

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

June 3, 2008

CHANGE NOTICE NO. 5
TO
CONTRACT NO. 071B4200230
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR First Data Government Solutions Inc. 11311 Cornell Park Drive, Suite 300 Cincinnati, OH 45242 gwilliams@fdgs.com	TELEPHONE Gwen Williams (334) 717-4946
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-4225 Kevin Dunn
Contract Compliance Inspector: Karen Parker Conversion of Paper Medicaid Claims to Electronic Transactions – DCH	
CONTRACT PERIOD: From: April 1, 2004 To: September 30, 2009	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

NATURE OF CHANGE(S):

Effective immediately, this Contract is hereby extended through September 30, 2009. All other terms, conditions, specifications, and pricing remain the same.

AUTHORITY/REASON:

Per request from agency and DMB/Purchasing Operations' approval.

CURRENT AUTHORIZED SPEND LIMIT REMAINS: \$1,524,950.00

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

August 27, 2007

CHANGE NOTICE NO. 4
 TO
 CONTRACT NO. 071B4200230
 between
 THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF VENDOR		TELEPHONE Gwen Williams (334) 717-4946
First Data Government Solutions Inc. 11311 Cornell Park Drive, Suite 300 Cincinnati, OH 45242 gwilliams@fdgs.com		VENDOR NUMBER/MAIL CODE
		BUYER/CA (517) 241-4225 Kevin Dunn
Contract Compliance Inspector: Karen Parker Conversion of Paper Medicaid Claims to Electronic Transactions – DCH		
CONTRACT PERIOD: From: April 1, 2004		To: September 30, 2008
TERMS	SHIPMENT	
N/A	N/A	
F.O.B.	SHIPPED FROM	
N/A	N/A	
MINIMUM DELIVERY REQUIREMENTS		
N/A		

NATURE OF CHANGE(S):

Effective immediately, this Contract is hereby extended one (1) year until September 30, 2008. No additional dollars will be needed for the duration. All other terms, conditions, specifications, and pricing remain the same.

AUTHORITY/REASON:

Per request from agency and DMB/Purchasing Operations approval.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$1,524,950.00

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

July 5, 2006

CHANGE NOTICE NO. 3
TO
CONTRACT NO. 071B4200230
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR First Data Government Solutions Inc. 11311 Cornell Park Drive, Suite 300 Cincinnati, OH 45242 druberg@govconnect.com	TELEPHONE Don Ruberg (513) 489-9599
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-4225 Kevin Dunn
Contract Compliance Inspector: Karen Parker Conversion of Paper Medicaid Claims to Electronic Transactions – DCH	
CONTRACT PERIOD: From: April 1, 2004 To: September 30, 2007	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NATURE OF CHANGE(S):

Effective immediately this Contract is hereby extended one (1) year until September 30, 2007. No additional dollars will be needed for the duration. All other terms, conditions, specifications and pricing remain the same. **NOTE: Buyer is changed to Kevin Dunn (517) 241-4225.**

AUTHORITY/REASON:

Per request from agency and DMB/Purchasing Operations approval.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$1,524,950.00

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

June 2, 2006

CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B4200230
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR GovConnect, Inc. 11311 Cornell Park Drive, Suite 300 Cincinnati, OH 45242 druberg@govconnect.com	TELEPHONE Don Ruberg (513) 489-9599
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-1647 Irene Pena, CPPB
Contract Compliance Inspector: Karen Parker Conversion of Paper Medicaid Claims to Electronic Transactions - DCH	
CONTRACT PERIOD: From: April 1, 2004 To: September 30, 2005	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

NATURE OF CHANGE(S):

Effective immediately the Contract Compliance Inspector is changed to Karen Parker (517) 335-5455 – ParkerK@michigan.gov. All terms and conditions remain the same.

AUTHORITY/REASON:

Per request from agency and DMB/Purchasing Operations approval.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$1,524,950.00

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 ACQUISITION SERVICES
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

September 9, 2005

CHANGE NOTICE NO. 1
 TO
 CONTRACT NO. 071B4200230
 between
 THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF VENDOR GovConnect, Inc. 11311 Cornell Park Drive, Suite 300 Cincinnati, OH 45242 druberg@govconnect.com	TELEPHONE Don Ruberg (513) 489-9599
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-1647 Irene Pena, CPPB
Contract Compliance Inspector: Dave McLaury Conversion of Paper Medicaid Claims to Electronic Transactions - DCH	
CONTRACT PERIOD: From: April 1, 2004 To: September 30, 2006	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NATURE OF CHANGE(S):

Effective immediately, this contract is hereby EXTENDED through September 30, 2006.
 No additional dollars will be needed for the duration. All other terms and conditions remain the same.

AUTHORITY/REASON:

Per request from agency and Acquisition Services agreement.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$1,524,950.00

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 ACQUISITION SERVICES
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

CONTRACT NO. 071B4200230
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR GovConnect, Inc. 11311 Cornell Park Drive, Suite 300 Cincinnati, OH 45242 druberg@govconnect.com	TELEPHONE Don Ruberg (513) 489-9599 VENDOR NUMBER/MAIL CODE BUYER/CA (517) 241-1647 Irene Pena, CPPB
Contract Compliance Inspector: Dave McLaury <p style="text-align: center;">Conversion of Paper Medicaid Claims to Electronic Transactions - DCH</p>	
CONTRACT PERIOD: From: April 1, 2004 To: September 30, 2005	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	
MISCELLANEOUS INFORMATION: <p>The terms and conditions of this Contract are those of ITB #07114001048, this Contract Agreement and the vendor's quote dated 12/16/2003. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence.</p> <p>Estimated Contract Value: \$1,524,950.00</p>	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the **ITB No. 07114001048**. A Purchase Order Form will be issued only as the requirements of the Department of Community Health are submitted to Acquisition Services. Orders for delivery may be issued directly by the **Department of Community Health** through the issuance of a Purchase Order Form.

All terms and conditions of the invitation to bid are made a part hereof.

FOR THE VENDOR: GovConnect, Inc.	FOR THE STATE:
Firm Name	Signature Anthony J. DesChenes, Director
Authorized Agent Signature	Name Strategic Business Development Acquisition Services
Authorized Agent (Print or Type)	Title
Date	Date



SECTION I
CONTRACTUAL SERVICES TERMS AND CONDITIONS

I-A PURPOSE

The purpose of this Contract is to provide enhancement of electronic billing to Medicaid program Electronic Time Authentication Phases 1, 2, & 3.

Contract awarded from this solicitation will be a unit price Contract.

I-B TERM OF CONTRACT

The State of Michigan is not liable for any cost incurred by any bidder prior to signing of a Contract by all parties. The activities (be sure to spell out activity) in the proposed Contract cover the period April 1, 2004 to September 30, 2005 with two optional one-year renewals. The State fiscal year is October 1st through September 30th. The Contractor should realize that payments in any given fiscal year are contingent upon enactment of legislative appropriations.

I-C ISSUING OFFICE

This Contract is issued by the State of Michigan, Department of Management and Budget (DMB), Acquisition Services, hereafter known as Acquisition Services, for the State of Michigan, Michigan Department of Community Health. Where actions are a combination of those of Acquisition Services and Michigan Department of Community Health, the authority will be known as the State.

Acquisition Services is the sole point of contact in the State with regard to all procurement and contractual matters relating to the services described herein. Acquisition Services is the only office authorized to change, modify, amend, alter, clarify, etc., the prices, specifications, terms, and conditions of this Contract. Acquisition Services will remain the SOLE POINT OF CONTACT throughout the procurement process, until such time as the Director of Acquisition Services shall direct otherwise in writing. See Paragraph II-C below. All communications concerning this procurement must be addressed to:

Irene Pena, CPPB
DMB, Acquisition Services
2nd Floor, Mason Building
P.O. Box 30026
Lansing, MI 48909
Penai1@michigan.gov
Phone: (517) 241-1647

I-D CONTRACT COMPLIANCE INSPECTOR

Upon receipt at Acquisition Services of the properly executed Contract Agreement, it is anticipated that the Director of Acquisition Services will direct that the person named below or any other person so designated be authorized to administer the Contract on a day-to-day basis during the term of the Contract. However, administration of this Contract implies no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions, and specifications of such Contract. That authority is retained by Acquisition Services. The Contract Compliance Inspector for this project is:

David McLaury, Director
Bureau of Medicaid Financial Management
P.O. Box 30479
400 South Pine 7th Floor
Lansing, MI 48909-7979
mclauryd@michigan.gov
(517) 241-7135

**I-E COST LIABILITY**

The State of Michigan assumes no responsibility or liability for costs incurred by the Contractor prior to the signing of this Contract. Total liability of the State is limited to the terms and conditions of this Contract.

I-F CONTRACTOR RESPONSIBILITIES

The Contractor will be required to assume responsibility for all contractual activities offered in this proposal whether or not that Contractor performs them. Further, the State will consider the Prime Contractor to be the sole point of contact with regard to contractual matters, including but not limited to payment of any and all costs resulting from the Contract. If any part of the work is to be subcontracted, the contractor must notify the state and identify the subcontractor(s), including firm name and address, contact person, complete description of work to be subcontracted, and descriptive information concerning subcontractor's organizational abilities. The State reserves the right to approve subcontractors for this project and to require the Contractor to replace subcontractors found to be unacceptable. The Contractor is totally responsible for adherence by the subcontractor to all provisions of the Contract.

I-G NEWS RELEASES

News releases pertaining to this document or the services, study, data, or project to which it relates will not be made without prior written State approval, and then only in accordance with the explicit written instructions from the State. No results of the program are to be released without prior approval of the State and then only to persons designated.

I-H DISCLOSURE

All information in a bidder's proposal and this Contract is subject to the provisions of the Freedom of Information Act, 1976 Public Act No. 442, as amended, MCL 15.231, *et seq.*

I-I ACCOUNTING RECORDS

The Contractor will be required to maintain all pertinent financial and accounting records and evidence pertaining to the Contract in accordance with generally accepted principles of accounting and other procedures specified by the State of Michigan. Financial and accounting records shall be made available, upon reasonable notice and written request, to the State of Michigan, its designees, or the Michigan Auditor General at any time during the Contract period and any extension thereof, and for three (3) years from the expiration date and final payment on the Contract or extension thereof.

I-J INDEMNIFICATION**A. General Indemnification**

To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State, its departments, divisions, agencies, sections, commissions, officers, employees and agents, from and against all losses, liabilities, penalties, fines, damages and claims (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties), to the extent arising from or in connection with any of the following:

1. any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from the negligence of the Contractor or any of its subcontractors in relation to: (1) the product provided or (2) performance of the work, duties, responsibilities, actions or omissions of the Contractor or any of its subcontractors under this Contract.
2. any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from a breach by the Contractor of any representation or warranty made by the Contractor in the Contract;



3. any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or related to occurrences that the Contractor is required to insure against as provided for in this Contract;
4. any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from the death or bodily injury of any person, or the damage, loss or destruction of any real or tangible personal property, in connection with the performance of services by the Contractor, by any of its subcontractors, by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable; provided, however, that this indemnification obligation shall not apply to the extent, if any, that such death, bodily injury or property damage is caused solely by the negligence or reckless or intentional wrongful conduct of the State;
5. any claim, demand, action, citation or legal proceeding against the State, its employees and agents which results from an act or omission of the Contractor or any of its subcontractors in its or their capacity as an employer of a person.

B. Patent/Copyright Infringement Indemnification

To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State, its employees and agents from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that such action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors,

or the operation of such equipment, software, commodity or service, or the use or reproduction of any documentation provided with such equipment, software, commodity or service infringes any United States or foreign patent, copyright, trade secret or other proprietary right of any person or entity, which right is enforceable under the laws of the United States. In addition, should the equipment, software, commodity, or service, or the operation thereof, become or in the Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor shall at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if such option is not reasonably available to the Contractor, (ii) replace or modify the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if such option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it. Notwithstanding the above, however, such indemnification obligation shall not apply to the extent such claim of infringement arises from: (a) any modification of such equipment, software, commodity or service by the State or any other third party not within Contractor's control or (b) any use of the equipment, software, commodity or service that is inconsistent with the instructions or documentation provided to the State by the Contractor.

C. Indemnification Obligation Not Limited

In any and all claims against the State of Michigan, or any of its agents or employees, by any employee of the Contractor or any of its subcontractors, the indemnification obligation under the Contract shall not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Contractor or any of its subcontractors under worker's disability compensation acts, disability benefits acts, or other employee benefits acts. This indemnification clause is intended to be comprehensive. Any overlap in subclauses, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other subclause.

**D. Continuation of Indemnification Obligation**

The duty to indemnify will continue in full force and affect notwithstanding the expiration or early termination of the Contract with respect to any claims based on facts or conditions, which occurred prior to termination.

I-K LIMITATION OF LIABILITY

Notwithstanding anything else herein, neither the Contractor nor the State shall be liable to the other party for indirect or consequential damages, even if such party has been advised of the possibility of such damages. In addition, under no circumstances shall Contractor's liability under this Contract exceed the total amount of the Contract.

I-L NON INFRINGEMENT/COMPLIANCE WITH LAWS

The Contractor warrants that in performing the services called for by this Contract it will not violate any applicable law, rule, or regulation, any contracts with third parties, or any intellectual rights of any third party, including but not limited to, any United States patent, trademark, copyright, or trade secret.

I-M WARRANTIES AND REPRESENTATIONS

The Contract will contain customary representations and warranties by the Contractor, including, without limitation, the following:

1. The Contractor will perform all services in accordance with high professional standards in the industry;
2. The Contractor will use adequate numbers of qualified individuals with suitable training, education, experience and skill to perform the services;
3. The Contractor will use its commercially reasonable efforts to use efficiently any resources or services necessary to provide the services that are separately chargeable to the State;
4. The Contractor will use its commercially reasonable efforts to perform the services in the most cost effective manner consistent with the required level of quality and performance;
5. The Contractor will perform the services in a manner that does not infringe the proprietary rights of any third party;
6. The Contractor will perform the services in a manner that complies with all applicable laws and regulations;
7. The Contractor has duly authorized the execution, delivery and performance of the Contract;
8. The Contractor has not provided any gifts, payments or other inducements to any officer, employee or agent of the State;

I-N TIME IS OF THE ESSENCE

The Contractor agrees that time is of the essence in the performance of the Contractor's obligations under this Contract.

I-O STAFFING OBLIGATIONS

The State reserves the right to approve the Contractor's assignment of Key Personnel to this project and to recommend reassignment of personnel deemed unsatisfactory by the State.

The Contractor shall not remove or reassign, without the State's prior written approval any of the Key Personnel until such time as the Key Personnel have completed all of their planned and assigned responsibilities in connection with performance of the Contractor's obligations under this Contract. The Contractor agrees that the continuity of Key Personnel is critical and agrees to the continuity of Key Personnel. Removal of Key Personnel without the written consent of the State may be considered by



the State to be a material breach of this Contract. The prohibition against removal or reassignment shall not apply where Key Personnel must be replaced for reasons beyond the reasonable control of the Contractor including but not limited to illness, disability, resignation or termination of the Key Personnel's employment.

I-P WORK PRODUCT AND OWNERSHIP

1. Work Products shall be considered works made by the Contractor for hire by the State and shall belong exclusively to the State and its designees, unless specifically provided otherwise by mutual agreement of the Contractor and the State. If by operation of law any of the Work Product, including all related intellectual property rights, is not owned in its entirety by the State automatically upon creation thereof, the Contractor agrees to assign, and hereby assigns to the State and its designees the ownership of such Work Product, including all related intellectual property rights. The Contractor agrees to provide, at no additional charge, any assistance and to execute any action reasonably required for the State to perfect its intellectual property rights with respect to the aforementioned Work Product. Notwithstanding the foregoing or anything else herein, the GovConnect Authenticare solution and all functionality related thereto including enhancements, modifications, and additional development in connection with the Authenticare solution, shall be considered Proprietary Work, as set forth below, and shall not be considered Work Product (s).
2. Notwithstanding any provision of this Contract to the contrary, any preexisting work or materials, or work or materials created or acquired by Contractor outside the cope of this Contract (collectively, the "Proprietary Work"), including but not limited to, any routines, libraries, tools, methodologies, processes or technologies (collectively, the "Development Tools") created, adapted or used by the Contractor in its business generally, including any and all associated intellectual property rights, shall be and remain the sole property of the Contractor, and the State shall have no interest in or claim to such Proprietary Work, materials or Development Tools, except as necessary to exercise its rights in the Work Product. Such rights belonging to the State shall include, but not be limited to, the right to use, execute, reproduce, display, perform and distribute copies of and prepare derivative works based upon the Work Product, and the right to authorize others to do any of the foregoing.
3. The Contractor and its subcontractors shall be free to use and employ their general skills, knowledge and expertise, and to use, disclose, and employ any generalized ideas, concepts, knowledge, methods, techniques or skills gained or learned during the course of performing the services under this Contract, so long as the Contractor or its subcontractors acquire and apply such information without disclosure of any confidential or proprietary information of the State, and without any unauthorized use or disclosure of any Work Product resulting from this Contract.

I-Q CONFIDENTIALITY OF DATA AND INFORMATION

1. All financial, statistical, personnel, technical and other data and information relating to the State's operation which are designated confidential by the State and made available to the Contractor in order to carry out this Contract, or which become available to the Contractor in carrying out this Contract, shall be protected by the Contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State. The identification of all such confidential data and information as well as the State's procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by the State in writing to the Contractor. If the methods and procedures employed by the Contractor for the protection of the Contractor's data and information are deemed by the State to be adequate for the protection of the State's confidential information, such methods and procedures may be used, with the written consent of the State, to carry out the intent of this section.
2. The Contractor shall not be required under the provisions of this section to keep confidential, (1) information generally available to the public, (2) information released by the State generally, or to the Contractor without restriction, (3) information independently developed or acquired by the



Contractor or its personnel without reliance in any way on otherwise protected information of the State. Notwithstanding the foregoing restrictions, the Contractor and its personnel may use and disclose any information which it is otherwise required by law to disclose, but in each case only after the State has been so notified, and has had the opportunity, if possible, to obtain reasonable protection for such information in connection with such disclosure. Compliance with all requirements of HIPAA is expected.

I-R REMEDIES FOR BREACH OF CONFIDENTIALITY

The Contractor acknowledges that a breach of its confidentiality obligations as set forth in section I-Q of this Contract shall be considered a material breach of the Contract. Furthermore the Contractor acknowledges that in the event of such a breach the State shall be irreparably harmed. Accordingly, if a court should find that the Contractor has breached or attempted to breach any such obligations, the Contractor will not oppose the entry of an appropriate order restraining it from any further breaches or attempted or threatened breaches. This remedy shall be in addition to and not in limitation of any other remedy or damages provided by law.

I-S CONTRACTOR'S LIABILITY INSURANCE

The Contractor is required to provide proof of the minimum levels of insurance coverage as indicated below. The purpose of this coverage shall be to protect the State from claims which may arise out of or result from the Contractor's performance of services under the terms of this Contract, whether such services are performed by the Contractor, or by any subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

The Contractor waives all rights against the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies the Contractor is required to maintain pursuant to this Contract. The Contractor also agrees to provide evidence that all applicable insurance policies contain a waiver of subrogation by the insurance company.

All insurance coverage's provided relative to this Contract/Purchase Order is PRIMARY and NON-CONTRIBUTING to any comparable liability insurance (including self-insurances) carried by the State.

The Insurance shall be written for not less than any minimum coverage herein specified or required by law, whichever is greater. All deductible amounts for any of the required policies are subject to approval by the State.

The State reserves the right to reject insurance written by an insurer the State deems unacceptable.

BEFORE THE CONTRACT IS SIGNED BY BOTH PARTIES OR BEFORE THE PURCHASE ORDER IS ISSUED BY THE STATE, THE CONTRACTOR MUST FURNISH TO THE DIRECTOR OF Acquisition Services, CERTIFICATE(S) OF INSURANCE VERIFYING INSURANCE COVERAGE.

THE CERTIFICATE MUST BE ON THE STANDARD "ACCORD" FORM. THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING. All such Certificate(s) are to be prepared and submitted by the Insurance Provider and not by the Contractor. All such Certificate(s) shall contain a provision indicating that coverages afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without THIRTY (30) days prior written notice, except for 10 days for non-payment of premium, having been given to the Director of Acquisition Services, Department of Management and Budget. Such NOTICE must include the CONTRACT NUMBER affected and be mailed to: Director, Acquisition Services, Department of Management and Budget, P.O. Box 30026, Lansing, Michigan 48909.

The Contractor is required to provide the type and amount of insurance checked () below:

- 1. Commercial General Liability with the following minimum coverages:
\$2,000,000 General Aggregate Limit other than Products/Completed Operations



\$2,000,000 Products/Completed Operations Aggregate Limit
\$1,000,000 Personal & Advertising Injury Limit
\$1,000,000 Each Occurrence Limit
\$500,000 Fire Damage Limit (any one fire)

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the Commercial General Liability policy.

- 2. If a motor vehicle is used to provide services or products under this Contract, the Contractor must have vehicle liability insurance on any auto including owned, hired and non-owned vehicles used in Contractor’s business for bodily injury and property damage as required by law.

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the vehicle liability policy.

