	100%	1	\$ 35,700	\$ 10,500	\$ 46,200
Implementation Lead	420	100%	1	\$ 35,700	\$ 10,500	\$ 46,200
Stakeholder Outreach	1260	100%	3	\$ 107,100	\$ 31,500	\$ 138,600
<b>Total Test Phase</b>			<b>17</b>	<b>\$ 572,985</b>	<b>\$ 168,525</b>	<b>\$ 741,510</b>
<b>Implementation</b>						
Medicaid Director	11	5%	1	\$ 956	\$ 281	\$ 1,238
Project Director	225	100%	1	\$ 19,125	\$ 5,625	\$ 24,750
Administrative Assistant	225	100%	1	\$ 19,125	\$ 5,625	\$ 24,750
NY-HX Project Manager	225	100%	1	\$ 19,125	\$ 5,625	\$ 24,750
NY-HX Technical Project Lead	225	100%	1	\$ 19,125	\$ 5,625	\$ 24,750
Project Management Office	225	100%	1	\$ 19,125	\$ 5,625	\$ 24,750
Requirements Definition Lead	225	100%	1	\$ 19,125	\$ 5,625	\$ 24,750
Design Lead	225	100%	1	\$ 19,125	\$ 5,625	\$ 24,750
Member Management Subject Matter Experts (SMEs)	450	100%	2	\$ 38,250	\$ 11,250	\$ 49,500

ILC Phase/Position Title	Hours	%	#FTE	Salary	Fringe	Total Cost
Provider Management Subject Matter Experts (SMEs)	450	100%	2	\$ 38,250	\$ 11,250	\$ 49,500
Test Lead	225	100%	1	\$ 19,125	\$ 5,625	\$ 24,750
Implementation Lead	225	100%	1	\$ 19,125	\$ 5,625	\$ 24,750
Stakeholder Outreach	675	100%	3	\$ 57,375	\$ 16,875	\$ 74,250
<b>Total Implementation Phase</b>			<b>17</b>	<b>\$ 306,956</b>	<b>\$ 90,281</b>	<b>\$ 397,238</b>
			<b>TOTAL</b>	<b>\$5,313,141</b>	<b>\$ 1,564,926</b>	<b>\$ 6,878,065</b>

This request includes support for Department personnel, including:

**The New York State Medicaid Director/Project Sponsor** to oversee project progress, report to executive management, assist with risk management and issue resolution as needed. This position is necessary to maintain project sponsorship at the executive level.

**NY-HX Project Director** to oversee project progress, support the project manager in risk identification, mitigation strategy development and issue resolution; support initial tier escalation of issues and approval of risk mitigation strategies; and assist the Medicaid Director with briefing of executive management team to maintain active project sponsorship. This position is necessary to provide support to line management staff and assist with timely resolution of project issues critical to delivering the NY-HX project deliverables on time, within budget.

**NY-HX Project Manager** to oversee day-to-day project progress, supervising the activities of team leads and contractor staff (e.g., NY-HX DDI and QA contractors); actively monitor project issues and participate in the development of risk mitigation strategies and their implementation. This position is necessary to ensure that daily project activities are completed in accordance with quality management guidelines and that all NY-HX project deliverables on delivered on time, within budget.

**NY-HX Technical Lead** to assist the NY-HX Project Manager with day-to-day project oversight and supervisory duties. This position is necessary to ensure that daily project activities are completed in accordance with quality management guidelines and that all NY-HX project deliverables on delivered on time, within budget

**Project Management Office staff** to support the implementation of standardized project management practices and procedures, including uniform system development lifecycle phases, and industry standard risk and quality management. This position is necessary to support the NY-HX project manager in his/her work with DDI and QA contractors.

**Design Lead** to work with SMEs and contractor design staff to ensure that all project deliverables meet state requirements, including consumer/user interface. This

position is necessary to ensure that the NY-HX design meets State requirements and the resulting IT components are reusable by other entities.

**Subject Matter Experts (SMEs)** provide subject matter knowledge during all project phases, most critically during requirements definition, design, test and implementation activities. These positions are necessary to ensure that contractor staff have a comprehensive understanding of State-specific policies and procedures in the areas of member and provider management.

**Test Lead** to work with SMEs and contractor development and test staff to ensure that all project deliverables meet State requirements, including the consumer/user interface functionality. This position is necessary to ensure that the NY-HX meets State requirements and the resulting IT components are reusable by other entities.

**Implementation Lead** to work with SMEs and contractor development, test and implementation staff to ensure that project implementation deliverables meet state requirements. This position is necessary to ensure that the NY-HX is delivered to consumers and meets their needs.

## **B. TRAVEL**

Grant funding in the amount of \$186,000 is requested to support in-state and out-of-state travel for key personnel to meet with stakeholders and travel to vendor sites for demonstrations, product evaluations, collaborating with other States, national conferences and workgroups for 20 staff, 3 times per year, average mileage (roundtrip) 500 miles @.50/mile for a total of \$30,000 for the 2 year project duration; and, 10 staff, 3 out-of-state trips annually: airfare @\$900 hotel and meals @ \$400 for a total of \$156,000.

## **C. EQUIPMENT**

Grant funding in the amount of \$2,500,000 is requested to support the purchase of hardware/software for development, test, production and disaster recovery environments; Web, application and database servers; development tools; application & web server software, enterprise service bus; database management system software; and, report development software.

Equipment purchased will be dependent upon the final NY-HX design and will be used to develop and deploy IT infrastructure and systems components.

## **D. SUPPLIES**

Grant funding in the amount of \$9,800 is requested for general office supplies, including: pens, paper, file folders, paper clips, CDs, staplers, etc. for 24 months x \$350/year x 17 staff = \$11,900.

General office supplies will be used by project staff members as they complete daily project activities.

## **E. CONTRACTUAL**

### **E.1 Computer Sciences Corporation**

The Department is in the process of drafting an amendment to their current MMIS/Fiscal Agent Services contract with Computer Sciences Corporation (CSC) to leverage state and Federal investment in IT infrastructure within the current MMIS enterprise.

**Name of Contractor:** Computer Sciences Corporation (CSC)

**Method of Selection:** Sole Source

**Period of Performance:** February 11, 2011 – February 11, 2013

**Total Cost:** \$28,099,840 (staffing plus equipment/hardware)

#### **E.1.1 Scope of Work**

CSC staff will work with Department staff to design, develop and implement a NY-HX IT infrastructure and applications to support the following:

- Interface with Medicaid and Child Health Insurance Programs (CHP);
- A consumer portal providing information on health insurance options, health plans, plan comparisons, and an online calculator;
- Plan management administration supporting certification, recertification and decertification;
- Automated Eligibility determinations and verifications for public and private coverage options based on interface with appropriate federal data bases;
- Enrollment;
- Premium collection;
- Mandate Exemption/Exception determinations;
- Availability and Affordability determinations for employer-sponsored coverage when required for Exchange enrollment;
- Exchange of Information with Employers, Health Plans, Federal and State agencies, and others;
- Standard Reporting;
- Account Management and Tax Credit;
- Program and System Administration;
- HIPAA-compliant Security and Privacy functionality; and,
- A messaging subsystem.

#### **E.1.2 Method of Accountability**

A quality assurance (QA) contractor, Fox Systems, Inc., currently provides the Department oversight support of the eMedNY environment and CSC performance. These

services will expand to include the NY-HX IT Systems project. The QA team lead will report to the OHIP Chief Information Officer/NY-HX Project Director and Project Manager. QA staff will carefully monitor quality management and risk management reporting detailed in the Project Narrative section F: Evaluative Measures.

### E.1.3 Itemized Budget

#### Exhibit 2: NY-HX Contractor Staffing Request

<b>ILC Phase/Position Title/Schedule Target Dates</b>	<b>Hours</b>	<b>#FTE</b>	<b>Total Cost</b>
<b>Initiation</b>			
<b>February - March 2011</b>			
Project Director	160	1	\$ 22,400
Project Manager	160	1	\$ 22,400
Technical Lead	160	1	\$ 22,400
Requirements Def Lead	160	1	\$ 22,400
Design Lead	160	1	\$ 22,400
Business Analysts	640	4	\$ 89,600
Documentation Specialists	640	4	\$ 89,600
<b>Total Initiation Phase</b>	<b>2,080</b>	<b>13</b>	<b>\$ 291,200</b>
<b>Concept</b>			
<b>March - April 2011</b>			
Project Director	152	1	\$ 21,280
Project Manager	152	1	\$ 21,280
Technical Lead	152	1	\$ 21,280
Requirements Def Lead	152	1	\$ 21,280
Design Lead	152	1	\$ 21,280
Enterprise Architect	152	1	\$ 21,280
Business Analysts	608	4	\$ 85,120
Documentation Specialists	608	4	\$ 85,120
<b>Total Concept Phase</b>	<b>2,128</b>	<b>14</b>	<b>\$ 297,920</b>
<b>Planning</b>			
<b>March - April 2011</b>			
Project Director	104	1	\$ 14,560
Project Manager	104	1	\$ 14,560
Technical Lead	104	1	\$ 14,560
Requirements Def Lead	104	1	\$ 14,560

<b>ILC Phase/Position Title/Schedule Target Dates</b>	<b>Hours</b>	<b>#FTE</b>	<b>Total Cost</b>
Enterprise Architect	104	1	\$ 14,560
Business Analysts	416	4	\$ 58,240
Documentation Specialists	416	4	\$ 58,240
<b>Total Planning Phase</b>	<b>1,352</b>	<b>13</b>	<b>\$ 189,280</b>
<b>Requirements Analysis</b>	<b>Hours</b>	<b>#FTE</b>	<b>Total Cost</b>
<b>April - May 2011</b>			
Project Director	120	1	\$ 16,800
Project Manager	120	1	\$ 16,800
Technical Lead	120	1	\$ 16,800
Requirements Def Lead	120	1	\$ 16,800
Design Lead	120	1	\$ 16,800
Enterprise Architect	120	1	\$ 16,800
Technical Architect	120	1	\$ 16,800
Data Architect	120	1	\$ 16,800
SOA Domain Lead	120	1	\$ 16,800
Business Analysts	720	6	\$ 100,800
Documentation Specialists	600	5	\$ 84,000
<b>Total Requirements Analysis Phase</b>	<b>2,400</b>	<b>20</b>	<b>\$ 336,000</b>
<b>Design</b>	<b>Hours</b>	<b>#FTE</b>	<b>Total Cost</b>
<b>May - December 2011</b>			
Project Director	1,232	1	\$ 172,480
Project Manager	1,232	1	\$ 172,480
Technical Lead	1,232	1	\$ 172,480
Requirements Def Lead	1,232	1	\$ 172,480
Design Lead	1,232	1	\$ 172,480
Construction Lead	1,232	1	\$ 172,480
Test Lead	1,232	1	\$ 172,480
Call Center Design Lead	1,232	1	\$ 172,480
ITIL Analysts	3,696	3	\$ 517,440
Enterprise Architect	1,232	1	\$ 172,480
Technical Architect	1,232	1	\$ 172,480
Data Architect	1,232	1	\$ 172,480
DBA	2,464	2	\$ 344,960

<b>ILC Phase/Position Title/Schedule Target Dates</b>	<b>Hours</b>	<b>#FTE</b>	<b>Total Cost</b>
Security Lead	1,232	1	\$ 172,480
SOA Domain Lead	1,232	1	\$ 172,480
Business Analysts	7,392	6	\$ 1,034,880
Developers	11,088	9	\$ 1,552,320
Testers	6,160	5	\$ 862,400
Documentation Specialists	6,160	5	\$ 862,400
<b>Total Design Phase</b>	<b>52,976</b>	<b>43</b>	<b>\$ 7,416,640</b>
<b>Development</b>	<b>Hours</b>	<b>#FTE</b>	<b>Total Cost</b>
<b>September 2011 -October 2012</b>			
Project Director	1,800	1	\$ 252,000
Project Manager	1,800	1	\$ 252,000
Technical Lead	1,800	1	\$ 252,000
Requirements Def Lead	1,800	1	\$ 252,000
Design Lead	1,800	1	\$ 252,000
Construction Lead	1,800	1	\$ 252,000
Test Lead	1,800	1	\$ 252,000
Call Center Design Lead	1,800	1	\$ 252,000
ITIL Analysts	5,400	3	\$ 756,000
Enterprise Architect	1,800	1	\$ 252,000
Technical Architect	1,800	1	\$ 252,000
Data Architect	1,800	1	\$ 252,000
DBA	3,600	2	\$ 504,000
Security Lead	1,800	1	\$ 252,000
SOA Domain Lead	1,800	1	\$ 252,000
Business Analysts	10,800	6	\$ 1,512,000
Developers	16,200	9	\$ 2,268,000
Infrastructure Setup Specialists	11,400	5	\$ 1,596,000
Documentation Specialists	7,200	4	\$ 1,008,000
<b>Total Development Phase</b>	<b>78,000</b>	<b>42</b>	<b>\$10,920,000</b>
<b>Test</b>			
Project Director	448	1	\$ 62,720
Project Manager	448	1	\$ 62,720
Technical Lead	448	1	\$ 62,720
Requirements Def Lead	448	1	\$ 62,720
Design Lead	448	1	\$ 62,720
Construction Lead	448	1	\$ 62,720

