

# **STATE OF NORTH CAROLINA**

**Department of Health and Human Services**

**First Revised and Restated**

**Request for Applications #: 30-2020-052-DHB**

**BH I/DD Tailored Plan**

**Date of Issue:**

**November 13, 2020**

**Application Opening Date:**

**February 2, 2021**

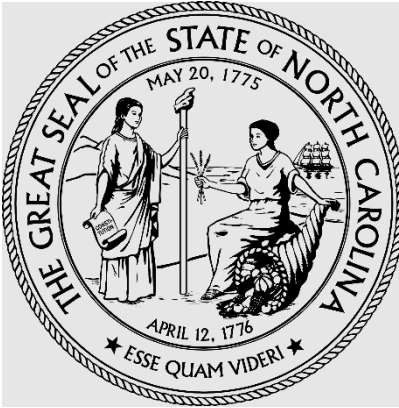
**Direct all inquiries concerning this RFA to:**

**Kimberley Kilpatrick**

**Contract and Compliance Specialist**

**Email: [Medicaid.Procurement@dhhs.nc.gov](mailto:Medicaid.Procurement@dhhs.nc.gov)**

**Phone: 919-527-7015**



## STATE OF NORTH CAROLINA

### First Revised and Restated Request for Application #

**30-2020-052-DHB**

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

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

**ID Number:**

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Federal ID Number or Social Security Number

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Applicant Name

# STATE OF NORTH CAROLINA

Department of Health and Human Services

Refer ALL Inquiries regarding this RFA to:

Kimberley Kilpatrick  
Contract and Compliance Specialist  
[Medicaid.Procurement@dhhs.nc.gov](mailto:Medicaid.Procurement@dhhs.nc.gov)  
919-527-7015

Request for Application # 30-2020-052-DHB

Issue Date: November 13, 2020

Applications will be publicly opened: February 2, 2021 at 4:00 p.m. ET

Contract Type: Open Market

Commodity Number:

Description: Tailored Plan

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

## EXECUTION

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

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

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

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

## ACCEPTANCE OF APPLICATION

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

**FOR STATE USE ONLY:** Application accepted, and Contract awarded by:

\_\_\_\_\_  
(Signature, Name and Title of Authorized Representative of NC DHHS)

\_\_\_\_\_  
Date

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# I. Introduction

## A. Vision for North Carolina's Medicaid Managed Care Program

1. As directed by the North Carolina General Assembly (General Assembly), North Carolina is transitioning its Medicaid and NC Health Choice programs' care delivery system from a predominately Medicaid Fee for Service model to an integrated Medicaid Managed Care model. Through integrated Medicaid Managed Care—where one managed care plan provides physical health, behavioral health (BH), intellectual and developmental disability (I/DD), traumatic brain injury (TBI), long-term care, and pharmacy services—the North Carolina Department of Health and Human Services (hereinafter referred to as “the Department”) seeks to advance integrated and high-value care for Medicaid beneficiaries, improve population health, engage and support providers, and establish a sustainable program with more predictable costs.
2. The North Carolina Department of Health and Human Services' (the Department's) goal in transitioning to Medicaid Managed Care is to improve the health of all North Carolinians through an innovative, whole-person centered, and well-coordinated system of care that addresses both medical and non-medical drivers of health.
3. The Department believes that Medicaid beneficiaries with high needs will benefit from specialized managed care plans. As directed by the General Assembly, the Department is creating four types of integrated Medicaid Managed Care plans to serve Medicaid and NC Health Choice beneficiaries:
  - a. **Standard Plans**, which will serve the majority of the Medicaid and NC Health Choice population and will launch on July 1, 2021;
  - b. **Behavioral Health and Intellectual/Developmental Disability (BH I/DD) Tailored Plans**, which will serve populations with more severe BH conditions—including mental illness and severe substance use disorders—I/DD, and TBI, and are intended to go live on July 1, 2022; and
  - c. **Statewide Specialized Foster Care Plan**, which is intended to launch after BH I/DD Tailored Plans at a date to be confirmed by the Department.
  - d. **Eastern Band of Cherokee Indians (EBCI) Tribal Option**, which will serve federally recognized tribal members and other individuals eligible to receive Indian Health Services, and is intended to launch on July 1, 2021.
4. The Department recognizes Local Management Entity-Managed Care Organizations' (LME/MCO) expertise in serving populations with significant BH needs, I/DDs, and TBIs. As directed by the North Carolina General Assembly, through this Request for Applications (RFA), for the first BH I/DD Tailored Plan contract, only LME/MCOs are eligible to respond to the RFA to serve as BH I/DD Tailored Plans. BH I/DD Tailored Plans will support the goals of Medicaid Managed Care through:
  - a. Delivering **whole-person care** through the coordination of services addressing physical health, BH, I/DD, TBI, long-term services and supports (LTSS), pharmacy, and unmet health-related resource needs with the goal of improved health outcomes and more efficient and effective use of resources;

- b. Uniting communities, providers and health care systems to **address the full set of factors that impact health** while deploying cost-effective resources that are needs-based and outcomes driven;
  - c. Overseeing a transition to **provider-based care management** at the site of care, in the home or in the community to promote in-person interaction with members;
  - d. Improving the Medicaid Managed Care **member experience** with a simple, timely, and user-friendly eligibility and enrollment process focused on high-quality, Culturally and Linguistically Appropriate Services;
  - e. Maintaining broad **provider participation in NC Medicaid** by removing or mitigating provider administrative burden from the health delivery system; and
  - f. Supporting the Department’s overall vision of creating a **healthier North Carolina**.
5. The Department envisions that through Medicaid Managed Care and provision of State-funded Services BH I/DD Tailored Plans will address the **unique needs of Historically Marginalized Populations including people of color and others who have been marginalized** across Department service sectors. The Department recognizes to combat historical health inequities, a disproportionate share of resources need to be committed to disparate populations.

## B. Background on North Carolina’s Medicaid Transformation

1. In September 2015, the General Assembly enacted North Carolina Session Law 2015-245<sup>1</sup> directing the transition of North Carolina’s Medicaid program from a predominantly Fee-for-Service model to an integrated Medicaid Managed Care model. North Carolina State law requires the Department, through the Division of Health Benefits (DHB), to implement a Medicaid Managed Care program.
2. As directed by the General Assembly, the Department is delegating direct management of services, and financial risk to new Medicaid Managed Care Plans, including Standard Plans, BH I/DD Tailored Plans, and a Statewide Specialized Foster Care Plan. Each of these plans will receive a monthly, actuarially sound, capitated payment and will contract with providers to deliver health services to their members. The Department is monitoring and overseeing the administrative, operational, clinical, and financial function of the Medicaid Managed Care Plans to ensure adherence to their contract and the Department’s expectations.
3. With the launch of Medicaid Managed Care on July 1, 2021, most North Carolina Medicaid and NC Health Choice populations will be mandatorily enrolled in Standard Plans.
4. Certain populations that may be better served outside of Medicaid Managed Care are not required to enroll. These populations may be “exempt” from Medicaid Managed Care in that the Beneficiary may choose to enroll in either NC Medicaid Direct—North Carolina’s Fee-for-Service Medicaid program—or Medicaid Managed Care, or “excluded” in that the beneficiaries are required to remain enrolled in NC

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<sup>1</sup> Session Law 2015-245 has been amended by Session Law 2016-121; Section 11H.17.(a) of Session Law 2017-57, Part IV of Session Law 2017-186; Section 11H.10.(c) of Session Law 2018-5; Sections 4-6 of Session Law 2018-49; Session Law 2018-48; Sections 12-13A of Session Law 2019-81; and Section 12.(b)-(c) of Session Law 2020-88. Pursuant to Section 14. of Session Law 2019-81, most of the provisions contained in Session 2015-245 and its subsequent amendments have been codified in Article 4 of Chapter 108D of the General Statutes.

Medicaid Direct and do not have the option to enroll in Medicaid Managed Care. These populations are described in detail in *Section V.B.1.i. Eligibility and Enrollment for BH I/DD Tailored Plans*.

5. In July 2022, the Department intends to launch BH I/DD Tailored Plans. Populations that will be eligible for BH I/DD Tailored Plans are established in N.C. Gen. Stat. § 108D-40(a)(12) and are described in more detail in *Section V.B.1.i. Eligibility and Enrollment for BH I/DD Tailored Plans*. As directed by law, the Department exempted populations that will be eligible for BH I/DD Tailored Plans from Medicaid Managed Care until such point that BH I/DD Tailored Plans are available, at which point, they will become eligible for BH I/DD Tailored Plans.
6. The Department consulted with the State's only federally recognized tribe, the EBCI, and jointly concluded that Tribal members and individuals eligible to receive Indian Health Services will benefit from having a Tribal-designed and operated managed care option and defaulting to the Tribal Option, with the choice to opt into NC Medicaid Direct, a Standard Plan, or BH I/DD Tailored Plan (if eligible). The Department and EBCI will continue to collaborate on the development and implementation of the EBCI Tribal Option. The Tribal Option will operate primarily in five western NC counties—Cherokee, Graham, Haywood, Jackson, and Swain—under which the EBCI has increasing responsibility for total cost of care over time. The Tribal Option will support the Tribe's sovereignty in managing the care needs of Indian enrollees and will consider and address the unique cultural, BH, I/DD, medical, long-term services and supports, and other health-related needs of the EBCI families. The Department intends to launch the EBCI Tribal Option in July 2021.

### **C. Specific Background Regarding BH I/DD Tailored Plans**

1. In June 2018, the North Carolina General Assembly enacted North Carolina Session Law 2018-48, which amended Session Law 2015-245 to create BH I/DD Tailored Plans.<sup>2</sup>
2. BH I/DD Tailored Plans will be targeted toward Medicaid and NC Health Choice populations with more severe BH conditions—including mental illness and severe substance use disorders—I/DD, and TBI, as specified in N.C. Gen. Stat. § 108D-60.
3. The Department believes that certain groups of beneficiaries meeting one or more of the criteria in N.C. Gen. Stat. § 108D-40(a)(12), who are otherwise excluded from Medicaid Managed Care will benefit from BH I/DD Tailored Plan enrollment. The Department is exploring a change in state law to allow beneficiaries who are medically needy, participate in the NC HIPP program, or are enrolled in the CAP/C or CAP/DA waivers and meet one of the BH I/DD Tailored Plan eligibility criteria to enroll in a BH I/DD Tailored Plan for Medicaid-covered behavioral health, I/DD, and TBI services. They would receive all other Medicaid-covered services through NC Medicaid Direct.
4. BH I/DD Tailored Plans will be integrated Medicaid Managed Care plans and, as specified under N.C. Gen. Stat. § 108D-60, are required to cover the services specified in this RFA that address the spectrum of their members' needs, including those related to physical health, BH, I/DD, TBI, long-term services and supports, and pharmacy services.
5. BH I/DD Tailored Plans will administer two (2) of the State's Medicaid Section 1915(c) Home and Community-Based Services (HCBS) waivers: the North Carolina Innovations waiver for individuals with

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<sup>2</sup> Pursuant to Section 14. of Session Law 2019-81, these provisions have now been codified in Article 4 of Chapter 108D of the General Statutes.

I/DD and the TBI waiver for individuals with a TBI in limited geographies.<sup>3</sup> The Innovations and TBI waivers provide a community-based alternative to institutional care for BH I/DD Tailored Plan members who meet medical necessity for an institutional level of care.

- a. BH I/DD Tailored Plans will administer the Innovations waiver and the TBI waiver (if applicable) in alignment with the following goals:
    - i. Valuing and supporting waiver beneficiaries to be fully functioning members of their community;
    - ii. Promoting promising practices that result in real life outcomes for beneficiaries; and
    - iii. Offering service options that will facilitate each beneficiary’s ability to live in the home of their choice, have employment or engage in a purposeful day of their choice and achieve their life goals.
  - b. BH I/DD Tailored Plans will be responsible for determining eligibility for the Innovations and TBI waivers and managing access to their Department-allocated waiver slots. BH I/DD Tailored Plans will administer Innovations waiver and TBI waiver services to eligible Innovations waiver and TBI waiver beneficiaries who are members of their BH I/DD Tailored Plan.
6. BH I/DD Tailored Plans will be responsible for managing the state’s non-Medicaid or State-funded mental health, developmental disabilities, substance use disorder, and TBI services, which are targeted to uninsured and underinsured North Carolinians.
- a. The Department has leveraged its deep experience administering State-funded Services in partnership with the LME/MCOs and the local counties to inform the overall design and structure of the BH I/DD Tailored Plans. After the transition to BH I/DD Tailored Plans, BH I/DD Tailored Plans in their role as area authorities as defined by N.C. Gen. Stat. § 122C-3(20c) will retain their central role in administering state-funded BH, I/DD, and TBI services, as directed by the Department, to address the needs of their communities.
  - b. With the transition to BH I/DD Tailored Plans, the Department seeks to emphasize the following priorities of the delivery of State-funded Services and aims to:
    - i. Promote consistency and equity in access to State-funded Services to those with the greatest needs;
    - ii. Focus the State-funded Services array on effective treatments that are based on best and/or promising practices consistent with Department priorities;
    - iii. Maximize the impact of limited funding; and
    - iv. Ensure the appropriate quality and oversight of State-funded Services.
  - c. State-funded Services are funded through a combination of state funding and federal Substance Abuse and Mental Health Services Administration (SAMHSA) block grants. The Department expects to disburse non-Medicaid funds to the BH I/DD Tailored Plans and require the BH I/DD Tailored Plans to use funds available to authorize and manage delivery of State-funded Services consistent with federal and state guidelines.

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<sup>3</sup> As of the release date of the RFA, the TBI Waiver is only available in Wake, Durham, Johnston and Cumberland counties.



7. The Department remains committed to preventing institutionalization and providing services and supports in the most therapeutically appropriate and integrated settings for all North Carolinians. Recognizing the accomplishments of the Transitions to Community Living Initiative (TCLI), the BH I/DD Tailored Plans will be responsible for expanding the principles of TCLI within funding allocations and as outlined in this contract through provisions addressing in-reach, transition and diversion, for members with SMI, serious emotional disturbance (SED), I/DD and TBI diagnoses, and recipients with SMI, who are in or at risk of entry to an institutional setting or an adult care home (ACH) as detailed in *Section V.B.3.xiii and Section V.C.3.d-e*.

The Department has begun the process of developing a new Olmstead Plan to advance innovation, coordination and whole-person, systemic change that accelerates community inclusion opportunities for individuals with SMI, SED, I/DD and TBI diagnoses. The BH I/DD Tailored Plans will be responsible for implementing relevant provisions of the Olmstead Plan when it is completed.

8. BH I/DD Tailored Plans shall strive for all mental health, SUD, I/DD, and TBI services and supports funded by Medicaid and State funds to be high quality and sufficient to help individuals achieve increased independence, gain greater integration into the community, obtain and maintain stable housing, avoid harm, and decrease the incidence of hospital contacts and institutionalization.
9. BH I/DD Tailored Plans will be responsible for providing access to the array and intensity of services and supports necessary to enable members or recipients with SMI, SED, I/DD, or TBI diagnoses who reside in or are at risk of entry into institutional settings and ACHs to successfully transition to and live in community-based settings.
10. BH I/DD Tailored Plans will engage with local stakeholders, including county agencies (e.g., local law enforcement, local school districts, magistrates), safety net hospitals, community providers, federal and state tribes, members and recipients, and families to understand the needs of the counties they serve and inform system planning for both Medicaid members and State-funded Services recipients. The Department recognizes that these close and collaborative relationships are critical to promoting and sustaining local and regional investments in the community behavioral health, I/DD, and TBI services.

## **D. Catchment Areas**

Each BH I/DD Tailored Plan shall operate in its Catchment Area as defined in *Section VII. Attachment T: BH I/DD Tailored Plan Catchment Areas*.

## II. General Procurement Information and Notice to Applicants

### A. Important Notices

#### Applicants are Cautioned to Read Carefully

1. **Read, Review, and Comply:** It is the Applicant's responsibility to read and review this entire document, including all attachments, and comply with all instructions specified herein.
2. **Execution of Application:** Failure to sign the Execution Page in the indicated space or return all attachments, completed and signed where required, may render the application non-responsive and it may be rejected.
3. **Resulting Contract:** Under the State's procurement process, **any contract resulting from this RFA will consist of the RFA and the Applicant's Response**, along with any addenda to the RFA, written clarifications, best and final offers (BAFO), and negotiation documents. The Contractor will be obligated to perform services as proposed in its application, unless otherwise modified by clarification, BAFO, negotiation, or Contract Amendment, or superseded by a document with higher order of precedence. See *Section III.C.18. ENTIRE AGREEMENT AND ORDER OF PRECEDENCE* for more information and the order of precedence of the contract documents and *Section II.C. Request for Application Functionality and Related Notices* for more information on the RFA, changes in specifications, and instructions regarding modifications to the terms and conditions.
4. **Potential Negotiations:** The Department reserves the right to enter into negotiations with any Applicant to establish a contract that is in the best interest of the Department or State. Such negotiations are at the Department's sole discretion and may result in modifications to the RFA, and/or the Applicant's application.
5. **Events and Deadlines:**
  - a. **Pre-application Conference** will be hosted by the Department on November 18, 2020. See *Section II.D.2. Pre-application Conference* for details and instructions.
  - b. **Questions** concerning this RFA must be submitted in writing by November 25, 2020. See *Section II.D.3. Questions Concerning this Request for Application* for details and instructions.
  - c. **Submission of Applications** will be accepted until February 2, 2021 at 2:00 p.m. ET. See *Section II.E. Submission of Applications* for details and instructions.
6. **Applicant Eligibility for BH I/DD Tailored Plan Applications:**

Only Local Management Entity/Managed Care Organizations (LME/MCOs), as that term is defined in N.C. Gen. Stat. § 122C-3(20c), holding a contract with the Department as of the date applications are due pursuant to this RFA are eligible to submit applications for BH I/DD Tailored Plan Contracts.