- 3. Worker’s disability compensation, disability benefit or other similar employee benefit act with minimum statutory limits. NOTE: (1) If coverage is provided by a State fund or if Contractor has qualified as a self-insurer, separate certification must be furnished that coverage is in the state fund or that Contractor has approval to be a self-insurer; (2) Any citing of a policy of insurance must include a listing of the States where that policy’s coverage is applicable; and (3) Any policy of insurance must contain a provision or endorsement providing that the insurers’ rights of subrogation are waived. This provision shall not be applicable where prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

- 4. For contracts providing temporary staff personnel to the State, the Contractor shall provide an Alternate Employer Endorsement with minimum coverage of \$1,000,000.

- 5. Employers liability insurance with the following minimum limits:
\$100,000 each accident
\$100,000 each employee by disease
\$500,000 aggregate disease

- 6. Professional Liability Insurance (Errors and Omissions coverage) with the following minimum coverage
 - \$1,000,000 each occurrence and \$3,000,000 annual aggregate
 - \$3,000,000 each occurrence and \$5,000,000 annual aggregate
 - \$5,000,000 each occurrence and \$10,000,000 annual aggregate

- 7. Medical Professional Liability, minimum coverage
 - \$100,000 each occurrence and \$300,000 annual aggregate
 - \$200,000 each occurrence and \$600,000 annual aggregate
 - \$1,000,000 each occurrence and \$5,000,000 annual aggregate

I-T NOTICE AND RIGHT TO CURE

In the event of a curable breach by the Contractor, the State shall provide the Contractor written notice of the breach and a time period to cure said breach described in the notice. This section requiring notice and an opportunity to cure shall not be applicable in the event of successive or repeated breaches of the same nature or if the State determines in its sole discretion that the breach poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage or destruction of any real or tangible personal property.

**I-U CANCELLATION**

The Contractor may cancel this Contract without further liability or penalty to Contractor, its agents or employees in the event that the State breaches any of its material duties or obligations under the Contract which are not capable or subject to being cured, or are not cured within the time period specified in the written notice of breach provided by Contractor.

The State may cancel this Contract without further liability or penalty to the State, its departments, divisions, agencies, offices, commissions, officers, agents and employees for any of the following reasons:

1. Material Breach by the Contractor. In the event that the Contractor breaches any of its material duties or obligations under the Contract, which are either not capable of or subject to being cured, or are not cured within the time period specified in the written notice of breach provided by the State, or pose a serious and imminent threat to the health and safety of any person, or the imminent loss, damage or destruction of any real or tangible personal property, the State may, having provided written notice of cancellation to the Contractor, cancel this Contract in whole or in part, for cause, as of the date specified in the notice of cancellation.

In the event that this Contract is cancelled for cause, in addition to any legal remedies otherwise available to the State by law or equity, the Contractor shall be responsible for all costs incurred by the State in canceling the Contract, including but not limited to, State administrative costs, attorneys fees and court costs, and any additional costs the State may incur to procure the services required by this Contract from other sources. All excess reprocurement costs and damages shall not be considered by the parties to be consequential, indirect or incidental, and shall not be excluded by any other terms otherwise included in the Contract.

In the event the State chooses to partially cancel this Contract for cause charges payable under this Contract will be equitably adjusted to reflect those services that are cancelled.

In the event this Contract is cancelled for cause pursuant to this section, and it is therefore determined, for any reason, that the Contractor was not in breach of contract pursuant to the provisions of this section, that cancellation for cause shall be deemed to have been a cancellation for convenience, effective as of the same date, and the rights and obligations of the parties shall be limited to that otherwise provided in the Contract for a cancellation for convenience.

2. Cancellation For Convenience By the State. The State may cancel this Contract for its convenience, in whole or part, if the State determines that such a cancellation is in the State's best interest. Reasons for such cancellation shall be left to the sole discretion of the State and may include, but not limited to (a) the State no longer needs the services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Contract services no longer practical or feasible, and (c) unacceptable prices for additional services requested by the State. The State may cancel the Contract for its convenience, in whole or in part, by giving the Contractor written notice 30 days prior to the date of cancellation. If the State chooses to cancel this Contract in part, the charges payable under this Contract shall be equitably adjusted to reflect those services that are cancelled.
3. Non-Appropriation. In the event that funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available. The Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this project. If funds are not appropriated or otherwise made available, the State shall have the right to cancel this Contract at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of cancellation to the Contractor. The State shall give the Contractor written notice of such non-appropriation or unavailability within 30 days after it receives notice of such non-appropriation or unavailability.



4. Criminal Conviction. In the event the Contractor, an officer of the Contractor, or an owner of a 25% or greater share of the Contractor, is convicted of a criminal offense incident to the application for or performance of a State, public or private Contract or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State, reflects upon the Contractor's business integrity.
5. Approvals Rescinded. The State may terminate this Contract without further liability or penalty in the event any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services pursuant to Constitution 1963, Article 11, section 5, and Civil Service Rule 7. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in such written notice.

I-V RIGHTS AND OBLIGATIONS UPON CANCELLATION

1. If the Contract is canceled by the State for any reason, the Contractor shall, (a) stop all work as specified in the notice of cancellation, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Work Product or other property derived or resulting from the Contract that may be in the Contractor's possession, (c) return all materials and property provided directly or indirectly to the Contractor by any entity, agent or employee of the State, (d) transfer title and deliver to the State, unless otherwise directed by the Contract Compliance Inspector or his or her designee, all Work Product resulting from the Contract, and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or cancellation settlement costs, to the maximum practical extent, including, but not limited to, canceling or limiting as otherwise applicable, those subcontracts, and outstanding orders for material and supplies resulting from the canceled Contract.
2. In the event the State cancels this Contract prior to its expiration for its own convenience, the State shall pay the Contractor for all charges due for services provided prior to the date of cancellation and if applicable as a separate item of payment pursuant to the Contract, for partially completed Work Product, on a percentage of completion basis. In the event of a cancellation for cause, or any other reason under the Contract, the State will pay, if applicable, as a separate item of payment pursuant to the Contract, for all partially completed Work Products, to the extent that the State requires the Contractor to submit to the State any such deliverables, and for all charges due under the Contract for any cancelled services provided by the Contractor prior to the cancellation date. All completed or partially completed Work Product prepared by the Contractor pursuant to this Contract shall, at the option of the State, become the State's property, and the Contractor shall be entitled to receive just and fair compensation for such Work Product. Regardless of the basis for the cancellation, the State shall not be obligated to pay, or otherwise compensate, the Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.
3. If any such cancellation by the State is for cause, the State shall have the right to set-off against any amounts due the Contractor, the amount of any damages for which the Contractor is liable to the State under this Contract or pursuant to law and equity.
4. Upon a good faith cancellation, the State shall have the right to assume, at its option, any and all subcontracts and agreements for services and materials provided under this Contract, and may further pursue completion of the Work Product under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

I-W EXCUSABLE FAILURE

1. Neither party shall be liable for any default or delay in the performance of its obligations under the Contract if and to the extent such default or delay is caused, directly or indirectly, by: fire, flood,



earthquake, elements of nature or acts of God; riots, civil disorders, rebellions or revolutions in any country; the failure of the other party to perform its material responsibilities under the Contract (either itself or through another contractor); injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused);

or any other cause beyond the reasonable control of such party; provided the non-performing party and its subcontractors are without fault in causing such default or delay, and such default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans. In such event, the non-performing party will be excused from any further performance or observance of the obligation(s) so affected for as long as such circumstances prevail and such party continues to use its best efforts to recommence performance or observance whenever and to whatever extent possible without delay provided such party promptly notifies the other party in writing of the inception of the excusable failure occurrence, and also of its abatement or cessation.

2. If any of the above enumerated circumstances substantially prevent, hinder, or delay performance of the services necessary for the performance of the State's functions for more than 14 consecutive days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected services from an alternate source, and the State shall not be liable for payments for the unperformed services under the Contract for so long as the delay in performance shall continue; (b) the State may cancel any portions of the Contract so affected and the charges payable thereunder shall be equitably adjusted to reflect those services canceled; or (c) the Contract will be canceled without liability of the State to the Contractor as of the date specified by the State in a written notice of cancellation to the Contractor. The Contractor will not have the right to any additional payments from the State as a result of any excusable failure occurrence or to payments for services not rendered as a result of the excusable failure condition. Defaults or delays in performance by the Contractor which are caused by acts or omissions of its subcontractors will not relieve the Contractor of its obligations under the Contract except to the extent that a subcontractor is itself subject to any excusable failure condition described above and the Contractor cannot reasonably circumvent the effect of the subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

I-X ASSIGNMENT

The Contractor shall not have the right to assign this Contract or to assign or delegate any of its duties or obligations under this Contract to any other party (whether by operation of law or otherwise), without the prior written consent of the State. Any purported assignment in violation of this section shall be null and void. Further, the Contractor may not assign the right to receive money due under the Contract without the prior written consent of the Director of Acquisition Services.

I-Y DELEGATION

The Contractor shall not delegate any duties or obligations under this Contract to a subcontractor other than a subcontractor named in the bid unless the Director of Acquisition Services has given written consent to the delegation.

I-Z NON-DISCRIMINATION CLAUSE

In the performance of this Contract, the bidder agrees not to discriminate against any employee or applicant for employment, with respect to their hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental disability unrelated to the individual's ability to perform the duties of the particular job or position. The Contractor further agrees that every subcontract entered into for the performance of this Contract will contain a provision requiring non-discrimination in employment, as herein specified, binding upon each subcontractor. This covenant is required pursuant to the Elliot Larsen Civil Rights Act, 1976 Public Act 453, as amended, MCL 37.2101, *et seq*, and the Persons with Disabilities Civil Rights Act, 1976 Public Act 220, as



amended, MCL 37.1101, *et seq*, and any breach thereof may be regarded as a material breach of the Contract or purchase order.

I-AA WORKPLACE SAFETY AND DISCRIMINATORY HARASSMENT

In performing services for the State pursuant to this Contract, the Contractor shall comply with Department of Civil Service Rules 2-20 regarding Workplace Safety and 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor shall comply with Civil Service Regulations governing workplace safety and discriminatory harassment and any applicable state agency rules on these matters that the agency provides to the Contractor. Department of Civil Service Rules and Regulations can be found on the Department of Civil Service website at www.michigan.gov/mdcs.

I-BB MODIFICATION OF SERVICE

The Director of Acquisition Services reserves the right to modify this service during the course of this Contract. Such modification may include adding or deleting tasks that this service shall encompass and/or any other modifications deemed necessary.

This Contract may not be revised, modified, amended, extended, or augmented, except by a writing executed by the parties hereto, and any breach or default by a party shall not be waived or released other than in writing signed by the other party.

The State reserves the right to request from time to time, any changes to the requirements and specifications of the Contract and the work to be performed by the Contractor under the Contract. The Contractor shall provide a change order process and all requisite forms. The State reserves the right to negotiate the process during contract negotiation. At a minimum, the State would like the Contractor to provide a detailed outline of all work to be done, including tasks necessary to accomplish the deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

1. Within five (5) business days of receipt of a request by the State for any such change, or such other period of time as to which the parties may agree mutually in writing, the Contractor shall submit to the State a proposal describing any changes in products, services, timing of delivery, assignment of personnel, and the like, and any associated price adjustment. The price adjustment shall be based on a good faith determination and calculation by the Contractor of the additional cost to the Contractor in implementing the change request less any savings realized by the Contractor as a result of implementing the change request.

The Contractor's proposal shall describe in reasonable detail the basis for the Contractor's proposed price adjustment, including the estimated number of hours by task by labor category required to implement the change request.

2. If the State accepts the Contractor's proposal, it will issue a change notice and the Contractor will implement the change request described therein. The Contractor will not implement any change request until a change notice has been issued validly. The Contractor shall not be entitled to any compensation for implementing any change request or change notice except as provided explicitly in an approved change notice.
3. If the State does not accept the Contractor's proposal, the State may:
 - a. withdraw its change request; or
 - b. modify its change request, in which case the procedures set forth above will apply to the modified change request.

If the State requests or directs the Contractor to perform any activities that are outside the scope of the Contractor's responsibilities under the Contract ("New Work"), the Contractor must notify the State promptly, and before commencing performance of the requested activities, that it believes the requested activities are New Work. If the Contractor fails to so notify the State prior to commencing



performance of the requested activities, any such activities performed before the Contractor gives notice shall be conclusively considered to be In-scope Services, not New Work.

If the State requests or directs the Contractor to perform any services or functions that are consistent with and similar to the services being provided by the Contractor under the Contract, but which the Contractor reasonably and in good faith believes are not included within the scope of the Contractor's responsibilities and charges as set forth in the Contract, then prior to performing such services or function, the Contractor shall promptly notify the State in writing that it considers the services or function to be an "Additional Service" for which the Contractor should receive additional compensation. If the Contractor does not so notify the State, the Contractor shall have no right to claim thereafter that it is entitled to additional compensation for performing such services or functions. If the Contractor does so notify the State, then such a service or function shall be governed by the change request procedure set forth in the preceding paragraph.

IN THE EVENT PRICES ARE NOT ACCEPTABLE TO THE STATE, THE CONTRACT SHALL BE SUBJECT TO COMPETITIVE BIDDING BASED UPON THE NEW SPECIFICATIONS.

I-CC NOTICES

Any notice given to a party under this Contract must be written and shall be deemed effective, if addressed to such party as addressed below upon (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by facsimile if a copy of the notice is sent by another means specified in this section; (iii) the third (3rd) Business Day after being sent by U.S. mail, postage pre-paid, return receipt requested; or (iv) the next Business Day after being sent by a nationally recognized overnight express courier with a reliable tracking system.

For the Contractor: Bruce Ficke
Sr. Vice President, Administration and Finance
GovConnect
11311 Cornell Park Drive, Suite 300
Cincinnati, OH 45242

For the State: Irene Pena, CPPB
Buyer
Acquisition Services
530 W. Allegan St.
Lansing, MI 48913

Either party may change its address where notices are to be sent giving written notice in accordance with this section.

I-DD ENTIRE AGREEMENT

The contents of this document and the vendor's proposal will become contractual obligations. Failure of the Contractor to accept these obligations may result in cancellation of the Contract.

This Contract shall represent the entire agreement between the parties and supersedes all proposals or other prior agreements, oral or written, and all other communications between the parties relating to this subject.

I-EE NO WAIVER OF DEFAULT

The failure of a party to insist upon strict adherence to any term of this Contract shall not be considered a waiver or deprive the party of the right thereafter to insist upon strict adherence to that term, or any other term, of the Contract.

**I-FF SEVERABILITY**

Each provision of the Contract shall be deemed to be severable from all other provisions of the Contract and, if one or more of the provisions of the Contract shall be declared invalid, the remaining provisions of the Contract shall remain in full force and effect.

I-GG HEADINGS

Captions and headings used in the Contract are for information and organization purposes. Captions and headings, including inaccurate references, do not, in any way, define or limit the requirements or terms and conditions of this Contract.

I-HH RELATIONSHIP OF THE PARTIES

The relationship between the State and the Contractor is that of client and independent Contractor. No agent, employee, or servant of the Contractor or any of its subcontractors shall be or shall be deemed to be an employee, agent, or servant of the State for any reason. The Contractor will be solely and entirely responsible for its acts and the acts of its agents, employees, servants and subcontractors during the performance of this Contract.

I-II UNFAIR LABOR PRACTICES

Pursuant to 1980 Public Act 278, as amended, MCL 423.231, et seq, the State shall not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled pursuant to section 2 of the Act. This information is compiled by the United States National Labor Relations Board.

A Contractor of the State, in relation to the Contract, shall not enter into a Contract with a subcontractor, manufacturer, or supplier whose name appears in this register. Pursuant to section 4 of 1980 Public Act 278, MCL 423.324, the State may void any Contract if, subsequent to award of the Contract, the name of the Contractor as an employer, or the name of the subcontractor, manufacturer or supplier of the Contractor appears in the register.

I-JJ SURVIVOR

Any provisions of the Contract that impose continuing obligations on the parties including, but not limited to the Contractor's indemnity and other obligations shall survive the expiration or cancellation of this Contract for any reason.

I-KK GOVERNING LAW

This Contract shall in all respects be governed by, and construed in accordance with, the laws of the State of Michigan. Any dispute arising herein shall be resolved in the State of Michigan.

I-LL YEAR 2000 SOFTWARE COMPLIANCE

The Contractor warrants that services provided under this Contract including but not limited to the production of all Work Products, shall be provided in an accurate and timely manner without interruption, failure or error due the inaccuracy of Contractor's business operations in processing 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. The Contractor shall be responsible for damages resulting from any delays, errors or untimely performance resulting therefrom.

I-MM CONTRACT DISTRIBUTION

Acquisition Services shall retain the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by Acquisition Services.

I-NN STATEWIDE CONTRACTS

If the contract is for the use of more than one agency and if the goods or services provided under the contract do not meet the form, function and utility required by an agency, that agency may, subject to state purchasing policies, procure the goods or services from another source.

**I-OO ADHERANCE TO PM METHODOLOGY STANDARD**

The State has adopted a standard, documented Project Management Methodology (PMM) for use on all Information Technology (IT) based projects. This policy is referenced in the document titled "Project Management Methodology" – DMB Administrative Guide Procedure 1380.02 issued June 2000. Vendors may obtain a copy of this procedure by contacting the DMB Office of Information Technology Solutions. The State of Michigan Project Management Methodology can be obtained from the DMB Office of Project Management's website at <http://www.state.mi.us/cio/opm>.

The contractor shall use the State's PMM to manage State of Michigan Information Technology (IT) based projects. The requesting agency will provide the applicable documentation and internal agency processes for the methodology. If the vendor requires training on the methodology, those costs shall be the responsibility of the vendor, unless otherwise stated.

I-PP ELECTRONIC FUNDS TRANSFER

Electronic transfer of funds is available to State contractors. Vendors are encouraged to register with the State of Michigan Office of Financial Management so the State can make payments related to this Contract electronically at www.cpexpress.state.mi.us.

I-QQ TRANSITION ASSISTANCE

If this Contract is not renewed at the end of this term, or is canceled prior to its expiration, for any reason, the Contractor must provide for up to 30 days after the expiration or cancellation of this Contract, all reasonable transition assistance requested by the State, to allow for the expired or canceled portion of the Services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to the State or its designees. Such transition assistance will be deemed by the parties to be governed by the terms and conditions of this Contract, (notwithstanding this expiration or cancellation) except for those Contract terms or conditions that do not reasonably apply to such transition assistance. The State shall pay the Contractor for any resources utilized in performing such transition assistance at the most current rates provided by the Contract for Contract performance. If the State cancels this Contract for cause, then the State will be entitled to off set the cost of paying the Contractor for the additional resources the Contractor utilized in providing transition assistance with any damages the State may have otherwise accrued as a result of said cancellation.

I-RR DISCLOSURE OF LITIGATION

1. The Contractor shall notify the State in its bid proposal, if it, or any of its subcontractors, or their officers, directors, or key personnel under this Contract, have ever been convicted of a felony, or any crime involving moral turpitude, including, but not limited to fraud, misappropriation or deception.

Contractor shall promptly notify the State of any criminal litigation, investigations or proceeding which may have arisen or may arise involving the Contractor or any of the Contractor's subcontractor, or any of the foregoing entities' then current officers or directors during the term of this Contract and three years thereafter.

2. The Contractor shall notify the State in its bid proposal, and promptly thereafter as otherwise applicable, of any civil litigation, arbitration, proceeding, or judgments that may have arisen against it or its subcontractors during the five years proceeding its bid proposal, or which may occur during the term of this Contract or three years thereafter, which involve (1) products or services similar to those provided to the State under this Contract and which either involve a claim in excess of \$250,000 or which otherwise may affect the viability or financial stability of the Contractor, or (2) a claim or written allegation of fraud by the Contractor or any subcontractor hereunder, arising out of their business activities, or (3) a claim or written allegation that the Contractor or any subcontractor hereunder violated any federal, state or local statute, regulation or ordinance. Multiple lawsuits and or judgments against the Contractor or subcontractor, in any an amount less than \$250,000 shall be disclosed to the State to the extent they affect the financial solvency and integrity of the Contractor or subcontractor.



3. All notices under subsection 1 and 2 herein shall be provided in writing to the State within fifteen business days after the Contractor learns about any such criminal or civil investigations and within fifteen days after the commencement of any proceeding, litigation, or arbitration, as otherwise applicable. Details of settlements which are prevented from disclosure by the terms of the settlement shall be annotated as such. Semi-annually, during the term of the Contract, and thereafter for three years, Contractor shall certify that it is in compliance with this Section. Contractor may rely on similar good faith certifications of its subcontractors, which certifications shall be available for inspection at the option of the State.
4. Assurances - In the event that such investigation, litigation, arbitration or other proceedings disclosed to the State pursuant to this Section, or of which the State otherwise becomes aware, during the term of this Contract, causes the State to be reasonably concerned about:
 - a) the ability of the Contractor or its subcontractor to continue to perform this Contract in accordance with its terms and conditions, or
 - b) whether the Contractor or its subcontractor in performing services is engaged in conduct which is similar in nature to conduct alleged in such investigation, litigation, arbitration or other proceedings, which conduct would constitute a breach of this Contract or violation of Michigan or Federal law, regulation or public policy, then

The Contractor shall be required to provide the State all reasonable assurances requested by the State to demonstrate that: (a) the Contractor or its subcontractors hereunder will be able to continue to perform this Contract in accordance with its terms and conditions, (b) the Contractor or its subcontractors will not engage in conduct in performing services under this Contract which is similar in nature to the conduct alleged in any such litigation, arbitration or other proceedings.