<b>ILC Phase/Position Title/Schedule Target Dates</b>	<b>Hours</b>	<b>#FTE</b>	<b>Total Cost</b>
Test Lead	448	1	\$ 62,720
Call Center Design Lead	448	1	\$ 62,720
ITIL Analysts	1,344	3	\$ 188,160
Enterprise Architect	448	1	\$ 62,720
Technical Architect	448	1	\$ 62,720
Data Architect	448	1	\$ 62,720
DBA	896	2	\$ 125,440
Security Lead	448	1	\$ 62,720
SOA Domain Lead	448	1	\$ 62,720
Business Analysts	2,688	6	\$ 376,320
Developers	4,032	9	\$ 564,480
Infrastructure Setup Specialists	2,240	5	\$ 313,600
Testers	13,584	6	\$ 1,901,760
Documentation Specialists	1,792	4	\$ 250,880
<b>Total Test Phase</b>	<b>32,400</b>	<b>48</b>	<b>\$ 4,536,000</b>
<b>Implementation</b>	<b>Hours</b>	<b>#FTE</b>	<b>Total Cost</b>
<b>January 2013 - February 2013</b>			
Project Director	240	1	\$ 33,600
Project Manager	240	1	\$ 33,600
Technical Lead	240	1	\$ 33,600
Requirements Def Lead	240	1	\$ 33,600
Design Lead	240	1	\$ 33,600
Construction Lead	240	1	\$ 33,600
Test Lead	240	1	\$ 33,600
Call Center Design Lead	240	1	\$ 33,600
ITIL Analysts	720	3	\$ 100,800
Enterprise Architect	240	1	\$ 33,600
Technical Architect	240	1	\$ 33,600
Data Architect	240	1	\$ 33,600
DBA	480	2	\$ 67,200
Security Lead	240	1	\$ 33,600
SOA Domain Lead	240	1	\$ 33,600
Business Analysts	1,440	6	\$ 201,600
Developers	2,160	9	\$ 302,400
Infrastructure Setup Specialists	1,200	5	\$ 168,000
Testers	1,200	5	\$ 168,000

<b>ILC Phase/Position Title/Schedule Target Dates</b>	<b>Hours</b>	<b>#FTE</b>	<b>Total Cost</b>
Documentation Specialists	1,200	5	\$ 168,000
<b>Total Implementation Phase</b>	<b>11,520</b>	<b>48</b>	<b>\$ 1,612,800</b>
<b>TOTALS:</b>	<b>182,856</b>		<b>\$25,599,840</b>

**Exhibit 3: Summary Budget Request for CSC Contractual Services**

	<b>Cost</b>
CSC Contractor Staffing	\$ 25,599,840
Equipment/Hardware	\$ 2,500,000
<b>Total Project Cost</b>	<b>\$28,099,840</b>

**E.1.4 CSC Contractual Services Justification**

As the Department’s current MMIS contractor and fiscal agent, CSC offers considerable expertise with the eMedNY environment and is best positioned to design, develop and implement requisite NY-HX infrastructure and application components. Due to the State’s budgetary crisis, adequate numbers of appropriately skilled state staff are not available to complete these tasks. Further, pursuit of a new contractor via a competitive procurement process would make it impractical for the Department to pursue this initiative in a timely manner and impede efforts to leverage existing State and Federal investments.

## E.2 Fox Systems, Inc.

The Department is in the process of drafting an amendment to their current MMIS/Fiscal Agent Quality Assurance (QA) Services contract with Fox Systems, Inc. (Fox) to expand the scope of work to include QA of NY-HX project activities.

**Name of Contractor:** Fox Systems, Inc.

**Method of Selection:** Sole Source

**Period of Performance:** February 11, 2011 – February 11, 2013

**Total Cost:** \$2,010,960 (for 3 QA staff )

### E.2.1 Scope of Work

QA services will be expanded to include oversight support of the NY-HX IT Systems project. Three additional QA analysts will be added to the current team. The Fox NY-HX QA team lead will report to the OHIP Chief Information Officer/NY-HX Project Director and Project Manager. QA staff will carefully monitor quality management and risk management reporting detailed in the Project Narrative section F: Evaluative Measures.

### E.2.2 Method of Accountability

The NY-HX Project Director will monitor performance of QA staff. All project deliverable reviews and status reports will be reviewed and approved by the Project Director.

### E.2.3 Itemized Budget

**Exhibit 4: Summary Budget Request for Fox Systems, Inc. Contractual Services**

QA Contractor Support	Hours	#FTE	Total Cost
QA Lead	4788	1	\$ 670,320
Senior QA Analyst	4788	1	\$ 670,320
QA Analyst	4788	1	\$ 670,320
<b>Total:</b>	<b>14,364</b>	<b>3</b>	<b>\$ 2,010,960</b>

### E.2.4 Fox Systems, Inc. Contractual Services Justification

As the Department's current QA contractor providing oversight support for the eMedNY project activities, Fox Systems staff offers considerable experience with the eMedNY environment and the fiscal agent CSC. Pursuit of a new contractor via a competitive procurement process would make it impractical for the Department to pursue this initiative in a timely manner and impede efforts to leverage existing State and Federal investments.

**F. BUDGET REQUEST SUMMARY**

**Exhibit 5: NY-HX Budget Request Summary**

<b>NY-HX IT Systems Project</b>	<b>OCHIO Grant</b>	<b>Non-OCHIO Grant</b>	<b>Non-OCHIO Grant Source</b>	<b>Total</b>
State Staffing Salary, Wages & Fringe Benefits	\$6,878,065	\$0	N/A	<b>\$6,878,065</b>
Consultant Costs	\$0	\$0	N/A	<b>\$0</b>
Equipment (provided by contractor/CSC)	\$2,500,000	\$0	N/A	<b>\$2,500,000</b>
Supplies	\$11,900	\$0	N/A	<b>\$11,900</b>
Travel	\$186,000	\$0	N/A	<b>\$186,000</b>
Other	\$0	\$0	N/A	<b>\$0</b>
Contractual Costs (CSC staffing only)	\$25,599,840	\$0	N/A	<b>\$25,599,840</b>
Contractual Costs (QA staffing)	\$2,010,960	\$0	N/A	<b>\$2,010,960</b>
Total Direct Costs	\$37,186,765	\$0	N/A	<b>\$37,186,765</b>
Total Indirect Costs	\$0	\$0	N/A	<b>\$0</b>
<b>Totals:</b>	<b>\$37,186,765</b>	<b>\$0</b>		<b>\$37,186,765</b>

**G. BENEFITS TO THE MEDICAID SYSTEM AND APPROACH TO ALLOCATION OF COSTS**

The Department’s approach to development and implementation of NY-HX IT systems is based on the extensive leveraging and reuse of existing Medicaid assets. These assets are comprised of the eMedNY MMIS environment, the Medicaid Information Services Center and recent enhancements to these environments made in compliance with MITA and SOA standards. As described in the project narrative, the Department firmly believes it is uniquely, well positioned to reuse these assets in a manner that will benefit both the existing Medicaid enterprise and all New York State health insurance consumers.

Successful completion of the NY-HX IT Systems project detailed in this grant application will provide baseline infrastructure and application software components that will enhance current Department capabilities to meet Medicaid beneficiary needs in the areas of eligibility and enrollment. This baseline capability is scheduled for delivery in 2013 and will also position the State to meet the 2014 Federal mandate for establishment of a health insurance exchange for all consumers.

Once the design phase is complete, the Department will be able to provide a more comprehensive approach to the allocation of costs. Project staff will make certain that

requirements are defined to ensure that the design and resulting IT systems capture data necessary to support a sound strategy of allocation of costs based on NY-HX usage. The Department currently envisions an allocation methodology based on consumer usage measured by the volume of consumer portal inquiries and volume of transactions based on type of insurance coverage a consumer is eligible for and/or selects.

**The following attachments are available on the DOH website in a .zip file  
on the FAS face page:**

**Attachment 5: *FOA, Cooperative Agreement to Support Establishment of State-Operated Health Insurance Exchanges***

**Attachment 6: *Guidance for Exchange and Medicaid Information Technology (IT) Systems,*  
**Version 2.0 released on May, 2011****

**Attachment 7: *Exchange Reference Architecture: Foundation Guidance,*  
**Version 0.99 released on March 16, 2011****

**Attachment 8: *Harmonized Security and Privacy Framework – Exchange TRA Supplement,*  
**Version 0.95 released March 16, 2011.****

**Attachment 9: *Collaborative Environment and Life Cycle Governance – Exchange Reference Architecture Supplement*  
**Version 0.91 released March 16, 2011.****

**Attachment 10: *Plan Management Blueprint – Exchange Business Architecture Supplement*  
**Version 0.06, released March 23, 2011****

**Attachment 11: *The Eligibility and Enrollment Blueprint – Exchange Business Architecture Supplement,*  
**Version 1.0 released May 3, 2011****

**Attachment 12: *Enhanced Funding Requirements: Seven Conditions and Standards*  
**Version 1.0 released April, 2011****

**Attachment 13: *Preparing New York's Information Technology Infrastructure for Health Reform: A Gap Analysis*  
**May, 2011****

## Attachment 14

### Vendor Responsibility Attestation

To comply with the Vendor Responsibility Requirements outlined in Attachment 15, Section 2, Tab 10.4, Vendor Responsibility Questionnaire, I hereby certify:

**Choose one:**

- An on-line Vendor Responsibility Questionnaire has been updated or created at NYS OSC's website: <https://portal.osc.state.ny.us> within the last six months.
- A hard copy Vendor Responsibility Questionnaire is included with this proposal/bid and is dated within the last six months.
- A Vendor Responsibility Questionnaire is not required due to an exempt status. Exemptions include governmental entities, public authorities, public colleges and universities, public benefit corporations, and Indian Nations.

Signature of Organization Official: \_\_\_\_\_

Print/type Name: \_\_\_\_\_

Title: \_\_\_\_\_

Organization: \_\_\_\_\_

Date Signed: \_\_\_\_\_

## **Attachment 15: Proposal Content**

This Section identifies the format and content of the offeror's proposal and is designed to facilitate the submission of a proposal that is easy to understand and evaluate. Failure to adhere to these instructions may result in the disqualification of the proposal.

### ***1. Proposal Requirements Overview***

The following sections include requirements that should be met by offerors in the submission of their proposal. Other proposal requirements that are specific to business or other functional areas are identified independently as Proposal Requirements below.

In submitting a response to this FAS, interested offerors should be aware that it is their sole responsibility to obtain any third party financing which may be necessary for the contractor to submit a proposal and, if an award is made, to provide the services being sought by the Department under the FAS. The State of New York or the Department will in no manner underwrite, guarantee, act as a signatory or co-signatory or in any manner participate in the securing of third party financing.

#### *General Requirements*

1. By signing the "Bid Form" in Attachment 17, each offeror attests to its express authority to sign on behalf of this company or other entity and acknowledges and accepts that:
  - a. The FAS and all associated specifications, general and specific appendices, including Appendix A Standard Clauses for NYS Contracts and all schedules and forms included with such documents, as well as subsequently issued and agreed-upon work specifications issued pursuant to this Contract, will become part of any contract entered into, resulting from the FAS. Anything which is not expressly set forth in the above-referenced documents, but which is reasonable to be implied, shall be furnished and provided in the same manner as if specifically expressed.
  - b. Each contractor is under an affirmative duty to be informed by personal examination of the specifications and location of the proposed work and by such other means as it may select, of character, quality, and extent of work, products and services to be performed and the conditions under which the contract is to be executed.
2. The Department of Health will make no allowances or concession to a contractor for any alleged misunderstanding or deception related to quantity, quality, character, location or other conditions.
3. The proposal price must cover the cost of furnishing all of the said services, materials, equipment, and labor to the satisfaction of the Department and the performance of all work set forth in said specifications. Work to be provided by subcontractors should be documented in the FAS response.
4. If the use of subcontractors is proposed, the Proposal should explain how the work of subcontractors will be managed and controlled.