### B. General Procurement Information & Instructions

1. **INFORMATION AND DESCRIPTIVE LITERATURE:** The Applicant shall furnish all information requested as part of this RFA. Each Applicant shall submit with their application detailed narratives, diagrams, exhibits, examples, sketches, descriptive literature, complete specifications, etc. to support the services and products offered.
2. **RECYCLING AND SOURCE REDUCTION:** It is the policy of the State to encourage and promote the purchase of products with recycled content to the extent economically practicable, and to purchase items which are reusable, refillable, repairable, more durable, and less toxic to the extent that the purchase or use is practicable and cost-effective. The State also encourages and promotes using minimal packaging and the use of recycled/recyclable products in the packaging of commodities

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

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

## C. RFA Functionality and Related Notices

### 1. RFA Functionality

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

### 2. Notices Regarding RFA & Terms and Conditions

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

### 3. Proposed Modifications to Terms and Conditions

- a. Applicants are urged and cautioned to inquire during the question period, in accordance with the instructions in this RFA, about whether specific language proposed as a modification is acceptable to or will be considered by the Department.
- b. Identification of objections or exceptions to the terms and conditions in the application itself shall not be allowed and shall be disregarded or the application rejected.
- c. If the Applicant wishes to suggest changes to any of the terms and conditions included in *Section III. Definitions, Abbreviations, Contract Term, General Terms and Conditions, Other Provisions and Protections*, of this RFA, those *must be submitted in Section VIII.16. Request for Proposed Modifications to the Terms and Conditions*. The Department, in its sole discretion, may consider any proposed modifications identified by the Applicant. Where necessary, any modification(s) to the terms and conditions agreed upon by the Department may be incorporated as part of an

Addendum to the RFA, BAFO, negotiation document, Execution of Contract, or Contract Amendment after award. Other than through this process, the Department rejects and shall not be required to evaluate or consider any additional or modified terms, conditions, or instructions included in the Applicant's Response.

**4. Changes in Requirements and Specifications**

- a. The Applicant is cautioned that the requirements of this RFA can only be altered by written Addendum or other documents issued by the Department as described in this RFA, and that oral or emailed communications from whatever source(s) are of no effect.
- b. The Department reserves the right to modify any specification contained herein without modifying the timelines in this RFA. Any modification to specifications will be specified in an Addendum posted to IPS.

**5. Rights Reserved**

- a. The Applicant is made aware, pursuant to 01 NCAC 05B .0501, that in soliciting applications, any and all applications received may be rejected in whole or in part. Basis for rejection shall include, but not be limited to, the application being deemed unsatisfactory as to quantity, quality, delivery, price or service offered; the application not complying with conditions of the procurement document or with the intent of the proposed contract; lack of competitiveness by reason of collusion or otherwise or knowledge that reasonably available competition was not received; error(s) in specifications or indication that revision(s) would be to the State's advantage; cancellation of or changes in the intended project or other determination that the proposed requirement is no longer needed; limitation or lack of available funds; circumstances which prevent determination of the most advantageous application; any determination that rejection would be to the best interest of the Department or State.
- b. The Applicant is cautioned that this is a Request for Application, not a request to contract, and the Department reserves the unqualified right to reject all applications deemed failing to meet minimum qualifications, threshold criteria, not responsive, incomplete, or non-compliant with the requirements described herein; or when such rejection is deemed to be in the best interest of the Department or the State of North Carolina.
- c. The Department may also:
  - i. Modify provisions of this RFA in response to changes in law or as required by CMS;
  - ii. Waive any formality or informality;
  - iii. Waive a specification or requirement of the RFP if it is in the best interest of the Department or State;
  - iv. Waive any undesirable, inconsequential, or inconsistent provisions of this RFA;
  - v. Negotiate directly with one or more Applicants to achieve a contract that is in the best interest of the Department or State, if the responses to this solicitation demonstrate a lack of competition, or if applications are found non-responsive; and/or
  - vi. Cancel this RFA at any time. Notice of Cancellation will be posted on the IPS website.
- d. In the event that no Contract is awarded for a particular Region in response to this RFA, the Department reserves the right to award all or part of such Region at a later date to one or more qualified applicants or awardees.
- e. The Department reserves the right, including after Contract Award, to modify the list of counties for each BH I/DD Tailored Plan Region specified in *Section I. Table 1: List of Counties by BH I/DD Tailored Plan Region* and *Figure 1: Map of BH I/DD Tailored Plan Regions* to reflect any changes that occur pursuant to N.C. Gen. Stat. 122C-115, to ensure compliance with N.C. Gen. Stat. § 108D-

60(3), or when it is otherwise determined to be in the best interest of the Department or State to do so.

- f. In the event all responses are rejected, and the Department enters into negotiation, pursuant to 01 NCAC 05B .0503, the Department reserves the right to award a contract to the Applicant or Applicants, which, in its opinion, has (have) made the best response through the negotiation process.

## D. Schedule and Important Events

- a. The Department will make every effort to adhere to the following schedule. The Department reserves the right to adjust the schedule and will post an Addendum on the IPS website for any schedule changes occurring prior to the opening of applications.

Section II. Table 1: RFA Schedule		
Activity	Responsible Party	Due Date
Issue Request for Application	Department	November 13, 2020
Preapplication Conference	Department	November 18, 2020, 9:00 a.m. – 12:00 noon ET
Deadline to Submit Written Questions	Applicant	November 25, 2020, 2:00 p.m. ET
Issue Addendum with Responses to Questions	Department	December 18, 2020
Deadline to Submit Applications	Applicant	February 2, 2021, 4:00 p.m. ET
Conduct Evaluation of Applications	Department	February 2, 2021 – July 25, 2021
Deadline to Submit Response to Supplemental Evaluation Questions for Empty Region(s)*	Applicant	TBD but Applicants will be notified at least two (2) weeks in advance of the due date
Contract Awards	Department	July 26, 2021

\*If needed

### 2. Preapplication Conference

- a. The Department will hold a Preapplication Video Conference on November 18, 2020, 9:00 a.m. – 12:00 noon ET.
- b. The purpose of the conference is to allow the Department to review key priorities of Medicaid Managed Care and to provide Applicants with a clear understanding of the Scope of Services within this RFA.
- c. While Applicants may ask questions at the Preapplication Conference, the Department is not required to respond during the conference. The Department will respond to written questions from potential Applicants per the process described in this RFA.
- d. Applicants are not required to attend the Preapplication Conference in order to submit responses to this RFA.
- e. To ensure receipt of the video conference invite and instructions for participation, Applicants are required to pre-register for the conference by sending an email to [Medicaid.Procurement@dhhs.nc.gov](mailto:Medicaid.Procurement@dhhs.nc.gov) stating the name of the Applicant, the names and email addresses of Applicant representatives to attend, the current role of each representative, and requests for a sign language interpreter or other accommodations. Applicants must pre-register at this email address no later than 4:00 p.m. ET on November 17, 2020. There is no limit to the number of representatives Applicants may bring via a virtual conferencing platform.

- f. Audio and video recording will not be permitted. Statements and materials discussed at conference are informational only, are not binding upon the Department and do not replace reading, reviewing and complying with this RFA.

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

- a. Written questions concerning this RFA will be received until November 25, 2020, 2:00 p.m. ET.
- b. They must be sent via email to [Medicaid.Procurement@dhhs.nc.gov](mailto:Medicaid.Procurement@dhhs.nc.gov). Insert “**Questions RFA #30-2020-052-DHB**” as the subject of the email. The questions should be submitted in the format below.

RFA Section	RFA Page Number	Question
<i>Example: V.A.1.a)</i>		

- c. The Department will prepare responses to all written questions submitted by the stated deadline and post an Addendum to IPS. The Applicant is cautioned that contacting anyone other than the Contract Specialist noted on the cover and Execution pages of this RFA may be grounds for rejection of said Applicant’s response.

**4. Application Opening.**

- a. The opening of applications will be conducted by the Department on **February 2, 2021, 4:00 p.m. ET**. Due to the COVID-19 pandemic the opening will be a virtual event conducted on Microsoft Teams.
- b. Applicants are not required to attend the Application Opening.
- c. To facilitate the virtual opening, any Applicant wishing to attend the Application Opening must pre-register by sending an email to [Medicaid.Procurement@dhhs.nc.gov](mailto:Medicaid.Procurement@dhhs.nc.gov) stating the name of the Applicant, the names and email addresses of Applicant representatives to attend, the current role of each representative, and any requests for a sign language interpreter or other accommodations. Applicants must pre-register at this email address no later than 12:00 PM ET on February 1, 2021.
- d. Audio and video recording will not be permitted. Statements and materials made at Application Opening are not binding upon the Department and do not replace compliance with this RFA.
- e. During the Application Opening, the Division will:
  - i. Request introductions and record the information for attendees and their represented entity;
  - ii. Open each application submission and record the applicant’s name, the number of boxes/ packets opened; and
  - iii. Announce the name of each Applicant.
- f. The Department will post a Tabulation on IPS following the Application Opening. The Tabulation will include the name of each Applicant for which an application was opened.

## E. Submission of Applications

### 1. Consideration

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

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

- a. The Applicant must complete and return all documents and attachments as required in the RFA. Failure to complete and return all documents and attachments as indicated may result in disqualification.
- b. The application must clearly articulate and address all requirements of this RFA. The Applicant must provide a detailed narrative description with supporting information that may include diagrams, exhibits, examples, samples, sketches, descriptive literature, etc.
- c. For some requirements, the Applicant may need to provide an affirmative statement to the question or requirement by, at a minimum, inserting the word CONFIRM in its application.
- d. The Applicant must describe any limitations, qualifications or contingences impacting the ability to perform as required by the RFA.
- e. The Applicant must not include any assumptions in its application. The Applicant should seek clarity on any questions or concerns during the defined question period.
- f. The Applicant should exercise due diligence to ensure their response is consistent with the instructions, clearly written and addresses all requirements and questions of this RFA.

### 3. Required Application Documents

- a. To demonstrate the Applicant is qualified to meet the on-going demands of the Department and comply with federal and state requirements, as well as identify and include all the Contract documents in the application, the Applicant is required to return the following documents, completed and signed where indicated, and **in the order listed**, with their RFA response, the entirety of which shall be called the **Applicant's Response**.
  - i. RFA Cover Page with Title and RFA Number;
  - ii. **Completed** Applicant Name and Tax ID Number page;
  - iii. **Completed** and **signed** Execution Page;
  - iv. The entire body of this RFA, excluding attachments;
  - v. Each addendum released in conjunction with the RFA, including **signed** acknowledgement of receipt pages, as applicable;
  - vi. Section VII. Attachments A through P; and
  - vii. **Completed** *Section VIII. Second Revised and Restated Attachment Q. Application Response and Completed Attachments*.
- b. The Applicant **should not** submit *Section IX. Medicaid Tailored Plan Draft Rate Book* with its response.
- c. **Except for Addenda issued in conjunction with this RFA, Applicants must request MS Word, Excel or fillable PDF versions of documents and attachments required to be completed and/or**



signed for Application submission from [Medicaid.Procurement@dhhs.nc.gov](mailto:Medicaid.Procurement@dhhs.nc.gov). Applicants should obtain any addenda from the State's IPS website.

- d. The Applicant shall complete the *RFA #30-2020-052-DHB Applicant's Response Submission Checklist* as attached to Addendum #8. The Checklist identifies the materials to be submitted and notes items requiring completion and/or signature to assist Applicant in ensuring its response is complete and in the correct order. If there is any discrepancy between the Checklist and instructions regarding the completion of information or signatures in the RFA, the instruction shall prevail. Notwithstanding Section II.E.3.a. of the RFA regarding the order of required documents, Addendum #8 and the completed *Applicant's Response Submission Checklist* may be included at the front of the response prior to RFA Cover Page with Title and RFA Number and is not subject to the page numbering requirements.

**4. Application Submission and Number of Copies**

Sealed responses of the application, subject to the conditions made a part hereof and the receipt requirements described herein, must be received at the address indicated below.

The Department will issue an addendum at least two (2) weeks prior to the application due date with instructions for Applicants to make arrangements for hand delivery of applications by Applicant or Applicant's representative.

Section II. Table 2: Application Submission Address	
MAILING ADDRESS FOR DELIVERY OF APPLICATION VIA U.S. POSTAL SERVICE	OFFICE ADDRESS FOR DELIVERY BY ANY OTHER MEANS, SPECIAL DELIVERY, OVERNIGHT DELIVERY, OR BY ANY OTHER CARRIER
APPLICATION NUMBER: RFA #30-2020-052-DHB Attn: Kimberley Kilpatrick Department of Health and Human Services Division of Health Benefits 1950 Mail Service Center Raleigh, NC 27699-1950	APPLICATION NUMBER: RFA #30-2020-052-DHB Attn: Kimberley Kilpatrick Department of Health and Human Services Division of Health Benefits 820 S. Boylan Ave. McBryde Building, Office 462 Raleigh, NC 27603

The Applicant **must** deliver the following simultaneously to the address identified above by the deadline to submit applications in *Section II. Table 1: RFA Schedule*:

- a. Hard Copies:
  - i. One (1) signed, original and two (2) copies of executed response of **Applicant's Response**; and
  - ii. Fifteen (15) copies of *Section VIII. Second Revised and Restated Attachment Q. Application Response and Completed Attachments*.
- b. Soft Copies:
  - i. One (1) copy of the signed, original executed **Applicant's Response** submitted separately on a CD, DVD, or flash drive marked **RFA #30-2020-052-DHB**; and
  - ii. One (1) copy of the signed, original executed **Applicant's Response redacted** in accordance with Chapter 132 of the General Statutes, the Public Records Act, on a separate CD, DVD, or flash drive marked **RFA #30-2020-052-DHB**. For the purposes of this RFA, redaction means to edit a document by obscuring or removing information that is considered confidential and proprietary by the Applicant and meets the definition of Confidential Information set forth in N.C. Gen. Stat. § 132-1.2. Any information removed by the Applicant should be

replaced with the word, “Redacted.” If the response does not contain Confidential Information, Applicant should submit a signed statement to that effect.

- c. Applicant or Applicant’s representative may hand deliver applications to 820 S. Boylan Ave, McBryde Building, Raleigh, NC 27603 as provided in this section.
- d. Due to the COVID-19 pandemic the Department will accept hand deliveries of applications by appointment only.
  - i. Appointments will be available during the following dates and times:

February 1, 2021	<ul style="list-style-type: none"> <li>• 8:30 AM ET</li> <li>• 9:30 AM ET</li> <li>• 10:30 AM ET</li> <li>• 11:30 AM ET</li> <li>• 12:30 PM ET</li> <li>• 1:30 PM ET</li> <li>• 2:30 PM ET</li> <li>• 3:30 PM ET</li> <li>• 4:30 PM ET</li> </ul>
February 2, 2021	<ul style="list-style-type: none"> <li>• 8:30 AM ET</li> <li>• 9:30 AM ET</li> <li>• 10:30 AM ET</li> <li>• 11:30 AM ET</li> <li>• 12:30 PM ET</li> <li>• 1:30 PM ET</li> </ul>

- ii. Appointments must be scheduled by emailing [Medicaid.Procurement@dhhs.nc.gov](mailto:Medicaid.Procurement@dhhs.nc.gov). The email subject shall be “Schedule Delivery of RFA #30-2020-052-DHB Applications.” In the body of the email, indicate a first, second and third preference for the appointment date and time as well as any limitations the Applicant may have with scheduling delivery during these available times. The Department will make every effort to accommodate Applicant’s preference.
- iii. The Department will notify the Applicant of the date and time scheduled, and email an appointment invite with additional directions for locating the correct building entrance and contact information for the day of the delivery.
- iv. Due to the ongoing COVID-19 pandemic, the Applicant should limit the number of persons to only those necessary to support delivery of the applications. The Applicant will be required to adhere to COVID-19 safety protocols, including wearing a face covering, remaining six feet (6’) apart, limiting contact, and any others identified in the delivery appointment and directions email.
- e. If the Applicant is planning to deliver its response other than making an appointment for hand delivery (i.e., US postal service or commercial carrier), the Applicant *must notify the Department immediately* via email to [Medicaid.Procurement@dhhs.nc.gov](mailto:Medicaid.Procurement@dhhs.nc.gov) to confirm the process and address to use for such delivery.

**Each document, or group of documents, specified in Section II.E.4.a should be provided as separate PDF files and named accordingly.**

The electronic copies of the response must not be password protected.

**IMPORTANT NOTE:** It is the responsibility of the Applicant to have the above documents and electronic copies physically in the Office provided above by the specified time and date of opening, regardless of the method of delivery. This is an absolute requirement. The time of delivery will be marked on each application when received, and any application received after the submission deadline **will not be accepted or evaluated.**

All risk of late arrival due to unanticipated delay, whether delivered by hand, U.S. Postal Service, courier or other delivery service or method, is entirely on the Applicant. Note that the U.S. Postal Service generally does not deliver mail to the street address above, but to the State's Mail Service Center stated above. The Applicant is cautioned that applications sent via U.S. Mail, including Express Mail, may not be delivered by the Mail Service Center to the person named on Page 1 of this RFA by the Due Date and time to meet the application submission deadline. The Applicant is urged to take the possibility of delay into account when submitting an application.

#### 5. Falsified Information

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

### F. Confidentiality and Prohibited Communications During Evaluation

1. As provided for in the North Carolina Administrative Code (NCAC), including but not limited to 01 NCAC 05B.0103, 09 NCAC 06B .0103 and 09 NCAC 06B .0302, all information and documentation whether electronic, written or verbal, relative to the development of a contractual document for a proposed procurement or contract shall be deemed confidential in nature. In accordance with these and other applicable rules and statutes, such materials shall remain confidential until the award of a contract or until the need for the procurement no longer exists. Any proprietary or confidential information, which conforms to exclusions from public records as provided by Chapter 132 of the General Statutes, **must be clearly marked as such with each page containing the trade secret or confidential information identified in boldface at the top and the bottom as "CONFIDENTIAL"** If only a portion of each page marked "CONFIDENTIAL" contains trade secret information, the trade secret information shall be designated with a contrasting color or by a box around such information. **In addition to marking confidential information as required by NCAC 05B.0103, confidential pages or portions of the response shall be reflected in the redacted copy submitted as instructed in Section II.E. Submission of Applications as applicable.** By submitting a redacted copy, the Applicant warrants that it has formed a good faith opinion, having received such necessary or proper review by counsel and other knowledgeable advisors, that the portions marked **Confidential** and **Redacted** meet the requirements of G.S. § 132. The Applicant must identify the legal grounds for asserting that the information is confidential, including the citation to state law. **However, under no circumstances shall cost or price information be designated as confidential.**
2. Except as otherwise provided above, pursuant to N.C. Gen. Stat. § 132-1, et seq., information or documents provided to the Department in response to this RFA are Public Record and subject to inspection, copy and release to the public unless exempt from disclosure by statute, including, but not limited to, N.C. Gen. Stat. § 132-1.2. Redacted copies provided by the Applicant to the Department may be released in response to public record requests without notification to the Applicant.