5. The Contractor's failure to fully and timely comply with the terms of this section, including providing reasonable assurances satisfactory to the State, may constitute a material breach of this Contract.

I-SS STOP WORK

1. The State may, at any time, by written stop work order to the Contractor, require that the Contractor stop all, or any part, of the work called for by this Contract for a period of up to 90 days after the stop work order is delivered to the Contractor, and for any further period to which the parties may agree. The stop work order shall be specifically identified as such and shall indicate that it is issued under this section. Upon receipt of the stop work order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the stop work order during the period of work stoppage. Within the period of the stop work order, the State shall either:
 - a) Cancel the stop work order; or
 - b) Cancel the work covered by the stop work order as provided in the cancellation section of this Contract.
2. If a stop work order issued under this section is canceled or the period of the stop work order or any extension thereof expires, the Contractor shall resume work. The State shall make an equitable adjustment in the delivery schedule, the contract price, or both, and the Contract shall be modified, in writing, accordingly, if:
 - a) The stop work order results in an increase in the time required for, or in the Contractor's costs properly allocable to the performance of any part of this Contract; and
 - b) The Contractor asserts its right to an equitable adjustment within 30 days after the end of the period of work stoppage; provided, that if the State decides the facts justify the action, the State



may receive and act upon a proposal submitted at any time before final payment under this Contract.

3. If the stop work order is not canceled and the work covered by the stop work order is canceled for reasons other than material breach, the State shall allow reasonable costs resulting from the stop work order in arriving at the cancellation settlement.
4. If a stop work order is not canceled and the work covered by the stop work order is canceled for material breach, the State shall not allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop work order.
5. An appropriate equitable adjustment may be made in any related contract of the Contractor that provides for adjustment and is affected by any stop work order under this section. The State shall not be liable to the Contractor for loss of profits because of a stop work order issued under this section.

I-TT LIQUIDATED DAMAGES

- A. The State and the Contractor hereby agree to the specific standards set forth in this Contract. It is agreed between the Contractor and the State that the actual damages to the State as a result of Contractor's failure to provide promised services would be difficult or impossible to determine with accuracy. The State and the Contractor therefore agree that liquidated damages as set out herein shall be a reasonable approximation of the damages that shall be suffered by the State as a result thereof. Accordingly, in the event of such damages, at the written direction of the State,

the Contractor shall pay the State the indicated amount as liquidated damages, and not as a penalty. Amounts due the State as liquidated damages, if not paid by the Contractor within fifteen (15) days of notification of assessment, may be deducted by the State from any money payable to the Contractor pursuant to this Contract.

The State will notify the Contractor in writing of any claim for liquidated damages pursuant to this paragraph on or before the date the State deducts such sums from money payable to the Contractor. No delay by the State in assessing or collecting liquidated damages shall be construed as a waiver of such rights.

- B. The Contractor shall not be liable for liquidated damages when, in the opinion of the State, incidents or delays result directly from causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not restricted to, acts of God, fires, floods, epidemics, and labor unrest; but in every case the delays must be beyond the control and without the fault or negligence of the Contractor.

- C. Liquidated damages will be assessed as follows:

The Contractor is responsible to meet the standard of promptness guidelines for application processing listed in Section II-C.2. If performance falls below the indicated level and is not corrected within 30 days the Contractor will:

1. Not be paid for rejected claims exceeding 2% for any month
2. Not be paid for claims exceeding thirty days in the processing queue
3. Have a provider, provider type, or claim type reassigned to another Contractor for processing
4. Be assessed \$1,000.00 fine per provider that is reassigned for non-performance.



SECTION II WORK STATEMENT

II-A BACKGROUND/PROBLEM STATEMENT

The State of Michigan, Department of Community Health (MDCH) processes 39 million claims and encounters annually for Medicaid and other health care programs, which it administers. Encounters account for 10.5 million claims, Pharmacy for 15.5 million claims, and Fee-for-Service process 13 Million claims. Of the 13 Million fee-for-Service claims, 2.15 million are submitted on paper. Paper claims are broken down into the following four categories:

- Category 1 - Claims submitted on a UB-92, HCFA 1500, ADA 1999 version 2000 or HCFA 1450 forms with no attachments
- Category 2 - Claims submitted on UB-92 HCFA 1500, ADA 1999 version 2000 or HCFA 1450 forms with COB (Coordination of Benefits) attachments
- Category 3 - Claims submitted on a UB-92, HCFA 1500, ADA 1999 version 2000 or HCFA 1450 forms with attachments required by Michigan Medicaid policy. This category of claims will continue to be submitted to Michigan Medicaid on paper and therefore are not part of this RFP.
- Category 4 – Personal care services billing constitutes a paper process for authenticating reimbursed services.

MDCH wishes to reduce the volume of its paper processing. In order to achieve this goal, MDCH will select Contractors to receive paper claims and convert them to the HIPAA compliant electronic format for claims submission to MDCH; provide a transition period and process for providers currently submitting paper claims to file electronic claims to Michigan Medicaid claims processing system (MMIS); and offer a telephone and web based e-applications, which will allow providers to electronically enter transaction data for medical claims to Medicaid and other health care programs administered by MDCH. All activities, systems and processes performed under this RFP must adhere to the provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA). The Contractors should propose innovative ways to improve this process and achieve cost savings for MDCH. In addition, Michigan Department of Community Health desires Contractors to suggest improvements and possible process changes that would reduce the amount of paper that must be processed by providers for billing purposes.

The Department of Community Health wants to select a limited number of Contractors to process Professional, Dental and Institutional claims, and may select multiple Contractors for each claim type. A Contractor may bid on one or more claim types. The contract period is April 1, 2004 through September 30, 2005. However, the state reserves the right to extend the contract for up to two additional years. Off shore contracting is strictly prohibited.

II-B OBJECTIVES

The overall objective of this project is to alleviate the number of paper claims submitted to MDCH for processing. In order to attain the desired result, the following specific Contractor objectives must be met:

- Receive paper claims for Medicaid Professional, Dental and Institutional claims, edit the claims, then generate and submit HIPAA compliant 837 claims to Michigan Medicaid MMIS.
- Provide a web-based system, which will allow current paper-submitting providers to enter claims directly into the Contractor's system for editing and subsequent submission to Medicaid MMIS or to Medicaid Health Plans' automated claims processing system.
- Receive and process output transactions from Michigan Medicaid MMIS and communicate the results to the providers via electronic remittance advice.
- Provide a plan for converting paper submitting providers to electronic submitters.



- Provide measures to authenticate the information collected for various programs accurately reflect the services that were rendered.
- Provide a plan for transition current paper intensive programs to non-paper process.

Other Medicaid HIPAA transactions (i.e. 278 Prior Authorization and 834 Enrollment Cancellation) and claims for providers currently submitting electronic claims to Michigan Medicaid are not part of this RFP.

Any Contractor wishing to submit a bid must show that they comply with the following requirements:

1. The Contractor must be incorporated in the State of Michigan or authorized to conduct business in the state and must also operate from an office within the State of Michigan in order to effectively fulfill the requirements of this contract. The office will maintain at a minimum, financial records, electronic and paper applications, documentation, resources, management information systems and data, and staff to manage the project.
2. The Contractor must furnish and supply its office(s) at the Contractor's expense (including telephones, paper supplies, postage machines, furniture, and other necessary items for the work force).
3. The Contractor will develop detailed procedures for the security and safeguarding of documents and files including the loss, misuse, or dissemination of confidential information to unauthorized personnel.
4. The Contractor is responsible for full compliance with all provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA).
5. The Contractor is currently an approved electronic submitter, either directly or through providers using their product, submitting ANSI X12 837 4010A1 claims.
6. The Contractor must have a software development and maintenance program in place to ensure that its software remains current with future versions of HIPAA transaction standards as they are mandated.
7. The MDCH edit files are intended for the Contractor's use in editing Medicaid transactions for providers for which the Contractor is providing claims processing services. The files must not be used for any other purposes or made available to other third party organizations.
8. MDCH will conduct a site visit to the Contractor's site to review the Contractor's business and operational compliance within 60 days of signing the agreement.

The Contractor will also meet the following minimal service level requirements:

1. All provider claims will be processed and submitted to Michigan MMIS for processing within 30 days of receipt from the providers.
2. All electronic claims submitted to MDCH will have a rejection rate of less than 2% due to pre-editable conditions.
3. Project reports will be developed and provided to MDCH on the scheduled basis outlined in the Section II-D-Project Reports.

II-C TASKS

The following is a preliminary analysis of the major tasks and responsibilities involved in developing the end product of this project. The Contractor is not, however, constrained from supplementing this listing with additional steps, sub tasks, or elements deemed necessary to permit the development of



alternative approaches or the application of proprietary analytical techniques. Off shore contracting is strictly prohibited under this agreement.

1. Start-up Activities

There will be a 60-day start-up period after the Contract award and project start. During that time, the Contractor will:

- A. Establish facility operations, procedures, etc. and review the operations with MDCH staff.
- B. Incorporate MDCH file edits into the Contractor software for editing of provider claims.
- C. Modify software to gap-fill 837 transactions from paper claims.
- D. Participate in MDCH B-2-B testing for MDCH E-Biller certification for each claim type and provider type combination.
- E. Finalize Providers to be serviced by the Contractor with MDCH.

All start-up costs are the responsibility of the Contractor and may not be passed on to MDCH or Providers.

2. Receive and Process Category 1 Paper Claims (Claims with no COB attachments)

The objectives of this section related to paper claims processing are to ensure that:

- A. Paper claims are processed within 30 days from receipt.
- B. Paper claims are accurately converted to electronic format.
- C. Paper claims for all provider types can be processed.
- D. Paper claims for all health care programs can be processed.
- E. Rates of electronic submission of Medicaid claims will be increased.

For the Contractors to be successful they will need to implement a process and a system for:

- Receiving provider paper claims by fax or mail. All claims must be logged and tracked for audit and control purposes.
- Upon the receipt of the claim, the Contractor(s) will need to preserve an image of the original claim for record retention requirements as well as for retrieval for quality assurance and provider complaint resolution. The image must be indexed for easy retrieval. MDCH will provide specifications for the index file.
- The Contractors must provide an accurate and complete conversion of data elements from the paper form to an input format, on an electronic claims platform. The electronic system must validate the claim against baseline edits outlined in Appendix A.
- When the information on the paper claim is incomplete or inaccurate a process must be developed to return the claim to the provider with an indication of item(s) that are incorrect or missing.
- The electronic system must generate an ANSI X12 837 4010A1 claim for submission to the State of Michigan Data Exchange Gateway (DEG). It is anticipated that the Contractor will submit claims daily. The creation of the 837 claims will require the vendor to gap-fill required elements that are not available on the paper claims. Instructions for gap filling are provided as an Appendix to this RFP.
- The electronic system must be able to receive an electronic response on the claim from the Medicaid MMIS system. The response transactions would include a 997 Functional Acknowledgement, a 277 – Unsolicited Response and an 835 – Remittance Advice.
- The Contractor must transmit a copy of the imaged claims to the Michigan Department of Community Health on a bi-weekly basis. The technical specifications and processes for this transmission will be developed in conjunction with the Contractor and MDCH.
- The Contractor must have procedures in place for the security and safeguarding of documents and files including the loss, misuse, or dissemination of confidential information to unauthorized personnel.
- The Contractor is responsible for full compliance with all provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA).



The maximum time the Contractors have to complete this process is 30 days from receipt of the claim.

3. Receive and Process Category 2 Paper Claims (Claims with COB attachments)

The objectives of this section related to paper claims processing are to ensure that:

- A. Paper COB claims are processed within 30 days of receipt.
- B. Paper COB claims are accurately converted to electronic format.
- C. Paper COB claims for all provider types can be processed.
- D. Paper claims for all health care programs can be processed.
- E. To increase the rates of electronic submission of Medicaid Claims

For the Contractor(s) to be successful they will need to put into place a process and a system for:

- Receiving provider paper claims by fax or mail. All claims must be logged and tracked for audit and control purposes.
- Upon the receipt of the claim the Contractors will need to preserve an image of the original claim for record retention requirements as well as for retrieval of quality assurance and provider complaint resolution. The attachments for the claim must also be imaged. The image must be indexed for easy retrieval. MDCH will provide specifications for the index file
- The Contractors must provide an accurate and complete conversion of data elements from the paper form to an input format, on an electronic claims platform. The electronic system must validate the claim against baseline edits outlined in Appendix A.
- When the information on the paper claim is incomplete or inaccurate a process must be developed to return the claim to the provider with an indication of the item(s) that are incorrect or missing.
- The Contractor staff will need to review Remittance Advices attached to the Claim, determine the appropriate Medicaid payment amount, and create valid COB loops for the 837 claims.
- The electronic system must generate an ANSI X12 837 4010A1 claim for submission to the State of Michigan Data Exchange Gateway (DEG). It is anticipated that the Contractor will submit claims daily. The creation of the 837 claims will require the vendor to gap-fill required elements that are not available on the paper claims. Instructions for gap filling are provided as attachments to this RFP.
- The electronic system must be able to receive an electronic response on the claim from the Medicaid MMIS system. The response transactions would include a 997 Functional Acknowledgement, a 277 – Unsolicited Response, and an 835 – Remittance Advice.
- The Contractor must transmit a copy of the imaged claims to the Michigan Department of Community Health on a bi-weekly basis. The technical specifications and processes for the bi-weekly image transmissions will be developed, by the Contractor and MDCH.
- The Contractor must have procedures in place for the security and safeguarding of documents and files including the loss, misuse, or dissemination of confidential information to unauthorized personnel.
- The Contractor is responsible for full compliance with all provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

The maximum time the Contractors have to complete this process is 30 days from receipt of the claim.

4. Provide a Web-based System for Provider Entry of Claims

The Contractor must provide an on-line system for providers to directly enter claims information. The specific requirements of the system include:

- System should be internet based. The provider should not have to purchase, install, or maintain software.
- User interface should be easy to learn and understand. It should only require a browser application to operate.



- System must be thoroughly tested for claims related transactions (837,835,276,277) using either Claredi or Foresight testing/certification process.
- System must be able to receive a functional acknowledgement (997) and remittance information (835) and post that information in a way that is useful to the provider.
- System must be able to support all provider types (Professional, Dental and Institutional)
- System must pass MDCH's test for E-Biller certification. Certification may be completed during start-up activities.
- System must incorporate MDCH Medicaid edits and perform an edit analysis of files before submission to MDCH. Appendix A provides a list of baseline edits. Edit capabilities may be developed during Start-up activities.
- System should allow the provider to submit a valid ANSI X12 837 4010A1 – even if the provider's system cannot create that transaction.
- System must accommodate the online entry of COB data.
- System must be able to transmit ANSI X12 837 4010A1 to the data exchange gateway (DEG) in compliance with MDCH instructions for Electronic submission (see Appendix B)
- System must meet all the HIPAA rules for data security and privacy.

5. Plan for conversion of paper billers to electronic submission

The Contractor must provide a transition period and process for providers currently submitting paper claims to file electronic claims to Michigan Medicaid claims processing system (MMIS). The specific Contractor objectives related to this section are:

- A. Develop an organized effort to educate providers on electronic billing.
- B. Work with the Department to remove barriers of electronic billing.
- C. Increase the overall MDCH percentage of electronic claims processing.

A key objective of the project is to convert current paper-submitting providers to electronic submission of claims. The Department is prepared to pay the Contractor a one-time fee for converting existing paper billing providers into electronic billers. A Business Partner agreement between the Provider and Contractor must be provided as proof of conversion. A significant element of the proposal evaluation will be the Contractor's approach and cost in converting paper submitters.

6. Data Transfer

The following section depicts the main categories of data transfers that must be in place to implement this contract. All electronic file exchanges will be conducted utilizing the State of Michigan Data Exchange Gateway (DEG).

A. Data Transfers from the State to the Contractor

- The State will send electronic files daily that contain data for new eligible recipients or changes in demographics such as change of address, county of residence, eligibility etc. (file layout are attached). A complete audit file will be sent monthly.

B. Contractor Data Transfers to the State

- Daily claims data transfers will be submitted to MDCH using the current version of the HIPAA mandated transaction sets (currently 837 4010A1)
- Data must be encrypted per HIPAA guidelines, if FTP transmission technology is used.
- A copy of imaged claims must be submitted to MDCH on a biweekly basis.

7. Tasks and Responsibilities Assigned to The Michigan Department of Community Health



The following is an analysis of the major tasks and responsibilities assigned to MDCH in developing the end product of this project.

- A. Conduct readiness review of the Contractor.
- B. Provide initial and ongoing training to the Contractor.
- C. Notify the Contractor of policy, program, and process changes affecting the Contractor's scope of work.
- D. Review and approve all written and visual materials used by the Contractor related to this contract.
- E. Provide state requirements for forms and publications.
- F. Review and approve Contractor's policies, procedures, employee manuals, external and internal communications and training materials used to fulfill the requirements of the contract.
- G. Provide input to the Contractor during the design of the Contractor's information system.
- H. Approve the Contractor's processes and procedures prior to implementation and any subsequent changes prior to their implementation.
- I. Work with the Contractor during the implementation planning period and on an ongoing basis during operations to develop and maintain data in an agreed format.
- J. Provide business-to-business testing of Contractors' claims and grant certification upon successful completion. This must be completed during or prior to the start-up phase.
- K. Review reports and logs submitted by Contractor.
- L. Monitor compliance with contract requirements.
- M. Conduct unscheduled site visits for performance auditing purposes.
- N. Monitor claim submission and acceptance rates.
- O. Monitor claim volume.
- P. Meet with the Contractor on a monthly basis, at a minimum, to review status and to discuss any other concerns of the project.
- Q. Monitor the Contractor to ensure adequate levels of service are met.
- R. Facilitate open communication and prompt resolution of problems between the Contractor, the State, and the providers.
- S. Apply remedies as necessary to assure compliance with contract requirements.
- T. Collaborate with the Contractor to improve services

II-D PROJECT CONTROL AND REPORTS

I. Project Control

- a. The Contractor will carry out this project under the direction and control of the Michigan Department of Community Health.
- b. Although there will be continuous liaison with the Contractor team, the client agency's project director will meet monthly as a minimum, with the Contractor's project manager for the purpose of reviewing progress and providing necessary guidance to the Contractor in solving problems which arise.
- c. The Contractor will submit brief written monthly summaries of progress which outline the work accomplished during the reporting period; work to be accomplished during the subsequent reporting period; problems, real or anticipated, which should be brought to the attention of the client agency's project director; and notification of any significant deviation from previously agreed-upon work plans. A copy of this report will be forwarded to the named buyer in Acquisition Services.
- d. Within five (5) working days of the award of the Contract, the Contractor will submit to the MDCH project director for final approval a work plan. This final implementation plan must be in agreement with section IV-C subsection 2 as proposed by the bidder and accepted by the State for Contract, and must include the following:



- (1) The Contractor's project organizational structure.
- (2) The Contractor's staffing table with names and title of personnel assigned to the project. This must be in agreement with staffing of accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.
- (3) The project breakdown showing sub-projects, activities and tasks, and resources required and allocated to each.
- (4) The time-phased plan in the form of a graphic display, showing each event, task, and decision point in your work plan.

2. Reports

Reports will include a narrative to explain trends in claims activity, problems experienced in the period, recommendations to the State for policy and/or procedural changes, and any comments the Contractor may have. Also the following standardized summary reports, broken down by provider type will be provided weekly:

- Daily claims received
- Daily Outbound Claims
- Days work on hand
- Return rates of claims to providers

II-E PRICE PROPOSAL

All prices/rates quoted in bidder's response will be firm for the duration of the Contract ending September 30, 2005, unless modified to the State's benefit by the mutual agreement of the parties to the contract. However, the State or the Contractor may propose adjustments for any contract extension.

Any price adjustments proposed by the Contractor must be submitted in writing to the State Purchasing Director at least 120 days prior to the proposed extension and be no greater than the Detroit CPI. Price adjustments proposed by the State will be submitted to the Contractor in writing at least 120 days prior to the proposed extension. Any changes requested by either party are subject to negotiation and written acceptance by the State Purchasing Director before becoming effective. In the event the State and the Contractor cannot agree to prices at least 30 days prior to contract extension, the contract will be canceled pursuant to Section I-U, above.

II-F CONTRACT PAYMENT

1. Reimbursement:

MDCH will reimburse the Contractor in accordance with the price indicated in the Contract. Payments will be made on a monthly basis. All invoices should reflect actual work done. Specific details of invoices and payments will be agreed upon between the Contract Compliance Inspector and the Contractor after the proposed Contract Agreement has been signed and accepted by both the Contractor and the Director of Purchasing, Department of Management & Budget. This activity will occur only upon the specific written direction from the Acquisition Services. All payments will be based upon satisfactory performance of the Contractor. If the Contractor fails to perform satisfactorily, MDCH may withhold payments or may impose any of the remedies specified below.

2. Remedies for Failure to Perform:

It is agreed by the State and the Contractor that, in the event the Contractor fails to meet the performance requirements listed in this Contract and remedies are required by the State, the State shall impose remedies according to the following schedule:



A. Start Date

If, for any reason, the Contractor does not fully meet the operational start date, as indicated in Section 1 and a contract modification or amendment delaying this key date or a portion of the processing requirement has not been approved, the Contractor shall be assessed an amount equal to 1% of the total annual contract amount for each work day that the operational start date is delayed.