#### *Non-Collusive Bidding*

By submission of this proposal, each offeror and each person signing on behalf of any offeror certifies, and in the case of a joint proposal each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its/his/her/their knowledge and belief:

1. The prices of this proposal have been arrived at independently without collusion, consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other contractor or with any competitor;
2. Unless otherwise required by law, the prices that have been quoted in this proposal have not been knowingly disclosed by the contractor and will not knowingly be disclosed by the contractor prior to opening, directly or indirectly to any other person, partnership or corporation to submit or not to submit a proposal for the purpose of restricting competition; and
3. No attempt has been made or will be made by the offeror to induce any other person, partnership or corporation to submit or not to submit a proposal for the purpose of restricting competition.

A proposal shall not be considered for award nor shall any award be made where (1), (2) and (3) above have not been complied with; provided however, that if in any case the offeror cannot make the foregoing certification, the offeror shall so state and shall furnish with the proposal a signed statement which sets forth in detail the reasons therefore. Where (1), (2) and (3) above have not been complied with, the proposal shall not be considered for award nor shall any award be made unless the head of the purchasing unit of the State, public department or agency to which the proposal is made or its designee, determines that such disclosure was not made for the purpose of restricting competition.

The fact that a offeror has published price lists, rates, or tariffs covering items being procured, has informed prospective customers of proposed or pending publication of new or revised price lists for such items, or has sold the same items to other customers at the same price being bid, does not constitute, without more, a disclosure within the meaning of the above quoted certification.

Any proposal made to the State or any public department, agency or official thereof by a corporate offeror for work or services performed or to be performed or goods, sold or to be sold and where such bid contains the certification set forth above shall be deemed to have been authorized by the board of directors of the offeror, and such authorization shall be deemed to include the signing and submission of the proposal and the inclusion therein of the certificate as to non-collusion as the act and deed of the corporation or other legal entity involved in the proposal.

## ***2. Proposal Contents***

Proposals should be fully responsive to the requirements; however offerors are given wide latitude in the degree of detail they offer or the extent to which they reveal plans, designs, examples, processes, and procedures. Merely repeating a requirement statement does not demonstrate that the offeror understands the requirement and will be reviewed less favorably in the technical evaluation. Proposals should clearly and prominently identify any requirements that the offeror cannot satisfy.

The Proposal should consist of the following sections separated by tabs. Documents and responses should be presented in this order:

Tab	Proposal Contents
1.	Table of Contents
2.	Transmittal Letter
3.	Executive Summary and Introduction
4.	Project Planning
5.	Business Requirements
6.	Technical Requirements
7.	Staffing Requirements
8.	Corporate Organization, Experience, and Qualifications
9.	Price
10.	Other

### *Table of Contents (Tab 1)*

A Table of Contents of the Technical Proposal should be inserted in Tab 1. The Table of Contents should identify all sections (identified here as Tabs), all subsections contained therein, and the corresponding page numbers. The Table of Contents should include all sections and subsections present under Tabs 1 through 10. The Table of Contents found at the beginning of this FAS provides a representative example of what is expected for the Technical Proposal Table of Contents.

### *Transmittal Letter (Tab 2)*

Utilizing the Transmittal Letter Template provided in Attachment 19, an individual authorized to legally bind the offeror should complete and place a hand written signature on the Transmittal Letter template and include it in Tab 2. A photocopy of the Transmittal Letter should be included in each copy of the Proposal. The Transmittal Letter should include the complete name and address of the company and the name, mailing address, email address, fax number and telephone number for both the authorized signer and the person the Department should contact regarding the proposal. The Transmittal Letter will be evaluated as part of the screening and should include:

1. A statement indicating the legal structure of the entity submitting the offer;
2. A statement that the offeror accepts the contract terms and conditions contained in this FAS including attachments;

3. A statement confirming that the offeror has received and acknowledged all Department amendments to the FAS, as may be amended;
4. A statement confirming that the offeror is either registered to do business in New York State, or if formed or incorporated in another jurisdiction than New York State, can provide a Certificate of Good Standing from the applicable jurisdiction or provide an explanation, subject to the sole satisfaction of the Department, if a Certificate of Good Standing is not available;
5. A statement that the offeror acknowledges that should any alternate proposals be submitted with the proposal, such alternate proposals will not be evaluated by the Department;
6. A statement that the proposal of the offeror will remain valid for a minimum of 365 calendar days from the closing date for submission of proposals;
7. A statement that the offeror agrees that it has the sole responsibility for obtaining any third party financing which may be necessary for the contractor to submit a proposal, and further that the contractor understands and agrees that should an award be made, the State of New York and the Department of Health will in no manner underwrite, act as a signatory or co-signatory, or in any manner guarantee participation in the securing of the offeror's financing;
8. A statement which complies with the four conflict of interest requirements set forth in this FAS Section XV.6.4 Conflict of Interest. Where any potential or actual conflict is disclosed, a description should also be included as to how a potential or actual conflict and/or disclosure of confidential information relating to the contract will be avoided. If there is no conflict of interest a statement so indicating should be included;
9. A statement that the offeror agrees to meet all facility requirements as outlined in Attachment 2, Section 13; and
10. If a proposal is submitted which proposes to utilize the services of a subcontractor(s), the offeror should provide, in an appendix to the Transmittal Letter, a subcontractor summary for each listed subcontractor. An individual authorized to legally bind the subcontractor should sign that subcontractor's summary document and certify that the information provided is complete and accurate. The summary document should contain the following information:
  - a. Complete name of the subcontractor;
  - b. Complete address of the subcontractor;
  - c. Percentage of work the subcontractor will be providing;
  - d. A statement confirming that the subcontractor is (i) either registered to do business in New York State, or if formed or incorporated in another jurisdiction than New York State, can provide a Certificate of Good Standing from the applicable jurisdiction or provide an explanation, subject to the sole satisfaction of the Department, if a Certificate of Good Standing is not available;
  - e. A general description of the scope of work to be performed by the subcontractor; and,
  - f. The subcontractor's assertion that it does not discriminate in its employment practices with regards to race, color, religion, age (except as provided by law), sex, marital status, political affiliation, national origin or handicap.

### *Executive Summary and Introduction (Tab 3)*

Tab 3 should be labeled “Executive Summary and Introduction” and should contain a narrative prepared by the offeror that provides the Department with a collective understanding of the contents of the entire Proposal. The Executive Summary / Introduction should briefly summarize the strengths of the offeror and the key features of its proposed approach to meet the requirements of the FAS.

### *Project Planning (Tab 4)*

Tab 4 should be labeled “Project Planning”.

The contractor will be required to maintain, throughout the life of this project, a **fully loaded** Project Management Plan (PMP) based upon the schedule defined in Section IX Schedule of this FAS. The proposal should include this plan and the plan should define all tasks and milestones the offeror feels are necessary to complete the requirements set forth herein. The PMP should be broken down into Work Breakdown Structures (WBS) and include key tasks, resources, milestones, deliverables and task dependencies. The contractor shall use Microsoft Project for managing, updating, monitoring and reporting on the status of the work plan. This proposal section should include a narrative of the PMP that should be in sufficient detail as to demonstrate the offeror has a clear and concise understanding of project’s overall complexity and all associated tasks to successfully implement the requirements in this FAS. At a minimum this narrative should include:

- a. How the proposed PMP will address and balance such factors as quality, scope time and cost;
- b. All tasks and activities to be undertaken in the delivery of the NY-HX and the timing of these activities;
- c. How the offeror decomposes deliverables and projects into a WBS and work packages;
- d. The deliverables that will be produced at different milestones in the PMP;

As necessary and applicable, the plan should incorporate all facets of the Exchange Life Cycle model as defined by the Department of Health and Human Services in the *Collaborative Environment and Life Cycle Governance – Exchange Reference Architecture Supplement* (see Attachment 9). The offeror’s project plan should identify the proposed software development lifecycle methodology (SDLC). The Department believes an iterative or “agile” SDLC approach is warranted for this project, but offerors can propose other approaches with justification.

This Project Management Plan (PMP) will be one aspect used by the Department as part of the evaluation of responses to ensure that the offeror has a clear and concise understanding of the scope of the NY-HX. The NY-HX Solution must demonstrate “operational readiness” by October 2012; therefore the Department will also evaluate the offeror’s readiness to commence the requirements defined herein.

### *Business Requirements (Tab 5)*

In this section the offeror should provide a detailed description of the proposed approach to the Departments business requirements. In this Section of the proposal the offeror should provide a detailed narrative on its approach to implementing each business requirement defined in Attachment 1. At a minimum this section should contain subsections in which the offeror should provide a detailed description of its approach to the DDO of the business requirements defined in the associated sections of Attachment 1 *Business Requirements*.

Subsection	Description
1.	Overall Requirements:
2.	Eligibility and Enrollment
3.	Plan Management
4.	Financial Management
5.	Communications
6.	ACA requirements
7.	Other Business Requirements

### *Technical Requirements (Tab 6)*

In this section the offeror should provide a detailed description of how they will implement the technical requirements outlined throughout this FAS and those described in Attachment 2 *Technical Requirements*. This section of the proposal should have the following subsections:

Subsection	Description
1.	Interoperability to Current Architecture
2.	Development Architecture
3.	Production Ready Architecture
4.	Business Continuity and Disaster Recovery

5.	Interface with IDEO
6.	Security
7.	System Development Methodology
8.	Workflow
9.	Business Rules Engine
10.	MITA/SOA Alignment
11.	Federal/State HUBs

In addition to the sections outlined in the table above the offeror is also required to provide in its proposal a discussion of the following:

1. Describe in your proposal how you will support all facility requirements described in Attachment 2, Section 13. Facilities; and
2. Describe in your proposal the rationale for selecting the proposed BRE, Workflow and other COTs products.
3. Describe how you will use the IBM Rational Suite (RequisitePro, ClearQuest, ClearCase etc.) to manage requirements, provide requirements traceability throughout the System Development Lifecycle (SDLC), integrate testing (test scripts etc.) and provide configuration management.

### *Staffing Requirements (Tab 7)*

In this section the offeror should provide a detailed description of the proposed staffing and organization plan for each phase of the project, as described in Attachment 2, Section 12. Staffing.

The offeror should name Key staff in its proposal and provide a detailed resume for each. All proposed key staff must be available on the contract start date. These resources are responsible for providing the overall leadership and management, obtaining necessary corporate resources, and creating standards and processes required for the successful implementation of the NY-HX Solution. All key staff positions must be full-time roles filled by a single, dedicated person who is assigned to work at the offeror's primary site.

### *Corporate Organization, Experience, and Qualifications (Tab 8)*

The Proposal should document the legal structure of the company, including the date established and the state in which the company is registered, licensed, and incorporated, as applicable:

1. Describe the history of the company;
2. Provide a corporate organizational chart;
3. Describe the corporations experience with the implementation of exchanges;
4. Describe the executive and management staff assigned to this project. Include the number of staff, their roles on this project, their expertise and experience in providing the services described in this FAS, and their tenure with the company;
5. Identify any contractual terminations for cause within the past five (5) years; and,
6. Describe resource availability for this project, given other projects currently undertaken by the offeror.

### ***Letters of Reference***

The offeror should provide Letters of Reference (LORs) from three (3) previous customers and include a contact person, email address, and telephone and fax numbers for each reference. The LORs may not be from any proposed subcontractor; all three (3) references must be external to the offeror or proposed subcontractor organizations. The purpose is to provide the Department the ability to verify the claims made in the proposal by the offeror.

The LORs should meet all of the criteria below. The reference criteria are as follows:

- a. Every reference must be with regard to a project implemented within the past ten (10) years;
- b. The offeror must have been the prime contractor for at least one (1) of the contract(s) associated with any one of the three references; and,
- c. The services provided for each of the references must have included system design, development, implementation, maintenance and operations.

The Department reserves the right to contact additional references (i.e., those known to the Department as clients of the offeror but not listed by the offeror as a reference).

### ***Experience***

In this section the offeror should provide a detailed description of its relevant and extensive experience. The offeror should submit documentation to the satisfaction of the Department that it possesses the necessary experience and qualifications to perform the services required including at least the following:

- a. The offeror must have a minimum of sixty (60) months of large scale, complex health care claim processing experience with Medicaid and/or health services organizations, or within other complex health care delivery systems such as managed care organizations; and,
- b. The offeror must have been the prime contractor for at least one (1) project that approximates the scope of this project and that includes system design, development, implementation, maintenance and operations and large, complex medical claims processing; and,
- c. The offeror must have experience in managing a project of this size and scope in a MITA environment.