3. During the period spanning the issuance of the RFA and Contract Award, possession of applications, accompanying information, and subsequent negotiations are limited to personnel of the Department and any third parties involved in this procurement process.
4. Each Applicant submitting an application (including its representatives, Subcontractors and/or suppliers) is prohibited from having any communications with any person inside or outside the issuing agency, other government agency office, or body (including the purchaser named above, department secretary, agency head, members of the general assembly and/or governor's office), or private entity, if the communication refers to the content of Applicant's application or qualifications, the content of another Applicant's application, another Applicant's qualifications or ability to perform the Contract, and/or the transmittal of any other communication of information that could be reasonably considered to have the effect of directly or indirectly influencing the evaluation of application and/or the award of the Contract. An Applicant not in compliance with this provision shall be disqualified from Contract Award, unless it is determined in the Department's discretion that the communication was harmless, that it was made without intent to influence and that the best interest of the Department would not be served by the disqualification. An Applicant's application may be disqualified if its Subcontractor and supplier engage in any of the foregoing communications during the time that the procurement is active (i.e., the issuance date of the procurement to the date of Contract Award). Only those discussions, communications or transmittals of information authorized or initiated by the issuing agency for this RFA or general inquiries directed to the purchaser regarding requirements of the RFA (prior to application submission) or the status of the Contract Award (after submission) are excepted from this provision.
5. The Department may serve as custodian of Applicant's confidential information and not as an arbiter of claims against Applicant's assertion of confidentiality. If an action is brought pursuant to N.C. Gen. Stat. § 132-9 to compel the Department to disclose information marked confidential, the Applicant agrees that it will intervene in the action through its counsel and participate in defending the Department, including any public official(s) or public employee(s). The Applicant agrees that it shall hold the Department, State of North Carolina, and any official(s) and individual(s) harmless from all damages, costs, and attorneys' fees awarded against the Department in the action. The Department agrees to promptly notify the Applicant in writing of any action seeking to compel the disclosure of Applicant's confidential information. The Department shall have the right, at its option and expense, to participate in the defense of the action through its counsel. The Department shall have no liability to Applicant with respect to the disclosure of Applicant's confidential information ordered by a court of competent authority pursuant to N.C. Gen. Stat. § 132-9 or other applicable law.

## G. Evaluation and Contract Award

The Evaluation process will commence on the date and time responses are unsealed as defined in this RFA. The Department will evaluate each Applicant's Response in accordance with the method, process and criteria stated herein.

### 1. Evaluation Committee and Method

- a. An Evaluation Committee (Committee) will be established to review each Applicant's Response to the RFA and make award recommendations. The Department may designate other individuals or subject matter experts, including individuals from outside the Department, to assist in the evaluation process. The Department reserves the right to alter the composition of the Committee or designate other staff, individuals, or vendors from outside the Department to assist in the process.

- b. The Committee will review and evaluate all qualified responses submitted by the deadlines specified in this RFA. The Committee will be responsible for the entire evaluation process, including any clarifications, negotiations, or BAFOs.
- c. The Committee's evaluation determinations and recommendations will be by consensus.

**2. Investigation and Inspection**

- a. The Department may make such reasonable investigations or Readiness Reviews to determine the ability of the Applicant to perform the services, and the Applicant must furnish to the Department all such information and data within requested timeframes. The Department reserves the right to inspect Applicant's physical facilities, including any located outside of North Carolina prior to award and at any time during the Contract period to satisfy questions regarding the Applicant's capabilities. The Department further reserves the right to reject any application if the evidence submitted by, or investigations of, the Applicant fails to satisfy the Department that the Applicant is properly qualified to carry out the obligations of the Contract and to provide the required services. Department's investigation or inspection of Applicant's ability and physical facilities includes any entity or site used in the performance of any obligation under the Contract.
- b. The Department may request to review any policy, procedure, process, script, manual or other material used to fulfill a Scope of Services requirement and require changes as a condition of participation under the Contract.

**3. Evaluation Process**

The following descriptions are to provide general information about the Department's evaluation process. The Department reserves the right to modify the evaluation process, including the order or content of the following evaluation process components:

- a. The Committee will review each Applicant's Response to validate all required response documents are included and completed, and all instructions to Applicants have been followed. Failure to adhere to these requirements may render the Application incomplete and may be grounds for rejection during any part of the evaluation process.
- b. The Committee will determine if Minimum Qualifications are met as required in *Section IV. Minimum Qualifications*. If the Applicant does not provide the information required in *Section VIII. Second Revised and Restated Attachment Q.2. First Revised and Restated Minimum Qualifications Response*, or the Department determines that the Applicant does not meet the Minimum Qualifications, that Applicant's Response shall be excluded from further consideration and evaluation. Exclusion from further consideration may occur upon the Department's initial review or at any time during the evaluation process upon Department's determination that the Applicant fails to meet the Minimum Qualifications.
- c. The Committee will review and evaluate the Applicant's Response by identifying and describing strengths and weaknesses as well as any risks or issues, determining ratings relative to the evaluation criteria, and developing documentation, summaries or narratives of its determinations.
- d. The Committee will make an award recommendation. Upon approval of the recommendation by the Department, the Notice of Award will be issued with the Department executing a Contract with the successful Applicant(s).

**4. Clarifications, Negotiations, and BAFOs**

- a. The Department reserves the right to request Clarifications at any time from any Applicant, and such Clarifications will be submitted in writing to the Applicant to respond. However, the Department *is not required* to request Clarifications from any Applicant, and Applicants should exercise due diligence to ensure its Application is clear and addresses all the requirements and specifications of the RFA. Pursuant to 01 NCAC 05A .0112, Clarification means communications

between the State and an Applicant that may occur after receipt of Applicant's Response for the purpose of eliminating irregularities, informalities, or apparent clerical mistakes in an Application. A Clarification may also be used in order for the State to interpret an Application or Applications or to facilitate the State's evaluation of all Applications. A Clarification shall not be used to cure material deficiencies in an Application, alter the scope of an Application, or to negotiate. The Department may refuse to accept or consider, in whole or in part, the response to a Clarification provided by an Applicant.

- b. The Department reserves the right to enter into negotiations with any Applicant to establish a contract that is in the best interest of the Department or State. Such negotiations may result in modifications to the RFA and/or Applicant's Response.
- c. The Department may issue a BAFO request to any Applicant, requesting one or more Applicants change its (their) initial application(s).

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

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

**6. Quality Review**

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

**7. Rescission**

The Department may, at its discretion, allow an Applicant to rescind certain statements in the Applicant's Response, and such rescissions will be handled and documented as Clarifications. However, the Department *is not required* to allow statement rescissions from any Applicant.

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

- a. The Department will evaluate the Applicant's Response for completeness and reasonableness and to determine if it complies with the instructions and minimum qualifications described in the RFA.
- b. Qualified applications will be evaluated, and award made based on considering the criteria specified below and a rating scale developed by the Department to result in an award(s) most advantageous to the Department and State. There is no guarantee of Contract Award regardless of the results of the evaluation.<sup>4</sup>

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<sup>4</sup> Refer to Section II. G. 10. Empty Region Scoring and Contract Award for scoring and Contract Award details in the event that an incumbent LME/MCO is not awarded a Contract.

- c. The evaluation criteria are listed in descending order of importance with no specific percentage or weight assigned as follows:

#	Criteria	Description
<b>Threshold Criteria</b>		
1	<b>Integration</b>	Ability to implement and sustain an integrated, well-coordinated system of care for members and recipients that addresses their physical and behavioral health and other health-related needs
2	<b>Financial Management</b>	Ability to develop systems and processes required to meet key financial management objectives
3	<b>Care Management</b>	Ability to provide comprehensive and provider-based care management
<b>Other Criteria</b>		
4	<b>Providers</b>	Ability to partner successfully with providers and maintain a sufficient network of accessible providers
5	<b>Benefits &amp; Services</b>	Ability to deliver benefits and support members and recipients navigate transitions from institutional settings
6	<b>Members &amp; Recipients</b>	Ability to support and engage members and recipients
7	<b>Compliance</b>	Ability to provide comprehensive oversight and program integrity
8	<b>Quality &amp; Population Health</b>	Ability to develop a comprehensive quality improvement and value-based purchasing approach, improve population health, and address unmet health related resource needs
9	<b>Administration &amp; Management</b>	Ability to implement and sustain organizational, operational, technical and administrative functions and capabilities
10	<b>Use Cases</b>	Ability to illustrate approach to caring for complex and vulnerable members and recipients
11	<b>Qualifications &amp; Experience</b>	Ability to leverage prior experience to implement plan requirements
<b>Empty Region Criteria (if needed)</b>		
1	<b>Financial Management</b>	Ability to meet key financial management objectives and capital requirements in an expanded region.
2	<b>Provider Network</b>	Ability to partner successfully with providers to build and maintain a sufficient network of accessible providers that meets the needs of members in the empty region(s).
3	<b>Stakeholder Engagement</b>	Ability to manage community-based efforts focusing on health promotion, prevention, and collaboration and other community-based initiatives for the empty region(s).
4	<b>Administration &amp; Management</b>	Ability to expand and sustain organizational, operational, technical and administrative functions and capabilities in the empty region(s).
5	<b>Proximity to Empty Region</b>	Whether the counties the Applicant serves as of the issue date of this RFA, or as modified pursuant to <i>Section II.C.5.e.</i> of this RFA, are contiguous to counties in the Empty region.

- d. Applications will be compared to the evaluation criteria. The Committee will identify and describe the strengths and weaknesses as well as risks and issues of the Application relative to the evaluation criteria and develop a narrative and summary of the results and its determinations, including a consensus rating of the Applicant’s Response for each evaluation criterion.
- e. The Committee will determine if the Applicant’s Response meets expectations and requirements for each criterion designated as “Threshold Criteria” in *Section II.G.8.c.* above. **An Applicant that does not meet expectations or requirements for any one of the three Threshold Criterion is not eligible for contract award**; however, Applicants meeting the Threshold Criteria are **not** guaranteed a Contract award.
- f. The Committee will determine if the Applicant’s Response meets expectations and requirements for each criterion designated as “Other Criteria” in *Section II.G.8.c.* above.
- g. An Applicant will be recommended for contract award if the Evaluation Committee determines, based on its review of the application and consensus ratings, that:
  - i. The application is responsive to the contract requirements; and,
  - ii. The Applicant will be able to perform the functions as required under the contract.

**9. Contract Award**

- a. Upon conducting a comprehensive, fair, and impartial evaluation of the applications received in response to this RFA, the Department will award five (5) to seven (7) regional contracts ensuring BH I/DD Tailored Plan coverage in all counties as a result of this RFA, pursuant to N.C. Gen. Stat. § 108D-60(3). Upon award, the Department will sign the “Acceptance of Application” found at the bottom of the Execution page or require the signing of an Execution of Contract, thus resulting in the formation of the Contract(s).
- b. All contracts are subject to CMS approval.
- c. Within two (2) State Business Days after notification of award, the Applicant must register in NC E-Procurement @ Your Service. See <http://vendor.ncgov.com>.

**10. Empty Region Evaluation and Contract Award**

- a. The Department will, at its discretion, award all or part of an Empty Region to one or more qualified Applicants, based on responses to Supplemental Evaluation Questions.<sup>5</sup> Applicants must submit responses to the Supplemental Evaluation Questions in *Section VIII. Second Revised and Restated Attachment Q.17. Supplemental Evaluation Questions for Empty Region(s)* to be considered for the award of an Empty Region.
- b. Applicants not interested in being considered for the award of an Empty Region are not required to submit responses to the Supplemental Evaluation Questions. Declining to submit responses to the Supplemental Evaluation Questions will not affect consideration of the Applicant’s response for the Region in which it is operating as an LME/MCO at the time it submits its Application.
- c. The Department will notify eligible Applicants if there is an opportunity to submit responses to the Supplemental Evaluation Questions. Any Applicant that, at the time of the Applicant’s submission, is the LME/MCO serving the Region that becomes an Empty Region is not eligible for an award under this process.
- d. Minimum Qualifications for Award of an Empty Region: To be awarded a Contract for an Empty Region, the Applicant must, at a minimum:
  - i. Have been determined by the Department, based upon an evaluation of the Applicant’s Response, to meet the requirements necessary to secure a contract to become a BH/IDD Tailored Plan for the Region in which it operates as an LME/MCO at the time it submits its Application; and
  - ii. Respond to the Supplemental Evaluation Questions.

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<sup>5</sup> There will be only one (1) BH I/DD Tailored Plan operating in each county.



- e. Empty Region Evaluation and Award:
  - i. Responses to Supplemental Evaluation Questions will be evaluated using the same approach and process outlined above.
  - ii. The Committee will rank Applications for each Empty Region, taking into account the Committee's ratings and determinations with respect to all the evaluation criteria listed in *Section II.G.10.c*, including the Threshold Criteria and Other Criteria in addition to the Empty Region Criteria.
  - iii. The Committee will recommend Empty Region awards most advantageous to the Department or State, considering the ranking of Applicants who submitted responses to the Supplemental Evaluation Questions, the number of Empty Regions, the number of qualified Applicants, and the statutory requirement to award at least five (5) and no more than seven (7) BH I/DD Tailored Plan contracts.
  - iv. The Department reserves the right to divide an Empty Region and award the Empty Region to two (2) or more Applicants.

**11. Protest Procedures:**

- a. If an Applicant wishes to protest a Contract awarded as a result of this RFA, the Applicant shall submit a written request addressed to contact identified in *Section II.E.4. Application Submission and Number of Copies*. The protest request must include two (2) hardcopies and an electronic copy and be received in the proper office within thirty (30) Calendar Days from the Contract Award. Protest letters shall contain specific grounds and reasons for the protest, how the protesting party was harmed by the award made and any documentation providing support for the protesting party's claims. **Note:** Contract Award notices are sent only to the Applicant(s) awarded the Contract, and not to every person or firm responding to a solicitation. Application status and Award notices are posted at <https://www.ips.state.nc.us/ips/>. All protests will be handled following the process defined in the North Carolina Administrative Code, 01 NCAC 05B.1519, but will be administered by Department of Health and Humans Services personnel.
- b. If a protest is determined by the Department head to be valid, the following outcomes may occur:
  - i. Cancellation of the award, and the solicitation to contract is not reissued;
  - ii. Cancellation of the award, and the solicitation to contract is reissued;
  - iii. Cancellation of the award, and the contract is awarded to the next technically competent, qualified Applicant, as determined by the Department in its sole discretion, that agrees to honor its application.

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

#### A. Definitions

Unless otherwise specified herein, the following definitions apply to this Contract.

1. **1115 Demonstration Waiver:** As defined by Section 1115 of the Social Security Act, state demonstrations that give states additional flexibility to design and improve their programs by demonstrating and evaluating state-specific policy approaches to better serving Medicaid populations. Specifically, North Carolina's amended 1115 demonstration waiver application to the federal Centers for Medicare & Medicaid Services (CMS) focuses on the specific items of the Medicaid Managed Care transformation that require CMS waiver approval (waiver #11-W00313/4; <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/nc/nc-medicaid-reform-ca.pdf>).
2. **Adult Care Home (ACH):** A licensed facility with seven (7) or more beds that provides residential care for aged or disabled persons whose principal need is a home which provides the supervision and personal care appropriate to their age and disability and for whom medical care is only occasional or incidental.
3. **Advance Directive:** Has the same meaning as Advance Directive as defined in 42 C.F.R. § 489.100 and includes advance instructions for mental health treatment as defined in Part 2 of Article 3 of Chapter 122C of the General Statutes.
4. **Advanced Medical Home (AMH):** State-designated primary care practices that have attested to meeting standards necessary to provide local care management services.
5. **Advanced Medical Home Plus (AMH+):** Primary care practices certified by the Department as AMH Tier 3 practices, whose providers have experience delivering primary care services to the BH I/DD Tailored Plan eligible population, or can otherwise demonstrate strong competency to serve that population and have certified by the State (prior to BH I/DD Tailored Plan launch) or BH I/DD Tailored Plan(s) (after launch) as such.
6. **Adverse Benefit Determination:** Has the same meaning as Adverse Benefit Determination as defined in 42 C.F.R. § 438.400. Any decision to deny, reduce, suspend, or terminate waiver participation or requests for or placement on the Registry of Unmet Needs are considered Adverse Benefit Determinations consistent with the definition at 42 C.F.R. 438.400.
7. **Alcohol and Drug Abuse Treatment Center (ADATC):** State-operated treatment center that provides inpatient treatment, psychiatric stabilization and medical detoxification for adults with substance use and other co-occurring mental health diagnoses to prepare for ongoing community-based treatment and recovery.
8. **Allocation Letter:** Letter by which the Department disburses specific state or federal funds to the BH I/DD Tailored Plan and specifies the binding terms and conditions for using those funds.
9. **Alternative Services:** Services proposed by the BH I/DD Tailored Plan and approved by the Department to fill network adequacy and accessibility service needs that are met with the current state-funded service array.
10. **American Society of Addiction Medicine (ASAM) criteria:** Evidence-based guidelines for placement, continued stay, and transfer/discharge for the treatment of adolescents and adults with addiction and co-occurring conditions.

11. **Appeal:** Has the same meaning as Appeal as defined in 42 CFR 438.400(b).
12. **Applicant:** Supplier, bidder, proposer, firm, company, corporation, partnership, individual or other entity submitting an application in response to this RFA.
13. **Area Director:** The Area Director is the administrative head of the BH I/DD Tailored Plan. The Area Director is an employee of and serves at the pleasure of the entity's governing board and shall be appointed in accordance with N.C. Gen. Stat. § 122C-117(a)(7).
14. **Authorized Representative:** An individual, provider or organization designated by a Member , or authorized by law or court order, to act on their behalf in assisting with the individual's participation in the Medicaid Managed Care program. With written consent of the Member, or as otherwise legally authorized, an authorized representative may, for example, request an Appeal, file a Grievance, or request a State Fair Hearing on behalf of the Beneficiary with the exception that a Provider cannot request continuation of BH I/DD Tailored Plan benefits Authorized Representative may be used interchangeably with member wherever a member has a right under this Contract for purposes of exercising a right on behalf of that member. Sometimes referred to as Legally Responsible Person (LRP).
15. **Automated Call Distribution System (ACD):** An automated call center system that disperses incoming calls of all Members and potential Members to appropriate service line staff.
16. **Automated Voice Response System (AVRS):** An automated system that allows members to perform self-service activities and resolve simple inquiries without the need to interact with an agent. The AVRS interacts with the Member through voice prompts and recognition or numeric prompts.
17. **Behavioral Health (BH):** Mental health and substance use disorder.
18. **Behavioral Health Crisis Line:** A confidential, toll free service line available twenty-four (24) hours a day, seven (7) days a week, every day of the year to Members and Recipients which provides emergency referral with immediate access to trained, skilled, licensed BH professionals who provide assistance for any type of BH issue the Member may be experiencing, and offers assistance in linking Members and Recipients to supportive available community resources.
19. **Behavioral Health Crisis Referral System (BHCRS):** A secure web-based application that connects a statewide network of facilities that make referrals (Referring Facilities) with facilities that offer inpatient or facility-based treatment (Receiving Facilities) to assist facilities in timely and appropriate placement of individuals experiencing a BH crisis.
20. **Behavioral Health Intellectual/Developmental Disability Tailored Plan (BH I/DD Tailored Plan):** Has the same meaning as BH I/DD Tailored Plan as defined in N.C. Gen. Stat. § 108D-1(4).
21. **Beneficiary:** An individual who is enrolled in the North Carolina Medicaid or NC Health Choice programs but who may or may not be enrolled in the Medicaid Managed Care program.
22. **Beneficiary with Special Health Care Needs:** Populations who have or are at increased risk of having a chronic illness and/or a physical, developmental, behavioral, or emotional condition and who also require health and related services of a type or amount beyond that usually expected for individuals of similar age. This includes but is not limited to individuals with: HIV/AIDS; an SMI, I/DD or SUD diagnosis; Chronic Pain; Opioid Addiction; or receiving Innovations or TBI waiver services.
23. **Business Associate Agreement (BAA):** Under the Health Insurance Portability and Accountability Act (HIPAA) of 1996, the written agreement between a HIPAA-covered entity and HIPAA Business Associate, as defined in 45 C.F.R. 160.103.