B. Lost Files

The Contractor has the responsibility to maintain all files and applications in a safe and intact condition. To ensure that files/applications are not lost or destroyed, the Contractor will provide to MDCH a monthly list of any/all files lost or destroyed during that month. The potential fine for lost files is \$1,000.00 per incident.

C. Misuse of MDCH provided files

Any secondary distribution of MDCH files or the improper disclosure of eligibility information to third party organizations will result in a fine of \$100,000 per incident. Use of MDCH provided files for services other than those covered under this contract will result in a fine of \$50,000 per incident.

D. Standard of Promptness

The Contractor is responsible to meet the standard of promptness guidelines for application processing listed in Section II-C.2. If performance falls below the indicated level and is not corrected within 30 days the Contractor will:

5. Not be paid for rejected claims exceeding 2% for any month
6. Not be paid for claims exceeding thirty days in the processing queue
7. Have a provider, provider type, or claim type reassigned to another Contractor for processing
8. Be assessed \$1,000.00 fine per provider that is reassigned for non-performance.



SECTION III

CONTRACTORS PROPOSAL

Section III-A – Business Organization

State the full name and address of your organization and, if applicable, the branch office or other subordinate element that will perform, or assist in performing, the work hereunder. Indicate whether it operates as an individual, partnership, or corporation; if as a corporation, include the state in which it is incorporated. If appropriate, state whether it is licensed to operate in the State of Michigan. List all subcontractors; include firm name and address, contact person, complete description of work to be subcontracted. Include descriptive information concerning subcontractor's organization and abilities.

Full name and address of our organization:

GovConnect, Inc.
 11311 Cornell Park Drive
 Suite 300
 Cincinnati, OH 45242

GovConnect, Inc. is a corporation. GovConnect was incorporated in Delaware. We are licensed to operate in the state of Michigan.

GovConnect is the prime contractor on this project; therefore, no subcontractors will be included.

Company Background

GovConnect is a division of govONE Solutions, which is owned and operated by a financially stable and strategically focused parent company – eONE Global – a company that is 75 percent owned by the world's leader in electronic commerce and payment services, First Data (NYSE: FDC), and 25 percent by iFormation Group partnership between The Boston Consulting Group The Goldman Sachs Group, and General Atlantic LLC), an eCommerce powerhouse which partners 2000 market leaders to form, develop and new online businesses.

GovConnect helps government clients effectively the Knowledge Era by providing a seamless business, technology, and professional services. professionals combine world-class business with technical expertise using:

- ◆ Business strategists;
- ◆ Knowledge management consultants;
- ◆ Application development experts; and
- ◆ Best-in-class technologists.

Corporate Structure

GovConnect
GovConnect helps government clients effectively compete in the Knowledge Era by providing a seamless approach to business, technology, and professional services.

govONE Solutions
govONE Solutions is the world's largest government payments company focused on both business and consumer electronic payment options for state, local, regional and national governments globally.

eONE Global
eONE Global is focused on identifying, developing, commercializing and operating emerging payment systems and related technologies in three areas: mobile payments, government payments and business-to-business payments.

First Data Corporation
First Data Corp. a \$7.4 billion corporation, is the

Corporation (a Inc. (BCG), Partners with Global accelerate

compete in approach to Our experience

GovConnect, with its corporate headquarters in Cincinnati, Ohio, was formed to take advantage of best-in-class competencies and to bring business and technical expertise in:

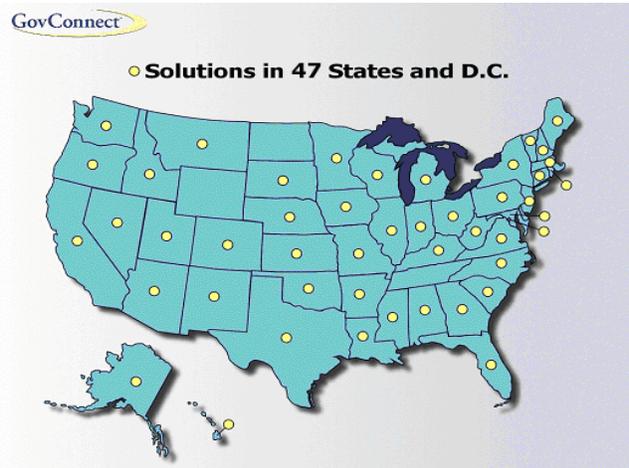
- ◆ Strategy;



- ◆ Solutions; and
- ◆ Professional services to the public sector.

Our talented professionals offer a depth of public sector program and technology experience that is unparalleled in the industry. GovConnect has been supporting state and local governments for more than 20 years. With a staff of seasoned programmatic and technical experts, GovConnect has successfully completed information technology and consulting projects for federal, state and local clients across the country. Currently, GovConnect is assisting in over 100 projects in 25 states, helping government organizations improve program delivery through cost-effective information technology innovation.

GovConnect’s mission is to help government improve service delivery to its citizens. We have established an unparalleled track record of partnering with federal, and municipal agencies across the country to transform government services. With successful solutions at work states and 12 federal agencies, we are proud that our business goals have helped people and businesses interact effectively with government for more than 20 years.



At GovConnect, our focus is exclusively on government. solutions make government services more accessible establish electronic processes that increase efficiency reduce costs. Whether used for information exchange the completion of transactions, GovConnect offers a connection to all government facilities/operations, which available to every citizen.

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History

GovConnect has been supporting forward-thinking government officials since 1978 with solutions that are based on more than 20 years of experience. GovConnect delivers specialized consulting and technology solutions to meet the unique needs of governments. Today, GovConnect employs over 300 professionals and is headquartered in Cincinnati, Ohio. In addition, our consultants and eService delivery personnel work onsite in agencies across the U.S. to improve the methods citizens interact with government.

GovConnect delivers specialized consulting and technology solutions to meet the unique needs of governments.

Seasoned executive leadership provides GovConnect a depth and breadth of government knowledge and experience that is unique among eGovernment service providers. This powerful team gives GovConnect a competitive advantage in understanding government issues, clients, opportunities,

automated systems, and funding avenues.

GovConnect recognizes that staff quality and motivation are key elements in meeting the needs of our clients. Highly skilled, motivated personnel are a fundamental element in the company’s continued growth and success. The primary focus of GovConnect personnel programs has been, and continues to be, workforce stability and long-term retention. Staff at all levels of the GovConnect organization brings significant, hands-on experience working for government agencies. Their combined experience provides one powerful resource to make the vision of electronic government a reality.



The Consulting Practice

The foundation of the GovConnect consulting practice began as Eligibility Management Systems (EMS) in August 1989. Located in Madison, Wisconsin, the company's business development strategy was to provide the best quality assurance and planning consulting services to state and county Human Services agencies for the automation of Welfare and Child Support Enforcement programs. The first major contracts for EMS were won in the states of Wisconsin and Indiana, in 1989 and 1990, respectively.

Provide the best quality assurance and planning consulting services to state and county Human Services agencies for the automation of Welfare and Child Support Enforcement programs.

In 1991, EMS won a system planning and quality assurance-consulting contract with the City of Los Angeles County Welfare System. The win was a turning point for the company and the beginning of a very strong consulting presence in the State of California. The consulting practice that began in a single county now reaches each of California's 58 counties. By 1996, the firm employed 50 consultants and its reputation was firmly established in the Human Services consulting arena. With revenue figures reaching \$7 million in 1997, including a \$2.5 million profit, EMS had the attention of competitors.

The eServices Practice

International Public Access Technologies (IPAT) began developing custom software applications in 1978 as a privately held company in Cincinnati, Ohio. By the mid-1980's, the company's focus turned to the development of Interactive Voice Response (IVR) systems with government contract wins in the states of California and Massachusetts.

*eGovernment solutions provider.
Award-winning Telefile, Webfile, and Remote PC access solutions.*

The two systems were very successful and served as the groundwork for a successful practice developing IVR solutions for government agencies.

The small company continued its success by developing IVR child support solutions and building a strong reputation for product delivery and customer service. In 1995, IPAT expanded its focus to the area of tax and revenue. Over the next five years, the number of tax and revenue clients grew to 25 agencies with award winning Telefile, Webfile, and Remote PC access solutions. Currently, 93 percent of all callers to GovConnect-installed Telefile systems successfully file their returns.

GovConnect...one powerful connection

EMS and IPAT were purchased and merged by Worldwide, Inc. in 1998. The merger of EMS and established a new company called Renaissance Solutions.

Eligibility Management Systems and International Public Access becomes GovConnect...one powerful connection

Renaissance
IPAT
Government

The combination of world-class consulting services and an excellent electronic solutions provider created a powerful connection for the delivery of eGovernment solutions.

Renaissance Government Solutions (RGS) was renamed GovConnect in January 2000 as a new entity focused on providing electronic service delivery and consulting solutions to the government marketplace.



In 2002, two leaders in the eGovernment marketplace joined forces: govONE Solutions, LP, a pioneer in government electronic payment services and GovConnect, Inc., a leader in providing electronic service delivery and consulting and technology solutions to the government marketplace. govONE Solutions is an operating company of eONE Global.

govONE Solutions

govONE Solutions is the world's largest government payments company focused on both business and consumer electronic payment options for state, local, regional and national governments globally. govONE Solutions currently has more than two million registered taxpaying business customers, and moves million payments valued at more than \$1 trillion annually. More specifically, govONE Solutions developed and operates:

Leaders Join Forces

govONE Solutions, a pioneer in government electronic payment services and GovConnect, a leader in providing electronic service delivery and consulting/technology solutions to the government marketplace become one.

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- ◆ An electronic tax payment system for the United States Treasury that manages half of all the electronic tax payments made to the U.S. Treasury;
- ◆ Electronic Funds Transfer (EFT) systems for 29 states (including the two largest, California and New York);
- ◆ Numerous other credit/debit card-based and Automatic Clearinghouse (ACH)-based government ePayment solutions; and
- ◆ **remitONESM**, a private label business tax payment solution distributed through 55 U.S. financial institutions.

As a subsidiary of govONE Solutions, GovConnect is a leader in providing electronic service delivery, consulting and technology solutions to the government marketplace. GovConnect services greatly expand the govONE Solutions capabilities, experience and partnerships in the state and local government marketplace. While govONE Solutions is focused primarily on providing processing services for payments made to governments, GovConnect handles government payments made to both businesses and consumers. In addition, GovConnect solidifies the govONE offering with:

- ◆ Customer service;
- ◆ Self-service;
- ◆ Strategic planning; and
- ◆ Implementation services that provide governments with entire concept-to-completion services of an IT initiative.

- *Mobile payments,*
- *Government payments, and*
- *Business-to-business payments*

eONE Global

First Data and the iFormation group founded eONE Global in October of 2000 to commercialize and operate emerging payment technologies. Since that time, eONE Global has launched several brands and companies in the payment solutions area including:

- ◆ govONE Solutions;
- ◆ Taxware;
- ◆ Encorus Technologies; and
- ◆ Velosant.

eONE Global is focused on identifying, developing, commercializing and operating emerging payment systems and related technologies in three areas: mobile payments, government payments and business-to-business payments. The shift from cash and checks toward new forms of electronic payment, including mobile technologies, places eONE Global in the center of evolving technologies.



Through its alliance with First Data, eONE Global has access to First Data’s global processing scale and infrastructure, as well as extensive distribution channels: 2.8 million merchant locations, 1,400 financial institutions and other card issuers, and millions of consumers, including a worldwide Western Union® Agent network with more than 130,000 agent locations in more than 190 countries and territories.

First Data Corporation

First Data Corporation, a \$7.4 billion corporation, is the leading third-party global transaction processor in the world. First Data Corporation, with headquarters in Denver, Colorado, helps power the global economy. As a leader in electronic commerce and payment services, First Data serves approximately 2.8 million merchant locations, 1,400 card issuers and millions of consumers, making it easy, fast and secure for people and businesses to buy goods and services using virtually any form of payment. With 29,000 employees worldwide, the company provides:

Assists merchants, financial institutions and consumers electronically move more than \$2 trillion

party global
As a
serves

◆ Credit & Debit;	◆ Internet commerce solutions;
◆ Smart card;	◆ Money transfer services;
◆ Stored-value card issuing;	◆ Money orders; and
◆ Merchant transaction processing services;	◆ Check processing and verification services throughout the United States.

First Data also offers a variety of payment services in:

◆ United Kingdom	◆ Japan	◆ Spain
◆ Australia	◆ Germany	◆ Netherlands
◆ Canada	◆ Mexico	◆ Middle East

Its Western Union and Orlandi Valuta money transfer networks include a total of approximately 130,000 locations in more than 190 countries and territories; processes more than 35 million electronic check transactions valued at more than \$2.5 billion through its check guarantee subsidiary, and answers more than 600,000 interactive phone calls each day through its Interactive Voice Response (IVR) subsidiary and live operators.

Each year, First Data helps merchants, financial institutions and consumers electronically move more than \$2 trillion. Whether it is helping businesses sell their products at stores, over the Internet or processing a consumer’s credit card transaction, First Data has employees around the globe, working together, making it easier for businesses to operate – and for consumers to buy the things they need.

Processing, check verification and other First Data services enable merchants to assess the risk of accepting credit cards or checks within

- First Data improves lifestyles by providing:*
- Fast Service
 - Convenience
 - Security against fraud
 - Low prices



seconds. Lending institutions rely on First Data for accurate information that enables them to assess any potential credit risks. Consumers are protected against fraud and enjoy greater security because First Data can alert financial institutions and consumers to purchasing patterns that seem out of the ordinary. Due to the state-of-the-art systems offered by First Data, merchants encounter fewer fraudulent schemes and experience less identity theft. Without First Data there to help ascertain the risk of extending credit or accepting checks, chances are, fraud would increase – and businesses would have no choice but to pass along these costs to consumers. First Data provides the ability to efficiently transfer money to friends or relatives at nearly all corners of the globe using the Western Union® network

While the company is firmly focused on execution today, it is thinking about the possibilities for tomorrow with the establishment of financial processing companies, such as eONE Global. As markets evolve, so will First Data and its operating companies, all the while guided by its core values, an entrepreneurial spirit and a focus on its clients.

It is through this association with First Data and its family of companies that GovConnect brings to governments the skills, knowledge, and resources that it takes to have a successful project.

The following diagram illustrates the companies that have invested and thus continue to cause GovConnect to be a leading government solutions provider.



SECTION IV-B – STATEMENT OF THE PROBLEM

State in succinct terms your understanding of the problem(s) presented by this RFP.

GovConnect is offering MDCH an innovative solution for electronic filing and billing for in-home services. GovConnect understands the challenges MDCH faces in ensuring that services provided to beneficiaries are reimbursed appropriately, in accordance with regulations, in the most expeditious manner possible, and with minimum opportunity for fraud or duplication of effort. Michigan, like many other states, is facing financial shortfalls, growing demand for services and fewer state employees to administer programs. In addition to the early retirements in 2002 that left a shortage of state workers, Michigan is now experiencing mandated employee furloughs in response to these budget shortfalls. Michigan must pursue innovative approaches to financing and administering services in today’s health care environment. This RFP not only desires a solution to converting paper claims to HIPAA compliant electronic claims, but also seeks other inventive solutions for enhancing electronic claims processing and program management.

GovConnect has been an integral part of the MDCH team since August 2000, participating in all phases of the Uniform Billing Project and HIPAA implementation. Most recently GovConnect has worked with the MDCH Policy Unit to update and standardize Medicaid policy manuals in a format that can be distributed via CD, made available on the MDCH web



site and maintained/ updated in a systematic manner. Because of our long-standing working relationship, GovConnect understands MDCH policies and claim-processing requirements and has a solid relationship with MDCH staff, providers and other contractors.

Through a variety of programs, qualified Michigan beneficiaries are offered a wide range of health care and personal care services necessary to support living in their own homes rather than in institutional settings. Persons who are able to retain the independence of living at home enjoy a better quality of life, are more content and use less public funds than institutionalized individuals. Assuring high quality in-home services for those who need it is a win-situation for the State and its citizens. Less expensive in-home care stretches public dollars to serve a larger number of beneficiaries. Michigan’s in-home care and personal services, as in other states, are extremely labor-intensive to monitor and assure that care/services are actually provided as needed. Because the State’s most vulnerable citizens receive these services, it is imperative that controls are in place for validation of care. Given the number of programs administered by the State and the number of individuals being served, technology targeted to assure home care delivery and streamline reimbursement is vital to minimizing the administrative burden and increasing the probability of quality care being provided in a timely manner.

Because of our long-standing working relationship, GovConnect understands MDCH policies and claim-processing requirements and has a solid relationship with MDCH staff providers and other

win also

Three MDCH-sponsored services that would benefit initially from an alternative to traditional program management and claim submission are:

1. Private Duty Nursing – Private Duty Nursing (PDN) is currently being provided to approximately 400 beneficiaries served by various MDCH programs. Although the number is low, these beneficiaries are frequently children participating in the Children’s Special Health Care Services (CHSCS) program. These children have significant ongoing health care needs and require specialized care to be able to remain at home with their families.

Many of these children have other insurance and currently the pend rate for these claims is upwards of 50 percent. A state worker must review these claims manually before the adjudication process can be completed.

This is operationally inefficient and delays payment of claims to providers. A paperless system containing all available information on each client could support consistent, timely decision-making and significantly reduce the need for manual review, thus allowing quicker reimbursement to providers.

2. Home and Community-Based Care – Michigan, as most other states, provides in-home care and services to persons who require the level of care provided in a nursing facility, but have chosen and are able to remain at home with adequate services. There are approximately 7,400 clients enrolled in this waiver (known as MI Choice) and approximately \$100 million per year is expended in providing this care. Twenty-one Waiver Agents (WA) are employed by the State to facilitate the care, complete the billing, monitor the quality of care, and provide case management for waiver clients. WA’s typically subcontract the provision of care to other providers, yet some provide direct care. MI Choice waiver services include:

◆ Adult day care;	◆ Personal care supervision;
◆ Chore services;	◆ Personal emergency response systems;
◆ Counseling;	◆ Private duty nursing (if age 21 or older);
◆ Environmental modifications;	◆ Respite;
◆ Home delivered meals;	◆ Training in a variety of independent living skills;
◆ Homemaker services;	◆ Transportation; and
◆ Medical supplies and durable medical equipment beyond those covered by regular Medicaid.	



Most of the services provided through the waiver are done in the beneficiary's home.

3. Home Help – Home Help is one of the State's largest in-home programs, serving approximately 45,000 persons statewide. Program expenditures are approximately \$231 million per year, with approximately \$36 million for case management. The Home Help Program provides personal care services as opposed to health care services. These services enable individuals to remain at home by providing chore services such as housekeeping, cooking, shopping and other activities that are an integral part of maintaining a household. These individuals are unable to perform these activities independently, but with assistance can safely remain at home and maintain a level of independence that would otherwise be impossible. Home Help serves a high volume of individuals, interacts with a huge number of service providers and is difficult to monitor and administer. While funded through MDCH, it is administered by the State's Family Independence Agency (FIA), which is struggling to recover from early retirement of many case managers who manage Home Help. Difficulty providing the level of oversight required for this program leaves it at high risk for fraud, abuse and/or misutilization.

Persons in need of Home Help apply at FIA and a caseworker makes a determination of the services needed to enable the person to remain at home. Once the person is approved for the program, a check is issued each month until such time as the caseworker alters the information in the system (increases/decreases/changes the services and/or rate of reimbursement, terminates services). Service providers may be family members, agencies, friends, or others chosen by the client to facilitate ease in locating an individual willing and able to provide the needed service. The variety and skill level of service providers, coupled with the sheer volume of beneficiaries enrolled enhances the likelihood that service will not always be provided as required. Beneficiaries are hesitant to complain or report that the service was not delivered or was not delivered as specified for fear of retribution from the worker or that the worker will not return and there will be no replacement. As a result, determining the exact amount and type of service that was provided is an overwhelming, if not impossible task.

These three programs, as well as others within the realm of MDCH, would benefit immediately and significantly from cutting-edge call technology to manage care, manage services, and reduce paperwork. Caseworkers are swamped with handwritten timecards, applications and complaints.

They have very little time to actually monitor clients and the services provided. Initiatives that increase the ability to monitor ultimately mean better care at reduced cost.

The solution presented in this proposal addresses many of the issues Michigan has identified as desirable:

- ◆ ***Is paperless with the filing of electronic claims*** resulting in faster and more accurate claims payments. GovConnect's solution generates electronic claims without manually keying claims as with most traditional electronic submission processes. This benefits ***both*** the provider and the Agency;
- ◆ ***Saves money***, allowing scarce resources to be stretched to serve additional needy beneficiaries;
- ◆ ***Preserves the quality and integrity*** of the service programs without reducing care;
- ◆ ***Increases accuracy*** through integrated call technology;
- ◆ ***Helps ensure that care was provided*** in a manner that is least intrusive to the beneficiary and the care provider;
- ◆ ***Frees caseworkers to provide more case management*** thus insuring face-to-face interaction with beneficiaries and the ability to monitor and modify services in a timely manner; and
- ◆ ***Minimizes opportunities for fraud and abuse*** and enhances the ability to detect such in a timely fashion.

GovConnect understands these problems and developed AuthentiCare to assist states in efficiently managing these programs in a cost-effective manner.

Section IV-C – Management Summary

1. Narrative



Include a narrative summary description of the proposed effort and of the product(s) that will be delivered. If any support is to be provided by a subcontractor, said subcontractors are to indicate their capability and willingness to carry out the work. In addition, the information requested in IV-A above, and IV-D below, should be provided for each potential subcontractor.