## *Price (Tab 9)*

Tab 9 should be labeled Price and should contain a hardcopy of the pricing schedules described in Attachment 16 - Pricing Schedules. Offerors should use the Microsoft Excel spreadsheet titled "Attachment16 - Pricing Schedules NY-HX.xls" in the form and content provided with this FAS. Offerors should also submit the Excel spreadsheet in electronic form.

The hourly supplemental staffing rate is a fully loaded rate and includes all personnel, overhead, indirect, travel, profit, equipment usage and any other miscellaneous costs. These rates will be used as additional requirements become known and additional funding becomes available. The Department will amend the contract for the additional work based upon the labor rates supplied in the offeror's proposal for the labor categories identified in Attachment 16 - Pricing Schedules NY-HX.xls.

### ***Company Financials Content***

The offeror should submit the following documents to be used in the evaluation of financial viability:

1. Audited financial statements (annual reports) for the last three (3) years;
2. Comprehensive Dunn & Bradstreet report;
3. Certificate of Incorporation, together with any and all amendments thereto; Partnership Agreement; or equivalent business organizational documents, as applicable.

## *Other (Tab10)*

1. The Department of Health (DOH) encourages the use of Minority and/or Women Owned Business Enterprises (M/WBE's) for any subcontracting or purchasing related to this contract. Offerors who are not currently a New York State certified M/WBE should define the portion of all consumable products and personnel required for this proposal that will be sourced from a M/WBE. The amount should be stated in total dollars and as a percent of the total cost necessary to fulfill the FAS requirement. Supportive documentation should include a detail description of work that is required including products and services.

The goal for usage of M/WBE's is at least 20% of monies used for contract activities (Minority-owned – 10%; Women-owned – 10%). In order to assure a good-faith effort to attain this goal, the DOH requires that offerors complete the M/WBE Utilization Plan (Attachment 20) and submit this Plan with their proposal documents.

Offerors that are New York State certified MBE's or WBE's are not required to complete this form. Instead, such offerors should simply provide evidence of their certified status.

Failure to submit the above referenced Plan (or evidence of certified M/WBE status) may result in disqualification of the vendor from consideration for award.

## 2. Vendor Responsibility Questionnaire

New York State Procurement Law requires that state agencies award contracts only to responsible vendors. Vendors are invited to file the required Vendor Responsibility Questionnaire online via the New York State VendRep System or may choose to complete and submit a paper questionnaire. To enroll in and use the New York State VendRep System, see the VendRep System Instructions available at [www.osc.state.ny.us/vendrep](http://www.osc.state.ny.us/vendrep) or go directly to the VendRep system online at <https://portal.osc.state.ny.us>. For direct VendRep System user assistance, the OSC Help Desk may be reached at 866-370-4672 or 518-408-4672 or by email at [helpdesk@osc.state.ny.us](mailto:helpdesk@osc.state.ny.us). Vendors opting to file a paper questionnaire can obtain the appropriate questionnaire from the VendRep website [www.osc.state.ny.us/vendrep](http://www.osc.state.ny.us/vendrep) or may contact the Department of Health or the Office of the State Comptroller for a copy of the paper form. Bidders should complete and submit the Vendor Responsibility Attestation with their proposal (Attachment 14).

## 3. New York State Tax Law Section 5-a

Section 5-a of the Tax Law, as amended, effective April 26, 2006, requires certain contractors awarded state contracts for commodities, services and technology valued at more than \$100,000 to certify to the Department of Tax and Finance (DTF) that they are registered to collect New York State and local sales and compensating use taxes. The law applies to contracts where the total amount of such contractors' sales delivered into New York State are in excess of \$300,000 for the four quarterly periods immediately preceding the quarterly period in which the certification is made, and with respect to any affiliates and subcontractors whose sales delivered into New York State exceeded \$300,000 for the four quarterly periods immediately preceding the quarterly period in which the certification is made.

This law imposes upon certain contractors the obligation to certify whether or not the contractor, its affiliates, and its subcontractors are required to register to collect state sales and compensating use tax and contractors must certify to DTF that each affiliate and subcontractor exceeding such sales threshold is registered with DTF to collect New York State and local sales and compensating use taxes. The law prohibits the State Comptroller, or other approving agencies, from approving a contract awarded to an offerer meeting the registration requirements but who is not so registered in accordance with the law.

Contractor must complete and submit directly to the New York State Taxation and Finance, contractor Certification Form ST-220-TD (see Attachment 18). Unless the information upon which the ST-220-TD is based changes, this form only needs to be filed once with DTF. If the information changes for the contractor, its affiliate(s), or its subcontractor(s), a new form (ST-220-TD) must be filed with DTF.

Contractor must complete and submit to the Department of Health the form ST-220-CA (see Attachment 18), certifying that the contractor filed the ST-220-TD with DTF. Failure to make

either of these filings may render an offerer non-responsive and non-responsible. Offerers should take the necessary steps to provide properly certified forms within a timely manner to ensure compliance with the law.

#### 4. State Consultant Services Report

Chapter 10 of the Laws of 2006 amended certain sections of State Finance Law and Civil Service Law to require disclosure of information regarding contracts for consulting services in New York State.

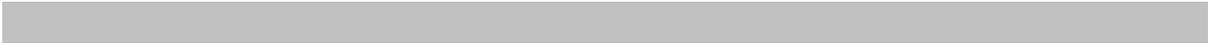
The winning offerors for procurements involving consultant services must complete a "State Consultant Services Form A, contractor's Planned Employment From Contract Start Date through End of Contract Term" in order to be eligible for a contract.

Winning offerors must also agree to complete a "State Consultant Services Form B, contractor's Annual Employment Report" for each state fiscal year included in the resulting contract. This report must be submitted annually to the Department of Health, the Office of the State Comptroller, and Department of Civil Service.

These forms are included in Attachments 21 and 22.

## **Attachment 16: Pricing Schedules**

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**Total Price****Offeror:** Pricing Schedule A

---

Pricing Element	Contract Year 1	Contract Year 2	Contract Year 3	Contract Year 4	Total
1. Phase 1 DDO (Schedule B)	\$ _____ -	\$ _____ -	\$ _____ -	n/a	\$ _____ -
2. Supplemental Staff (Schedule C)	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
<b>Total Price</b>	<u>\$ _____ -</u>				

**Phase 1 DDO**

**Offeror:**

Pricing Schedule B

Subsystem	Implementation Price	Scheduled Completion: Contract Year 1, 2 or 3	Contract Year 1	Contract year 2	Contract year 3
<b>Requirements Definition</b>					
<b>System Design</b>					
<b>System Construction and System Test</b>					
<b>User Acceptance Testing</b>					
<b>CMS Operational Readiness Review</b>					
<b>Totals</b>	\$ _____ -		\$ _____ -	\$ _____ -	\$ _____ -

**The implementation price is an all inclusive price for the NY-HX Solution as defined herein. The contractor will not be reimbursed for any additional costs except for supplemental staff that the Department may require as additional requirements become known and additional funding becomes available. These staff will be based on the hourly rate in Pricing Schedule C.**

---

**Supplemental Staff Price****Offeror:**Pricing Schedule C

---

**Contract Year 1**

<u>Labor Category</u>	<u>Hourly Rate</u>	<u>Annual Hours</u>	<u>Total Annual Price</u>
Sr Business Analyst / Elig & Enrollment		18,000	
Sr Business Analyst /Plan Management		18,000	
Business Analyst		22,000	
Senior Developer		30,000	
Developer		48,000	
Database Specialist		4,000	
Network Specialist		4,000	
Trainer		8,000	
Technical Writer		8,000	
Sr Policy Analyst		8,000	
Policy Analyst / Plan Management and Benefits Design		10,000	
Policy Analyst / Consumer Assistance		4,000	
Policy Analyst / Marketing and Financial Management		8,000	
Actuarial		10,000	
		<u>200,000</u>	<u>\$ _____ -</u>

---

---

**Supplemental Staff Price****Offeror:**Pricing Schedule C

---

**Contract Year 2**

<u>Labor Category</u>	<u>Hourly Rate</u>	<u>Annual Hours</u>	<u>Total Annual Price</u>
Sr Business Analyst / Elig & Enrollment		18,000	
Sr Business Analyst /Plan Management		18,000	
Business Analyst		22,000	
Senior Developer		30,000	
Developer		48,000	
Database Specialist		4,000	
Network Specialist		4,000	
Trainer		8,000	
Technical Writer		8,000	
Sr Policy Analyst		8,000	
Policy Analyst / Plan Management and Benefits Design		10,000	
Policy Analyst / Consumer Assistance		4,000	
Policy Analyst / Marketing and Financial Management		8,000	
Actuarial		10,000	
		<u>200,000</u>	<u>\$ _____ -</u>

---

---

**Supplemental Staff Price****Offeror:**Pricing Schedule C

---

**Contract Year 3**

<u>Labor Category</u>	<u>Hourly Rate</u>	<u>Annual Hours</u>	<u>Total Annual Price</u>
Sr Business Analyst / Elig & Enrollment		18,000	
Sr Business Analyst /Plan Management		18,000	
Business Analyst		22,000	
Senior Developer		30,000	
Developer		48,000	
Database Specialist		4,000	
Network Specialist		4,000	
Trainer		8,000	
Technical Writer		8,000	
Sr Policy Analyst		8,000	
Policy Analyst / Plan Management and Benefits Design		10,000	
Policy Analyst / Consumer Assistance		4,000	
Policy Analyst / Marketing and Financial Management		8,000	
Actuarial		10,000	
		<u>200,000</u>	<u>\$ _____ -</u>

---

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**Supplemental Staff Price****Offeror:**Pricing Schedule C

---

**Contract Year 4**

<u>Labor Category</u>	<u>Hourly Rate</u>	<u>Annual Hours</u>	<u>Total Annual Price</u>
Sr Business Analyst / Elig & Enrollment		18,000	
Sr Business Analyst /Plan Management		18,000	
Business Analyst		22,000	
Senior Developer		30,000	
Developer		48,000	
Database Specialist		4,000	
Network Specialist		4,000	
Trainer		8,000	
Technical Writer		8,000	
Sr Policy Analyst		8,000	
Policy Analyst / Plan Management and Benefits Design		10,000	
Policy Analyst / Consumer Assistance		4,000	
Policy Analyst / Marketing and Financial Management		8,000	
Actuarial		10,000	
		<u>200,000</u>	<u>\$ _____ -</u>

---

**Offerors should use the Microsoft Excel spreadsheet titled “Attachment 16 - Pricing Schedules NY-HX.xls” in the form and content provided with this FAS. Offerors should also submit the Excel spreadsheet in electronic form.**

**Pricing Schedule A – Total Fixed Price**

Pricing Schedule A summarizes the costs for all contractor activities during the base contract period, including the DDO of the NY-HX Solution. The Total Fixed Price on this schedule should equal the sum of all other pricing schedule totals. There will be no need for the offeror to enter data on this schedule if the “Attachment 16 - Pricing Schedules NY-HX.xls” spreadsheet is used. The Department reserves the option to receive line item reports on all costs. The offeror should insert its name in cell B2 of the spreadsheet.

**Pricing Schedule B – Phase 1 DDO Pricing**

Pricing Schedule B includes all planning, joint application design sessions, design, conversion, construction, testing, implementation, and certification pricing for the NY-HX Solution expressed as a fixed price. Payment for each milestone will be made upon completion to the Department’s satisfaction and calculated using the percentages identified in Section X.2 Fixed Cost Payment Schedule. Using the “Attachment 16 - Pricing Schedules NY-HX.xls” spreadsheet, offerors need only insert the total implementation price proposed in the shaded cell (B20) and the contract year (e.g., 1, 2 or 3) for the anticipated contract year completion in cells C9, C11, C13, C15 and C17. The total Phase 1 DDO includes all contractor expenses for the NY-HX Solution as defined in this FAS.

**Pricing Schedule C – Supplemental Staff Price**

In Pricing Schedules C, offerors should submit the fixed hourly rate for each labor category identified and calculate the total annual price for each labor category and the total for each contract year. Using the attached “Attachment 16 - Pricing Schedules NY-HX.xls” spreadsheet, offerors need only complete the shaded cell indicating the hourly rate for each labor category. The hourly rate must be a fully loaded rate and include all personnel, overhead, indirect, travel, profit, equipment usage, and other miscellaneous costs. The contractor will be reimbursed at the hourly rates proposed for time each individual is used on identified and approved Department projects. Time spent by these individuals for such activities as training or administrative time is to be included in the Operations annual administrative fee and will not be paid separately.