24. **Business Day:** Business days are defined as traditional State workdays, Monday – Friday and includes traditional work hours 8:00 AM – 5:00 PM EST. North Carolina State holidays are excluded. A list of North Carolina State Holidays is located at the following link, accurate as of August 9, 2022: <https://oshr.nc.gov/state-employee-resources/benefits/leave/holidays>.
25. **Calendar Day:** Includes the time from midnight to midnight each day, and all days in a month, including weekends and holidays. Unless otherwise specified within the Contract, days are tracked as Calendar Days.
26. **Care Coordination:** The act of organizing patient care activities and sharing information among all the participants involved with a Member’s care to achieve safer and more effective care. Through organized care coordination, Members’ needs and preferences are known ahead of time and communicated at the right time to the right people to provide safe, appropriate, and effective care addressing the member’s clinical needs and unmet health related resource needs.
27. **Care Management:** Team-based, person-centered approach to effectively managing patients’ medical, social, and behavioral conditions. Care Management shall include, at a minimum, the following:
  - a. High-risk care management (e.g., high utilizers / high-cost beneficiaries);
  - b. Care Needs Screening;
  - c. Identification of members in need of care management;
  - d. Development of Care Plans (across priority populations);
  - e. Development of comprehensive assessments (across priority populations);
  - f. Transitional Care Management: Management of member needs during transitions of care and care transitions (e.g. from hospital to home);
  - g. Care Management for special populations (including pregnant women and children at-risk of physical, development, or socio-emotional delay);
  - h. Chronic care management (e.g., management of multiple chronic conditions);
  - i. Coordination of services (e.g., appointment/wellness reminders and social services coordination/referrals);
  - j. Management of unmet health-related resource needs and high-risk social environments;
  - k. Management of high-cost procedures (e.g., transplant, specialty drugs);
  - l. Management of rare diseases (e.g., transplant, specialty drugs);
  - m. Management of medication-related clinical services which promote appropriate medication use and adherence, drug therapy monitoring for effectiveness, medication related adverse effects; and
  - n. Development and deployment of population health programs.
28. **Care Management Agency (CMA):** Provider organization with experience delivering BH, I/DD, and/or TBI services to the BH I/DD Tailored Plan eligible population that will hold primary responsibility for providing integrated, whole-person care management to BH I/DD Tailored Plan members assigned to it, under the Tailored Care Management model as certified by the State (prior to BH I/DD Tailored Plan launch) or BH I/DD Tailored Plan(s) (after launch).
29. **Care Management Comprehensive Assessment:** A person-centered assessment of a Member’s health care needs, functional needs, accessibility needs, strengths and supports, goals and other characteristics that will inform the Member’s ongoing Care Plan and treatment.
30. **Care Management for At-Risk Children:** Care management services provided to a subset of the Medicaid population ages 0-5 identified as being “high-risk.”

31. **Care Management for High Risk Pregnant Women:** Care management services provided to a subset of the Medicaid population who is pregnant and identified as “high-risk” by providers, local health departments (LHDs), social service agencies, Standard Plans, BH I/DD Tailored Plans, and/or PIHPs.
32. **Care Plan:** A written individualized person-centered plan of care for Members/Recipients with BH needs, that is developed using a collaborative approach led by the Member/Recipient or their guardian when appropriate, incorporates the results of the Care Management Comprehensive Assessment, and identifies the Member’s/Recipient’s desired outcomes and the training, therapies, services, strategies, and formal and informal supports needed for the Member/Recipient to achieve those outcomes.
33. **Care Transitions:** The process of assisting a Member to transition to a different care setting or through a life stage that results in or requires a modification of services (e.g. school-related transitions).
34. **Caregivers:** Family members, friends or neighbors who provide unpaid assistance to a person with a chronic illness or disabling condition.
35. **Catchment Area:** The group of counties for which a BH I/DD Tailored Plan arranges for services. Also referred to as Regions within this Contract.
36. **Child and Adolescent Needs and Strengths (CANS):** A multi-purpose tool developed for children and adolescent BH and developmental services to support decision making, including level of care and service planning; facilitate quality improvement initiatives; and allow for the monitoring of outcomes of services.
37. **Child/Adolescent Psychiatrist:** A physician who has completed an ACGME-accredited child/adolescent psychiatry fellowship and/or has board certified or has board-diplomat status as a child/adolescent psychiatrist.
38. **Children with Complex Needs:** Medicaid eligible children ages five (5) through twenty (20) with a developmental disability (including Intellectual Disability and/or Autism Spectrum Disorder) and a mental health disorder, who are at risk of not being able to enter or remain in a community setting. The term “at risk” is defined for this purpose as acts or behaviors that present a substantial risk of harm to the child or to others.
39. **Child and Family Team:** Group consisting of a child/youth receiving services, parent/caregiver/guardian, and other community supports as determined by the child/youth and/or their parent/caregiver/guardian. The Child and Family Team is responsible for creating, implementing, and updating an individualized child and family plan on the child/youth’s needs. Child and Family team may include extended family members, community members, and individuals involved in the child/youth’s education, care, and support.
40. **Children with Medical Complexity (CMC):** Also known as “complex chronic” or “medically complex,” children who have multiple significant chronic health problems that affect multiple organ systems and result in functional limitations, high health care need or utilization, and often the need for or use of medical technology.
41. **Choice Counseling:** Has the same meaning as Choice Counseling as defined in 42. C.F.R. § 438.2.
42. **Civil Monetary Penalty:** Financial penalties authorized or required to be imposed by States under federal requirements for certain conduct that is set forth in 42 C.F.R. § 438.700.
43. **Claim:** A request for payment by a healthcare Provider to an insurer for rendered services. Also refers to (1) a bill for services, (2) a line item of service, or (3) all services for one beneficiary within

a bill, as referenced at 42 CFR §447.45(b). Claims may be filed for professional, institutional, dental, and pharmacy transactions in conformance with existing laws (e.g., HIPAA) and using relevant industry standards (e.g., ASC X12N, NCPDP) and typically include information on the patient, Provider, diagnoses, procedures performed or services rendered, and related charges.

44. **Claim Adjudication:** The process of paying Claims submitted or denying them after comparing the claim data elements to the benefit or coverage requirements.
45. **Claim Adjudication Date:** The date the BH I/DD Tailored Plan or its Subcontractor processed a Claim for determination of payment, acceptance, denial, or rejection.
46. **Clean Claim:** A Claim submitted to a BH I/DD Tailored Plan by a Participating Provider which can be processed without obtaining additional information from the Participating Provider or their authorized representative in order to adjudicate the Claim. Pursuant to 42 CFR § 447.45(b), Clean Claim does not include a claim from a provider who is under investigation for fraud or abuse or a claim under review for medical necessity.
47. **Clinically Integrated Network (CIN) or Other Partner:** Entities with which Provider practices choose to partner to share responsibility for specific functions and capabilities required to operate as an AMH+ practice or CMA.
48. **Closed Loop Referral:** The capacity to know whether a Member accessed social services to which they were referred.
49. **Closed Network:** Has the same meaning as Closed Network defined in N.C. Gen. Stat. § 108D-1(6).
50. **Community Alternatives Program for Children (CAP/C):** A North Carolina Medicaid 1915(c) waiver program that provides home- and community-based services to medically fragile children who are at risk for institutionalization in a nursing home because of their medical needs (4141.R06.00; the approved waiver document is available at the following link, accurate as of August 9, 2022: <https://www.medicaid.gov/medicaid/section-1115-demo/demonstration-and-waiver-list/?entry=8233>).
51. **Community Alternatives Program for Disabled Adults (CAP/DA):** A North Carolina Medicaid 1915(c) waiver program that allows seniors and disabled adults ages eighteen (18) and older to receive support services in their own home, as an alternative to nursing home placement (#0132.R07.00; the approved waiver document is available at the following link, accurate as of August 9, 2022: <https://www.medicaid.gov/medicaid/section-1115-demo/demonstration-and-waiver-list/?entry=8232>).
52. **Community Collaboratives:** Local and regional convenings of county agencies, community-based organizations, non-profits, Members, relatives/natural supports, and health care Providers, and peers, that meet regularly to identify and address community needs through coordinated efforts and system planning.
53. **Community Integration Plan (CIP):** A planning document completed as part of the diversion process that documents that community integration planning occurred and indicates which residential option and other services were chosen by the Member and/or their relatives or guardian.
54. **Community Mental Health Block Grant (CMHBG or MHBG):** The Substance Abuse and Mental Health Services Administration (SAMHSA) disburses these funds annually to North Carolina each year to support the state's efforts to provide comprehensive community mental health services, including prevention, early intervention, treatment and resiliency and/or recovery supports to children and youth at risk for or experiencing serious emotional disturbance (SED) and adults living with a serious mental illness (SMI).

55. **Compatible Medicaid NCCI Methodologies:** The six (6) NCCI Methodologies used in the Medicare Part B program and determined by CMS as compatible methodologies for claims filed in Medicaid: (1) a methodology with procedure-to-procedure edits for practitioner and ambulatory surgical center services; (2) a methodology with procedure-to-procedure edits for outpatient services in hospitals (including emergency department, observation, and hospital laboratory services); (3) a methodology with procedure-to-procedure edits for durable medical equipment; (4) a methodology with medically unlikely edits for practitioner and ambulatory surgical center services; (5) a methodology with medically unlikely edits for outpatient services in hospitals; and (6) a methodology with medically unlikely edits for durable medical equipment. Although the Medicare methodologies are compatible for Medicaid, the actual edits used are not identical between programs.
56. **Conflict of Interest:** Impermissible actual situations or circumstances through which the BH I/DD Tailored Plan, or entities or individuals closely affiliated with the BH I/DD Tailored Plan, will derive, or reasonably may be perceived as deriving, direct financial or other pecuniary benefit from its performance of this Contract other than through the compensation received according to the Contract for performance of the Contract, or that might impair, or reasonably be perceived as impairing, the BH I/DD Tailored Plan's ability to perform this Contract in the best interests of the State.
57. **Contract Award Date:** The date the Department signs the "Acceptance of Application" section of the Execution page and publishes the Notice of Award to the Interactive Purchasing System.
58. **Contract Effective Date:** This Contract is effective upon award.
59. **Contract Year:** The period where the BH I/DD Tailored Plan covers services under this Contract for Years 1 – 5 as indicated below:
- a. Contract Year 1: December 1, 2022 through June 30, 2023
  - b. Contract Year 2: July 1, 2023 through June 30, 2024
  - c. Contract Year 3: July 1, 2024 through June 30, 2025
  - d. Contract Year 4: July 1, 2025 through June 30, 2026
  - e. Contract Year 5: July 1, 2026 through December 1, 2026
60. **Contractor:** The Applicant awarded the Contract to perform the services and requirements defined therein. The Contractor is a BH I/DD Tailored Plan.
61. **Credentialing:** The approach to collecting and verifying Provider qualifications (e.g., the Provider's training and education, licensure, liability record); and determining, for Medicaid Managed Care and State-funded Services, whether to allow the Provider to be included in a BH I/DD Tailored Plan's network, subject to certain Department requirements.
62. **Crossover:** The timeframe immediately before and after implementation of BH I/DD Tailored Plans in the applicable Region. Crossover-related requirements and timeframes are activity-specific but are all designed to ensure continuity of care for the crossover population during this time of transition.
63. **Cross-over Population:** Refers to North Carolina Medicaid and NC Health Choice beneficiaries that are enrolled in the NC Medicaid Direct program and will transition to Medicaid Managed Care at a specific date determined by the Department.
64. **Cross Area Service Program (CASP):** DMH/DD/SAS designated specialty service program that is funded by the DMH/DD/SAS through federal and/or State funds to provide targeted services to an identified population segment (e.g. pregnant women, families, etc.). A CASP is designated by the DMH/DD/SAS as a result of a critical federal grant initiative or a priority state service initiative.

65. **Cultural and Linguistic Competency (or Culturally and Linguistically Competent):** The ability to understand, appreciate and interact effectively with people of different cultures and/or beliefs to ensure the needs of the individuals are met. The ability to interact effectively with people of different cultures helps to ensure the needs of all community members are addressed. It also refers to such characteristics as age, gender, sexual orientation, disability, religion, income level, education, geographical location, or profession. Cultural and Linguistic Competency means to be respectful, responsive, and sensitive to the health beliefs, practices, cultural and linguistic needs of diverse populations and groups.
66. **Culturally and Linguistically Appropriate Services (CLAS):** Services that are respectful of and responsive to individual cultural health beliefs and practices, preferred languages, health literacy levels, and communication needs and employed by all members of an organization (regardless of size) at every point of contact.
67. **Date of Payment:** The point in time following the Claim Adjudication Date when reimbursement is generated for services, either initiated by date of Electronic Funds Transfer (EFT) or processes to generate a paper check.
68. **Date of Receipt:** Has the same meaning as Date of Receipt as defined in 42 C.F.R. § 447.45(d)(5).
69. **Denied Claim:** When a BH I/DD Tailored Plan or its Subcontractor refuses to reimburse a Participating Provider for all or a portion of the services submitted on the medical or pharmacy claim
70. **Diversions:** The process of identifying individuals living in the community who are at risk of requiring care in an institutional setting or an adult care home, and providing additional, more intensive supports and services to prevent further deterioration of their condition that could result in placement in an institutional setting or an adult care home.
71. **Dually-Eligible for Medicare and Medicaid:** Describes beneficiaries eligible for both Medicare and Medicaid.
72. **Duplicate Claim:** Any claim submitted by a Participating Provider for the same service provided to an individual on a specified date of service that was included in a previously submitted Claim.
73. **Durable Medical Equipment (DME):** Has the same meaning as Durable Medical Equipment as defined in 42 C.F.R. § 414.202.
74. **Eastern Band of Cherokee Indian (EBCI):** A federally recognized Indian Tribe located in southwestern North Carolina whose members are exempt from Medicaid Managed Care.
75. **Eastern Band of Cherokee Indian (EBCI) Tribal Option.** The tribal-designed and operated primary care case management entity option developed collaboratively by the Department and the EBCI. This includes the following counties: Cherokee, Graham, Haywood, Jackson and Swain Counties. Eligible Members in the following counties may opt in: Buncombe, Clay, Henderson, Macon, Madison, and Transylvania.
76. **Emergency Closure:** A closure of licensed residential care facilities that occurs without the Facility providing the required 30-day notice to residents and the state (or sixty (60) Calendar Days' notice as required for I/DD residential facilities pursuant to N.C.G.S. § 122C-63(b)) as described in posted lawful guidance.
77. **Emergency Medical Condition:** Has the same meaning as Emergency Medical Condition as defined in 42 C.F.R. § 438.114(a).
78. **Emergency Services:** Has the same meaning as Emergency Services as defined in 42 C.F.R. § 438.114(a).



79. **Empty Region:** Region served by an LME/MCO as of the issue date of this RFA for which that LME/MCO is not recommended to be awarded or awarded a BH I/DD Tailored Plan contract.
80. **Encounter:** A record of a rendered service provided by a healthcare provider irrespective of whether payment is required. Encounter data typically includes information otherwise present on a Claim.
81. **Enrollment:** The process through which a Beneficiary selects or is auto-enrolled to a Standard Plan, BH I/DD Tailored Plan, Medicaid Direct PIHP, Statewide Specialized Foster Care Plan and/or Tribal Option to receive North Carolina Medicaid or NC Health Choice benefits through the Medicaid Managed Care program.
82. **Enrollment Broker (EB):** Has the same meaning as Enrollment Broker as defined in 42 C.F.R. § 438.810(a).
83. **Essential Providers:** Federally qualified health centers, rural health centers, free clinics, local health departments, State Veteran’s Homes, and any other Providers as designated by the Department in accordance with N.C. Gen. Stat. § 108D-22(b).
84. **Excluded Person:** A person or corporate entity who appears on one or more of the Exclusion Lists.
85. **Exclusion List:** Lists the BH I/DD Tailored Plan must check to determine the exclusion status of all providers and ensure that the BH I/DD Tailored Plan does not pay federal funds to excluded persons or entities, including:
  - a. State Exclusion List;
  - b. U.S. Department of Health and Human Services, Office of Inspector General’s (HHS-OIG) List of Excluded Individuals/Entities (LEIE);
  - c. The System of Award Management (SAM);
  - d. The Social Security Administration Death Master File (SSADMF);
  - e. To the extent applicable, National Plan and Provider Enumeration System (NPPES); and
  - f. Office of Foreign Assets Control (OFAC).
86. **Exempt Population:** Beneficiaries in Exempt Populations may voluntarily enroll in Medicaid Managed Care on an opt-in basis, if they meet other eligibility requirements for being enrolled in Medicaid Managed Care. Members of Exempt Populations are allowed to opt into Medicaid Managed Care or into NC Medicaid Direct at any time, upon request to the Enrollment Broker.
87. **Facility:** Has the same meaning as Facility in N.C. Gen. Stat. §122C—3(14).
88. **First Episode Psychosis (FEP) Programs:** Evidence-based treatment programs that address the needs of individuals ages 15-30 with early onset of serious mental illness, including psychotic disorders, utilizing the Coordinated Specialty Care (CSC) model.
89. **Fee-for-Service:** A payment model in which Providers are paid for each service provided. NC Medicaid and NC Health Choice’s Fee-for-Service program is also known as NC Medicaid Direct.
90. **Foster Care:** Has the same meaning as Foster Care as defined in N.C. Gen. Stat. § 131D-10.2(9).
91. **Grantee:** The State government entity (i.e., DHHS, DMH/DD/SAS) to which a federal grant is awarded and which is responsible and accountable for the use of the funds provided and for the performance of the grant-supported project or activity.
92. **Grievance:** As it relates to a Member, has the same meaning as Grievance as defined in 42 C.F.R. § 438.400(b).
93. **Hardship Payment:** An advanced payment from the BH I/DD Tailored Plan to a provider, the provision and amount of which are in the BH I/DD Tailored Plan’s sole discretion, to address a

situation in which the provider is experiencing a significant drop in BH I/DD Tailored Plan claims payments due to issues beyond the control of the provider, and which advance the BH I/DD Tailored Plan shall recoup by offset or repayment.