Introduction

GovConnect is presenting its solution, AuthentiCare, for Category 4 services in Michigan Department of Community Health's Invitation to Bid for electronic solutions to Medicaid claims processing. We believe that AuthentiCare is an innovative approach to addressing the issues facing the Department with regard to paper processing. The AuthentiCare Solution from GovConnect is fast, powerful and accurate system that provides real-time access to information for in home and community-based services. The solution provides an effective means to manage information about cases, providers, workers and services. The AuthentiCare Solution can also help ensure authorized services have been performed and that payment is made for only authorized services. The benefits of the AuthentiCare Solution include:

Benefits of the GovConnect Team

- *Offers a proven solution, AuthentiCare;*
- *Builds upon our experience with and knowledge of Michigan's Medicaid Program;*
- *Utilizes our Subject Matter Expertise in the Medicaid Program;*
- *Draws upon our extensive experience in electronic transactions and paperless filing systems.*

a client

- ◆ **Significantly reduced opportunity for fraud in Home- and Community-Based Care;**
- ◆ **Elimination of time-intensive, paper-based processing;**
- ◆ **Simple check-in and check-out procedures for in-home providers;**
- ◆ **Validation that clients receive the services authorized;**
- ◆ **Customization that can include recipient eligibility verification;**
- ◆ **The ability to identify and track missed visits; and**
- ◆ **Cleaner claims submitted to the MMIS, resulting in faster payment to providers.**

GovConnect has been providing consulting services to the Department's Medicaid program since August 2000. These services have included Quality Assurance Oversight and Provider Readiness Testing of the Uniform Billing Project, provider consultation and testing for HIPAA conversion, and revision and reformatting of Medicaid policy manuals. This experience has provided our team with in-depth knowledge of Michigan's Medicaid program, as well as a thorough understanding of the issues driving the need for this procurement.

Understanding AuthentiCare

AuthentiCare was designed with government agency environments and functions in mind. It was first developed for South Carolina's Care Call initiative supporting the long-term care population under its Home Community-Based Care (HCBC) waiver. According to a June 2003 Federal General Accounting Office (GAO) study on HCBC waivers, in-home services is one of the fastest growing areas for Medicaid expenditures, accounting for \$14.4 billion nationally in 2001, or 19 percent of total long-term care program dollars. There are a lot of good programmatic reasons for in-home services as an alternative to institutional care; however, there are also challenges with managing these types of programs. It can be difficult to operate efficiently, ensure quality of care, and prevent over billing for services not rendered. AuthentiCare, GovConnect's service, addresses these problems.

AuthentiCare is a time, attendance and billing service for all types of public sector in-home services programs. With AuthentiCare, traveling caregivers access a voice response system by dialing a toll-free number from a participant's home. The system allows the caregiver to check-in before rendering services,

AuthentiCare includes a robust Internet and reporting system to manage



select care type, and check-out once services are complete. AuthentiCare uses caller ID to verify the caregiver’s location. It uses the check-in and out time to capture actual time at the recipient’s home. It then submits an electronic record of the time for payment that accurately captures the services rendered and eliminates the paper time reporting.

AuthentiCare includes a robust Internet and reporting system to manage the program. The Internet site allows agency staff to view actual visit and related claim information online. It includes reporting and analysis features, offering agency access to provider activity, client activity, and meaningful exception reporting statistics, such as missed visits, unauthorized visits, or incorrect services. Optional data and analysis tools and interfaces are also accessible by the provider community to help manage staff, schedules, claims, and retrieve data for use in their own systems.

The AuthentiCare solution is based on a solid technical and functional foundation that will work with existing agency systems and result in more efficient at-home service program and claims processing. The following sections give a technical overview of the systems and processes that make up the AuthentiCare solution.

AuthentiCare Functional Overview

AuthentiCare serves two main user groups: providers and agency workers. It is the interactions of these two user groups with the AuthentiCare system that facilitate the service tracking, claims filing, billing, and analysis processes. Figure 1 on the following page offers a detailed process overview of the AuthentiCare system, including user and system points of interface.

The diagram on the following page describes the process as an integrated set of actions that occur as a step-by-step process. The following sections review the process from the provider and agency interface perspectives.

The

The primary system for Interactive system. calls the toll-perform system process. customized IVR flowchart sample script for the application.

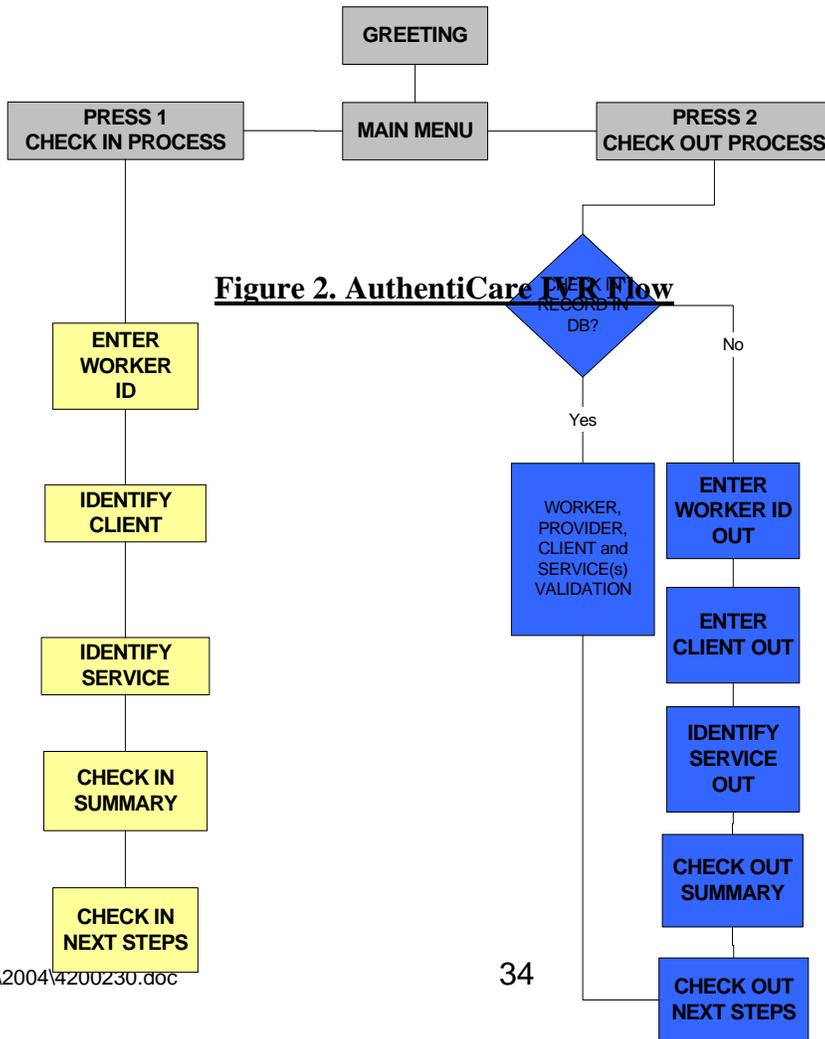


Figure 2. AuthentiCare IVR Flow

Provider Interfaces

interface to the AuthentiCare at-home workers is the Voice Response (IVR) Upon check-in, the caregiver free AuthentiCare number to check-in functions. The IVR guides the user through the Although the script is for each unique client, the presented in Figure 2 offers a AuthentiCare application at-home worker IVR



The IVR application offers several features that facilitate the at-home care service tracking, billing and reporting. The AuthentiCare application supports both the check-in and check-out processes. Claims and billing processes are initiated from the data collected on the IVR. Data input via the IVR is also stored as part of the AuthentiCare data system for future access by both providers and agency workers.

The Agency Interfaces

DCH staff can interface with the AuthentiCare system through an AuthentiCare web application. The web application allows for the adding, editing, and analysis of claims and provider activity. Figure 3 illustrates a screen view of the main functions of the agency AuthentiCare application.

Reports can be run on numerous selection criteria, including the case manager, provider, individual worker and recipient based on a variety of criteria. Agencies can access these reporting statistics via the secure AuthentiCare Internet site, offering access to provider activity, client activity and meaningful exception reporting statistics, such as missed visits, unauthorized visits or incorrect services. The reports run from the web offer data that is specific to the AuthentiCare program. Reports based on system performance are also available through imports or via files sent to the agency. The AuthentiCare data can also be exchanged with the agency systems through batch uploads. Therefore, data can be accessible and analyzed from a variety of interface points. Pictured below in Figures 3, 4, and 5 below are a few of the AuthentiCare product web site screens. ***As part of the project work plan, GovConnect will work to configure these for Michigan's unique needs.***



Michigan Department of Community Health

You are logged in as: Smith, John, Agency XXXX

AuthentiCare System Monitoring



Florida CDC Home | CDC Guide | Provider Guide | Client Guide | Contact Florida CDC | FAQs
Custom Links 1 | Custom Links 2 | Custom Links 3 | Custom Links 4

Main Menu

<Exit>

MAIN MENU

Menu Options

Claim reporting and administration

- **Run Reports**
Filter and sort XYZ Reports
- **Maintain Claim Information**
Edit/Delete/View claim information
- **Add Claims**
Add claims that were not recorded
- **Maintain Missed Visits**
Edit/Add missed visits

User administration

- **Add Users**
Add users to access the system
- **Delete Users**
Delete users that no longer have access

[Privacy Policy](#) | [Security Policy](#)

Custom Links 1: [Option 1.1](#) | [Option 1.2](#) | [Option 1.3](#)
Custom Links 2: [Option 2.1](#) | [Option 2.2](#) | [Option 2.3](#) | [Option 2.4](#)
Custom Links 3: [Option 3.1](#) | [Option 3.2](#) | [Option 3.3](#) | [Option 3.4](#) | [Option 3.5](#)
Custom Links 4: [Option 4.1](#) | [Option 4.2](#) | [Option 4.3](#)



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Figure 3. Main Functions



You are logged in as: Smith, John, Agency XXXX

AuthentiCare System Monitoring



Florida CDC Home | CDC Guide | Provider Guide | Client Guide | Contact Florida CDC | FAQs
Custom Links 1 | Custom Links 2 | Custom Links 3 | Custom Links 4

<Exit>

VALIDATE CLAIMS

Validate Claim Select the Validation Claim option, then press "Save Changes"

Page 1 of 10 |

Client: Jones, Fred (1234567)

Provider: XYZ Provider Inc (12345678) Worker: Thomas, Mary (12345678)

Validate Group	Date of Service	Check In Time	Check Out Time
---	07/04/2003	10:10 A.M.	07/04/2003 12:10 P.M.

Validate Claim	Claim Number	Service
---	12345678901	ABC
---	12345678902	DEF
---	12345678903	GHI
---	12345678904	JKL

Provider: AAA Provider Inc (12345678) Worker: Thomas, Tom (12348888)

Validate Group	Date of Service	Check In Time	Check Out Time
---	07/07/2003	10:10 A.M.	07/07/2003 12:10 P.M.

Validate Claim	Claim Number	Service
---	12345678999	123

Reset Changes Save Changes Done < Previous Next >

[Privacy Policy](#) | [Security Policy](#)

Custom Links 1: [Option 1.1](#) | [Option 1.2](#) | [Option 1.3](#)
Custom Links 2: [Option 2.1](#) | [Option 2.2](#) | [Option 2.3](#) | [Option 2.4](#)
Custom Links 3: [Option 3.1](#) | [Option 3.2](#) | [Option 3.3](#) | [Option 3.4](#) | [Option 3.5](#)
Custom Links 4: [Option 4.1](#) | [Option 4.2](#) | [Option 4.3](#)



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Figure 4.

Claim and Visit Management



Michigan Department of Community Health

You are logged in as: Smith, John, Agency XXXX

AuthentiCare System Monitoring



Florida CDC Home | CDC Guide | Provider Guide | Client Guide | Contact Florida CDC | FAQs
Custom Links 1 | Custom Links 2 | Custom Links 3 | Custom Links 4

<Main Menu>

<Exit>

FILTER & SORT

1 Filtering Options Select your filtering options (narrow the report details)

a Enter the period of time to search within:

*Start Date (From): [Calendar](#)

Period of Time:

Enter End Date only if searching for a range of dates.

*End Date (To): [Calendar](#)

* required

b Select or enter any of the following: All fields below are optional.

Regional Area:

Claim Number:

Case Manger ID Number:

Client ID:

Client Validation:

Service(s):
Hold down Ctrl key to make multiple selections

Provider ID:

Worker ID:

Exception Codes:
Hold down Ctrl key to make multiple selections

c Select whether you would like to view a detailed report or a summary only:

View Details

View Summary Only

2 Sorting Options Select the criteria by which you would like your report to be sorted

This is not a required option. If you choose not to select a sort order, the report will default to Client Name (Last Name, First Name) sort order.

Sort 1:

Sort 2:

Sort 3:

[Privacy Policy](#) | [Security Policy](#)

Custom Links 1: [Option 1.1](#) | [Option 1.2](#) | [Option 1.3](#)
Custom Links 2: [Option 2.1](#) | [Option 2.2](#) | [Option 2.3](#) | [Option 2.4](#)
Custom Links 3: [Option 3.1](#) | [Option 3.2](#) | [Option 3.3](#) | [Option 3.4](#) | [Option 3.5](#)
Custom Links 4: [Option 4.1](#) | [Option 4.2](#) | [Option 4.3](#)



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Figure 5. Reporting Main Menu



AuthentiCare System Components

The AuthentiCare solution is comprised of several system components. These components include IVR and web applications, an AuthentiCare database and reporting utilities. All applications are developed with the GovConnect suite of tools. This toolset is based on Microsoft Windows 2000 server platform. Application development is performed utilizing Visual Basic and Visual C++ tools. Web pages are presented through Active Server Pages (ASP) via Internet Information Server (IIS). SQL Server, using Structured Query Language (SQL) in a relational-table format, powers the AuthentiCare database. Reports are generated for each aspect of the AuthentiCare system.

GovConnect is proposing an electronic solution where we replace the current paper process with the AuthentiCare solution and not having an interim step where we collect paper claims on behalf of Michigan. The AuthentiCare solution is fully HIPAA compliant including electronic claims transaction standards, privacy and security requirements. GovConnect will verify this compliance with regard to electronic claims transaction standards prior to implementation utilizing Foresight's testing process. In addition, GovConnect staff continuously monitors HIPAA standards to ensure that the AuthentiCare solution remains compliant with future mandates for HIPAA transaction standards.

Coordination of benefits between Medicaid and other third party insurance carriers is a continuous challenge for Medicaid agencies. Recognizing that many in-home services may be covered by third-party payors, GovConnect is currently modifying its AuthentiCare to ensure that Medicaid remains the payor of last resort. This modification to our product will ensure that Michigan receives the full benefit of all third-party liability (TPL) prior to expending Medicaid funds. For claims for which there is no TPL, the AuthentiCare solution will submit an electronic claim to the MMIS based on check-in, check-out, business rules, etc. Once submitted to the MMIS the AuthentiCare electronic claim processes is complete.

Hardware, combined with the industry-standard software, is deployed to meet the scalability, integration, and capacity needs of the AuthentiCare system. GovConnect performs volume and activity analyses in order to determine the storage needs, processing power, bandwidth, and telephony hardware needed to support the application. All systems are designed to be scaleable and able to integrate with agency systems. In addition, data security and redundancy is ensured through GovConnect's secure network and hot site backup facility. Figure 6 below offers a systems overview of the AuthentiCare solution.

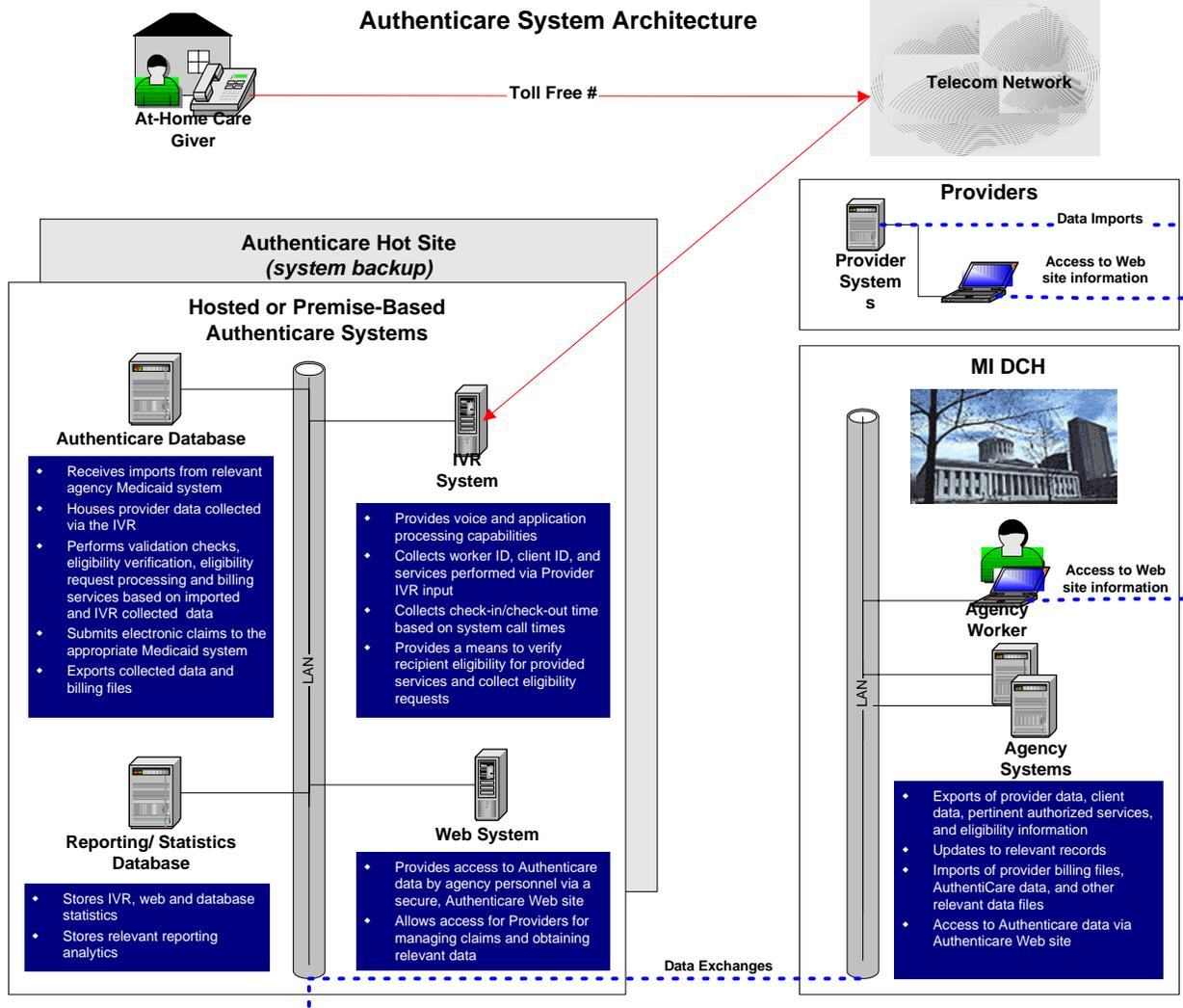
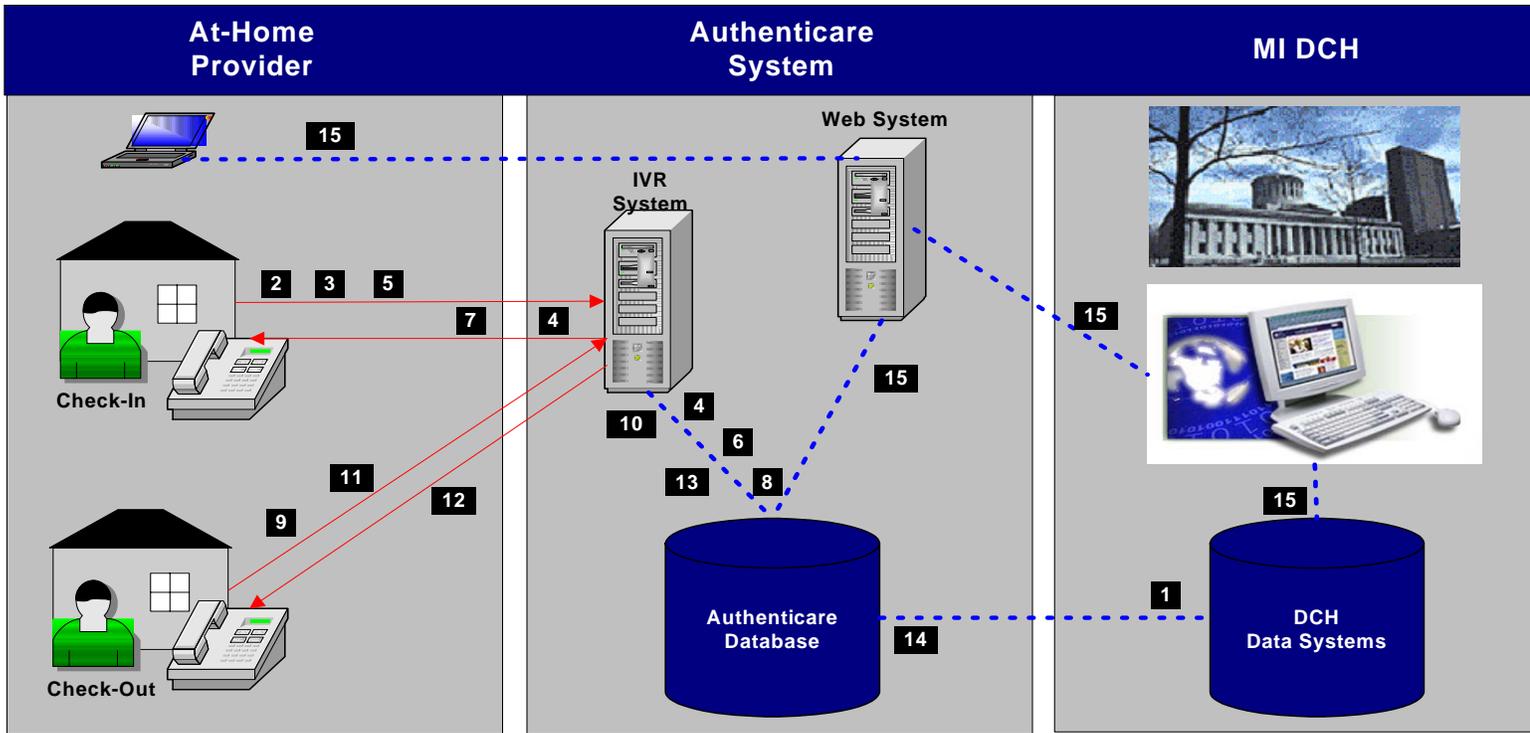


Figure 6. Authenticare Systems Overview



Figure 1. Authenticare Process Overview



- | | | |
|--|--|--|
| <p>1 Batch import of relevant data from Agency data systems to the Authenticare system</p> <p>2 At-home worker calls into Authenticare toll free number from recipient's home upon service check-in</p> <p>3 Worker has option of verifying recipient eligibility from the recipient's phone; Relevant data is entered.</p> <p>4 Recipient eligibility is checked against the relevant MMIS file and eligibility information is returned to worker</p> <p>5 Worker enters relevant check-in data from recipient's phone, including Provider ID, Client ID (if not already entered), and Service ID; System records check-in time.</p> | <p>6 Application performs data validation checks within application and against database</p> <p>7 A check-in summary is presented to the at-home worker for validation</p> <p>8 Data from check-in is written to the Authenticare database</p> <p>9 Upon service completion, the worker calls back into the Authenticare toll free number to initiate a service check-out</p> <p>10 ANI digits are captured and the in-progress home visit information (from the check-in) is retrieved from the database</p> | <p>11 Worker verifies data presented from the application and enters in any other necessary data; System records check-out time</p> <p>12 Check-out summary is presented to the worker and data is validated by the provider</p> <p>13 Data from check-out is written to the Authenticare database</p> <p>14 Batch exports of electronic claims and data to Agency data systems are performed as defined by the project</p> <p>15 DCH access to Authenticare data is offered via an Internet connection to the Authenticare Web server; The database will also provide file exports to agency systems; Providers are also offered Internet access to view and manage claims, schedules, and access data</p> |
|--|--|--|

2. Technical Work Plans

Provide a technical plan for accomplishing the work. Indicate the number of person-hours allocated each task and the estimated state resources necessary for each task. A MS Project Schedule, time related, showing each event, task, and decision point in your work plan must also be provided.