1b. Was the basis for the finding of non-responsibility due to the intentional provision of false or incomplete information to a Governmental Entity? (Please circle):

No

Yes

1c. If you answered yes to any of the above questions, please provide details regarding the finding of non-responsibility below.

Governmental Entity: \_\_\_\_\_

Date of Finding of Non-responsibility: \_\_\_\_\_

Basis of Finding of Non-Responsibility:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Add additional pages as necessary)

2a. Has any Governmental Entity or other governmental agency terminated or withheld a Procurement Contract with the above-named individual or entity due to the intentional provision of false or incomplete information? (Please circle):

No

Yes

2b. If yes, please provide details below.

Governmental Entity: \_\_\_\_\_

Date of Termination or Withholding of Contract: \_\_\_\_\_

Basis of Termination or Withholding:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Add additional pages as necessary)

C. Offerer/Bidder certifies that all information provided to the Department of Health with respect to State Finance Law §139-k is complete, true and accurate.

-----

\_\_\_\_\_  
(Officer Signature)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Officer Title)

\_\_\_\_\_  
(Telephone)

\_\_\_\_\_  
(e-mail Address)

## Attachment 18: NYS Department of Taxation and Finance Forms

An electronic fill-in version of the *NYS Taxation and Finance Contractor Certification Form ST-220-TD*, can be found at:

[http://www.tax.state.ny.us/forms/form\\_number\\_order\\_st\\_y.htm](http://www.tax.state.ny.us/forms/form_number_order_st_y.htm)

An electronic fill-in version of the *NYS Taxation and Finance Contractor Certification Form ST-220-CA* can be found at:

[http://www.tax.state.ny.us/forms/form\\_number\\_order\\_st\\_y.htm](http://www.tax.state.ny.us/forms/form_number_order_st_y.htm)

## Attachment 19: Transmittal Letter Template

[TO BE COMPLETED ON OFFEROR'S LETTERHEAD]

Mr. Joseph Zeccolo  
New York State Department of Health  
Corning Tower, Room 2019  
Albany, NY 12237

**[Insert Current Date]**

Re: NYS Department of Health (Department)  
Funding Availability Solicitation (FAS)  
New York State Health Benefit Exchange (NY-HX)

Dear Mr. Zeccolo:

**[Insert Offeror's Name]** submits this firm and binding offer to the Department in response to the above-referenced FAS and agrees as follows:

1. Offeror provides the following statement which describes the legal structure of the entity submitting the proposal \_\_\_\_\_ **[Insert Offeror's Response]**;
2. the offeror accepts the contract terms and conditions contained in this FAS including attachments;
3. the offeror has received and acknowledged all Department amendments to the FAS, as may be amended;
4. the offeror is either registered to do business in New York State, or if formed or incorporated in another jurisdiction than New York State, can provide a Certificate of Good Standing from the applicable jurisdiction or provide an explanation, subject to the sole satisfaction of the Department, if a Certificate of Good Standing is not available;
5. the offeror acknowledges that should any alternate proposals be submitted with the proposal, such alternate proposals will not be evaluated by the Department;
6. the offeror's proposal will remain valid for a minimum of 365 calendar days from the closing date for submission of proposals;
7. the offeror agrees that it has the sole responsibility for obtaining any third party financing which may be necessary for the contractor to submit a proposal, and further that the contractor understands and agrees that should an award be made, the State of New York and the Department of Health will in no manner underwrite, act as a signatory or co-signatory, or in any manner guarantee participation in the securing of the offeror's financing;
8. the offeror provides a statement which complies with the four conflict of interest requirements set forth in this FAS Section XV.6.4 Conflict of Interest. Where any potential or actual conflict is disclosed, a description should also be included as to how a potential or actual conflict and/or disclosure of confidential information relating to the contract will be avoided. If there is no conflict of interest a statement so indicating should be included;
9. A statement that the offeror agrees to meet all facility requirements as outlined in Attachment 2, Section 13; and

10. the offeror is/is not **[indicate one]** planning the use of any subcontractor(s). If a proposal is submitted which proposes to utilize the services of a subcontractor(s), the contractor should provide, in an appendix to the Transmittal Letter, a subcontractor summary for each listed subcontractor. An individual authorized to legally bind the subcontractor should sign that subcontractor's summary document and certify that the information provided is complete and accurate. The summary document should contain the following information:
- a. Complete name of the subcontractor;
  - b. Complete address of the subcontractor;
  - c. Percentage of work the subcontractor will be providing;
  - d. A statement confirming that the subcontractor is (i) either registered to do business in New York State, or if formed or incorporated in another jurisdiction than New York State, can provide a Certificate of Good Standing from the applicable jurisdiction or provide an explanation, subject to the sole satisfaction of the Department, if a Certificate of Good Standing is not available;
  - e. A general description of the scope of work to be performed by the subcontractor; and,
  - f. The subcontractor's assertion that it does not discriminate in its employment practices with regards to race, color, religion, age (except as provided by law), sex, marital status, political affiliation, national origin or handicap.

The undersigned individual affirms and represents that he/she has the legal authority and capacity to sign and submit this offer on behalf of **[Insert Offeror's Name]** as well as to execute a contract with the Department.

---

Signature

---

Print Name

**Insert: [Offeror's Full Name]**  
**[Offeror's Mailing Address]**  
**[Title of Signatory]**  
**[E-mail of Signatory]**  
**[Telephone Number of Signatory]**  
**[Fax Number of Signatory]**  
**[Name of Proposal Contact]**  
**(if different from Signatory)**  
**[Mailing Address for Proposal Contact]**  
**[Title of Proposal Contact]**  
**[E-mail of Proposal Contact]**  
**[Telephone Number of Proposal Contact]**  
**[Fax Number of Proposal Contact]**

**New York State Department of Health**  
**BIDDERS PROPOSED M/WBE UTILIZATION PLAN**

<b>Bidder Name:</b>	
<b>RFP Title:</b>	<b>RFP Number</b>

**Description of Plan to Meet M/WBE Goals**

**PROJECTED M/WBE USAGE**

	%	Amount
1. Total Dollar Value of Proposal Bid	100	\$
2. MBE Goal Applied to the Contract		\$
3. WBE Goal Applied to the Contract		\$
4. M/WBE Combined Totals		\$

<p><b>State Consultant Services</b></p> <p><b>FORM A</b></p>	<p><u>OSC Use Only</u></p> <p>Reporting Code:</p> <p>Category Code:</p> <p>Date Contract Approved:</p>
--	--

Contractor's Planned Employment  
From Contract Start Date through End of Contract Term

New York State Department of Health	Agency Code 12000
Contractor Name:	Contract Number:
Contract Start Date: / /	Contract End Date: / /

Employment Category	Number of Employees	Number of Hours to be Worked	Amount Payable Under the Contract
---------------------	------------------------	---------------------------------	--------------------------------------

Totals this page:	0	0	\$ 0.00
-------------------	---	---	---------

Grand Total:	0	0	\$ 0.00
--------------	---	---	---------

Name of person who prepared this report:

Title:

Phone #:

Preparer's signature:

Date Prepared: / /

Page of  
(use additional pages if necessary)

# Instructions

State Consultant Services

## **Form A: Contractor's Planned Employment and Form B: Contractor's Annual Employment Report**

**Form A:** This report must be completed before work begins on a contract. Typically it is completed as a part of the original bid proposal. The report is submitted only to the soliciting agency who will in turn submit the report to the NYS Office of the State Comptroller.

**Form B:** This report must be completed annually for the period April 1 through March 31. The report must be submitted by May 15<sup>th</sup> of each year to the following three addresses:

1. the designated payment office (DPO) outlined in the consulting contract.
2. NYS Office of the State Comptroller  
Bureau of Contracts  
110 State Street, 11<sup>th</sup> Floor  
Albany, NY 12236  
Attn: Consultant Reporting  
or  
via fax to (518) 474-8030 or (518) 473-8808
3. NYS Department of Civil Service  
Alfred E. Smith Office Building  
Albany, NY 12239  
Attn: Consultant Reporting

### **Completing the Reports:**

**Scope of Contract (Form B only):** a general classification of the single category that best fits the predominate nature of the services provided under the contract.

**Employment Category:** the specific occupation(s), as listed in the O\*NET occupational classification system, which best describe the employees providing services under the contract. Access the O\*NET database, which is available through the US Department of Labor's Employment and Training Administration, on-line at [online.onetcenter.org](http://online.onetcenter.org) to find a list of occupations.)

**Number of Employees:** the total number of employees in the employment category employed to provide services under the contract during the Report Period, including part time employees and employees of subcontractors.

**Number of hours (to be) worked:** for Form A, the total number of hours to be worked, and for Form B, the total number of hours worked during the Report Period by the employees in the employment category.

**Amount Payable under the Contract:** the total amount paid or payable by the State to the State contractor under the contract, for work by the employees in the employment category, for services provided during the Report Period.

**State Consultant Services**  
**FORM B**

**OSC Use Only**  
Reporting Code:  
Category Code:

Contractor's Annual Employment Report  
Report Period: April 1, \_\_\_\_ to March 31, \_\_\_\_

New York State Department of Health	Agency Code 12000
Contract Number:	
Contract Start Date: / /	Contract End Date: / /
Contractor Name:	
Contractor Address:	
Description of Services Being Provided:	

Scope of Contract (Chose one that best fits):

Analysis	Evaluation	Research
Training	Data Processing	Computer Programming
Other IT Consulting	Engineering	Architect Services
Surveying	Environmental Services	Health Services
Mental Health Services	Accounting	Auditing
Paralegal	Legal	Other Consulting

Employment Category	Number of Employees	Number of Hours to be Worked	Amount Payable Under the Contract
Totals this page:	0	0	\$ 0.00
Grand Total:	0	0	\$ 0.00

Name of person who prepared this report:

Title:

Phone #:

Preparer's signature:

Date Prepared: / /

Page of (use additional pages if necessary)

Attachment 23

SAMPLE STATE CONTRACT WITH APPENDICES

**MISCELLANEOUS / CONSULTANT SERVICES**

STATE AGENCY (Name and Address): . NYS COMPTROLLER'S NUMBER:  
 .  
 . ORIGINATING AGENCY CODE:12000  
 .

CONTRACTOR (Name and Address): . TYPE OF PROGRAM(S):  
 .  
 .  
 .

CHARITIES REGISTRATION NUMBER: . CONTRACT TERM  
 . FROM:  
 . TO:

CONTRACTOR HAS ( ) HAS NOT ( ) TIMELY.  
 FILED WITH THE ATTORNEY GENERAL'S . FUNDING AMOUNT FOR CONTRACT  
 CHARITIES BUREAU ALL REQUIRED . TERM:  
 PERIODIC OR ANNUAL WRITTEN REPORTS

FEDERAL TAX IDENTIFICATION NUMBER: .

MUNICIPALITY NO. (if applicable):

STATUS: .  
 CONTRACTOR IS ( ) IS NOT ( ) A .  
 SECTARIAN ENTITY .

CONTRACTOR IS ( ) IS NOT ( ) A . ( ) IF MARKED HERE, THIS CONTRACT'S  
 NOT-FOR-PROFIT ORGANIZATION . RENEWABLE FOR \_\_\_ ADDITIONAL  
 . ONE-YEAR PERIOD(S) AT THE SOLE  
 CONTRACTOR IS ( ) IS NOT ( ) A . OPTION OF THE STATE AND SUBJECT  
 N Y STATE BUSINESS ENTERPRISE . TO APPROVAL OF THE OFFICE OF THE  
 . STATE COMPTROLLER.  
 .

**BID OPENING DATE:**

**APPENDICES ATTACHED AND PART OF THIS AGREEMENT**

Precedence shall be given to these documents in the order listed below.

- \_\_\_ APPENDIX A Standard Clauses as required by the Attorney General for all State Contracts.
- \_\_\_ APPENDIX X Modification Agreement Form (to accompany modified appendices for changes in term or consideration on an existing period or for renewal periods)
- \_\_\_ APPENDIX Q Modification of Standard Department of Health Contract Language
- \_\_\_ STATE OF NEW YORK AGREEMENT
- \_\_\_ APPENDIX B Funding Availability Solicitation (FAS)
- \_\_\_ APPENDIX C Proposal
- \_\_\_ APPENDIX E-1 Proof of Workers' Compensation Coverage
- \_\_\_ APPENDIX E-2 Proof of Disability Insurance Coverage
- \_\_\_ APPENDIX H Federal Health Insurance Portability and Accountability Act Business Associate Agreement
- \_\_\_ APPENDIX G Notices
- \_\_\_ APPENDIX \_\_:

Contract No.:

IN WITNESS THEREOF, the parties hereto have executed or approved this AGREEMENT on the dates below their signatures.