94. **Health Home:** A designated provider (including a Provider that operates in coordination with a team of health care professionals) or a health team selected by an eligible individual with chronic conditions to provide health home services pursuant to Section 1945 of the Social Security Act. In North Carolina’s Medicaid Managed Care program, the BH I/DD Tailored Plans will serve as the Health Homes, with approval of the federal Centers for Medicare & Medicaid Services (CMS).
95. **Health Insurance:** A contract that requires a health insurer to pay some or all of a defined beneficiary’s health care costs, sometimes in exchange for a premium.
96. **Healthy Opportunities Pilot Program (the Pilot program):** The Enhanced Case Management and Other Services Pilot Program authorized by North Carolina’s 1115 Demonstration waiver, referred to as the “Healthy Opportunities Pilot Program.” The Pilot program will evaluate the effectiveness of a set of select, evidence-based, non-medical interventions and the role of the Lead Pilot Entity on improving health outcomes and reducing healthcare costs for high-need Medicaid Members. The Healthy Opportunities Pilot Program refers to the overall Pilot program, which will encompass at least two and up to three Local Pilots
97. **Historically Marginalized Populations:** Individuals, groups, and communities that have historically and systematically been denied access to services, resources and power relationships across economic, political, and cultural dimensions as a result of systemic, durable, and persistent racism, discrimination and other forms of oppression. Longstanding and well documented structural marginalization has resulted in poor health outcomes, economic disadvantage, and increased vulnerability to harm and adverse social, political and economic outcomes. Historically Marginalized Populations are often identified based on their race, ethnicity, social economic status, geography, religion, language, sexual identity and disability status.
98. **Human Services Organization (HSO):** An organization that offers non-medical services to address unmet health related resource needs within one or more communities. HSOs are also known as community-based organizations or social service agencies.
99. **Implementation Plan:** Comprehensive schedule of events, tasks, deliverables, and milestones developed and executed by the BH I/DD Tailored Plan to ensure successful implementation and launch of BH I/DD Tailored Plan services.
100. **In Lieu of Services (ILOS):** Services or settings that are not covered under the North Carolina Medicaid State Plan but are a medically appropriate, cost-effective alternative to a State Plan covered service.
101. **In-Reach:** The process of identifying individuals residing in an institutional setting or an adult care home whose service needs could potentially be met in a home or community-based setting, engaging them about their desire to transition to a home or community-based setting and referring them for transition, if appropriate.
102. **Indian Health Care Provider (IHCP):** Means an IHCP as defined by 42 C.F.R. § 438.14(a).
103. **Individual Support Plan (ISP):** A written individualized person-centered plan of care for Members with I/DD and TBI needs, including Innovations waiver and TBI waiver enrollees, that is developed using a collaborative approach led by the Member/recipient or their guardian when appropriate, incorporates the results of the care management comprehensive assessment, and identifies the Member’s/Recipient’s desired outcomes and the training, therapies, services, strategies, and formal

and informal supports needed for the Member to achieve those outcomes. For individuals enrolled in the Innovations or TBI waiver, the ISP also documents the waiver services that a Member is authorized to obtain.

104. **Innovations Waiver:** The Section 1915(c) Home and Community-Based Services (HCBS) waiver for individuals with I/DD who meet Intermediate Care Facility for Individuals with Intellectual Disability (ICF-IDD) level of care criteria that the BH I/DD Tailored Plan operates in the geographic area covered by this Contract.
105. **Institution for Mental Disease (IMD):** Has the same meaning as IMD as defined in 42 C.F.R. § 435.1010.
106. **Interactive Purchasing System (IPS):** The State of North Carolina’s electronic system for advertising solicitations and publishing award notifications, where vendors can view and search for procurement opportunities, which can be found at the following link, accurate as of August 9, 2022: [www.ips.state.nc.us](http://www.ips.state.nc.us).
107. **Interest:** For the purposes of claim payment or encounter submission, an amount from a BH I/DD Tailored Plan that is due to a Participating Provider for failing to timely or correctly pay a Clean Claim.
108. **Into the Mouth of Babes (IMB):** A clinical program that trains medical providers to deliver preventive oral health services to young children enrolled in North Carolina Medicaid. Services are provided from the time of tooth eruption until age 3½ (42 months), including oral evaluation and risk assessment, parent/caregiver counseling, fluoride varnish application, and referral to a dental home.
109. **Lead Pilot Entity:** The Department will procure a Lead Pilot Entity per Healthy Opportunities Pilot program region as described in *Section V.B.3.xi. Healthy Opportunities*. The Lead Pilot Entity’s role includes contracting with BH I/DD Tailored Plans to manage a network of Human Service Organizations providing Pilot services to Pilot program participants
110. **Limited English Proficient (LEP):** Has the same meaning as LEP as defined in 42 C.F.R. § 438.10(a).
111. **Limited Medicaid Managed Care:** Medicaid Managed Care for delivery of Medicaid-covered BH, I/DD, and TBI benefits only; other Medicaid-covered benefits are delivered through NC Medicaid Direct.
112. **Local Management Entity/Managed Care Organization (LME/MCO):** Has the same meaning as LME/MCO as defined in N.C. Gen. Stat. § 122C-3(20c).
113. **Long Term Service and Supports (LTSS):** LTSS includes:
  - a. Care provided in the home, in community-based settings, or in facilities;
  - b. Care for older adults and people with disabilities who need support because of age, physical, cognitive, developmental, or chronic health conditions; or other functional limitations that restrict their abilities to care for themselves; and
  - c. A wide range of services to help people live more independently by assisting with personal health care needs and activities of daily living such as:
    - i. Eating;
    - ii. Taking baths;
    - iii. Managing medications;
    - iv. Grooming;
    - v. Walking;
    - vi. Getting up and down from a seated position;
    - vii. Using the toilet;
    - viii. Cooking;
    - ix. Driving;

- x. Getting dressed; or
    - xi. Managing money.
  - d. Care management provided to individuals who, because of age, physical, cognitive, developmental or chronic health conditions or other functional limitations, are at risk of requiring formal LTSS services to remain in their communities.
114. **Maintenance of Effort (MOE):** Federal requirement that grant recipients maintain non-federal funding for activities described in their application at a level which is not less than expenditures for such activities during the fiscal year prior to receiving the grant or cooperative agreement to be eligible for full participation in federal grant funding. Public Health Service Act, Section 797(b).
  115. **Managed Care Organization (MCO):** Has the same meaning as MCO as defined in 42 C.F.R. § 438.2. Both Standard Plans and BH I/DD Tailored Plans are operated by MCOs.
  116. **Managing Employee:** Has the same meaning as Managing Employee as defined in 42 C.F.R. § 455.101. Managing Employees includes the Key Personnel required under the Contract and the Contractor’s governing board.
  117. **Mandatory Populations:** Medicaid beneficiaries who are required to enroll in Medicaid Managed Care with no option to enroll in Medicaid Direct.
  118. **Marketing:** Has the same meaning as Marketing as defined in 42 CFR 438.104(a).
  119. **Marketing Materials:** Has the same meaning as Marketing Materials as defined in 42 CFR 438.104(a).
  120. **Medicaid Direct:** Refers to the Medicaid Fee-For-Service program serving Beneficiaries who are not enrolled in a Prepaid Health Plan (PHP) or the EBCI Tribal Option.
  121. **Medicaid Direct Prepaid Inpatient Health Plan:** Refers to the benefit plan operated by a PIHP under contract with the Department, as recognized as contract number 30-2022-007-DHB.
  122. **Medicaid Enterprise System (MES):** The aggregation of technologies and applications required to operate a State Medicaid Agency (SMA).
  123. **Medicaid Managed Care (MMC):** North Carolina’s program under which contracted Managed Care Organizations arrange for integrated medical, physical, pharmacy, behavioral and other services to be delivered to Medicaid and NC Health Choice enrollees. Medicaid Managed Care will include three types of plans: (1) Standard Plans, (2) BH I/DD Tailored Plans, and (3) Statewide Foster Care Plan. The use of Medicaid Managed Care is also inclusive of EBCI Tribal Option, operating as a primary care case management entity (PCCMe).
  124. **Medicaid Managed Care Quality Rating System:** A system utilizing a rating scale designed to increase transparency and accountability for the quality of services provided by North Carolina’s health plans within Medicaid Managed Care.
  125. **Medical Claim:** A request for a payment that a healthcare provider submits to an insurer for rendered medical services.
  126. **Medical Encounter:** a record of a rendered service provided by a healthcare provider for medical services.
  127. **Medical Home Fees:** Non-visit based payments to AMH practices made in addition to fee for service payments, providing stable funding for primary care access and quality improvement at the practice level.

128. **Medically Necessary:** Medical necessity is determined by generally accepted North Carolina community practice standards as verified by independent Medicaid consultants. As required by 10A NCAC 25A.0201, a medically necessary service may not be experimental in nature.
129. **Member and Recipient Service Line:** A service line available to both Members and Recipients for the purposes of providing convenient access to information about benefits or claims, referral assistance and access to treatment or services.
130. **Members:** Medicaid and NC Health Choice Beneficiaries specifically enrolled in and receiving benefits through the BH I/DD Tailored.
131. **National Correct Coding Initiative (NCCI):** The CMS-developed coding policies based on coding conventions defined in the American Medical Association’s Current Procedural Terminology Manual and national and local policies and edits to promote correct coding and control improper coding that may lead to inappropriate payment of claims under Medicaid.
132. **National Provider Identifier (NPI):** Standard unique health identifier for health care Providers adopted by the Secretary of US Department of Health and Human Services in accordance with HIPAA.
133. **National Quality Forum:** A not-for-profit, nonpartisan, membership-based organization that works to catalyze improvements in healthcare.
134. **Natural Supports:** Relationships with people that include coworkers, classmates, activity individuals, neighbors, family and others. These relationships are typically developed in the community through associations in schools, the workplace and participation in clubs, organizations and community activities
135. **NCCARE360:** An electronic platform providing: (a) a robust statewide resource repository of community-based organizations and social service agencies and the services they provide, and (b) a referral platform for payers, care managers, clinicians, community health workers, social service agencies, and others to refer and connect Members directly to community resources and track the connections and outcomes through “Closed Loop Referral” capacity. The platform is being deployed as part of a public-private partnership with the Foundation for Health Leadership and Innovation.
136. **NCCI Edits:** Edits applied to services performed by the same provider for the same beneficiary on the same date of service. They consist of two types of edits: (1) NCCI edits, or procedure-to-procedure edits that define pairs of HCPCS/CPT codes that should not be reported together for a variety of reasons; and (2) medically unlikely edits, or units-of service edits that define for each HCPCS/CPT code the number of units of service beyond which the reported number of units of service is unlikely to be correct.
137. **NCCI Methodologies:** NCCI methodologies have four components: (1) a set of edits; (2) definitions of types of claims subject to the edits; (3) a set of claims adjudication rules for applying the edits; and (4) a set of rules for addressing provider/supplier appeals of denied payments for services based on the edits.
138. **NCTracks:** The Department’s multi-payer Medicaid Management Information System (MMIS). NCTracks adjudicates claims for multiple NC DHHS divisions, including DHB, DMH/DD/SAS, Division of Public Health, and Office of Rural Health. NCTracks also serves as a central repository for Medicaid, NC Health Choice and State-funded Services Provider, Member and Recipient data.
139. **Network:** A group of Providers, including, without limitation, doctors, hospitals, pharmacies, and others contracted by the BH I/DD Tailored Plan to provide health care services to its Medicaid Managed Care members or State-funded Services recipients.

140. **Non-Participating Provider:** Non-participating or “non-par” Providers are physicians or other health care Providers that have not entered into a contractual agreement with the BH I/DD Tailored Plan and are not part of the BH I/DD Tailored Plan’s Network, unlike participating Providers. They may also be called out-of-network providers. Non-participating providers do not include any licensed practitioner or other healthcare provider employed by and delivering services to Members through the Participating Provider.
141. **Non-public Medicaid NCCI Edit Files:** The quarterly Medicaid NCCI Edit files that are not accessible by the general public and are only made available to state Medicaid agencies by CMS and posted by CMS on the secure Regional Information Sharing Systems (RISSNET) portal.
142. **Non-Unit Cost Reimbursement (Non-UCR) Expenditure:** Unique service or innovative project expenditures that cannot be reported through UCR/claims methodology. Non-UCR Expenditures are for State-funded Services only.
143. **North Carolina Controlled Substances Reporting System (CSRS):** The Department’s database for collecting information on dispensed controlled substance prescriptions. The system is used as a clinical tool to improve patient care and safety while avoiding potential drug interactions and identifying individuals that may be in need of referral to substance use disorder services.
144. **North Carolina Families Accessing Services through Technology (NC FAST):** The Department’s integrated case management system that provides eligibility and enrollment for Medicaid, NC Health Choice, Food and Nutrition Services, WorkFirst, Child Care, Special Assistance, Crisis Intervention Program, Low-Income Energy Assistance Program, and Refugee Assistance, and provides services for Child Welfare and Aging and Adult Services.
145. **North Carolina Health Choice (NC Health Choice):** The NC Health Choice Health Insurance Program for Low Income Children authorized by N.C. Gen. Stat. § 108A-70.25 and as set forth in the North Carolina State Plan of the Health Insurance Program for Children and authorized under Social Security Act Title XXI.
146. **North Carolina Healthcare Enterprise Accounts Receivable Tracking System (HEARTS):** The primary Admission, Discharge and Transfer (ADT) and billing system used by the State’s Alcohol and Drug Abuse Treatment Centers (ADATC) and other facilities owned and/or operated by s the NC Division of State-Operated Healthcare Facilities (DSOHF).
147. **North Carolina Identity Service (NCID):** The State’s centralized Identity and access management platform provided by the Department of Information Technology. NCID is a web-based application that provides a secure environment for state agency, local government, business and individual users to log in and gain access to real-time resources, such as customer-based applications and information retrieval, which can be found at the following link, accurate as of August 9, 2022: <https://www.ncid.nc.gov>.
148. **North Carolina Immunization Registry (NCIR):** The Department’s secure, web-based clinical tool which is the official source for North Carolina immunization information.
149. **North Carolina Residency:** An established official residence within the state of North Carolina. For the purpose of this Contract and as it relates to Contractor personnel, the NC residency requirement under the Contract is satisfied if the Contractor's personnel lives no more than forty (40) miles from the North Carolina border.
150. **North Carolina Support Needs Assessment Profile (NC-SNAP):** A needs assessment tool that measures an individual’s level of intensity of need for intellectual and developmental disabilities supports and services.

151. **Nurse Line:** A service line available twenty-four (24) hours a day, seven (7) days a week, every day of the year to Members which provides medical information and advice on where to access care.
152. **Objective Quality Standard:** Means the objective standards that the Department applies during the Provider Enrollment process.
153. **Ombudsman Program:** A Department program to provide education, advocacy, and issue resolution for Medicaid Beneficiaries whether they are in the Medicaid Managed Care program or NC Medicaid Direct. This program is separate and distinct from the Long-Term Care Ombudsman Program.
154. **Ongoing Course of Treatment:** As defined in 42 C.F.R. § 438.62(b), when a member, in the absence of continued services, would suffer significant detriment to their health or be at risk of hospitalization or institutionalization.
155. **Ongoing Special Condition:** Has the same meaning as ongoing special condition defined in N.C. Gen. Stat. § 58-67-88(a)(1).
156. **Outpatient Commitment:** Occurs pursuant to N.C.G.S. § 122C, Article 5, Part 7, when a judge orders a person to receive treatment in the community for their BH condition. Before ordering Outpatient Commitment, the outpatient Provider must agree to accept the patient into treatment and serve as the responsible party for the management and supervision of the Outpatient Commitment order.
157. **Participating Provider:** Participating Provider or "par" Providers are physicians or other health care providers that have a contractual agreement with the BH I/DD Tailored Plan and are included in the BH I/DD Tailored Plan's Network. Participating Providers may also be called "in-network providers".
158. **Performance Incentive Payments:** Payments additional to fee for service, Tailored Care Management payments, and any medical home fees that are contingent upon AMH Practices, AMH+ Practices, or CMAs' reporting of and/or performance against Performance Metrics.
159. **Permanent Supportive Housing (PSH):** A program that has the same meaning as "permanent supportive housing" in 24 C.F.R. § 578.3 and offers safe and stable housing environments with voluntary and flexible supports and services to help people manage serious, chronic issues such as mental and substance use disorders. PSH is based on the following principles: 1) Choice in housing; 2) No prerequisite for housing placement; 3) Functional separation of housing and services; 4) Decent, safe, and affordable housing; 5) Housing is integrated into the community; 6) Rights of tenancy; 7) Housing access and privacy; and 8) Flexible, voluntary recovery-focused services. .
160. **Pharmacy Claim:** A request for payment that a healthcare provider submits to an insurer for rendered pharmaceuticals or pharmacy services, including outpatient pharmacy (point-of-sale claims) as well as physician-administered (professional claims) drug claims
161. **Pharmacy Encounter:** A record of a rendered service provided by a healthcare provider for pharmaceuticals or pharmacy services, including outpatient pharmacy as well as physician-administered drugs.
162. **Pharmacy Service Line:** A service line to assist pharmacies and prescribers participating in the Medicaid program with point of sale claims questions and pharmacy prior authorizations and clinical coverage criteria, resolve claims payment and adjudication issues, and address general provider questions.
163. **PHP Contract Data Utility (PCDU):** A secure file transfer platform to allow for posting of Department guidance to the BH I/DD Tailored Plans and submission of key contract deliverable and reports by the BH I/DD Tailored Plans for review and approval by the Department.