In Appendix 1 to this response, the GovConnect team has provided a Microsoft Project work plan, which outlines the steps that will be taken to successfully implement Authenticare for Michigan Medicaid. We have proposed a three-phased approach to implementation, addressing each of the four program areas that we recommend for Authenticare:

- 1) Private Duty Nursing and Children's Waiver;
- 2) Home Help; and
- 3) Home- and Community-Based Waiver.



In this section, we provide narrative descriptions of the specific tasks and subtasks required for the development and implementation of the AuthentiCare. This section provides a narrative of the timeline and a demonstration of the project reporting, etc.

Task I - Project Initiation

Upon award of the contract, GovConnect will assemble the project team and begin reviewing existing documentation and gathering key information from DCH. Sub-tasks associated with this task include the following:

Conduct preliminary meetings with the DCH Project Manager and State Staff - In order to obtain a better understanding of the DCH project organization, initiatives and project background, as well as to get an overview of the current status and any relevant issues, the GovConnect project team will participate in initial orientation sessions with the DCH Project Manager. This session will also provide State staff with the opportunity to meet the GovConnect staff that will perform the planned tasks. We will also clarify any remaining questions regarding the project scope or expectations. We see this effort as a valuable way to kickoff the project and begin the teambuilding process required to successfully complete the tasks ahead.

Establish Project Management Procedures - During this task, procedures are finalized that define the monitoring approach for the project. The objectives of this task are to produce administrative and professional standards to guide the execution of the project and to support the project team, as well as to select the tools and techniques necessary to support the defined procedures. We will work with DCH to finalize these procedures and to ensure buy-in on all sides. The result of this task is the publication of the Project Management Procedures (PMP) Manual. This document is a compilation of individual plans and provides a set of project management automated systems, processes and procedures to help ensure the timely completion of the project and set the standard for high quality project deliverables. The PMP is developed at project inception and maintained throughout the project. These tools are designed to ensure that all project team members conform to a common set of standards and controls. They are readily adaptable to integration with existing project procedures, or to otherwise tailor as directed.

The initial PMP will be developed as the processes, procedures and standards are defined and will be continually refined and enhanced as the project progresses. The PMP and associated automated tools provide the requirements for project management procedures, define requirements for each phase of the project and establish a framework and standards for each deliverable.

Create Project eRoom - GovConnect recommends the use eRoom for all projects. The eRoom contains a customized of simple, yet effective, automated tools to support the project management infrastructure, including issue management, risk management, document management, MS project and group collaboration. Using a web browser or dedicated client, the members of a project team, including designated State staff, can log into a project space specifically for the project that enables us to share documents, engage in discussions, manage task lists and easily get collaborative work done.

Components of the PMP Include:

- **Project Communication Plan, which includes format and frequency of all project status reporting;**
- **Risk Management Plan;**
- **Deliverable Expectations Document;**
- **Quality Review Plan; and**
- **Issues Tracking Process and Procedures.**

the
of
set

Here are some of the features of our eRoom:

Common Work Area	A shared view of the materials that are the knowledge base of
-------------------------	---

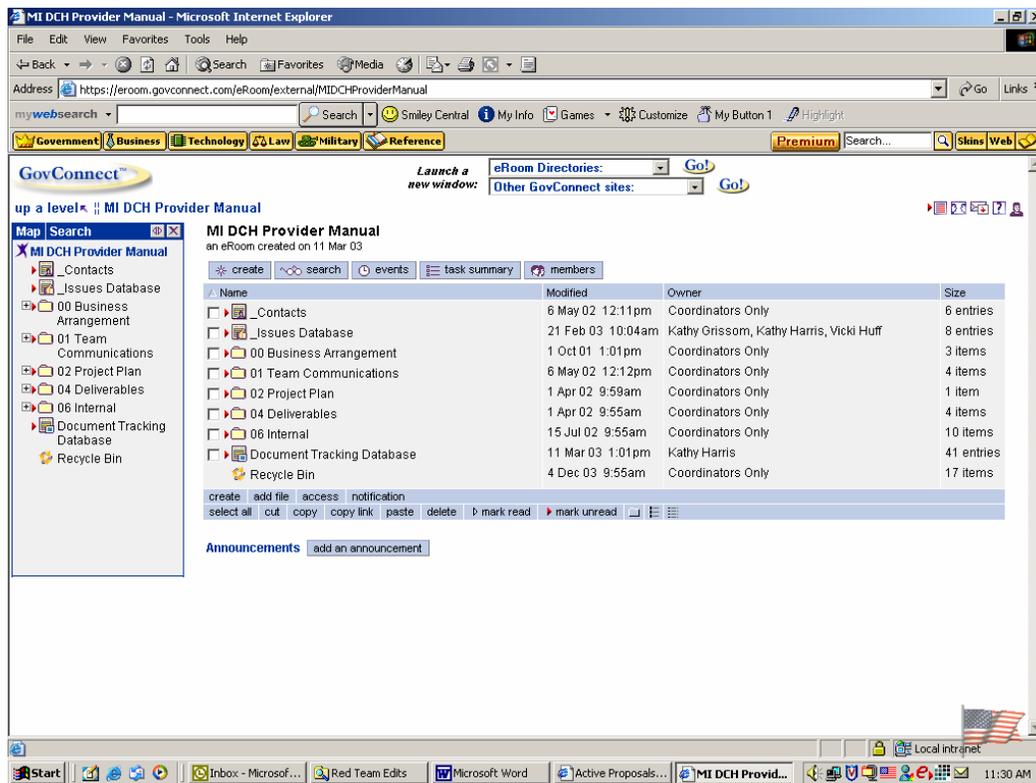


	the project for any project team member with access to the Internet and a web browser;
<i>Version Control</i>	Presentation of the latest and greatest version of all documents;
<i>Notification</i>	The group will know when members have contributed documents to the project;
<i>Search</i>	Easily find documents and/or information within the project workspace you have permission to see; and
<i>Access Control</i>	Administer who has access to information and the type of access (e.g., read-only and/or edit/write).

We strongly support using the eRoom. It has proven to be an effective tool to share and manage documents, especially when the client and project team are in different locations and require access at the same time. Since this data repository sits on our LAN, the data is secured and backed-up regularly to tape. The eRoom's most functional feature is that it is accessible through the Internet using any standard web browser. The result is that distributed workers can engage in our project very easily and efficiently. Figure 7 below shows an eRoom we created for the Michigan DCH Provider Manual project and the standard file structure for the folders.



Figure 7. Sample eRoom Screen



Implement Weekly and Monthly Status Reports - GovConnect will deliver weekly status reports to the DCH Project Manager by close of business each Monday in an agreed upon format. Weekly reports will include:

- ◆ A summary of work completed for that reporting period;
- ◆ A summary of work scheduled for the next reporting period, detailing staff assignments and action items;
- ◆ Issues resolved during reporting period (closed in log);
- ◆ Issues open (outstanding and newly opened in log) and associated project risk; and
- ◆ DCH support, input or decisions required.



Figure 8. Sample Weekly Report Format

**Michigan AuthentiCare
Weekly Project Status Report**

A. General Information

Information to be provided in this section gives a specific name to the project as well as pertinent information about the personnel involved.

Project Name: _____ *Date:* _____
Agency: _____ *Modification Date:* _____
Prepared by: _____ *Authorized by:* _____

Project is: On Plan Ahead of Plan Behind Plan

Reporting Period: **From:** _____ **To:** _____

B. Significant Accomplishments for Current Period

List and describe activities accomplished during current reporting period and activities planned during current reporting period, but not accomplished. Fully document why any planned activity was not accomplished.

C. Planned Activities for Next Period

A summary of the significant accomplishments and project deliverables during the reporting period.

D. Issues Resolved During Current Period

The description of activity should not span more than 2 to 3 lines. Activities should be linked to the project tasks list or Work Breakdown Structure.

E. Key Issues Outstanding

Identify and fully document newly captured issues and open issues. Attach any relevant Issues Documents to this status report.

F. DOEA Support, Issues, or Decisions Needed

Identify and fully document action items, issues or other decisions needed from DCH Management. Attach any relevant Change Control Requests.

G. Project Work Plan Updates



Figure 9. Project Work Plan Updates

Task or Delivery Item	Milestone or Deliverable ?	Original Planned Date	Re-Estimated Date	Actual Completion Date	% Complete	Comments

Monthly Status Reports will be in a standard format and contain, at a minimum, the information outlined below. Authors must follow the document management procedures and standards outlined in the PMP, to properly submit and register project correspondence.

Monthly status reports will include:

- ◆ Status of project timeline;
- ◆ An updated project schedule including anticipated changes in due dates;
- ◆ A summary of accomplishments for the time period;
- ◆ Issues resolved during reporting period (closed in log);
- ◆ Issues open (outstanding and newly opened in log);
- ◆ Suggested risk mitigation strategies;
- ◆ Status of action items;
- ◆ Identification of resource needs (state and contractor) including staffing updates; and
- ◆ DCH support, input or decisions required.

Figure 10 below is a sample outline for monthly activity reports.



Figure 10. Sample Monthly Report Format

**Michigan AuthentiCare
Monthly Project Status Report**

A. General Information

Information to be provided in this section gives a specific name to the project as well as pertinent information about the personnel involved.

Project Name: _____ **Date:** _____
Agency: _____ **Modification Date:** _____
Prepared by: _____ **Authorized by:** _____

Project is: **On Plan** **Ahead of Plan** **Behind Plan**

Reporting Period: From: _____ **To:** _____

B. Current Project Status

Describe current project status compared to the approved timeline. Fully document why any planned activity was not accomplished. Attach revised project schedule, if appropriate.

C. Significant Accomplishments for Current Period

List and describe activities accomplished during current reporting period.

D. Issues Resolved During Current Period

The description of activity should not span more than 2 to 3 lines. Activities should be linked to the project tasks list or Work Breakdown Structure.

E. Key Issues Outstanding

Identify and fully document newly captured issues and open issues. Attach any relevant Issues Documents to this status report.

F. Key Project Risks and Proposed Mitigation Strategies

Identify and fully document key project risks. Attach updated Risk Mitigation Analysis and Risk Response Plan.

G. Status of Outstanding Action Items

Identify and fully document outstanding action items, assigned responsibility, and planned resolution.

H. Updated Resource Needs



Identify and fully document project resource needs, State and GovConnect, including staff updates.

I. DCH Support, Issues, or Decisions Needed

Identify and fully document action items, issues or other decisions needed from DCH Management. Attach any relevant Change Control Requests.

Implement Project Status Meetings - DCH and GovConnect project management staff will hold, at a minimum, monthly status meetings. These meetings will normally take one hour to discuss the status of all major work activities. The agenda will include:

1. The review of status reports;
2. Review of actual versus planned progress;
3. Coordinating any upcoming meetings; and
4. A discussion of any outstanding issues not already being tracked.

In addition to major activity status, outstanding issues, and upcoming events, time will be devoted to discussing issues of concern to DCH or GovConnect project management staff. Our approach to aiding effective communication at project meetings consists of five components:

- **Meeting Agenda** - Each meeting will have a meeting leader. The meeting leader will prepare and distribute meeting agendas. The meeting leader will be responsible for providing the attendees with additional information necessary to conduct the meeting. Designated staff will be responsible for ensuring that appropriate staff members receive agendas and pre-meeting notes to prepare for scheduled meetings;
- **Meeting Notes** - Meeting Notes will contain a brief summary of the meeting and a description of the individual topics covered. The summary will identify the purpose of meeting, the topics discussed, and the major decisions made. The meeting notes will also contain any open issues resulting from the meeting. Meeting notes do not have to contain great detail, but they should have enough information to ascertain what transpired at the meeting. The meeting notes will contain the details of all topics discussed;
- **Attendance Signup Sheet;**
- **Action Items Matrix** - During project meetings, the meeting scribe will record action items. The meeting notes will maintain the action items in the project notes and
- **Issues Tracking Form** - Issues identified during meetings will be documented on the Issue Tracking form. The meeting leader will complete and forward an Issue Tracking form to the appropriate manager for entry into the Issue Tracking System.

5 Components of Effective Communication at Project Meetings:

- **Meeting Agenda;**
- **Meeting Notes;**
- **Attendance Signup Sheet;**
- **Action Items Matrix; and**
- **Issues Tracking Form.**

the Meeting reader what not the leader eRoom;

In addition to scheduled meetings, our team will be available for additional meetings as required on this project.

Finalize Detailed Project Work Plan - Throughout the Project Implementation Phase, the GovConnect project team will meet with the DCH project team to validate the scope of the project and finalize the detailed project work plan. This plan will include identification of all task dependencies, which will enhance project monitoring and management of the overall impact of any project delays. Assignment of responsibilities will also be included in the detailed work plan, identifying individuals or groups of individuals with primary responsibility for completion of tasks. Once completed, this work plan will be the official roadmap for assessing project progress.

GovConnect will monitor project activities through status reporting, its day-to-day project task involvement, and through our quality assurance activities to assess the progress of the project to the plan. As a part of our status reporting, GovConnect will continually apprise DCH of progress and recommend corrective action when necessary. The plan will continually and accurately reflect detailed project planning.



Task II – Design

The GovConnect team, along with DCH staff, will jointly complete the application design and finalize the Detailed Design Documents for the development, testing, and implementation of the AuthentiCare solution.

Conduct Project Kickoff – Beginning March 1, 2004, the GovConnect project management and design team will conduct a project kickoff meeting with members of the DCH project team. The purpose of this meeting is to introduce DCH staff to the design process to follow immediately. This meeting “sets the stage” for the design sessions, identifying the format, process and procedures to be followed during those sessions.

Conduct Design Sessions - During this phase of the project we will hold multiple Joint Application Design (JAD) sessions with the DCH team. We anticipate initial JAD sessions will run approximately six hours per day from March 3 through March 9, 2004. We think it is important for DCH to be aware of the time commitment needed from its project team for this effort. This process will include identification of all business rules for the solution, identification of reports needed from the AuthentiCare solution, imports and exports required from the system and call flows for the IVR.

Complete Documentation - GovConnect uses a series of established application document templates as an initial starting point to build out the required details for each of our provided solutions. These documents provide the general guidelines and are modified to produce the finalized Detailed System Design Documents (DSD), which are then used to implement the desired solution to the exact specifications as determined during the project design phase. The DSD appendices that will be used for the AuthentiCare solution are:



DSD Appendix A – Call Flow	This appendix will contain a graphical illustration of the call flow of the IVR script;
DSD Appendix B – Data Element/ Import specifications	This appendix will contain the data elements to be utilized by the application and the details of the access (batch FTP download or real-time host integration) of application data;
DSD Appendix C – IVR Script	This appendix will contain the IVR application script details including the associated steps and all business rules associated with each process and action taken;
DSD Appendix D – Language Pack	This is a document that lists each phrase within the IVR script and at what steps it will be utilized. English and Spanish phrases will be contained in this document;
DSD Appendix R – Reporting	This document lists each report that will be required to support the DCH program;
DSD Appendix W – Web Script	This document provides the business rules that support the Web application;
DSD Appendix WS – Web Screens	This document provides the design of the Web screens that will be utilized in the application; and
Configuration List	This document further defines the business rules to be used in the IVR and Web for certain configuration items through each application. DCH will have options that they can choose from for how the IVR and Web will look and feel for the users of these applications.

Conduct Design Reviews - GovConnect will conduct two separate sessions with DCH staff to review the draft design documents. Following the first such session, GovConnect will modify the draft DSD to address issues or omissions identified during the session. A second session will be conducted with DCH staff to review the DSD immediately prior to submission to DCH for approval.

Design Signoffs - Immediately following the final design review, GovConnect will present the draft DSD to DCH for review and approval. As this document will be reviewed in-depth with DCH staff twice prior to submission, there should be no surprises with its content. Due to the short timeframe allowed for planning, design, development and implementation of the AuthentiCare solution, it will be imperative that DCH respond within 24 hours to the draft DSD. System development will not begin until the DSD is agreed to and signed-off by DCH; therefore, any delays in the approval process will result in delays in the development of the solution.



Task III – Development

The GovConnect development team will customize the AuthentiCare application per the specifications in the DSD. During the development process, the development team follows our development standards and methodology. The development team tests the functionality of the application in their development environment before passing it on to the project management team for internal testing. During this phase, the phrases from the IVR DSD document will be sent to our professional recording talent. This will include the translation of the English phrases to Spanish. GovConnect will send the translated phrases to DCH to verify translation before recording.

You will note that there are many development efforts ongoing simultaneously. While the IVR/script development is being completed, system imports and exports and web screens are also being built. We have broken the application into different modules, allowing us to have multiple developers working at the same time and ensuring there is no slippage in this portion of the project.

DCH Prepares and Delivers Test Data - As part of the **Design Sessions**, GovConnect will work with DCH to define how production data will be sent and received. DCH will need to prepare test data based on these business rules to allow for more accurate testing during development and in preparing the test scenarios for the Internal Testing, QA testing and User Acceptance Testing.

Complete Technical Design - A development resource will be assigned to the project to review the DSD created during the **Design Sessions**. This technical resource is used to analyze the business rules as defined in these documents to determine how to best establish the technical environment for development, including the database model and how each application component will interact with the database.

Interactive Voice Response (IVR) - A development resource will be assigned to this task to build the IVR application based on the business rules defined in the DSD.

Mid-Development Review - At mid-point through the development process, the Technical Manager will review the application code being developed along with the DSD as part of the Quality Management process. This review ensures the development effort is heading in the right direction and is being completed in the most efficient manner.

Exports - A development resource will be assigned to this task to build the process of sending data collected from the IVR and/or web application to the GovConnect team for processing payroll. The process developed will be configured to run within the timeframe defined by DCH to ensure timely payment of all services.

Imports - A development resource will be assigned to this task to build the process to receive the payment plans and recipient data from DCH for processing payroll. The process developed will be configured to run within the timeframe defined by DCH to ensure timely payment of all services.

Web Screens - A development resource will be assigned to this task to build the web application based on the business rules defined in the DSD.

Web Reports - A development resource will be assigned to this task to build the web reports based on the business rules defined in the DSD.

Code Review - To complete the development process, the Technical Manager will review the application code that was developed along with the DSD as part of the Quality Management process. This review ensures the development effort was completed and that the applications and processes were built in the most efficient manner.

Task IV – Staging

While the application development effort is ongoing, equipment staging and installation will be occurring.