_____	.	_____
CONTRACTOR	.	STATE AGENCY
	.	
	.	
	.	
_____	.	_____

By: _____	.	By: _____
	.	
_____	.	_____
Printed Name	.	Printed Name
	.	
Title: _____	.	Title: _____
	.	
Date: _____	.	Date: _____

State Agency Certification:  
 "In addition to the acceptance of this contract,  
 I also certify that original copies of this  
 signature page will be attached to all other  
 exact copies of this contract."

STATE OF NEW YORK )  
 )SS.:  
 County of \_\_\_\_\_)

On the \_\_\_ day of \_\_\_\_\_ in the year \_\_\_\_\_ before me, the undersigned, personally appeared \_\_\_\_\_, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is(are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their/ capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

\_\_\_\_\_  
 (Signature and office of the individual taking acknowledgement)

ATTORNEY GENERAL'S SIGNATURE	.	STATE COMPTROLLER'S SIGNATURE
	.	
_____	.	_____
	.	
Title: _____	.	Title: _____
	.	
Date: _____	.	Date: _____

STATE OF NEW YORK  
AGREEMENT

This AGREEMENT is hereby made by and between the State of New York Department of Health (STATE) and the public or private agency (CONTRACTOR) identified on the face page hereof.

WITNESSETH:

WHEREAS, the STATE has formally requested contractors to submit bid proposals for the project described in Appendix B for which bids were opened on the date noted on the face pages of this AGREEMENT; and

WHEREAS, the STATE has determined that the CONTRACTOR is the successful bidder, and the CONTRACTOR covenants that it is willing and able to undertake the services and provide the necessary materials, labor and equipment in connection therewith;

NOW THEREFORE, in consideration of the terms hereinafter mentioned and also the covenants and obligations moving to each party hereto from the other, the parties hereto do hereby agree as follows:

I. Conditions of Agreement

- A. This AGREEMENT incorporates the face pages attached and all of the marked appendices identified on the face page hereof.
- B. The maximum compensation for the contract term of this AGREEMENT shall not exceed the amount specified on the face page hereof.
- C. This AGREEMENT may be renewed for additional periods (PERIOD), as specified on the face page hereof.
- D. To exercise any renewal option of this AGREEMENT, the parties shall prepare new appendices, to the extent that any require modification, and a Modification Agreement (the attached Appendix X is the blank form to be used). Any terms of this AGREEMENT not modified shall remain in effect for each PERIOD of the AGREEMENT. The modification agreement is subject to the approval of the Commissioner of Health.
- E. Appendix A (Standard Clauses as required by the Attorney General for all State contracts) takes precedence over all other parts of the AGREEMENT.
- F. For the purposes of this AGREEMENT, the terms "Funding Availability Solicitation" and "FAS" include all Appendix B documents as marked on the face page hereof.
- G. For the purposes of this AGREEMENT, the term "Proposal" includes all Appendix C documents as marked on the face page hereof.

II. Payment and Reporting

- A. The CONTRACTOR shall submit complete and accurate invoices and/or vouchers, together with supporting documentation required by the contract, the State Agency and the State Comptroller, to the STATE's designated payment office in order to receive payment:

·  
·

- B. Payment of such invoices and/or vouchers by the State (NYS Department of Health) shall be made in accordance with Article XI-A of the New York State Finance Law.

Payment for invoices and/or vouchers submitted by the CONTRACTOR shall only be rendered electronically unless payment by paper check is expressly authorized by the Commissioner, in the Commissioner's sole discretion, due to extenuating circumstances. Such electronic payment shall be made in accordance with ordinary State procedures and practices. The CONTRACTOR shall comply with the State Comptroller's procedures to authorize electronic payments. Authorization forms are available at the State Comptroller's website at [www.osc.state.ny.us/epay/index.htm](http://www.osc.state.ny.us/epay/index.htm), by email at [epunit@osc.state.ny.us](mailto:epunit@osc.state.ny.us) or by telephone at 518-486-1255. CONTRACTOR acknowledges that it will not receive payment on any invoices and/or vouchers submitted under this Contract if it does not comply with the State Comptroller's electronic payment procedures, except where the Commissioner has expressly authorized payment by paper check as set forth above.

In addition to the Electronic Payment Authorization Form, a Substitute Form W-9, must be on file with the Office of the State Comptroller, Bureau of Accounting Operations. Additional information and procedures for enrollment can be found at <http://www.osc.state.ny.us/epay>.

Completed W-9 forms should be submitted to the following address:

NYS Office of the State Comptroller  
Bureau of Accounting Operations  
Warrant & Payment Control Unit  
110 State Street, 9<sup>th</sup> Floor  
Albany, NY 12236

### III. Term of Contract

- A. Upon approval of the Commissioner of Health, this AGREEMENT shall be effective for the term as specified on the cover page.
- B. This Agreement may be terminated by mutual written agreement of the contracting parties.
- C. This Agreement may be terminated by the Department for cause upon the failure of the Contractor to comply with the terms and conditions of this Agreement, including the attachments hereto, provided that the Department shall give the contractor written notice via registered or certified mail, return receipt requested, or shall deliver same by hand-receiving Contractor's receipt therefor, such written notice to specify the Contractor's failure and the termination of this Agreement. Termination shall be effective ten (10) business days from receipt of such notice, established by the receipt returned to the Department. The Contractor agrees to incur no new obligations nor to claim for any expenses made after receipt of the notification of termination.
- D. This Agreement may be deemed terminated immediately at the option of the Department upon the filing of a petition in bankruptcy or insolvency, by or against the Contractor. Such termination shall be immediate and complete, without termination costs or further obligations by the Department to the Contractor.
- E. This agreement may be canceled at any time by the Department of Health giving to the contractor not less than thirty (30) days written notice that on or after a date therein specified this agreement shall be deemed terminated and canceled.

### IV. Proof of Coverage

Unless the CONTRACTOR is a political sub-division of New York State, the CONTRACTOR shall provide proof, completed by the CONTRACTOR's insurance carrier and/or the Workers' Compensation Board, of coverage for:

- A. Workers' Compensation, for which one of the following is incorporated into this contract as Appendix E-1:
  - 1. CE-200, Affidavit For New York Entities And Any Out-Of-State Entities With No Employees, That New York State Workers' Compensation And/Or Disability Benefits Insurance Coverage Is Not Required; OR
  - 2. C-105.2 – Certificate of Workers' Compensation Insurance. PLEASE NOTE: The State Insurance Fund provides its own version of this form, the U-26.3; OR
  - 3. SI-12 – Certificate of Workers' Compensation Self-Insurance, OR GSI-105.2 – Certificate of Participation in Workers' Compensation Group Self-Insurance.
  
- B. Disability Benefits coverage, for which one of the following is incorporated into this contract as Appendix E-2:
  - 1. CE-200, Affidavit For New York Entities And Any Out-Of-State Entities With No Employees, That New York State Workers' Compensation And/Or Disability Benefits Insurance Coverage Is Not Required; OR
  - 2. DB-120.1 – Certificate of Disability Benefits Insurance OR
  - 3. DB-155 – Certificate of Disability Benefits Self-Insurance

APPENDIX A

STANDARD CLAUSES FOR NEW YORK STATE CONTRACTS

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**STANDARD CLAUSES FOR NYS  
CONTRACTS**

The parties to the attached contract, license, lease, amendment or other agreement of any kind (hereinafter, "the contract" or "this contract") agree to be bound by the following clauses which are hereby made a part of the contract (the word "Contractor" herein refers to any party other than the State, whether a contractor, licensor, licensee, lessor, lessee or any other party):

**1. EXECUTORY CLAUSE.** In accordance with Section 41 of the State Finance Law, the State shall have no liability under this contract to the Contractor or to anyone else beyond funds appropriated and available for this contract.

**2. NON-ASSIGNMENT CLAUSE.** In accordance with Section 138 of the State Finance Law, this contract may not be assigned by the Contractor or its right, title or interest therein assigned, transferred, conveyed, sublet or otherwise disposed of without the State's previous written consent, and attempts to do so are null and void. Notwithstanding the foregoing, such prior written consent of an assignment of a contract let pursuant to Article XI of the State Finance Law may be waived at the discretion of the contracting agency and with the concurrence of the State Comptroller where the original contract was subject to the State Comptroller's approval, where the assignment is due to a reorganization, merger or consolidation of the Contractor's business entity or enterprise. The State retains its right to approve an assignment and to require that any Contractor demonstrate its responsibility to do business with the State. The Contractor may, however, assign its right to receive payments without the State's prior written consent unless this contract concerns Certificates of Participation pursuant to Article 5-A of the State Finance Law.

**3. COMPTROLLER'S APPROVAL.** In accordance with Section 112 of the State Finance Law (or, if this contract is with the State University or City University of New York, Section 355 or Section 6218 of the Education Law), if this contract exceeds \$50,000 (or the minimum thresholds agreed to by the Office of the State Comptroller for certain S.U.N.Y. and C.U.N.Y. contracts), or if this is an amendment for any amount to a contract which, as so amended, exceeds said statutory amount, or if, by this contract, the State agrees to give something other than money

when the value or reasonably estimated value of such consideration exceeds \$10,000, it shall not be valid, effective or binding upon the State until it has been approved by the State Comptroller and filed in his office. Comptroller's approval of contracts let by the Office of General Services is required when such contracts exceed \$85,000 (State Finance Law Section 163.6.a).

**4. WORKERS' COMPENSATION BENEFITS.** In accordance with Section 142 of the State Finance Law, this contract shall be void and of no force and effect unless the Contractor shall provide and maintain coverage during the life of this contract for the benefit of such employees as are required to be covered by the provisions of the Workers' Compensation Law.

**5. NON-DISCRIMINATION REQUIREMENTS.** To the extent required by Article 15 of the Executive Law (also known as the Human Rights Law) and all other State and Federal statutory and constitutional non-discrimination provisions, the Contractor will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, sexual orientation, age, disability, genetic predisposition or carrier status, or marital status. Furthermore, in accordance with Section 220-e of the Labor Law, if this is a contract for the construction, alteration or repair of any public building or public work or for the manufacture, sale or distribution of materials, equipment or supplies, and to the extent that this contract shall be performed within the State of New York, Contractor agrees that neither it nor its subcontractors shall, by reason of race, creed, color, disability, sex, or national origin: (a) discriminate in hiring against any New York State citizen who is qualified and available to perform the work; or (b) discriminate against or intimidate any employee hired for the performance of work under this contract. If this is a building service contract as defined in Section 230 of the Labor Law, then, in accordance with Section 239 thereof, Contractor agrees that neither it nor its subcontractors shall by reason of race, creed, color, national origin, age, sex or disability: (a) discriminate in hiring against any New York State citizen who is qualified and available to perform the work; or (b) discriminate against or intimidate any employee hired for the performance of work under this contract. Contractor is subject to fines of \$50.00 per person per day for any violation of Section 220-e or Section 239 as well as possible termination of this contract and forfeiture of all

moneys due hereunder for a second or subsequent violation.

**6. WAGE AND HOURS PROVISIONS.** If this is a public work contract covered by Article 8 of the Labor Law or a building service contract covered by Article 9 thereof, neither Contractor's employees nor the employees of its subcontractors may be required or permitted to work more than the number of hours or days stated in said statutes, except as otherwise provided in the Labor Law and as set forth in prevailing wage and supplement schedules issued by the State Labor Department. Furthermore, Contractor and its subcontractors must pay at least the prevailing wage rate and pay or provide the prevailing supplements, including the premium rates for overtime pay, as determined by the State Labor Department in accordance with the Labor Law. Additionally, effective April 28, 2008, if this is a public work contract covered by Article 8 of the Labor Law, the Contractor understands and agrees that the filing of payrolls in a manner consistent with Subdivision 3-a of Section 220 of the Labor Law shall be a condition precedent to payment by the State of any State approved sums due and owing for work done upon the project.

**7. NON-COLLUSIVE BIDDING CERTIFICATION.** In accordance with Section 139-d of the State Finance Law, if this contract was awarded based upon the submission of bids, Contractor affirms, under penalty of perjury, that its bid was arrived at independently and without collusion aimed at restricting competition. Contractor further affirms that, at the time Contractor submitted its bid, an authorized and responsible person executed and delivered to the State a non-collusive bidding certification on Contractor's behalf.