164. **Post-stabilization Care Services:** Has the same meaning as post-stabilization care services as defined in 42 C.F.R. § 438.114(a).
165. **Protected Health Information (PHI):** Has the same meaning as PHI as defined by 45 C.F.R. § 160.103.
166. **Potential Member:** A beneficiary enrolled in Medicaid and eligible for enrollment in a BH I/DD Tailored Plan, but not enrolled in that BH I/DD Tailored Plan.
167. **Pregnancy Management Program:** A care program that encourages adoption of best prenatal, pregnancy, and perinatal care for Medicaid Managed Care members.
168. **Prepaid Health Plan (PHP):** Has the same meaning as Prepaid Health Plan, as defined in N.C. Gen. Stat. § 108D-1(30). A PHP is an MCO. A PHP may operate a Standard Plan or a BH/IDD Tailored Plan.
169. **Primary Care Provider (PCP):** The participating physician, physician extender (e.g., physician assistant, nurse practitioner, certified nurse midwife), or group practice/center selected by or assigned to the Member to provide and coordinate all the Member's health care needs and to initiate and monitor referrals for specialized services, when required.
170. **Program of All-Inclusive Care for the Elderly (PACE):** A federal program that provides a capitated benefit for individuals age fifty-five (55) and older who meet nursing facility level of care. PACE features a comprehensive service delivery system and integrated Medicare and Medicaid financing.
171. **Provider:** Provider means any individual or entity that is engaged in the delivery of services, or ordering or referring for those services, and is legally authorized to do so by the State in which it delivers the services. (42 C.F.R. § 438.2).
172. **Provider (For the purposes of credentialing):** Individual practitioners and facilities, hospitals, health systems, entities, organizations, atypical organizations/providers, and institutions, unless otherwise noted.
173. **Provider-based Care Management:** Care management where the care manager is affiliated with an AMH+ practice or CMA and performs care management at the site of care, in the home, or in the community through in-person and other methods of interaction between Members and Providers.
174. **Provider Contracting:** The process by which the BH I/DD Tailored Plan negotiates and secures a contractual agreement with credentialed Providers that will be included in the BH I/DD Tailored Plan's Network, or with out-of-network providers.
175. **Provider Enrollment:** The process by which a Provider is enrolled in the North Carolina's Medicaid, NC Health Choice, or State-funded Services programs with credentialing as a component of enrollment. A Provider who has enrolled in North Carolina's Medicaid or NC Health Choice programs (or both) shall be referred to as a "Medicaid Enrolled provider" or an "Enrolled Medicaid provider." A provider who has enrolled in North Carolina's State-funded Services program shall be referred to as a "State-funded Services Enrolled provider" or an "Enrolled State-funded Services provider."
176. **Provider Grievance:** Any oral or written complaint or dispute by a Provider over any aspects of the operations, activities, or behavior of the BH I/DD Tailored Plan except for any dispute over for which the Provider or related Member has appeal rights.
177. **Provider Support Service Line:** A service line available to Medicaid and State-funded Services Providers with enrollment, service authorization, contracting, or reimbursement questions or issues, and resolve provider questions, comments, inquiries and complaints.
178. **Qualified Health Plan (QHP):** Means a health plan that has in effect a certification that it meets the standards described in subpart C of part 156 of Title 45 of the Code of Federal Regulations issued or



recognized by each Exchange through which such plan is offered in accordance with the process described in subpart K of part 155 of Title 45 of the Code of Federal Regulations. 45 C.F.R. § 155.20.

179. **Qualified Interpreter:** Has the same meaning as described in 45 C.F.R. § 92.4.
180. **Readily Accessible:** Has the same meaning as defined in 42 C.F.R. § 438.10(a).
181. **Readiness Review:** Has the same meaning as described in 42 C.F.R. § 438.66(d).
182. **Reasonable Accommodation:** A reasonable accommodation is a change, exception, or adjustment to a rule, policy, practice, or service that may be necessary for a person with disabilities to have an equal opportunity to use and enjoy a dwelling, including public and common use spaces, or to fulfill their program obligations.
183. **Receiving Entity:** The entity (e.g., BH I/DD Tailored Plan, Standard Plan, NC Medicaid Direct) that is enrolling the transitioning Member and receiving the Member's information.
184. **Recipient:** an individual who is actively receiving a State-funded Service or State-funded function (e.g., care management or diversion).
185. **Redeterminations:** The annual review of Beneficiaries' income, assets and other information by the Department and county DSS offices to confirm eligibility for North Carolina Medicaid and NC Health Choice.
186. **Region:** The group of counties for which a BH I/DD Tailored Plan arranges for services. Also referred to as Catchment Areas.
187. **Remote Patient Monitoring:** Remote patient monitoring is the use of digital devices to measure and transmit personal health information from a patient in one location to a provider in a different location. Remote patient monitoring enables Providers to collect and analyze information such as vital signs (e.g., blood pressure, heart rate, weight, blood oxygen levels) in order to make treatment recommendations.
188. **Reprocess:** For the purposes of Claims and Encounters, the activities completed by a BH I/DD Tailored Plan to reconsider the outcome of a previously adjudicated claim.
189. **Security Assertion Markup Language (SAML):** The State's preferred standard for the implementation of identity and access management.
190. **Service Organization Control:** reports on various organizational controls related to security, availability, processing integrity, confidentiality or privacy.
191. **Settlement Agreement:** Means the court-enforceable Settlement Agreement between the United States and the State of North Carolina files with the Court on August 23, 2012 and modified in October 2017 and which created the Transitions to Community Living (TCL) program.
192. **Shadow Claim:** Refers to the claims record against non-Medicaid funds.
193. **Significant Change:** Means any change in the services offered by BH I/DD Tailored Plans, the benefits covered under the Contract, the geographic service area, and the composition of or payments to the BH I/DD Tailored Plan's network, and the enrollment of a new population in the BH I/DD Tailored Plan.
194. **Single-Stream Funding:** State-funding that is authorized by the General Assembly and disbursed to the LME/MCOs and subsequently the BH I/DD Tailored Plans to pay for State-funded BH, I/DD, and TBI services.

195. **Special Categorical State-Funds:** State-funds dedicated to members of a category defined by statute, grants, or legislation.
196. **Standard Plan or Standard Benefit Plan:** Has the same meaning as Standard Plan as defined in N.C. Gen. Stat. § 108D-1(36).
197. **State:** The State of North Carolina, the Department as an agency or in its capacity as the Using Agency.
198. **State Developmental Center:** State-operated certified Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF-IID) that provides residential, medical, habilitation, and other supports to individuals with intellectual and developmental disabilities who have complex behavioral challenges and/or medical conditions and for whom appropriate community-based services are not available.
199. **State Fair Hearing:** The hearing conducted at the Office of Administrative Hearings (OAH) under N.C. Gen. Stat. § 108D-15 to resolve a dispute between a Member and a BH I/DD Tailored Plan about an Adverse Benefit Determination.
200. **State-Fund Balance:** Comprised of any state-funds allocated by DMH/DD/SAS that were not expended in prior fiscal years.
201. **State-funded Services:** Refers to state and non-Medicaid federally funded services for mental health, I/DD, TBI and substance abuse.
202. **State Developmental Center:** State-operated certified Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF-IID) that provides residential, medical, habilitation, and other supports to individuals with intellectual and developmental disabilities who have complex behavioral challenges and/or medical conditions and for whom appropriate community-based services are not available.
203. **Subcontractor:** An entity having an arrangement with the BH I/DD Tailored Plan, where the BH I/DD Tailored Plan uses the products and/or services of that entity to fulfill some of its obligations under the Contract. Use of a Subcontractor does not create a contractual relationship between the Subcontractor and the Department, only the Contractor. Network providers are not considered Subcontractors for the Contract.
204. **Subgrantee:** The BH I/DD Tailored Plan or other legal entity to which a sub-grant is awarded or sub award is made and which is accountable to the grantee for the use of the funds provided. The terms sub grant/subgrantee and sub award/sub recipient are used interchangeably in practice.
205. **Substance Abuse Prevention and Treatment Block Grant (SAPTBG):** SAMHSA grant disbursed annually to North Carolina to provide for planning, implementing and evaluating activities that prevent and treat substance abuse and promote public health.
206. **Supplemental Evaluation Questions:** The additional questions included at *Section VIII.17. Supplemental Evaluation Questions for Empty Region(s)* that the Department will use to help select an Applicant to fill an Empty Region, if any. The Department will request responses to the Supplemental Evaluation Questions from all eligible Applicants in the event of an Empty Region.
207. **Supports Intensity Scale (SIS)<sup>®</sup>:** An assessment tool designed to measure the level of practical supports required by individuals with I/DD.
208. **Tailored Care Management:** The care management model for BH I/DD Tailored Plan members.
209. **Tailored Care Management Payments:** Per member per month, acuity-tiered payments made to AMH+ practices, Care Management Agencies (CMAs), and BH I/DD Tailored Plans for the provision

of Tailored Care Management. Tailored Care Management Payments will be subject to rates set by DHHS, which shall not be placed at risk.

210. **Telehealth:** Telehealth is the use of two-way real-time interactive audio and video to provide and support health care services when participants are in different physical locations.
211. **Transitions of Care:** The process of assisting a Member to transition between BH I/DD Tailored Plans; from Standard Plans to BH I/DD Tailored Plans; between delivery systems; including transitions that result in the disenrollment from managed care. Transitions of care also includes the process of assisting a member to transition between providers upon a provider's termination from the BH I/DD Tailored Plan network.
212. **Transferring Entity:** The entity (e.g., BH I/DD Tailored Plan, Standard Plan, Medicaid Direct) that is disenrolling the transitioning Member and transferring the Member's information.
213. **Transition Entity:** Department-designated entity responsible for coordinating transition of care activities and supporting members through the transition between service delivery systems. Transition entities include BH I/DD Tailored Plans, other Tailored Plans, CCNC, Tribal Option and other designated entities.
214. **Transition Notice Date:** The date a transitioning member's anticipated enrollment change is reflected on the Tailored Plan's eligibility file.
215. **Traumatic Brain Injury Waiver (TBI Waiver):** The Section 1915(c) Home and Community-Based Services (HCBS) waiver for eligible individuals with traumatic brain injury (TBI) that the BH I/DD Tailored Plan operates in the geographic area covered by this Contract. The TBI Waiver may not operate in all geographic areas of the state. Contract requirements for the TBI Waiver apply for the BH I/DD Tailored Plan to the extent that the TBI Waiver is operational in its geographic area. <https://files.nc.gov/ncdma/documents/Approved-TBI-Waiver.pdf>
216. **Unit Cost Reimbursement (UCR):** An expenditure paid in support of services that are not supported with an approved shadow claim and are not disallowed per federal guidelines. Unit Cost Reimbursement is for State-funded Services only.
217. **Unmet Health-Related Resource Needs:** Non-medical needs of individuals that foundationally influence health, including but not limited to needs related to housing, food, transportation and addressing interpersonal violence/toxic stress.
218. **Value-Added Services:** Services in addition to those covered under the Medicaid Managed Care benefit plan that are delivered at the BH I/DD Tailored Plan's discretion and are not included in capitation rate calculations. Value-added services are designed to improve quality and health outcomes, and/or reduce costs by reducing the need for more expensive care.
219. **Value-Based Payment (VBP):** Payment arrangements between BH I/DD Tailored Plans and Providers that fall within Levels 2 and 4 of the multi-payer Health Care Payment (HCP) Learning and Action Network (LAN) Alternative Payment Model (APM) framework.
220. **Vendor:** A company, firm, entity or individual, other than the Contractor, with whom the Department has contracted for goods or services.
221. **Video Remote Interpreting:** Has the same meaning as described in 28 C.F.R. § 35.104.
222. **Virtual Patient Communication:** The use of technologies other than video to enable remote evaluation and consultation support between a provider and a patient or a provider and another provider. Virtual patient communication services include: telephone conversations (audio only); virtual portal communications (e.g., secure messaging); and store and forward (e.g., transfer of data

from beneficiary using a camera or similar device that records (stores) an image that is sent by telecommunication to another site for consultation).

223. **Warm Handoff:** Time-sensitive, member-specific planning for Care-Managed members or other members identified by either the transferring or receiving entity to ensure continuity of service and care management functions. “Warm Handoffs” require collaborative transition planning between both transferring and receiving entities and, when possible, occur prior to the transition.
224. **Warm Transfer:** Occurs when a call from a Beneficiary, Member, or Provider is transferred directly from the original call center to the appropriate party during business hours without requiring the caller to make an additional call and without the BH I/DD Tailored Plan abandoning the call until the other party answers.
225. **Work First:** North Carolina’s Temporary Assistance for Needy Families (TANF) program that provides parents with short-term training and other services to help them become employed and move toward self-sufficiency.
226. **X12 Transactions:** Any EDI transaction included in the x12.org standard. This includes but is not limited to the 834 Benefit Enrollment and Maintenance, the 837 Health Care Claim, and the 277 Health Care Information Status Notification. The entire transaction set can be found at <http://www.x12.org>.

## B. Abbreviations and Acronyms

1. AAP: American Academy of Pediatrics
2. ACD: Automated Call Distribution System
3. ACA: Patient Protection and Affordable Care Act
4. ACE: Adverse Childhood Experience
5. ACH: Adult Care Home
6. ADATC: Alcohol and Drug Abuse Treatment Center
7. ADL: Activities of Daily Living
8. ADT: Admission, Discharge, Transfer
9. AMH: Advanced Medical Home
10. AMH+: Advanced Medical Home Plus
11. API: Administrative Provider Identification
12. APM: Alternative Payment Method
13. ASAM: American Society for Addiction Medicine
14. ASC: Accredited Standards Committee
15. AVRS: Automated Voice Response System
16. AWOL: Absence Without Leave
17. BAA: Business Associate Agreement
18. BAHA: Bone Conduction Hearing Aids
19. BCCCP: Breast and Cervical Cancer Control Program
20. BH: Behavioral Health
21. BIP: Behavioral Intervention Plan
22. CAH: Critical Access Hospital
23. CAHPS: Consumer Assessment of Healthcare Providers and Systems Plan Survey
24. CANS: Children and Adolescents Needs and Strengths
25. CAP: Corrective Action Plan
26. CAP/C: Community Alternatives Program for Children
27. CAP/DA: Community Alternatives Program for Disabled Adults
28. CASP: Cross Area Service Program

29. CBO: Community-Based Organization
30. CCNC: Community Care of North Carolina
31. CCO: Chief Compliance Officer
32. CDC: Centers for Disease Control
33. CDSA: Children's Developmental Services Agency
34. CEO: Chief Executive Officer
35. CFAC: Consumer and Family Advisory Committee
36. CFO: Chief Financial Officer
37. CFT: Child and Family Team
38. CHIP: Children's Health Insurance Program
39. CIN: Clinically Integrated Network.
40. CIO: Chief Information Officer
41. CIP: Community Integration Plan
42. CM: Care Management
43. CMA: Care Management Agency
44. CMC: Children with Medical Complexity
45. CMO: Chief Medical Officer
46. CMP: Civil Monetary Penalty
47. CMS: Centers for Medicare & Medicaid Services
48. COD: Cost of Dispensing
49. CP: Commercial Plan
50. CPT: Current Procedural Terminology
51. CVO: Credentialing Verification Organization
52. DAAS: Division of Aging and Adult Services
53. DHB: Division of Health Benefits
54. DHHS: Department of Health and Human Services
55. DHSR: Division of Health Service Regulation
56. DID: Direct Inward Dialing
57. DIT: Department of Information Technology
58. DME: Durable Medical Equipment
59. DMH/DD/SAS: Division of Mental Health, Developmental Disabilities and Substance Abuse Services
60. DMVA: Department of Military and Veterans Affairs
61. DOI: Department of Insurance
62. DOS: Date of Service
63. DSOHF: Division of State Operated Healthcare Facilities
64. DSS: Division of Social Services
65. DUR: Drug Utilization Review
66. EB: Enrollment Broker
67. EBCI: Eastern Band of Cherokee Indians
68. ECSII: Early Childhood Services Intensity Instrument
69. EDI: Electronic Data Interchange
70. EFT: Electronic Funds Transfer
71. EHR: Electronic Health Record
72. EPS: Episodic Payment System
73. EPSDT: Early and Periodic Screening, Diagnostic and Treatment
74. EQRO: External Quality Review Organization
75. ESRD: End Stage Renal Disease
76. EUP: End User Procedures
77. EVV: Electronic Visit Verification

78. FAR: Federal Acquisition Regulation
79. FDA: Food and Drug Administration
80. FEP: First Episode Psychosis
81. FFS: Fee-for-Service
82. FFY: Federal Fiscal Year
83. FQHC: Federally Qualified Health Center
84. HCPCS: Healthcare Common Procedure Coding System
85. HEARTS: Healthcare Enterprise Accounts Receivable Tracking System
86. HHS: U.S. Department of Health and Human Services
87. HIE: Health Information Exchange
88. HIPAA: Health Insurance Portability and Accountability Act
89. HIPP: Health Insurance Premium Payment
90. HIT: Health Information Technology
91. HITECH: Health Information Technology for Economic and Clinical Health Act
92. HIV: Human Immunodeficiency Virus
93. HRSA: Health Resources and Services Administration
94. HSO: Human Service Organizations
95. I/DD: Intellectual/Developmental Disability
96. ICF: Intermediate Care Facility
97. ICF-IID: Intermediate Care Facility for Individuals with Intellectual Disabilities
98. IDG: Interdisciplinary Group
99. IDM: Identity Management
100. IEM: Inborn Errors of Metabolism
101. IEP: Individualized Education Program
102. IFSP: Individual Family Service Plan
103. IHCP: Indian Health Care Provider
104. IHP: Individual Health Plan
105. ILOS: In Lieu of Services
106. IMB: Into the Mouth of Babes
107. IMCE: Indian Managed Care Entities
108. IMD: Institution for Mental Disease
109. IPA: Independent Practice Association
110. IPS: Interactive Purchasing System
111. IRF: Inpatient Rehabilitation Facility
112. IRS: Internal Revenue Service
113. ISP: Individual Support Plan
114. ITD: Information Technology Division (DHHS)
115. LAN: Learning and Action Network
116. LCMHC: Licensed Clinical Mental Health Counselor
117. LCSW: Licensed Clinical Social Worker
118. LEA: Local Education Agencies
119. LEIE: List of Excluded Individuals/Entities
120. LEP: Limited English Proficient
121. LGBTQ: Lesbian, Gay, Bisexual, Transgender, Questioning
122. LHD: Local Health Department
123. LP: Licensed Practitioners
124. LME/MCO: Local Management Entities/Managed Care Organizations
125. LMFT: Licensed Marriage and Family Therapist
126. LPA: Licensed Psychological Associate