Size and Procure Hardware - After the Design Sessions, the project team will work with the GovConnect Data Center staff and Solutions Engineering to size the application for appropriate hardware/software requirements. This task will



involve the review of expected transaction volumes and application activity to determine the number of servers required to efficiently run the applications. Once the hardware/software requirements are defined, the requirements will be used to order the needed tools.

Stage Hardware - Once the needed hardware/software has been defined and procured, GovConnect Staging staff will begin installing the required software and setting up the hardware for use. Once the hardware has been “staged” and development has been completed, the DCH application will be installed for testing.

Install Application to Internal and External Test Environments - Initial testing of the application components will be performed first by development staff as they are building the application. Once development is completed the application is installed to a testing environment for the project team. This test environment is referred to as the Internal Test Environment. During this testing, the project team will ensure each application component is functioning properly and as designed in the DSD. After the project team has had sufficient time to test the application, it is then installed to another test environment called the External Test Environment. The External Test Environment is used for further Quality Assurance testing of the application functionality and processes and finally for User Acceptance Testing by DCH.

Testing -The GovConnect team Project Manager and the DCH Project Managers will jointly create a test plan to thoroughly test the application. The GovConnect team Project Manager will use a template developed by GovConnect’s Quality Assurance department for a baseline for the test plan. Our IVR experience has proven that the more testing which can be performed before loading on the production environment, the more efficiently resolutions can be implemented. The test phase consists of configuring the test environment, internal delivery team testing, quality assurance testing and user acceptance testing.

GovConnect will develop testing strategies for each type of test that will be conducted for the AuthentiCare solution. GovConnect will document within the test plan a strategy for testing the following:

◆ Data Integrity;	◆ Disaster Recovery and Fail Over Procedures;
◆ Testing Functions;	◆ Different Client and Server Configurations;
◆ Business Cycles;	◆ Software Installation;
◆ User Interfaces;	◆ Import/Export Features and Software Development Tools;
◆ Performance;	◆ Accuracy of End User Documentation; and
◆ Security Access and Control;	◆ Regression Testing.

Internal Testing - Internal testing of the AuthentiCare solution will consist of several distinct types of testing:

- **Unit Testing** allows components to be tested independent of the entire solution. This level of testing involves looking at each piece of the application as a separate entity and insuring that it works properly by itself. This allows individual team members to identify problems or issues in modules very early in the process as they answer the question: *Does the module function at a detailed level as designed?*;
- **System Testing** begins to look at the compatibility of the components working together as a solution. In this stage of the process, team members work very closely together to address key integration issues and ensure that customer’s requirements and expectations are met. This level of testing insures that the modules effectively talk to each other and still behave in the same manner as in Unit Testing;
- **QA Testing** - This level of testing is based on the specifications outlined in the Detail System Design Document (DSD). During this task, the GovConnect team will revalidate the business rules in the DSD compared to the functionality of the application components. Application logging will be reviewed prior to handing the system over to the State for User Acceptance Testing. Also performed during QA Testing is a load test of the IVR and web applications to ensure the maximum expected usage on the system does not affect performance; and



- **User Acceptance Testing** - Acceptance testing is used to ensure that the system is ready to be implemented and that it satisfies all documented requirements. This is the first chance for the application to be tested in a "real world" environment. *Does it behave the same in the developer's lab as it does at the client site?*

These tasks allow DCH to test the application functionality of the IVR and web. A phone number and web site will be provided to DCH for this testing. Testing will be performed against the test data provided to GovConnect earlier in the Work Plan.

During this stage, DCH testers identify any portions of the system that do not correctly reflect the user's acceptance requirements. The developers make the corrections and the software is re-tested. This level of testing involves tremendous involvement by the user to insure that the application behaves in the manner expected by the requirements outlined in the DSD. At the completion of user acceptance testing, DCH will be required to signoff on the application prior to its release to production.

Task V – Training

Effective training is an essential component of every successful development project. GovConnect takes great pride in our ability to offer thorough and highly useful training. Our experience from large-scale, multiple-site and user training, down to one-on-one training, has taught us the importance of training in ensuring the successful implementation of the new system. Our objective in training is to ensure that the user understands the system and how it fits into their overall business practices, and how to effectively use the system.

Build Training Plan - The GovConnect team will prepare and submit for DCH approval a detailed training plan that will outline specifically how we will prepare DCH staff for the new AuthentiCare solution. Using a "train-the-trainer" approach, we will provide DCH with the framework and materials needed to ensure all system users are prepared to maximize the new system. In addition, the course instructor will provide helpful instruction tips to assist in the End-User Training.

Build Training Materials - The GovConnect team will prepare comprehensive training materials and Users' Manuals for the AuthentiCare Solution. The material will focus heavily on the AuthentiCare system overview and the functionality that will be available to system users.

Training Reviews - Prior to conducting training sessions, the GovConnect team will review the training curriculum and materials with DCH for comment and approval.

Conduct Training - GovConnect will develop and provide two train-the-trainer sessions as a result of the agreed upon training plan. This training will include development of all course outlines, reference documentation, additional student materials, trainer guides and trainer instructions in electronic format. GovConnect will provide the train-the-trainer sessions, onsite in Michigan at one DCH-sponsored location in one day.

The GovConnect team has provided work plan information, which outlines the steps that will be taken to successfully implement an AuthentiCare solution. We will replicate these tasks and subtasks for each of the three phases proposed for Michigan Medicaid.

Optional Professional Services

Any new business process, regardless of the ease of use or value of the benefits offered, will only be successful if it is fully understood and utilized. GovConnect's experience with the AuthentiCare Solution and strategies necessary for successful implementation indicate that two areas are critical for that successful implementation: comprehensive training of in-home service providers and responsive customer service during and immediately after implementation to guide providers through the implementation process. Michigan DCH should be prepared to assign dedicated state staff to address these areas. If qualified state staff are not available, or not available in sufficient numbers to ensure these areas are both thoroughly addressed, DCH should consider acquiring those services.



GovConnect offers our clients with the right combination of proven solutions, effective training, and essential customer service. GovConnect has a dedicated staff specializing in formalized training and documentation. It is the responsibility and mission of this group to develop and implement effective training programs. In addition, we have a seasoned staff experienced in both customer service and the AuthentiCare Solution.

At the option of DCH, GovConnect will provide the training and customer service services outlined below. We have provided separate pricing for these services to enable and encourage DCH to evaluate the need for these services by GovConnect and the scope of the services needed by DCH. Due to the wide variation between the sizes of the various programs to be implemented, the level of staffing for this service will vary between the phases to include one full-time equivalent (FTE) for Phase 1, three FTEs for Phase 2, and two FTEs for Phase 3.

Training

GovConnect personnel are proficient in delivering lively, engaging presentations, generating and encouraging participants' interaction, documenting instructions that are easy to read and follow, and motivating students to learn and use new systems. GovConnect's training experience includes traditional lecture and classroom learning, CD, video, videoconferencing, net-conferencing, online help, and a wide variety of documentation deliverables including quick reference cards, job aids, user guides, and support manuals.

Training developed by GovConnect will focus on teaching the solution, not just how to use the system. This approach answers "Why?" in addition to "How?" in the student's minds. As a result, both DCH staff and providers will be positioned to take better advantage of the offerings provided by the automated monitoring system.

Before any training begins, the GovConnect team will work with DCH to evaluate the training needs for the DCH staff, Michigan's health care providers, in-home workers and the clients. Training recommendations and scope of services will be agreed upon before training is finalized and scheduled.

The Training Plan

The GovConnect team will partner with DCH to tailor a training plan specifically to DCH's objectives and personnel. The training plan will cover all tasks related to training design, development and delivery including, but not limited to:



◆ Identification of the training needs;
◆ Definition of the training audience including student locations and availability;
◆ Proposal of a variety of learning methods into the training deliverables insuring students are taught by how they learn (visual, auditory, kinesthetic);
◆ Determination of the training methods/media (both the training material prototypes and identification of needed support equipment such as overhead projector, video equipment, computer terminals, training region, etc.);
◆ Establishment of a detailed training curriculum, course structure & format, and schedule for each course;
◆ Proposal of support tools to facilitate student's & providers application of new skills; and
◆ Identification of evaluation criteria and opportunities to measure the effectiveness of the training.

Some successful efforts in previous projects included: 1) presentations and IVR demonstrations during regional provider workshops and staff training; 2) handouts, stickers and note pads; 3) mass mailing to all providers; and 4) articles and write-ups for inclusion in DCH monthly newsletters and health association periodicals.

Training Solutions

GovConnect will deliver the DCH Training Curriculum, DCH Training Project Plan, initial DCH Staff Training and Provider Training, Training Manuals, Online Instructions, and Marketing materials for use with DCH employees as well as the provider population.

- ◆ GovConnect will present the automated monitoring system at a minimum of three provider workshops for each phase and deliver electronic material for client educational brochures and information.
- ◆ GovConnect will offer DCH creative and expanded alternatives to further enhance the training and marketing options.

All training sessions will include demonstrations combined with stand-up training. The sessions will be supplemented with handouts and personal learning activities (hands-on training and questions and answer sessions) to ensure that participants and stakeholders have a clear understanding of the capability of the system and how to use it. Frequently performed activities will be emphasized through hands-on application training. In addition, both DCH staff and providers will be trained in using the online instructions. Our training team's approach will be to maximize hands-on experience by emphasizing meaningful system exercises under the facilitation of professional instructors.

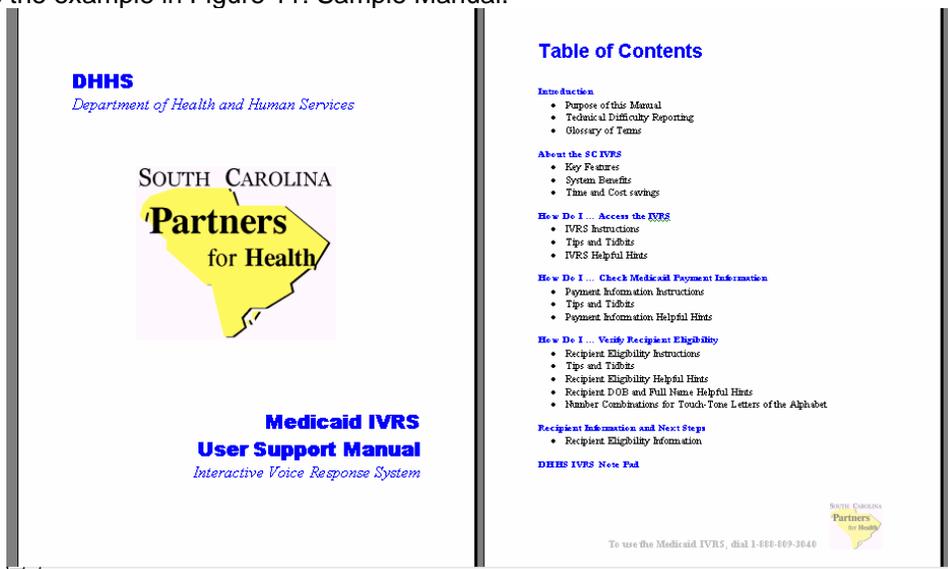
DCH Initial Staff Training - GovConnect will develop and provide the initial training for all appropriate DCH staff as a result of the agreed upon training plan. This includes the approximately 300 field staff and 25 Central Office staff. This training will include development of all course outlines, reference documentation, additional student materials, trainer guides and trainer instructions in electronic format. GovConnect will provide the initial DCH staff training onsite in Michigan at DCH sponsored locations.

Initial Provider Training - GovConnect will develop the training course(s) and curriculum for initial provider training as a result of the agreed upon training plan. This training development will target the frontline and supervisory health care



providers. The training development will include course outlines, reference documentation, any additional student materials, trainer guides and instructions in electronic format. To maximize the efforts to train staff regionally, it may be most effective if GovConnect provide initial provider training onsite at ten regional sessions held across the State at five DCH sponsored locations. This would result in two back-to-back sessions per regional location. Providing training regionally to staff or centrally to staff may impact the timing and location of the provider training workshops.

Training Manuals – To supplement training activities, GovConnect will develop two simple to follow, step-by-step manuals to provide instructions on the use and features of the automated monitoring system. The user manual will focus on the providers’ use of the system and serve as both a provider instruction tool and DCH staff support tool. The administration manual will focus on the Internet reporting interface. This will equip DCH staff with the necessary knowledge to access the information gathered and reported by the automated monitoring system. Manuals will be developed using an easy-to-follow format incorporating graphics and illustrations to enhance the presentation of the instructions. Upon approval, the manual will be provided to the State in an electronic format to facilitate its production and distribution, such as the example in Figure 11: Sample Manual.



Online Instructions – In addition to the training manual, the GovConnect team will develop online step-by-step instructions on how to use the automated monitoring system. These simple, easy-to-follow instructions will be available for DCH to upload to their web site. This type of training is particularly useful for new employees or new providers. It also provides self-paced instructions for those employees or providers in remote locations. These instructions will be highlighted during all of the onsite DCH staff and provider training sessions as a reference source for future use.

Regional Provider Meetings – GovConnect will participate in a minimum of three regional provider meetings held at DCH-sponsored locations around the State. Again, GovConnect will provide information to target the frontline and supervisory health care providers within all service levels of in-home-based care. GovConnect preparation will include the outlines, presentations, reference documentation, any additional participant materials, and marketing materials in electronic format.

Marketing – Active internal marketing, training, education, and support aids government employees and vendors in recognizing the benefits of using new systems. It is our responsibility to educate and effectively communicate to DCH employees, providers, in-home workers and clients the benefits of the automated monitoring system. GovConnect will design marketing materials for DCH to use in communications with internal staff, health care providers and clients. All marketing materials will be developed with a training approach in mind, resulting in communication that both motivates and instructs. Additionally, the marketing materials will be designed in an easy-to-read format utilizing graphics and



illustrations to communicate key concepts. The item below, Figure 12, Mass Mailing was part of a mass mailing sent to providers.

Figure 12. Mass Mailing

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www.govconnect.com

How does it work? It's as easy as 1,2,3

Step 1	Dial toll-free 1-888-809-3040 (English and Spanish options available)	
Step 2	Enter your South Carolina Medicaid Provider ID Number (8-character)	
	Press 1 to	Press 2 to
	Obtain Most Recent Medicaid Payment Information	Verify Recipient Medicaid Eligibility
	Payment Information Includes: <ul style="list-style-type: none"> • Most Recent Payment Date • Most Recent Payment Amount • Most Recent Payment Check Number 	
Step 3	(1) Enter Date of Service, and (2) Enter One of the Following: <ul style="list-style-type: none"> • Recipient Medicaid Health Insurance Number, or • Recipient Social Security Number, or • Recipient Date of Birth and Full Name* 	
	Eligibility Information Includes: <ul style="list-style-type: none"> • Eligibility Statement • Medicare Coverage • Recipient Special Program Status • Third Party Liability (TPL) Coverage • Payment Entitlement Information • Service Limit/Visit Count Information 	

*If you choose to enter a Recipient's Date of Birth and Full Name as the recipient identifier to verify Medicaid eligibility, follow the chart below to enter the correct Pinyin characters for the Full Name.

Note: On some new telephones the Q and Z appear as letters on the 7 and 0 keys. Regardless of where these letters appear on your phone, make this chart for the correct numeric entry.

1-888-809-3040

SC PARTNERS FOR HEALTH

1-888-809-3040

SC PARTNERS FOR HEALTH

1-888-809-3040

SC PARTNERS FOR HEALTH

FREE, AND SEEK TO YOUR PHONE

Number Combinations for Touch-Tone Letters of the Alphabet		
A = 2, 1	I = 4, 3	R = 7, 2
B = 2, 2	J = 5, 1	S = 7, 3
C = 2, 3	K = 5, 2	T = 8, 1
D = 3, 1	L = 5, 3	U = 8, 2
E = 3, 2	M = 6, 1	V = 8, 3
F = 3, 3	N = 6, 2	W = 9, 1
G = 4, 1	O = 6, 3	X = 9, 2
H = 4, 2	P = 7, 1	Y = 9, 3
Number Combinations for 0, Z and Special Characters		
0 = 1, 1	Hyphen = 2, 4	Space = 4, 4
Z = 1, 2	Apostrophe = 3, 4	Period = 5, 4

What YOU should know:

- ▶ The Partners for Health MIPS is an automated process that will verify Medicaid eligibility for the previous 18 months only.
- ▶ Assessments of the Partners for Health Medicaid insurance card class not guarantee Medicaid eligibility.
- ▶ Use of the Partners for Health MIPS class not guarantee the payment of Medicaid Provider claims.
- ▶ Providers can make an unlimited number of toll-free calls through the Partners for Health MIPS and they can make up to 30 recipient eligibility requests per call.
- ▶ The Partners for Health MIPS desk guides the user through eligibility and payment verification and instructs providers to contact their Medicaid Program Representative concerning questions or specific issues related to Medicaid.

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The marketing materials will contain both simple instructions and highlighted benefits on the use of the system, as well as assurances that the system's use does not incur costs or reduce patient care. Particular attention will be spent emphasizing continued levels of care and free usage of the system. These marketing materials will be provided to the State in an electronic format to facilitate their production and distribution.

To further assist the State in marketing, GovConnect will actively seek opportunities to attend conferences by State health care provider associations and demonstrate the system. In addition, GovConnect staff will, with the State's concurrence, solicit invitations to present the system to provider associations' officers and staff. GovConnect will also prepare and submit articles for association newsletters on the benefits of the automated monitoring system. By demonstrating the benefits of the new system and highlighting its ease of operation, it is hoped that these associations will become advocates for its use among their members.

Creative & Expanded Alternatives – The GovConnect training team is adept at finding creative solutions to maximize the effectiveness of supplied training. Training's effectiveness is reliant on the number of people who participate and the level by which they participate. In an effort to reach as many students as possible and to teach students in many different formats, GovConnect will suggest creative and alternative solutions throughout the project cycle, as well as during the development of the training plan. These alternatives may include the use of varied training media (CD or video distribution) or the use of non-traditional training delivery methods such as net-conferencing (training live via the Internet).



GovConnect will also alert DCH to additional training opportunities. GovConnect can provide additional training and marketing solutions to further enhance the promotion and usage of the automated monitoring system. These solutions may include additional employee and provider demonstrations, labs, or classes, executive demonstrations and briefings, creation of additional job aids and promotional giveaways, and production of printed or electronic media.

Customer Service

Despite the most aggressive and well-planned training for a new solution, there will be providers, in-home workers and even clients that have questions about the solution, difficulties in utilizing the solution or accessing information, or concerns about the amount of payment received for services provided. GovConnect staff has experience in working with troubled providers, confused workers or concerned clients with regard to the AuthentiCare solution. Throughout the month of implementation and one month following implementation of each phase, GovConnect will provide the following services to support DCH in assisting their customers.

Telephone Assistance – During implementation, it is understood that DCH will receive a number of inquiries regarding the AuthentiCare solution. These inquiries may come from providers, in-home workers, or even the clients as they transition to this new process for time recording and claim submission. Trained, dedicated staff must be available to respond promptly and accurately to these inquiries. GovConnect will provide experienced staff to field telephone calls during the month of implementation and one month after implementation.

Worker Outreach and Enrollment - As an integral part of marketing the AuthentiCare product and preparing for implementation, individual home-care workers must be enrolled and Personal Identification Numbers (PINs) assigned. This effort will be combined with training and marketing efforts to ensure all current in-home workers have the opportunity to enroll and receive their PIN prior to implementation. Despite aggressive outreach and enrollment efforts, some workers will fail to follow-through with the actions needed to receive their PINs prior to implementation. The GovConnect Customer Service staff will assist those workers as needed to enroll workers quickly and efficiently to ensure clients continue to receive necessary services.

Onsite Provider Visits - Despite all training activities, including workshops, publications, manuals and other activities designed to introduce and explain the use of the AuthentiCare solution, there will be some providers that continue to have difficulty with the solution. After all other efforts to assist these providers have failed, GovConnect will send an experienced AuthentiCare specialist to the provider office locations to provide personal, direct assistance in the AuthentiCare solution. This has proven extremely effective in those rare cases that training and telephone assistance has not satisfied the providers' needs.



3. Prior Experience

Indicate here prior experience of your firm, which you consider relevant to the successful accomplishment of the project defined by this Request For Proposal. Include sufficient detail to demonstrate the relevance of such experience. Proposals submitted should include, in this section, descriptions of qualifying experience to include project descriptions, costs, and starting and completion dates of projects successfully completed. Also, include the name, address, and phone number of the responsible official of the client organization who may be contacted.

The GovConnect team's vast corporate experience positions us well to successfully accomplish all the tasks and requirements specified in the Invitation to Bid. Our staff's qualifications and experience in Medicaid our ability to bring together diverse stakeholders, and our expertise in contingency planning and design and implementation of large-scale projects in a state government environment will be particularly helpful to the Department of Community Health. GovConnect is able to offer the Department strong expertise that comes from a corporation with public sector experience in numerous states, including Michigan.

With 25 years of experience, GovConnect (www.govconnect.com) is a leading provider of electronic access solutions for government agencies from strategy to implementation. With an installed base of electronic solutions in over 40 states, GovConnect has helped governments automate and process over 100 million transactions and collect over \$20 billion in revenues. The GovConnect consulting arm assists clients with strategic planning, project management, systems design, IT services procurement support, service delivery reengineering and quality assurance.

Table 1 below highlights the GovConnect team's extensive experience implementing solutions for Self-Directed Care programs across the country.