**8. INTERNATIONAL BOYCOTT PROHIBITION.** In accordance with Section 220-f of the Labor Law and Section 139-h of the State Finance Law, if this contract exceeds \$5,000, the Contractor agrees, as a material condition of the contract, that neither the Contractor nor any substantially owned or affiliated person, firm, partnership or corporation has participated, is participating, or shall participate in an international boycott in violation of the federal Export Administration Act of 1979 (50 USC App. Sections 2401 et seq.) or regulations thereunder. If such Contractor, or any of the aforesaid affiliates of Contractor, is convicted or is otherwise found to have

violated said laws or regulations upon the final determination of the United States Commerce Department or any other appropriate agency of the United States subsequent to the contract's execution, such contract, amendment or modification thereto shall be rendered forfeit and void. The Contractor shall so notify the State Comptroller within five (5) business days of such conviction, determination or disposition of appeal (2NYCRR 105.4).

**9. SET-OFF RIGHTS.** The State shall have all of its common law, equitable and statutory rights of set-off. These rights shall include, but not be limited to, the State's option to withhold for the purposes of set-off any moneys due to the Contractor under this contract up to any amounts due and owing to the State with regard to this contract, any other contract with any State department or agency, including any contract for a term commencing prior to the term of this contract, plus any amounts due and owing to the State for any other reason including, without limitation, tax delinquencies, fee delinquencies or monetary penalties relative thereto. The State shall exercise its set-off rights in accordance with normal State practices including, in cases of set-off pursuant to an audit, the finalization of such audit by the State agency, its representatives, or the State Comptroller.

**10. RECORDS.** The Contractor shall establish and maintain complete and accurate books, records, documents, accounts and other evidence directly pertinent to performance under this contract (hereinafter, collectively, "the Records"). The Records must be kept for the balance of the calendar year in which they were made and for six (6) additional years thereafter. The State Comptroller, the Attorney General and any other person or entity authorized to conduct an examination, as well as the agency or agencies involved in this contract, shall have access to the Records during normal business hours at an office of the Contractor within the State of New York or, if no such office is available, at a mutually agreeable and reasonable venue within the State, for the term specified above for the purposes of inspection, auditing and copying. The State shall take reasonable steps to protect from public disclosure any of the Records which are exempt from disclosure under Section 87 of the Public Officers Law (the "Statute") provided that: (i) the Contractor shall timely inform an appropriate State official, in writing, that said records should not be disclosed; and (ii) said records shall be sufficiently identified; and (iii) designation of said records as exempt under the Statute is reasonable. Nothing contained herein shall diminish,

or in any way adversely affect, the State's right to discovery in any pending or future litigation.

**11. IDENTIFYING INFORMATION AND PRIVACY NOTIFICATION.**

(a) FEDERAL EMPLOYER IDENTIFICATION NUMBER and/or FEDERAL SOCIAL SECURITY NUMBER. All invoices or New York State standard vouchers submitted for payment for the sale of goods or services or the lease of real or personal property to a New York State agency must include the payee's identification number, i.e., the seller's or lessor's identification number. The number is either the payee's Federal employer identification number or Federal social security number, or both such numbers when the payee has both such numbers. Failure to include this number or numbers may delay payment. Where the payee does not have such number or numbers, the payee, on its invoice or New York State standard voucher, must give the reason or reasons why the payee does not have such number or numbers.

(b) PRIVACY NOTIFICATION. (1) The authority to request the above personal information from a seller of goods or services or a lessor of real or personal property, and the authority to maintain such information, is found in Section 5 of the State Tax Law. Disclosure of this information by the seller or lessor to the State is mandatory. The principal purpose for which the information is collected is to enable the State to identify individuals, businesses and others who have been delinquent in filing tax returns or may have understated their tax liabilities and to generally identify persons affected by the taxes administered by the Commissioner of Taxation and Finance. The information will be used for tax administration purposes and for any other purpose authorized by law. (2) The personal information is requested by the purchasing unit of the agency contracting to purchase the goods or services or lease the real or personal property covered by this contract or lease. The information is maintained in New York State's Central Accounting System by the Director of Accounting Operations, Office of the State Comptroller, 110 State Street, Albany, New York 12236.

**12. EQUAL EMPLOYMENT OPPORTUNITIES FOR MINORITIES AND WOMEN.**

In accordance with Section 312 of the Executive Law and 5 NYCRR 143, if this contract is: (i) a written agreement or purchase order instrument, providing for a total

expenditure in excess of \$25,000.00, whereby a contracting agency is committed to expend or does expend funds in return for labor, services, supplies, equipment, materials or any combination of the foregoing, to be performed for, or rendered or furnished to the contracting agency; or (ii) a written agreement in excess of \$100,000.00 whereby a contracting agency is committed to expend or does expend funds for the acquisition, construction, demolition, replacement, major repair or renovation of real property and improvements thereon; or (iii) a written agreement in excess of \$100,000.00 whereby the owner of a State assisted housing project is committed to expend or does expend funds for the acquisition, construction, demolition, replacement, major repair or renovation of real property and improvements thereon for such project, then the following shall apply and by signing this agreement the Contractor certifies and affirms that it is Contractor's equal employment opportunity policy that:

(a) The Contractor will not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, shall make and document its conscientious and active efforts to employ and utilize minority group members and women in its work force on State contracts and will undertake or continue existing programs of affirmative action to ensure that minority group members and women are afforded equal employment opportunities without discrimination. Affirmative action shall mean recruitment, employment, job assignment, promotion, upgradings, demotion, transfer, layoff, or termination and rates of pay or other forms of compensation;

(b) at the request of the contracting agency, the Contractor shall request each employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding, to furnish a written statement that such employment agency, labor union or representative will not discriminate on the basis of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will affirmatively cooperate in the implementation of the Contractor's obligations herein; and

(c) the Contractor shall state, in all solicitations or advertisements for employees, that, in the performance of the State contract, all qualified applicants will be afforded equal employment

opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status.

Contractor will include the provisions of "a", "b", and "c" above, in every subcontract over \$25,000.00 for the construction, demolition, replacement, major repair, renovation, planning or design of real property and improvements thereon (the "Work") except where the Work is for the beneficial use of the Contractor. Section 312 does not apply to: (i) work, goods or services unrelated to this contract; or (ii) employment outside New York State. The State shall consider compliance by a contractor or subcontractor with the requirements of any federal law concerning equal employment opportunity which effectuates the purpose of this section. The contracting agency shall determine whether the imposition of the requirements of the provisions hereof duplicate or conflict with any such federal law and if such duplication or conflict exists, the contracting agency shall waive the applicability of Section 312 to the extent of such duplication or conflict. Contractor will comply with all duly promulgated and lawful rules and regulations of the Department of Economic Development's Division of Minority and Women's Business Development pertaining hereto.

**13. CONFLICTING TERMS.** In the event of a conflict between the terms of the contract (including any and all attachments thereto and amendments thereof) and the terms of this Appendix A, the terms of this Appendix A shall control.

**14. GOVERNING LAW.** This contract shall be governed by the laws of the State of New York except where the Federal supremacy clause requires otherwise.

**15. LATE PAYMENT.** Timeliness of payment and any interest to be paid to Contractor for late payment shall be governed by Article 11-A of the State Finance Law to the extent required by law.

**16. NO ARBITRATION.** Disputes involving this contract, including the breach or alleged breach thereof, may not be submitted to binding arbitration (except where statutorily authorized), but must, instead, be heard in a court of competent jurisdiction of the State of New York.

**17. SERVICE OF PROCESS.** In addition to the methods of service allowed by the State Civil Practice

Law & Rules ("CPLR"), Contractor hereby consents to service of process upon it by registered or certified mail, return receipt requested. Service hereunder shall be complete upon Contractor's actual receipt of process or upon the State's receipt of the return thereof by the United States Postal Service as refused or undeliverable. Contractor must promptly notify the State, in writing, of each and every change of address to which service of process can be made. Service by the State to the last known address shall be sufficient. Contractor will have thirty (30) calendar days after service hereunder is complete in which to respond.

**18. PROHIBITION ON PURCHASE OF TROPICAL HARDWOODS.** The Contractor certifies and warrants that all wood products to be used under this contract award will be in accordance with, but not limited to, the specifications and provisions of Section 165 of the State Finance Law, (Use of Tropical Hardwoods) which prohibits purchase and use of tropical hardwoods, unless specifically exempted, by the State or any governmental agency or political subdivision or public benefit corporation. Qualification for an exemption under this law will be the responsibility of the contractor to establish to meet with the approval of the State.

In addition, when any portion of this contract involving the use of woods, whether supply or installation, is to be performed by any subcontractor, the prime Contractor will indicate and certify in the submitted bid proposal that the subcontractor has been informed and is in compliance with specifications and provisions regarding use of tropical hardwoods as detailed in §165 State Finance Law. Any such use must meet with the approval of the State; otherwise, the bid may not be considered responsive. Under bidder certifications, proof of qualification for exemption will be the responsibility of the Contractor to meet with the approval of the State.

**19. MACBRIDE FAIR EMPLOYMENT PRINCIPLES.** In accordance with the MacBride Fair Employment Principles (Chapter 807 of the Laws of 1992), the Contractor hereby stipulates that the Contractor either (a) has no business operations in Northern Ireland, or (b) shall take lawful steps in good faith to conduct any business operations in Northern Ireland in accordance with the MacBride Fair Employment Principles (as described in Section 165 of the New York State Finance Law), and shall permit

independent monitoring of compliance with such principles.

**20. OMNIBUS PROCUREMENT ACT OF 1992.**

It is the policy of New York State to maximize opportunities for the participation of New York State business enterprises, including minority and women-owned business enterprises as bidders, subcontractors and suppliers on its procurement contracts.

Information on the availability of New York State subcontractors and suppliers is available from:

NYS Department of Economic Development  
Division for Small Business  
30 South Pearl St -- 7<sup>th</sup> Floor  
Albany, New York 12245  
Telephone: 518-292-5220  
Fax: 518-292-5884  
<http://www.empire.state.ny.us>

A directory of certified minority and women-owned business enterprises is available from:

NYS Department of Economic Development  
Division of Minority and Women's Business Development  
30 South Pearl St -- 2nd Floor  
Albany, New York 12245  
Telephone: 518-292-5250  
Fax: 518-292-5803  
<http://www.empire.state.ny.us>

The Omnibus Procurement Act of 1992 requires that by signing this bid proposal or contract, as applicable, Contractors certify that whenever the total bid amount is greater than \$1 million:

- (a) The Contractor has made reasonable efforts to encourage the participation of New York State Business Enterprises as suppliers and subcontractors, including certified minority and women-owned business enterprises, on this project, and has retained the documentation of these efforts to be provided upon request to the State;
- (b) The Contractor has complied with the Federal Equal Opportunity Act of 1972 (P.L. 92-261), as amended;
- (c) The Contractor agrees to make reasonable efforts to provide notification to New York State residents of employment opportunities on this project through

listing any such positions with the Job Service Division of the New York State Department of Labor, or providing such notification in such manner as is consistent with existing collective bargaining contracts or agreements. The Contractor agrees to document these efforts and to provide said documentation to the State upon request; and

(d) The Contractor acknowledges notice that the State may seek to obtain offset credits from foreign countries as a result of this contract and agrees to cooperate with the State in these efforts.

**21. RECIPROCIITY AND SANCTIONS PROVISIONS.**

Bidders are hereby notified that if their principal place of business is located in a country, nation, province, state or political subdivision that penalizes New York State vendors, and if the goods or services they offer will be substantially produced or performed outside New York State, the Omnibus Procurement Act 1994 and 2000 amendments (Chapter 684 and Chapter 383, respectively) require that they be denied contracts which they would otherwise obtain. NOTE: As of May 15, 2002, the list of discriminatory jurisdictions subject to this provision includes the states of South Carolina, Alaska, West Virginia, Wyoming, Louisiana and Hawaii. Contact NYS Department of Economic Development for a current list of jurisdictions subject to this provision.

**22. COMPLIANCE WITH NEW YORK STATE INFORMATION SECURITY BREACH AND NOTIFICATION ACT.**

Contractor shall comply with the provisions of the New York State Information Security Breach and Notification Act (General Business Law Section 899-aa; State Technology Law Section 208).

**23. COMPLIANCE WITH CONSULTANT DISCLOSURE LAW.**

If this is a contract for consulting services, defined for purposes of this requirement to include analysis, evaluation, research, training, data processing, computer programming, engineering, environmental, health, and mental health services, accounting, auditing, paralegal, legal or similar services, then, in accordance with Section 163 (4-g) of the State Finance Law (as amended by Chapter 10 of the Laws of 2006), the Contractor shall timely, accurately and properly comply with the requirement to submit an annual employment report for the contract to the agency that awarded the

contract, the Department of Civil Service and the State Comptroller.