127. LPE: Lead Pilot Entity
128. LPN: Licensed Practical Nurse
129. LTSS: Long Term Service and Supports
130. MAC: Maximum Allowable Cost
131. MAO: Medicare Advantage Organization
132. MCAC: Medical Care Advisory Committee
133. MCO: Managed Care Organization
134. MES: Medicaid Enterprise System
135. MHPAEA: Mental Health Parity and Addiction Equity Act
136. MID: North Carolina Attorney General's Medicaid Investigations Division
137. MIMS: Medicaid Integrated Modular Solution
138. MIS: Management Information Systems
139. MLR: Medical Loss Ratio
140. MME: Morphine Milligram Equivalent
141. MMIS: Medicaid Management Information Systems
142. MOA: Memorandum of Agreement
143. NADAC: National Average Drug Acquisition Cost
144. NC: North Carolina
145. NC FAST: North Carolina Families Accessing Services through Technology
146. NCAC: North Carolina Administrative Code
147. NCCI: National Correct Coding Initiative
148. NCDPH: North Carolina Division of Public Health
149. NCGA: North Carolina General Assembly
150. NCHC: North Carolina Health Choice
151. NCID: North Carolina Identity Management Service
152. NCIR: North Carolina Immunization Registry
153. NCPDP: National Council for Prescription Drug Programs
154. NCQA: National Committee for Quality Assurance
155. NDC: National Drug Code
156. NEMT: Non- Emergency Medical Transportation
157. NIEM: National Information Exchange Model
158. NPI: National Provider Identifier
159. NPPES: National Plan and Provider Enumeration System
160. NQF: National Quality Forum
161. OAH: Office of Administrative Hearings
162. OCR: Office of Civil Rights
163. OFAC: Office of Foreign Assets Control
164. OMB: Office of Management and Budget
165. PA: Prior Authorization
166. PACE: Program of All-Inclusive Care for the Elderly
167. PBM: Pharmacy Benefit Managers
168. PCDU: PHP Contract Data Utility
169. PCP: Primary Care Provider
170. PCS: Personal Care Services
171. PDL: Preferred Drug List
172. PDM: Provider Data Management
173. PDN: Private Duty Nursing
174. PDSA: Plan-Do-Study-Act
175. PHA: Public Housing Authorities

176. PHHS: Public Health and Human Services
177. PHI: Protected Health Information
178. PHP: Prepaid Health Plan
179. PI: Program Integrity
180. PIHP: Prepaid Inpatient Health Plans
181. PIP: Performance Improvement Program
182. PLE: Provider-Led Entity
183. PMPM: Per Member Per Month
184. PRC: Purchased/Referred Care
185. PRTF: Psychiatric Residential Treatment Facility
186. PSH: Permanent Supportive Housing
187. PSO: North Carolina Department of Health and Human Services Privacy and Security Office
188. PTA: Privacy Threshold Analysis
189. QAPI: Quality Assurance and Performance Improvement
190. QHP: Qualified Health Plan
191. REOMB: Recipient Explanation of Medical Benefit
192. RFA: Request for Application
193. RHC: Rural Health Clinic
194. RN: Registered Nurse
195. ROI: Return on Investment
196. SAM: System of Award Management
197. SAMHSA: Substance Abuse and Mental Health Services Administration
198. SAML: Security Assertion Markup Language
199. SBI: North Carolina State Bureau of Investigation
200. SBIRT: Screening, Brief Intervention, and Referral to Treatment
201. SED: Serious Emotional Disturbance
202. SFTP: Secure File Transfer Protocol
203. SID: System Integration Design
204. SIP: System Integration Plan
205. SIS: Supports Intensity Scale®
206. SIU: Special Investigations Unit
207. SLA: Service Level Agreements
208. SLPA: Speech/Language Pathology Assistant
209. SMA: State Medicaid Agency
210. SMAC: State Maximum Allowable Cost
211. SMI: Serious Mental Illness
212. SNF: Skilled Nursing Facility
213. SOC: Service Organization Control
214. SP: Standard Plan
215. SPH: State Psychiatric Hospital
216. SSA: Social Security Act
217. SSADMF: Social Security Administration Death Master File
218. SUD: Substance Use Disorder
219. SUPPORT: Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act
220. TBI: Traumatic Brain Injury
221. TCLI: Transition to Community Living Initiative
222. TDD: Telecommunications Device for the Deaf
223. TP: Tailored Plan



- 224. TPA: Third Party Administrator
- 225. TPL: Third party liability
- 226. TTY: Text Telephone
- 227. UM: Utilization Management
- 228. VBP: Value-based payments
- 229. VEO: Visual Evoked Potential
- 230. VFC: Vaccines for Children
- 231. VRI: Video Remote Interpreting
- 232. WCA: Web Content Accessibility Guidelines
- 233. WHCRA: Women's Health and Cancer Rights Act of 1998
- 234. WIC: Women, Infants and Children

**C. Contract Term and Service Commencement**

1. The Contract Term will be from July 26, 2021 through December 1, 2026, and shall include an implementation period and Contract Years 1 through 5 as follows:

Contract Period	July 26, 2021 through June 30, 2026.
Implementation Period	July 26, 2021 through November 30, 2022
Contract Year 1	December 1, 2022 through June 30, 2023
Contract Year 2	July 1, 2023 through June 30, 2024
Contract Year 3	July 1, 2024 through June 30, 2025
Contract Year 4	July 1, 2025 through June 30, 2026
Contract Year 5	July 1, 2026 through December 1, 2026

## D. General Terms and Conditions

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

- a. Pursuant to N.C. Gen. Stat. §§ 147-64.7 and 143-49(9), the Department, the State Auditor, appropriate state or federal officials, and their respective authorized employees or agents shall have access to persons and premises, or such other locations where duties under the Contract are being performed, and are authorized to inspect, monitor, or otherwise evaluate all books, records, data, information, and accounts of the Contractor, their Subcontractor(s), other persons directed by the Contractor, or Contractor's parent or affiliated companies as far as they relate to transactions under the Contract, performance of the Contract, or to costs charged to the Contract. The Contractor shall retain any such books, records, data, information, and accounts in accordance with **Paragraph 37. RECORDS RETENTION** of this Section III.D. of this Contract. Changes or additional audit, retention or reporting requirements may be imposed by federal or state law and/or regulation, and the Contractor must adhere to such changes or additions.
- b. The State Auditor shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions in accordance with N.C. Gen. Stat. § 147-64.7. Nothing in this Section is intended to limit or restrict the State Auditor's rights.
- c. This term shall survive termination or expiration of the Contract.

2. **ADVERTISING:** Contractor agrees not to use the existence of this Contract or the name of the Department or State of North Carolina as part of any commercial advertising or marketing of its products or services to prospective Members, excepted as permitted under this Contract. A Contractor may inquire whether the Department is willing to act as a reference by providing information directly to other prospective customers. The Department is under no obligation to serve as a reference. Notwithstanding the foregoing, Contractor may reference the existence of this Contract and the name of the Department or State of North Carolina in communications with other audiences for non-advertising or marketing purposes associated with implementation and performance of this Contract.

3. **AMENDMENTS:** This Contract may not be amended orally or by performance. This Contract may be amended only by written amendments executed by the Department and the Contractor.

4. **ASSIGNMENT:** Except as otherwise required by law or upon written approval of the Department, no assignment of the Contractor's obligations nor the Contractor's right to receive payment hereunder shall be permitted.

5. **AVAILABILITY OF FUNDS:** All payments to Contractor are expressly contingent upon and subject to the appropriation, allocation, and availability of funds to the Department for the purposes set forth in the Contract. If the Contract or any purchase order issued hereunder is funded in whole or in part by federal funds, the Department's performance and payment shall be subject to and contingent upon the continuing availability of said federal funds for the purposes of the Contract or purchase order. If the term of the Contract extends into fiscal years after that in which it is approved, such continuation of the Contract is expressly contingent upon the appropriation, allocation, and availability of funds by the N.C. General Assembly for the purposes set forth in this Contract. If funds to effect payment are not available, the Department will provide written notification to the Contractor and may terminate the Contract in accordance with **Paragraph 46** of this Section III. D. of this Contract, **TERMINATION**. If the Contract is terminated, the Contractor agrees to take back any affected deliverables and software not yet delivered under the Contract, terminate any Services supplied to the Department under the Contract, and relieve the Department of any further obligation thereof. The Department shall remit payment for deliverables and Services accepted prior to the date of the previously mentioned notice in conformance with the payment terms.

6. **BACKGROUND CHECKS:** The Department reserves the right to request a criminal background check on any current or prospective employee of Contractor or its Subcontractor. The Contractor is responsible for obtaining from each prospective Contractor employee or Subcontractor employee a signed statement permitting a criminal background check. Where requested by the Department, the Contractor must obtain (at their own expense) and provide the appropriate Departmental Contract Administrator with a North Carolina State Bureau of Investigation (SBI) and/or FBI background check on all new employees prior to assignment. Neither the Contractor nor its Subcontractor may hire an employee who has a criminal record that consists of a felony unless prior written approval is obtained from the appropriate Departmental Contract Administrator. The Contractor shall keep any records related to these verifications for the life of the Contract.
7. **BENEFICIARIES:** The Contract shall inure to the benefit and be binding upon the Parties and their respective successors. It is expressly understood and agreed that the enforcement of the terms and conditions of the Contract, and all rights of action relating to such enforcement, shall be strictly reserved to the Department and Contractor. Nothing contained in this Contract shall give or allow any claim or right of action whatsoever by any third person. It is the express intention of the Department and Contractor that any such other person or entity receiving services or benefits under the Contract shall be deemed an incidental Beneficiary only and not a contractual third-party Beneficiary.
8. **CHANGE IN STRUCTURE:** In cases where Contractor(s) are involved in consolidations, acquisition or mergers, the Parties may negotiate agreements for the transfer of contractual obligations and the continuance of contracts within the framework of the new structure, subject to Department approval and the terms of this Contract.
9. **CMS APPROVAL:** This Contract and subsequent contracts and amendments are subject to approval by the CMS pursuant to 42 C.F.R. § 438.806(a).
10. **COMPLIANCE WITH LAWS:**
- a. Contractor shall comply with all laws, ordinances, codes, rules, regulations, licensing requirements, electronic storage standards concerning privacy, data protection, confidentiality, and security that are applicable to the conduct of its business and performance in accordance with this Contract, including those of federal, State, NCDHHS, and local departments and agencies having jurisdiction and/or authority.
  - b. Contractor must include in its Subcontractor agreements an attestation clause that the Subcontractor must comply with all laws, rules, regulations, and licensing requirements applicable to Contractor's performance under this Contract, including but not limited to the applicable provisions of (a) Title XIX of the Social Security Act and Titles 42 and 45 of the Code of Federal Regulations; and (b) those laws, rules, or regulations of federal and State agencies having jurisdiction over the subject matter of this Contract, whether in effect when this Contract is signed, or becoming effective during the term of this Contract.
  - c. Clean Air Act
    - i. Contractor agrees to comply to the extent practicable with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.
    - ii. Contractor agrees to report each violation(s) to the Department and understands and agrees that the Department will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.
    - iii. Contractor agrees to include these requirements in each Subcontractor Agreement.
  - d. Federal Water Pollution Control Act
    - i. Contractor agrees to comply to the extent practicable with all applicable standards, orders,

or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.

- ii. Contractor agrees to report each violation(s) to the Department and understands and agrees that the Department will, in turn, report each violation as required to assure notification to the federal agency providing funds hereunder, and the appropriate Environmental Protection Agency Regional Office.
  - iii. Contractor agrees that these requirements will be included in each Subcontractor Agreement.
- e. Pandemic, Endemic and Other North Carolina State Emergencies
- i. Contractor agrees to comply with all applicable standards, Executive Orders and Department issued guidance for pandemics, endemics, and other North Carolina State emergencies.
  - ii. Notice shall be provided by the Department of the standards, orders and Department issued guidance prior to the Effective Date of the requirements, where practical.
  - iii. In the event requirements are announced and made effective immediately, such as Executive Orders, the Contractor shall adhere to such requirements.
  - iv. Contractor agrees to communicate to Subcontractors for compliance with all applicable standards, orders, and Department-issued guidance.

**11. CONTRACT ADMINISTRATORS:** The Contract Administrators are the persons to whom notices provided for in this Contract shall be given, and to whom matters relating to the administration of this contract shall be addressed. Either party may change its administrator or his/her address and telephone number by written notice to the other party.

**For the Department**

Contract Administrator for all contractual issues listed herein:

Name & Title	Kimberley Kilpatrick Associate Director, Managed Care Contracting
Address Physical Address	820 S. Boylan Avenue Raleigh, NC 27603
Address Mail Service Center Address	1950 Mail Service Center Raleigh, NC 27699-1950
Telephone Number	919-527-7015
Email Address	<a href="mailto:Kimberley.Kilpatrick@dhhs.nc.gov">Kimberley.Kilpatrick@dhhs.nc.gov</a> <a href="mailto:Medicaid.Contractadministrator@dhhs.nc.gov">Medicaid.Contractadministrator@dhhs.nc.gov</a>

Contract Administrator regarding day to day activities herein:

Name & Title	Kelsi A. Knick Deputy Director of BH I/DD Tailored Plans
Physical Address	820 S. Boylan Avenue McBryde Building Raleigh, NC 27603
Mail Service Center Address	1950 Mail Service Center Raleigh, NC 27699-1950
Telephone Number	919-527-7031
Email Address	<a href="mailto:kelsi.knick@dhhs.nc.gov">kelsi.knick@dhhs.nc.gov</a> <a href="mailto:Medicaid.Contractadministrator@dhhs.nc.gov">Medicaid.Contractadministrator@dhhs.nc.gov</a>

Department’s Federal, State and the Department Compliance Coordinator for all security matters:

Name & Title	Pyreddy Reddy, DHHS CISO
Address 1	695 Palmer Drive, Raleigh, NC 27603
Telephone Number	919-855-3090
Email Address	<a href="mailto:Pyreddy.Reddy@dhhs.nc.gov">Pyreddy.Reddy@dhhs.nc.gov</a> <a href="mailto:Medicaid.Contractadministrator@dhhs.nc.gov">Medicaid.Contractadministrator@dhhs.nc.gov</a>

Department’s HIPAA and Policy Coordinator for all Federal, State, and Department privacy matters:

Name & Title	Ryan Eppenberger, Privacy Officer
Physical Address	1985 Umstead Drive Raleigh, NC 27603
Mailing Address	2501 Mail Service Center Raleigh, NC 27699-2501
Telephone Number	919-527-7747
Email Address	<a href="mailto:Ryan.Eppenberger@dhhs.nc.gov">Ryan.Eppenberger@dhhs.nc.gov</a> <a href="mailto:Medicaid.Contractadministrator@dhhs.nc.gov">Medicaid.Contractadministrator@dhhs.nc.gov</a>

**12. COOPERATION WITH OTHER STATE VENDORS:** Contractor shall cooperate with applicable Department Vendors that are providing goods or services to or on behalf of the Department in relation to Medicaid Managed Care, including those Vendors providing services with respect to managed care, transition of care, system integration, encounter processing, enrollment and eligibility, Ombudsman, data analytics, and those engaged by the Department to monitor, validate, or verify Contractor’s performance. Contractor will enter into trade agreements or other agreements as necessary to allow Vendor access to Contractor’s confidential information needed in performance of Vendor’s service for the Department.

**13. COPYRIGHT:** The State shall own all deliverables that the Contractor is required to develop pursuant to the Contract, except as provided herein. Contractor shall not acquire any right, title, and interest in and to the copyrights for goods, all software, technical information, specifications, drawings, records, documentation, data, or derivative works thereof, or other work products provided by the Contractor and provided to the State under this Contract. The State shall, upon payment for the deliverables in full in accordance with the payment terms of the Contract, own copyrighted works first originated and prepared by the Contractor for delivery to the State. The State hereby grants Contractor a royalty-free, fully paid worldwide, perpetual, nonexclusive, irrevocable license for the Contractor’s business use, to non-confidential deliverables first originated and prepared by the Contractor for delivery to the State. Contractor shall maintain ownership of all pre-existing intellectual property that it provides to the State as part of the deliverable(s), and the State shall have a royalty-free, fully paid, worldwide, perpetual, non-exclusive, irrevocable license in all languages to use such intellectual property solely for its operations. The intellectual property terms of this Contract do not: (i) affect Contractor’s, or one of its Subcontractor’s, ownership of all other intangible intellectual property (e.g., processes, ideas, know how) that Contractor has developed in the course of performance hereunder, (ii) prevent Contractor, or one of its Subcontractors, from selling similar services elsewhere, or (iii) prevent Contractor, or one of its Subcontractors, from marketing, licensing or selling any and all intellectual property it develops hereunder to other customers, Beneficiaries, Providers, or other persons, provided no State confidential information is used or disclosed in the process or (iv) affect any ownership right, title, and interest in and to the copyrights for goods, software, technical information, specifications, drawings,

records, documentation, data, or derivative works thereof, or other work products provided by a Subcontractor to Contractor for any such deliverable required hereunder.

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

To support the Department's vision on diversity, equity and inclusion, Contractor shall make a good faith effort to recruit, develop and retain a diverse workforce and encourage and promote an inclusive and equitable workplace, in accordance with Federal and State law.

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

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

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

- a. The Contractor shall notify the State, if it, or any of its Subcontractors, or their officers, directors, or key personnel who may provide services under any contract awarded pursuant to this solicitation, have ever been convicted of a felony, or any crime involving moral turpitude, including, but not limited to fraud, misappropriation, or deception. The Contractor shall promptly notify the State of any criminal litigation, investigations or proceeding involving the Contractor or any Subcontractor, or any of the forgoing entities' then current officers or directors during the term of the Contract or any Scope Statement awarded to the Contractor.
- b. The Contractor shall notify the State of any civil litigation, regulatory finding or penalty, arbitration, proceeding, or judgments against it or its Subcontractors during the three (3) years preceding execution of this Contract, or which may occur during the Contract term that involve (1) services or related goods similar to those provided pursuant to any contract and that involve a claim that may affect the viability or financial stability of the Contractor, or (2) a claim or written allegation of fraud by the Contractor or any Subcontractor hereunder, arising out of their business activities, or (3) a claim or written allegation that the Contractor or any Subcontractor hereunder violated any federal, state or local statute, regulation or ordinance. Multiple lawsuits and or judgments against the Contractor or Subcontractor shall be disclosed to the State to the extent they affect the financial solvency and integrity of the Contractor or Subcontractor.
- c. In the event the Contractor, or an officer or governing Board member of the Contractor, is convicted of a criminal offense incident to the performance of a State, public or private Contract or subcontract; or convicted of a criminal offense including but not limited to any of the following:

embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of North Carolina employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which, in the sole discretion of the State, reflects upon the Contractor's business integrity, and such Contractor shall be prohibited from entering into a contract for goods or services with any department, institution, or agency of the State.