Table 1. The GovConnect Team's Experience

Client Project	IVR	d Consi web Solution	Solution
Florida Technology Review Workgroup AHCA			
Maine Bureau of Medical Services			
Michigan Department of Community Health			
Ohio Department of Job and Family Services			
South Carolina Department of Health and Human Services-Eligibility Verification			
South Carolina Department of Health and Human Services-Care Call			
Texas Health and Human Resources Commission, Information Resource Management			

GovConnect provides services and solutions from problem definition and strategic development, through solution planning, development, implementation and delivery, to solution support services. GovConnect holds a unique position in the industry through its ability to provide complete solutions from strategy to implementation. The following project summaries demonstrate our depth of experience and knowledge of Medicaid claims processing.

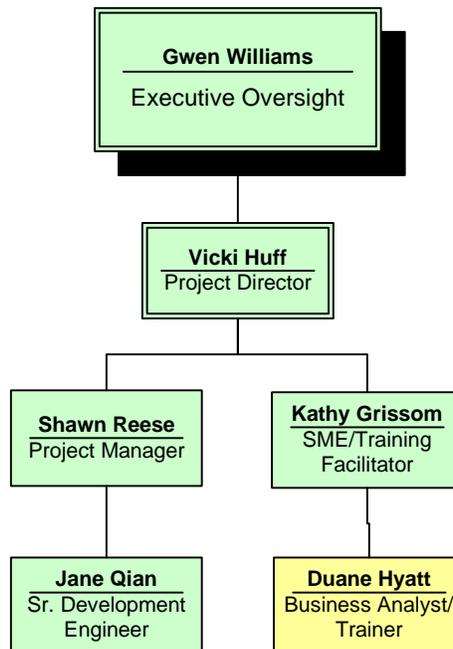


4. Project Staffing

The contracting agents must be able to staff a project team, which possesses talent and expertise in the fields of claims processing and electronic claims transactions. Include the number of executive and professional personnel by skill and qualification that will be employed in the work. Show where these personnel will be physically located during the time they are engaged in the work. Indicate which of these individuals you consider key to the successful completion of the study or project. Identify key individuals by name and title. Indicate the amount of dedicated management time for the bidders' project manager and other key individuals. Resumes of qualifications are required for proposed project personnel.

Perhaps the single most important element of the proposed GovConnect solution is the *people*. Beyond tools, methodologies, and solutions, it is clearly the quality of the project team that will ultimately determine success on this important project. We understand that an experienced, highly committed and senior project team is critical to the success of the DCH AuthentiCare solution. The GovConnect team provides that value and brings to Michigan a comprehensive understanding of Medicaid home and community-based programs, state-of-the-art paperless solutions, and voice response technologies.

The proposed project organization identifies key staff that will support our project approach and underscores our extensive practical experience in assisting clients to effectively plan and implement solutions. Figure 13 shows our project organizational chart.



The GovConnect team distinguishes itself through the level of expertise that is offered in the two critical areas for the AuthentiCare project:

- Extensive knowledge of and expertise in the Medicaid program; and
- Successful experience with paperless solutions for government.

GovConnect’s focus on the Health and Human Services market ensures that our experience with similar agencies across the nation will bring best practices to the AuthentiCare initiative. In addition, GovConnect has a long-standing relationship with DCH; we have proven they can provide high quality services on time and within budget.

The primary approach to mitigate risk on any system development project is to deliver a highly qualified project team that is experienced in the specific areas necessary to successfully complete this project.

We strongly believe that the State will find the quality and experience of the proposed project team second to none. A brief introduction of our key team members follows; detailed resumes are included as Appendix 2 to this proposal.



Executive Oversight, Ms. Gwen Williams – Ms. Williams' professional career includes more than 25 years of state government service, highlighted by management of two of the largest and most complex state agencies, Medicaid and the Department of Human Resources. Her extensive experience in financial and program management provided significant insight into the forces and issues driving state agencies, and honed her skills in problem solving and leadership. She will work closely with the GovConnect project team to ensure adequate and appropriate resources are devoted to the project and to oversee the quality of the services provided to DHR.

Project Director, Vicki Huff – Ms. Huff's professional career includes 25 years of state government and Medicaid experience, assuming a series of positions with increasing scope and responsibility. Her background in program management provides significant insight into the forces and issues driving state agencies, including problem solving and leadership in a government setting. Ms. Huff has worked extensively in Medicaid Program areas, including Managed Care and Fee for Service programs, with experience in management and budgeting for large state/federally funded health care programs, policy development, claims processing requirements and working in tandem with beneficiaries, providers and other stakeholders. She has a solid understanding of government sponsored health care programs with a proven track record in working in a variety of care delivery and financing positions within state government. Most recently Ms. Huff has served as the Project Manager for the Medicaid Provider Manual Project for the Michigan Department of Community Health, which has further expanded her Medicaid knowledge base and ability to work with state staff, vendors and providers involved in government programs and related business process realignment. Ms. Huff is proposed as Project Director for the AuthentiCare project. In that role, she will provide overall supervision for all phases of the project.

Project Manager, Shawn Reese – Mr. Reese has spent over nine years building his professional career as a project manager. He began his career as a programmer analyst learning the details of building applications. He then moved into a business analyst position where he gained extensive knowledge of interfacing between technical and non-technical resources. From there, he moved into project management; first, managing small change orders for existing applications then on to managing more complex, multiple resources projects. In December 2000, he proved his knowledge and work experience within the project management field by obtaining his Project Management Professional (PMP) certification. Mr. Reese has served as Project Manager for two projects directly related to the Michigan AuthentiCare project: South Carolina Care Call and Florida Consumer Directed Care Plus.

Senior Development Engineer, Jane Qian – Ms. Qian has more than seven years of specialized experience in design, implementation and management of software development projects. Over the past several years, she has gained extensive knowledge of government agencies in the areas of Human Services, Taxation, and Labor. Ms. Qian has utilized a wide variety of computer programming languages including: C#, Visual Basic, JavaScript, VBScript, C, C++, Visual C++, Microsoft Foundation Classes (MFC), Active Template Library (ATL), ActiveX, Component Object Model (COM), J++. She is proficient in the Microsoft operating system environments. Ms. Qian will be responsible for all customization of the GovConnect AuthentiCare product for Michigan.

Subject Matter Expert/Training Facilitator, Kathy Grissom – Ms. Grissom spent over 27 years of her professional career with the Alabama Department of Mental Health and Mental Retardation (ADMH/MR), assuming a series of positions with increasing scope and responsibility, before becoming a consultant. Her experience includes developing, implementing and monitoring treatment programs, budgets, staffing plans, staff training, quality assurance activities, contracts for outside services and consumer and advocacy programs. She has worked throughout the State of Alabama and with national organizations to improve access to and reimbursement for quality services for elders with mental illness and Alzheimer's Disease.

Her knowledge of state and federal government, mental health and long-term care regulations combined with her proven leadership and problem solving ability are assets she brings to any endeavor. Most recently, Ms. Grissom has been working with various MI Medicaid program areas in the Medicaid Provider Manual Project.

***Business Analyst/Trainer, Duane Hyatt** - Mr. Hyatt's experience includes significant experience in system design, training, marketing, and testing. In addition, he has major experience in data warehousing and decision support systems



with an emphasis on data analysis and modeling. He is an experienced facilitator, leading various project teams through meeting facilitation and business requirements documentation. Through his direct involvement with South Carolina Care Call and, most recently, Florida Consumer Directed Care Plus, Mr. Hyatt has direct experience in Medicaid in-home healthcare service monitoring, claims processing, Interactive Voice Response technology, and web-based reporting technology. Should DCH elect to utilize GovConnect's optional Professional Services, Mr. Hyatt will play a lead role in customer service support, problem analysis and resolution and user training.

The following staffing matrix (Table 2) identifies staff to be utilized during development and implementation of the AuthentiCare solution, as well as ongoing project staff during project operations. The GovConnect team is willing to commit necessary and adequate resources to ensure project success. The proposed staff is immediately available to initiate, conduct and complete the DCH AuthentiCare project.

**Table 2. Staffing Matrix**

Job Title	Primary Responsibility
<i>Executive Oversight</i>	Provides executive level counsel to the GovConnect project team and DCH on matters of national best practices, industry trends, and will be responsible for overall project resource allocation and issue resolution. In addition, will closely monitor scheduled project activities and will perform GovConnect Quality Assurance tasks to ensure the engagement follows GovConnect standards and procedures.
<i>Project Director</i>	Provides overall direction to the project team.
<i>Project Manager</i>	Provides direct guidance and leadership to the project team, managing products, projects and processes in both technical and non-technical environments.
<i>Technical Lead</i>	Primarily responsible for managing the pool of application development resources, setting development standards, and developing common tools and utilities. As such, this individual must possess significant specialized experience in planning, design, implementation and management of software development projects.
<i>Medicaid Subject Matter Expert/Training Facilitator</i>	Primarily responsible for working directly with the design and implementation of the Michigan AuthentiCare solution, providing subject matter expertise in Medicaid program requirements and home and community-based services. In addition, this individual will facilitate all “train the trainer” sessions for MI DCH and other state staff.
<i>Business Analysts (1 or 2*)</i>	Responsibilities include requirements definition, system analysis and design, development team support, development and execution of application testing, system implementation and business and technical system documentation. In addition, at the State’s option, project business analysts will assist the DCH Project Manager with customer support, problem analysis and resolution and user training.
<i>Web Designer</i>	Responsible for design of all web screens to be utilized in the AuthentiCare application.
<i>Applications Engineers (3)</i>	Responsible for development of the AuthentiCare application.

* One Business Analyst will be assigned full-time during design, development and implementation of the AuthentiCare solution. At least one Business Analyst will be assigned to assist with customer support, problem analysis and resolution and user training if the State elects optional professional services as defined in Section IV-C.2. Technical Work Plans.

This matrix does not address staff infrastructure (i.e., Data Center staff, Customer Service Help Desk staff, etc.) that will be working with the AuthentiCare solution during operations.

5. Subcontractors



List here all subcontractors; include firm name and address, contact person, complete description of work to be subcontracted. Include descriptive information concerning subcontractor's organization and abilities.

No subcontractors will be utilized in the AuthentiCare solution.

Section IV-D – Security

The resulting Contract may require frequent visits to State of Michigan facilities. Bidders shall discuss in their proposals all measures utilized by their firm to ensure the security and safety of these buildings. This shall include, but is not limited to, performance of security background checks on all personnel assigned to State of Michigan and how they are performed, what the security check consists of, the name of the company that performs the security checks, use of uniforms and ID badges, etc. If security background checks are performed on staff, bidders shall indicate the name of the company that performs the check as well as provide a document stating that each employee has satisfactorily completed a security check and is suitable for assignment to the State. Upon request by the State, bidders shall provide the results of all security background checks.

GovConnect performs the “Silver Search” on all new employees. We can also perform other searches for the State if preferred. Please see the document immediately following this page, which is from “aarin systems”, the company that performs the searches for new GovConnect employees.

Upon review of the security measures included in a bidder’s proposal and if that bidder is awarded the contract, the State will decide whether to issue State ID badges to the bidder’s personnel or accept the ID badge issued to personnel by the bidder.

GovConnect has reviewed and will comply.

The State may decide to also perform a security background check. If so, bidders will be required to provide to the State a list of all people that will service the State of Michigan, including name and date of birth (social security number of driver license number would also be helpful).

GovConnect has reviewed and will comply.

The Contractor and its subcontractors shall comply with the security access requirements of individual State facilities.

GovConnect has reviewed and will comply.

Which pre-employment searches should you use?

When a company decides to conduct background screening, the first decision is who to screen and how thoroughly. New applicants are normally considered a must. But many companies also decide to screen their current work force to identify any existing or potential problems.

Different job categories can require different types of background searches. Temporary or other non-key workers might need only a criminal background check, while a key executive might justify an in-depth profile. Your **arrin** representative will be glad to help you decide on what’s best for your company. We can also design a custom package of searches to fit your specific needs and budget.

**Criminal History**

Alerts you to potential problems of theft, violence, and other crime. This search should be run on all employees, but particularly those who have contact with the public, handle money, have access to vital company information, or handle valuable inventory. A criminal background search is also your best protection against Negligent Hiring litigation.

Social Security Verification

Reveals the name of anyone having used a Social Security Number and whether the number is active, terminated, or never issued. Also indicates where the number was issued and the age of the holder. This should be run on every applicant to verify they are who they claim to be.

DMV Driving Records

Reveals an applicant's driving record. A must for anyone driving company vehicles or driving on company business. Can also be a good indicator of past behavior and reliability.

Workers Comp

This search helps you avoid fraudulent claimants while also identifying employees unable to perform certain tasks such as heavy labor or repetitive movements. This in turn helps prevent increased medical and Workers Comp costs. Note: under the American's with Disabilities Act this search cannot be run until after an applicant has been offered a position, and a disability cannot be used to deny a person a job.

Civil History

Indicates litigation history, particularly those involving past employers, and can reveal professional scammers looking to take advantage of your company through unfounded claims.

Credit History

A credit report can indicate financial problems and potential security risks. Note: you must have a signed release from the applicant.

Education and Credentials Verification

Confirms application claims of education and credentials as well as training and professional standing. This search is important for professionals and applicants whose training is important to job performance.

Reference Check &**Prior Employment Verification**

Lets you confirm an applicant has worked where claimed and performed the specified duties. Important in determining if the person can do the job.

Individual or Executive Profile

This in-depth background search looks into an individual's criminal, civil, professional, and financial background. Ideal for screening those key hires such as executives, researchers, security personnel, and other sensitive positions where a bad hire can cost you in a big way.



Section IV-E – Quick Payment Terms

The State of Michigan is interested in payment terms that reflect cost savings to the State based on an accelerated payment process. Bidders shall discuss quick payment terms that they are offering to the State (i.e. _____% discount off invoice if paid within _____ days). This will be one factor considered in a best value award decision.

As part of our corporate policy, GovConnect is not in the habit of providing payment terms. However, we would be willing to negotiate such terms if it becomes a necessity for the State.

Section F – Bidder's Authorized Expeditor

Include the name and telephone number of person(s) in your organization authorized to expedite any proposed Contract with the State.

The names and telephone numbers of the people in GovConnect authorized to expedite any proposed Contract with the State are:

Bruce Ficke
Senior Vice President, Administration and Finance
513-489-9599, ext. 101

Gwendolyn Williams
Regional Area Manager
334-279-4946

Section IV-G – Additional Information and Comments

Include any other information that is believed to be pertinent but not specifically asked for elsewhere. Identify any contractor's expectations with regard to performance of this contract.

In this proposal GovConnect is bidding to provide services for claim types in Category 4. GovConnect's expectations and assumptions regarding what it is providing for Michigan for this category are documented throughout Section IV-C Management Summary.

The State strongly supports and encourages programs that provide opportunities to businesses owned and operated by women, minorities and persons with disabilities. Bidders should include in their proposal information regarding such programs offered by their company.

GovConnect does not qualify as a Women or Minority Business Enterprise (W/MBE); however, GovConnect is committed to providing all associates a work environment free of verbal, physical and sexual harassment. GovConnect is also committed to providing equal employment opportunities for minorities, women, Vietnam era veterans and persons with disabilities. Promotion of workforce diversity is an important objective in its own right, is a source of competitive advantage and is a requirement of Equal Employment Opportunity laws. Whenever possible, GovConnect will use certified minority-owned and woman-owned organizations as part of a subcontracting plan with the State.

Equal opportunity is a core belief at GovConnect. GovConnect embraces the principles of non-discrimination and employment equity in its policies, and reinforces the values in its day-to-day practices. Objectives in this area are to ensure that GovConnect's employee population mirrors the qualified, available external labor force, and to ensure full utilization of all people in all operations and at all levels of the organization.

GovConnect believes that Employment Equity initiatives and valuing diversity benefit all employees, not just the designated groups. By identifying and eliminating discrimination, reviewing policies and procedures for fairness, and



hiring the most qualified individual for every job, the work environment will improve for everyone, and GovConnect will have the people with the skills required to remain competitive.

GovConnect views diversity in the workplace as a business opportunity, going beyond numbers and targets. It is not only a moral imperative, but also a competitive advantage. GovConnect believes diversity makes the company better. People of all ages and with different backgrounds bring fresh ideas, opinions, perspectives and boundless creativity to the company.

We hope you find acceptable our diligent efforts to use minority-owned and woman-owned companies to the maximum extent possible.

I-RR Disclosure of Litigation

6. **The Contractor shall notify the State in its bid proposal, if it, or any of its subcontractors, or their officers, directors, or key personnel under this Contract, have ever been convicted of a felony, or any crime involving moral turpitude, including, but not limited to fraud, misappropriation or deception. Contractor shall promptly notify the State of any criminal litigation, investigations or proceeding which may have arisen or may arise involving the Contractor or any of the Contractor's subcontractor, or any of the foregoing entities' then current officers or directors during the term of this Contract and three years thereafter.**

GovConnect, Inc. certifies that our company, nor its officers or key personnel under this Contract have ever been convicted of a felony, or a crime involving moral turpitude, including, but not limited to fraud, misappropriation or deception.

In the event any criminal litigation, investigations or proceedings which may have arisen or may arise involving GovConnect or any of the foregoing entities then current officers or directors during the term of this Contract and three years thereafter, GovConnect shall promptly notify the State.

2. **The Contractor shall notify the State in its bid proposal, and promptly thereafter as otherwise applicable, of any civil litigation, arbitration, proceeding, or judgments that may have arisen against it or its subcontractors during the five years preceding its bid proposal, or which may occur during the term of this Contract or three years thereafter, which involve (1) products or services similar to those provided to the State under this Contract and which either involve a claim in excess of \$250,000 or which otherwise may affect the viability or financial stability of the Contractor, or (2) a claim or written allegation of fraud by the Contractor or any subcontractor hereunder, arising out of their business activities, or (3) a claim or written allegation that the Contractor or any subcontractor hereunder violated any federal, state or local statute, regulation or ordinance. Multiple lawsuits and or judgments against the Contractor or subcontractor, in any an amount less than \$250,000 shall be disclosed to the State to the extent they affect the financial solvency and integrity of the Contractor or subcontractor.**

GovConnect currently has no pending litigation or other alternative dispute resolution procedure ongoing. GovConnect has had no such matters for the past five years. A lawsuit was filed against GovConnect in March 2002 in the Superior Court of California by MTMNET, Inc., but the plaintiff immediately amended the complaint to remove GovConnect when the plaintiff determined that it had in fact sued the wrong company. (The intended defendant was Govconnection, Inc., which is in no way related to GovConnect.)

3. **All notices under subsection 1 and 2 herein shall be provided in writing to the State within fifteen business days after the Contractor learns about any such criminal or civil investigations and within fifteen days after the commencement of any proceeding, litigation, or arbitration, as otherwise applicable. Details of settlements which are prevented from disclosure by the terms of the settlement shall be annotated as such. Semi-annually, during the term of the Contract, and thereafter for three years, Contractor shall certify that it is**



in compliance with this Section. Contractor may rely on similar good faith certifications of its subcontractors, which certifications shall be available for inspection at the option of the State.

GovConnect has reviewed and will comply.

II-B Objectives

Any Contractor wishing to submit a bid must show that they comply with the following requirements:

9. The Contractor must be incorporated in the State of Michigan or authorized to conduct business in the state and must also operate from an office within the State of Michigan in order to effectively fulfill the requirements of this contract. The office will maintain at a minimum, financial records, electronic and paper applications, documentation, resources, management information systems and data, and staff to manage the project.

GovConnect is authorized to conduct business in the State of Michigan and will operate from an office within the State of Michigan in order to effectively fulfill the requirements of this contract.

10. The Contractor must furnish and supply its office(s) at the Contractor's expense (including telephones, paper supplies, postage machines, furniture, and other necessary items for the work force).

GovConnect will comply.

11. The Contractor will develop detailed procedures for the security and safeguarding of documents and files including the loss, misuse, or dissemination of confidential information to unauthorized personnel.

GovConnect will comply.

12. The Contractor is responsible for full compliance with all provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

GovConnect will comply.

13. The Contractor is currently an approved electronic submitter, either directly or through providers using their product, submitting ANSI X12 837 4010A1 claims.

GovConnect will comply. We will be using the Foresight tool to certify the transaction.

14. The Contractor must have a software development and maintenance program in place to ensure that its software remains current with future versions of HIPAA transaction standards as they are mandated.

GovConnect will comply.

15. The MDCH edit files are intended for the Contractor's use in editing Medicaid transactions for providers for which the Contractor is providing claims processing services. The files must not be used for any other purposes or made available to other third party organizations.

GovConnect will comply.

16. MDCH will conduct a site visit to the Contractor's site to review the Contractor's business and operational compliance within 60 days of signing the agreement.

GovConnect will comply.



The Contractor will also meet the following minimal service level requirements:

- 3. All provider claims will be processed and submitted to Michigan MMIS for processing within 30 days of receipt from the providers.**

GovConnect will comply.

- 4. All electronic claims submitted to MDCH will have a rejection rate of less than 2% due to pre-editable conditions.**

GovConnect will comply.

- a. Project reports will be developed and provided to MDCH on the scheduled basis outlined in the Section II-D Project Reports.**

GovConnect will comply.



SECTION IV

PRICING

Phase 1, 2, & 3 – Purchase Price	\$226,000.00
Transaction Fee (\$.24 per visit x 4,000,00 transactions)	\$960,000.00
Optional Service	<u>\$338,950.00</u>
Total	\$1,524,950.00