**24. PROCUREMENT LOBBYING.** To the extent this agreement is a "procurement contract" as defined by State Finance Law Sections 139-j and 139-k, by signing this agreement the contractor certifies and affirms that all disclosures made in accordance with State Finance Law Sections 139-j and 139-k are complete, true and accurate. In the event such certification is found to be intentionally false or intentionally incomplete, the State may terminate the agreement by providing written notification to the Contractor in accordance with the terms of the agreement.

**25. CERTIFICATION OF REGISTRATION TO COLLECT SALES AND COMPENSATING USE TAX BY CERTAIN STATE CONTRACTORS, AFFILIATES AND SUBCONTRACTORS.**

To the extent this agreement is a contract as defined by Tax Law Section 5-a, if the contractor fails to make the certification required by Tax Law Section 5-a or if during the term of the contract, the Department of Taxation and Finance or the covered agency, as defined by Tax Law 5-a, discovers that the certification, made under penalty of perjury, is false, then such failure to file or false certification shall be a material breach of this contract and this contract may be terminated, by providing written notification to the Contractor in accordance with the terms of the agreement, if the covered agency determines that such action is in the best interest of the State.

**Agency Code 12000**  
**APPENDIX X**

Contract Number: \_\_\_\_\_ Contractor: \_\_\_\_\_

Amendment Number X-\_\_\_\_\_

**This is an AGREEMENT between THE STATE OF NEW YORK, acting by and through NYS Department of Health, having its principal office at Albany, New York, (hereinafter referred to as the STATE), and \_\_\_\_\_ (hereinafter referred to as the CONTRACTOR), for amendment of this contract.**

**This amendment makes the following changes to the contract (check all that apply):**

- \_\_\_\_\_ Modifies the contract period at no additional cost
- \_\_\_\_\_ Modifies the contract period at additional cost
- \_\_\_\_\_ Modifies the budget or payment terms
- \_\_\_\_\_ Modifies the work plan or deliverables
- \_\_\_\_\_ Replaces appendix(es) \_\_\_\_\_ with the attached appendix(es) \_\_\_\_\_
- \_\_\_\_\_ Adds the attached appendix(es) \_\_\_\_\_
- \_\_\_\_\_ Other: (describe) \_\_\_\_\_

This amendment *is* / *is not* a contract renewal as allowed for in the existing contract.

**All other provisions of said AGREEMENT shall remain in full force and effect.**

**Prior to this amendment, the contract value and period were:**

\$ \_\_\_\_\_ From \_\_\_\_ / \_\_\_\_ / \_\_\_\_ to \_\_\_\_ / \_\_\_\_ / \_\_\_\_.  
(Value before amendment) (Initial start date)

This amendment provides the following modification (complete only items being modified):

\$ \_\_\_\_\_ From \_\_\_\_ / \_\_\_\_ / \_\_\_\_ to \_\_\_\_ / \_\_\_\_ / \_\_\_\_.

This will result in new contract terms of:

\$ \_\_\_\_\_ From \_\_\_\_ / \_\_\_\_ / \_\_\_\_ to \_\_\_\_ / \_\_\_\_ / \_\_\_\_.  
(All years thus far combined) (Initial start date) (Amendment end

date)

Signature Page for:

Contract Number: \_\_\_\_\_ Contractor: \_\_\_\_\_

Amendment Number: X- \_\_\_\_\_

-----  
IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT as of the dates appearing under their signatures.

**CONTRACTOR SIGNATURE:**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
(signature)

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF NEW YORK )  
) SS:  
County of \_\_\_\_\_ )

On the \_\_\_ day of \_\_\_\_\_ in the year \_\_\_\_\_ before me, the undersigned, personally appeared \_\_\_\_\_, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is(are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their/ capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

\_\_\_\_\_  
(Signature and office of the individual taking acknowledgement)

-----  
**STATE AGENCY SIGNATURE**

"In addition to the acceptance of this contract, I also certify that original copies of this signature page will be attached to all other exact copies of this contract."

By: \_\_\_\_\_ Date: \_\_\_\_\_  
(signature)

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

-----  
**ATTORNEY GENERAL'S SIGNATURE**

By: \_\_\_\_\_ Date: \_\_\_\_\_

**STATE COMPTROLLER'S SIGNATURE**

By: \_\_\_\_\_ Date: \_\_\_\_\_

## Appendix H

for CONTRACTOR that uses or discloses individually identifiable health information on behalf of a New York State Department of Health HIPAA-Covered Program

- I. Definitions. For purposes of this Appendix H of this AGREEMENT:
  - A. “Business Associate” shall mean CONTRACTOR.
  - B. “Covered Program” shall mean the STATE.
  - C. Other terms used, but not otherwise defined, in this AGREEMENT shall have the same meaning as those terms in the federal Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), the Health Information Technology for Economic and Clinical Health Act (“HITECH”) and implementing regulations, including those at 45 CFR Parts 160 and 164.
- II. Obligations and Activities of Business Associate:
  - A. Business Associate agrees to not use or disclose Protected Health Information other than as permitted or required by this AGREEMENT or as Required By Law.
  - B. Business Associate agrees to use the appropriate administrative, physical and technical safeguards to prevent use or disclosure of the Protected Health Information other than as provided for by this AGREEMENT.
  - C. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this AGREEMENT.
  - D. Business Associate agrees to report to Covered Program as soon as reasonably practicable any use or disclosure of the Protected Health Information not provided for by this AGREEMENT of which it becomes aware. Business Associate also agrees to report to Covered Program any Breach of Unsecured Protected Health Information of which it becomes aware. Such report shall include, to the extent possible:
    1. A brief description of what happened, including the date of the Breach and the date of the discovery of the Breach, if known;
    2. A description of the types of Unsecured Protected Health Information that were involved in the Breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved);
    3. Any steps individuals should take to protect themselves from potential harm resulting from the breach;
    4. A description of what Business Associate is doing to investigate the Breach, to mitigate harm to individuals, and to protect against any further Breaches; and
    5. Contact procedures for Covered Program to ask questions or learn additional information.
  - E. Business Associate agrees to ensure that any agent, including a subcontractor, to

whom it provides Protected Health Information received from, or created or received by Business Associate on behalf of Covered Program agrees to the same restrictions and conditions that apply through this AGREEMENT to Business Associate with respect to such information.

- F. Business Associate agrees to provide access, at the request of Covered Program, and in the time and manner designated by Covered Program, to Protected Health Information in a Designated Record Set, to Covered Program in order for Covered Program to comply with 45 CFR § 164.524.
- G. Business Associate agrees to make any amendment(s) to Protected Health Information in a Designated Record Set that Covered Program directs in order for Covered Program to comply with 45 CFR § 164.526.
- H. Business Associate agrees to make internal practices, books, and records, including policies and procedures and Protected Health Information, relating to the use and disclosure of Protected Health Information received from, or created or received by Business Associate on behalf of, Covered Program available to Covered Program, or to the Secretary of the federal Department of Health and Human Services, in a time and manner designated by Covered Program or the Secretary, for purposes of the Secretary determining Covered Program's compliance with HIPAA, HITECH and 45 CFR Parts 160 and 164.
- I. Business Associate agrees to document such disclosures of Protected Health Information and information related to such disclosures as would be required for Covered Program to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR § 164.528.
- J. Business Associate agrees to provide to Covered Program, in time and manner designated by Covered Program, information collected in accordance with this AGREEMENT, to permit Covered Program to comply with 45 CFR § 164.528.
- K. Business Associate agrees to comply with the security standards for the protection of electronic protected health information in 45 CFR § 164.308, 45 CFR § 164.310, 45 CFR § 164.312 and 45 CFR § 164.316.

### III. Permitted Uses and Disclosures by Business Associate

- A. Except as otherwise limited in this AGREEMENT, Business Associate may only use or disclose Protected Health Information as necessary to perform functions, activities, or services for, or on behalf of, Covered Program as specified in this AGREEMENT.
- B. Business Associate may use Protected Health Information for the proper management and administration of Business Associate.
- C. Business Associate may disclose Protected Health Information as Required By Law.

### IV. Term and Termination

- A. This AGREEMENT shall be effective for the term as specified on the cover page of this AGREEMENT, after which time all of the Protected Health Information provided by Covered Program to Business Associate, or created or received by

Business Associate on behalf of Covered Program, shall be destroyed or returned to Covered Program; provided that, if it is infeasible to return or destroy Protected Health Information, protections are extended to such information, in accordance with the termination provisions in this Appendix H of this AGREEMENT.

- B. Termination for Cause. Upon Covered Program's knowledge of a material breach by Business Associate, Covered Program may provide an opportunity for Business Associate to cure the breach and end the violation or may terminate this AGREEMENT if Business Associate does not cure the breach and end the violation within the time specified by Covered Program, or Covered Program may immediately terminate this AGREEMENT if Business Associate has breached a material term of this AGREEMENT and cure is not possible.
- C. Effect of Termination.
  - 1. Except as provided in paragraph (c)(2) below, upon termination of this AGREEMENT, for any reason, Business Associate shall return or destroy all Protected Health Information received from Covered Program, or created or received by Business Associate on behalf of Covered Program. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.
  - 2. In the event that returning or destroying the Protected Health Information is infeasible, Business Associate shall provide to Covered Program notification of the conditions that make return or destruction infeasible. Upon mutual agreement of Business Associate and Covered Program that return or destruction of Protected Health Information is infeasible, Business Associate shall extend the protections of this AGREEMENT to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

V. Violations

- A. Any violation of this AGREEMENT may cause irreparable harm to the STATE. Therefore, the STATE may seek any legal remedy, including an injunction or specific performance for such harm, without bond, security or necessity of demonstrating actual damages.
- B. Business Associate shall indemnify and hold the STATE harmless against all claims and costs resulting from acts/omissions of Business Associate in connection with Business Associate's obligations under this AGREEMENT. Business Associate shall be fully liable for the actions of its agents, employees, partners or subcontractors and shall fully indemnify and save harmless the STATE from suits, actions, damages and costs, of every name and description relating to breach notification required by 45 CFR Part 164 Subpart D, or State Technology Law § 208, caused by any intentional act or negligence of Business Associate, its agents, employees, partners or subcontractors, without limitation; provided,

however, that Business Associate shall not indemnify for that portion of any claim, loss or damage arising hereunder due to the negligent act or failure to act of the STATE.

VI. Miscellaneous

- A. Regulatory References. A reference in this AGREEMENT to a section in the Code of Federal Regulations means the section as in effect or as amended, and for which compliance is required.
- B. Amendment. Business Associate and Covered Program agree to take such action as is necessary to amend this AGREEMENT from time to time as is necessary for Covered Program to comply with the requirements of HIPAA, HITECH and 45 CFR Parts 160 and 164.
- C. Survival. The respective rights and obligations of Business Associate under (IV)(C) of this Appendix H of this AGREEMENT shall survive the termination of this AGREEMENT.
- D. Interpretation. Any ambiguity in this AGREEMENT shall be resolved in favor of a meaning that permits Covered Program to comply with HIPAA, HITECH and 45 CFR Parts 160 and 164.
- E. HIV/AIDS. If HIV/AIDS information is to be disclosed under this AGREEMENT, Business Associate acknowledges that it has been informed of the confidentiality requirements of Public Health Law Article 27-F.

## Appendix G

### NOTICES

All notices permitted or required hereunder shall be in writing and shall be transmitted either:

- (a) via certified or registered United States mail, return receipt requested;
- (b) by facsimile transmission;
- (c) by personal delivery;
- (d) by expedited delivery service; or
- (e) by e-mail.

Such notices shall be addressed as follows or to such different addresses as the parties may from time to time designate:

#### **State of New York Department of Health**

Name:

Title:

Address:

Telephone Number:

Facsimile Number:

E-Mail Address:

#### **[Insert Contractor Name]**

Name:

Title:

Address:

Telephone Number:

Facsimile Number:

E-Mail Address:

Any such notice shall be deemed to have been given either at the time of personal delivery or, in the case of expedited delivery service or certified or registered United States mail, as of the date of first attempted delivery at the address and in the manner provided herein, or in the case of facsimile transmission or email, upon receipt.

The parties may, from time to time, specify any new or different address in the United States as their address for purpose of receiving notice under this AGREEMENT by giving fifteen (15) days written notice to the other party sent in accordance herewith. The parties agree to mutually designate individuals as their respective representative for the purposes of receiving notices under this AGREEMENT. Additional individuals may be designated in writing by the parties for purposes of implementation and administration/billing, resolving issues and problems, and/or for dispute resolution.