- d. The Contractor shall notify the State of any legal action that could adversely affect the BH I/DD Tailored Plan's financial conditions or ability to meet the requirements of the Contract.
- e. All notices under this Section subsections a., b., c., and d. herein shall be provided in writing to the State within thirty (30) Calendar Days after the Contractor learns about any such criminal, regulatory, or civil matters or financial circumstances or material change to prior disclosures, unless such matters are governed by the other stated terms and conditions annexed to the solicitation. Details of settlements which are prevented from disclosure by the terms of the settlement shall be annotated as such. Contractor may rely on good faith certifications of its Subcontractors addressing the foregoing, which certifications shall be available for inspection at the option of the State.

**17. DISCLOSURE OF OWNERSHIP INTEREST:** In accordance with 42 C.F.R. § 438.608(c)(2), the Contractor and its Subcontractors shall provide to the Department written disclosures of information on Ownership and control as required under 42 C.F.R. § 455.104. The Contractor and its Subcontractors must provide the following information, as applicable, regarding ownership and control as described in 42 C.F.R. § 455.104:

- a. The Name, Address, Date of Birth and Social Security Numbers of any individual with an ownership or control interest in the Contractor (or Subcontractor), including those individuals who have direct, indirect, or combined direct/indirect ownership interest of five percent (5%) or more of the Contractor's (or Subcontractor's) equity, owns five percent (5%) or more of any mortgage, deed of trust, note, or other obligation secured by the Contractor (or Subcontractor) if that interest equals at least five percent (5%) of the value of the Contractor's (or Subcontractor's) assets, is an officer or director of a Contractor (or Subcontractor) organized as a corporation, or is a partner in a Contractor (or Subcontractor) organized as a partnership (Sections 1124(a)(2)(A) and 1903(m)(2)(A)(viii) of the Social Security Act and 42. C.F.R. § 455.100-104);
- b. The Name, Address, and Tax Identification Number of any corporation with an ownership or control interest in the Contractor (or Subcontractor), including those individuals who have direct, indirect, or combined direct/indirect ownership interest of five percent (5%) or more of the Contractor's (or Subcontractor's) equity, owns five percent (5%) or more of any mortgage, deed of trust, note, or other obligation secured by the Contractor (or Subcontractor) if that interest equals at least five percent (5%) of the value of the Contractor's (or Subcontractor's) assets, is an officer or director of a Contractor (or Subcontractor) organized as a corporation, or is a partner in a Contractor (or Subcontractor) organized as a partnership (Sections 1124(a)(2)(A) and 1903(m)(2)(A)(viii) of the Social Security Act and 42 C.F.R. §§ 455.100-104). The address for corporate entities must include as applicable primary business address, every business location, and P.O. Box address;
- c. Whether the person (individual or corporation) with an ownership or control interest in the Contractor (or Subcontractor) is related to another person with ownership or control interest in the Contractor (or Subcontractor) as a spouse, parent, child, or sibling; or whether the person (individual or corporation) with an ownership or control interest in any sub-contractor of the Contractor (or Subcontractor) in which the Applicant has a five percent (5%) or more interest is related to another person with ownership or control interest in the Contractor (or Subcontractor) as a spouse, parent, child, or sibling;

- d. The name of any disclosing entity, other disclosing entity, fiscal agent or managed care entity as those terms are defined in 42 C.F.R. § 455.101 in which an owner of the Contractor (or Subcontractor) has an ownership or control interest; and
- e. The Name, Address, Date of Birth and Social Security Number of any agent or managing employee of the Contractor (or Subcontractor). The Managing Employees of the Contractor include the Contractor's governing board and Key Personnel as noted in *Section V.A.1.ix. Staffing and Facilities for Medicaid and State-funded Services* Contractor and Subcontractors must disclose the information on individuals or corporations with an ownership or control interest as described above to the Department as follows:
  - i. With the BH I/DD Tailored Plan's response to the RFA (*Section VIII. Attachment 10. Disclosure of Ownership Interest*);
  - ii. Upon effective date of the Contract;
  - iii. Upon renewal or extension of the Contractor's contract; and
  - iv. Within thirty-five (35) days after any change in the Contractor's (or Subcontractor's) ownership.

- 18. ENTIRE AGREEMENT AND ORDER OF PRECEDENCE:** This Contract consists of the following documents incorporated herein by reference:
- a. Any amendments executed by the Parties, in reverse chronological order;
  - b. Negotiation Document #1;
  - c. Written clarifications, in reverse chronological order;
  - d. Addenda to the RFA, in reverse chronological order;;
  - e. The RFA in its entirety; and
  - f. Applicant's application.

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

- 19. EQUAL EMPLOYMENT OPPORTUNITY:** Contractor shall comply with all federal and State requirements and North Carolina Executive Order 24 dated October 18, 2017, concerning fair employment and employment of the disabled, and concerning the treatment of all employees without regard to discrimination by reason of race, color, ethnicity, national origin, age, disability, sex, pregnancy, religion, National Guard or veteran status, sexual orientation, gender identity or expression.
- 20. FORCE MAJEURE:** Neither Party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations because of events beyond its reasonable control, including without limitation, fire, power failures, any act of war, hostile foreign action, nuclear explosion, riot, strikes or failures or refusals to perform under subcontracts, civil insurrection, earthquake, hurricane, tornado, epidemic or public emergencies, pandemic, or other catastrophic natural event or act of God.
- 21. GENERAL INDEMNITY & LIMITATION OF LIABILITY:** Subject to any limitations of liability specified in the Contract, the Contractor shall hold and save the State, its officers, agents, and employees, harmless from liability of any kind, including all claims and losses accruing or resulting to any other person, firm, or corporation furnishing or supplying work, services, materials, or supplies in connection with the performance of this Contract, and from any and all claims and losses accruing or resulting to any person, firm, or corporation that may be injured or damaged by the Contractor in the performance of this Contract and that are attributable to the negligence or intentionally tortious acts of the Contractor. The Contractor represents and warrants that it shall make no claim of any kind or nature against the State's agents who are involved in the delivery or processing of Contractor goods and/or



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

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

**23. GOVERNMENTAL RESTRICTIONS:**

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

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

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

**26. INSURANCE:** During the term of the Contract, the Contractor, at its sole cost and expense, shall provide commercial insurance coverage of such type and with such terms and limits as may be reasonably associated with the Contract. At a minimum, the Contractor shall provide and maintain the following coverage and limits:

- a. Worker's Compensation - The Contractor shall provide and maintain Worker's Compensation Insurance, as required by the laws of North Carolina, as well as employer's liability coverage with

minimum limits of \$500,000.00, covering all of Contractor's employees who are engaged in any work under the Contract. If any work is sublet, the Contractor shall require the Subcontractor to provide the same coverage for any of his employees engaged in any work under the Contract.

- b. Commercial General Liability - General Liability Coverage on a Comprehensive Broad Form on an occurrence basis in the minimum amount of \$2,000,000.00 Combined Single Limit.
- c. Automobile - Automobile Liability Insurance, to include liability coverage, covering all owned, hired, and non-owned vehicles, used relating to the Contract. The minimum combined single limit shall be \$500,000.00 for bodily injury and property damage; \$500,000.00 for uninsured/underinsured motorist; and \$5,000.00 for medical payment.
- d. Requirements - Providing and maintaining adequate insurance coverage is a material obligation of the Contractor and is of the essence of this Contract. All such insurance shall meet all laws of the State of North Carolina. Such insurance coverage shall be obtained from companies that are authorized to provide such coverage and that are authorized by the Commissioner of Insurance to do business in North Carolina. The Contractor shall always comply with the terms of such insurance policies, and all requirements of the insurer under any such insurance policies, except as they may conflict with existing North Carolina laws or this Contract. The limits of coverage under each insurance policy maintained by the Contractor shall not be interpreted as limiting the Contractor's liability and obligations under the Contract.

**27. INTELLECTUAL PROPERTY INDEMNITY:** To the extent permitted by law, Contractor shall hold and save the Department, State, its officers, agents, and employees, harmless from liability of any kind, including costs and expenses, resulting from infringement of the rights of any third party in any copyrighted material, patented or unpatented invention, articles, device, or appliance delivered relating to this Contract. This term shall survive the termination or expiration of this Contract. Notwithstanding the forgoing, nothing contained in this Section shall be deemed to constitute a waiver of governmental immunity of the Contractor as a political subdivisions of the state, which immunity is hereby reserved to the Contractor as to any third party.

**28. LITIGATION:** If a demand is asserted, or litigation or administrative proceedings, other than those administrative proceedings related to adverse benefit determinations addressed by other provisions of the Contract, are begun against the Contractor or against the Department and Contractor jointly relating to the services being provided under this Contract, the Contractor shall notify the Department within five (5) Business Days of becoming aware of such action. To the extent no conflict of interest exists or arises, Parties may agree to joint defense and agree to cooperate fully in defense of such litigation. Department will cooperate with the Contractor fully in the defense of such litigation to the extent there is no conflict of interest.

In the event of litigation against the Department related to the Contract, Contractor's performance, or services provided under the Contract, Contractor will cooperate with Department fully in the defense of such litigation to the extent there is no conflict of interest.

Any civil or administrative settlements between the Contractor, as a delegee of the Department, and any member, or provider related to Medicaid Managed Care are public record to the extent required by law. All settlements must be reported to the Department within thirty (30) Calendar Days of an executed settlement agreement and a copy of the settlement agreement must be provided to the Department upon request.

This provision shall survive expiration or termination of the Contract.

**29. MEDIA CONTACT APPROVAL AND DISCLOSURE:** Contractor shall not use the name or seal of the North Carolina Division of Health Benefits, the North Carolina Department of Health and Human Services or the State of North Carolina in any media release or public announcement or disclosure relating to the

terms of this Contract without prior approval of the Department. Contractor shall not provide any information to the media regarding a recipient of services under this Contract without first receiving approval from the Department. In the event the Contractor is contacted by the media for information related to the terms of this Contract or a recipient of services under, the Contractor shall make immediate contact with the Department as soon as practical after the contact occurs. Contractor must submit any proposed media release to the Department for review and approval at least seven (7) State Business Days in advance of intended disclosure. The Department may, at its sole discretion, object to its publication or require changes to the information intended for public release. The requirements of this Section shall not apply to any information the Contractor is required by law or by any court of competent jurisdiction to disclose.

- 30. MONITORING OF SUBCONTRACTORS:** Contractor shall perform on-going monitoring of all Subcontractors and shall confirm compliance with subcontract requirements. As part of on-going monitoring, the Contractor shall identify to the Subcontractor(s) deficiencies or areas for improvement and shall require the Subcontractor(s) to take appropriate corrective action. Contractor shall perform a formal performance review of all Subcontractors at least annually.
- 31. NOTICES:** Any notices required under the Contract must be delivered to the appropriate Contract Administrator for each Party. Unless otherwise specified in the Contract, any notices shall be in writing and **delivered by email**. In addition, notices may be delivered by first class U.S. Mail, commercial courier (e.g. FedEx, UPS, DHL), or personally delivered provided the notice is also emailed to the Contract Administrator at approximately the same time.
- 32. OUTSOURCING:** Any Contractor or Subcontractor providing call or contact center services to the State of North Carolina or any of its agencies shall disclose to inbound callers the location from which the call or contact center services are being provided. If, after award of a contract, the Contractor wishes to relocate or outsource any portion of performance to a location outside the United States, or to contract with a Subcontractor for any such performance, which Subcontractor and nature of the work has not previously been disclosed to the State in writing, prior written approval must be obtained from the Department. Contractor shall give notice to the using agency of any relocation of the Contractor, employees of the Contractor, Subcontractors of the Contractor, or other persons providing performance under this Contract to a location outside of the United States.
- 33. PARTICIPATION IN REGIONAL SERVICE CONTINUITY:** In the event the Department terminates, suspends, or delays a BH I/DD Tailored Plan Contract in another Region, this Contractor agrees to meaningfully participate with the Department, all other active BH I/DD Tailored Plan Contractors, and any other entities as required by the Department in a collaborative process to identify solutions for ensuring service continuity in such a Region. Solutions identified under the process may include, but are not limited to, expanding the Contractor's service area, leveraging the Contractor's network building capabilities, and Contractor support for other operational activities, as needed.
- 34. PAYMENT AND REIMBURSEMENT:**
- a. **BH I/DD Tailored Plan Payments:** The Department will make the following payments to the Contractor, as applicable:
- i. Monthly per member per month (PMPM) capitated payments;
  - ii. Maternity event payments;
  - iii. Tailored Care Management payments;
  - iv. Additional directed payments to certain providers;
  - v. Healthy Opportunities Pilot Program payments;
  - vi. Monthly Single Stream Fund Base allocation; and
  - vii. Tailored Care Management Capacity Building Performance Incentive Payments

- b. **PMPM Capitated Payments**
  - i. The Contractor must accept capitation rates methodology developed by the Department and its actuary and approved by CMS as follows:
    - a. The Department will send the Contractor a written Notification of CMS Approved Capitation Rates (Notification of Approved Rates) within ten (10) state Business Days of receipt of CMS approval of the capitation rates for a contract year or other applicable rating period. The Notification of Approved Rates will be incorporated into the Contract as though originally set forth herein.
  - ii. Capitated payments shall be made on a PMPM, prospective basis at the first check-write of each month, unless another schedule is set by the Department.
  - iii. The Department will make PMPM capitation payments to the Contractor based on the number of members in each rate cell (as defined in the Rate Book applicable to the rating period and as determined by the monthly cutoff date in Medicaid Eligibility data system). The payment amount will be pro-rated for partial-month enrollment.
  - iv. PMPM capitation payments will be reconciled on a regular schedule to account for enrollment and eligibility changes not reflected in the initial monthly payment to the Contractor and may result in changes to a subsequent monthly capitation payment. Additional details on reconciliation can be found in *Section V.B.8. Technical Specifications*.
  - v. The PMPM capitated rates are specified in the Rate Book. However, capitated payments shall be denied for new members when, and for so long as, payment for those members is denied by CMS in accordance with the requirements at 42 C.F.R. § 438.730.
- c. **Maternity Event Payments:** As provided in *Section V.B.7. Financial Requirements*, the Contractor will be eligible to receive a separate maternity event payment. Payment will be made after the Contractor submits required documentation of an eligible delivery event to the Department. The Contractor must accept maternity event capitation rates developed by the Department and its actuary and approved by CMS.
- d. **Tailored Care Management Payments:** The Department will make payments to the Contractor to support Tailored Care Management. The Contractor will make the following payments to certified AMH+ practices and Care Management Agencies for Tailored Care Management in accordance with Section V.B.4.e. Provider Payments:
  - i. Tailored Care Management payment per member per month in which the AMH+ or CMA performed Tailored Care Management. Payment will be at a fixed rate and acuity-tiered. It will not be placed at risk.
  - ii. Performance incentive payment, if earned, based on the AMH+ and CMA metrics found in the forthcoming Department's Technical Specifications Manual.
- e. **Additional Directed Payments for Certain Providers:** The Department will make payments to the Contractor to support additional, utilization-based, directed payments to certain providers as allowed under 42 C.F.R. § 438.6(c)(1)(iii)(B) and in accordance with *Section V.B.4.iv. Provider Payments*.
- f. **Healthy Opportunities Pilot Program:** If the Contractor covers a Region that includes a Healthy Opportunity Pilot, the Contractor will receive payments from the Department, up to a BH I/DD Tailored Plan-specific capped allotment, with which to make administrative payments to LPEs and care management entities, and service payments to HSOs for delivering authorized Pilot services as provided in *Section V.B.3.x. Healthy Opportunities*. The Contractor shall make payments and manage pilot funding as required in *Section V.B.3.x. Healthy Opportunities* and as otherwise provided by Amendment.
- g. **Monthly Single Stream Fund Base allocation:** DMH/DD/SAS shall distribute to Contractor not less than one twelfth of Contractor's Single Stream Fund (SSF) continuing allocation on a monthly basis, subject to adjustments and availability of funds allocated by the General Assembly for this purpose.

- h. **Payment in Full:**
  - i. The BH I/DD Tailored Plan shall accept BH I/DD Tailored Plan Payments under this Section as payment in full for the services provided under Contract, unless otherwise specified by the Contract.
  - ii. Members shall be entitled to receive all covered services as provided in *Section V.B.2.i. Physical Health, Behavioral Health, and I/DD Benefits Package* for the entire period for which payment has been made by the Department.
- i. **Payment Adjustments:** Payment adjustments may be initiated by the Department based on the eligibility and enrollment reconciliation or when keying errors or system errors affecting correct BH I/DD Tailored Plan Payments to the Contractor occur. Each payment adjustment transaction shall be included on the remittance advice in the month following the correction. Each transaction shall include identifying information and the payment adjustment amount.
- j. **Overpayment and Recoupment:**
  - i. If the Contractor erroneously reports (intentionally or unintentionally), fraudulently reports, or knowingly fails to report any information affecting BH I/DD Tailored Plan Payments to the Contractor, and is consequently overpaid, the Department may request a refund of the overpayment or recoup the overpayment by adjusting payments due in any one or more subsequent months.
  - ii. The Department may also recoup erroneous overpayments made to the Contractor as a consequence of keying errors or system errors, Each recoupment transaction shall be included on the remittance advice in the month following the correction. Each transaction shall include identifying member information and the recoupment amount.
  - iii. The Department shall provide at least ten (10) days' notice to Contractor of its intent to recoup overpayments and shall offer Contractor the opportunity to contest any such alleged overpayments. If the Parties cannot come to agreement, the Contractor may utilize the Dispute Resolution process described in this Contract. The Department shall not take any collection action under this Contract, including recoupment while the dispute is pending and unresolved, unless otherwise allowed by law.
- k. **Other BH I/DD Tailored Plan Payment Terms and Conditions:**
  - i. Payment will only be made for services provided and is contingent upon satisfactory performance by the Contractor of its responsibilities and obligations under the Contract.
  - ii. Except as otherwise provided, the Department may apply withholds, monetary sanctions, liquidated damages, or other or adjustments as described in *Section V.B.5.i. Quality Management and Quality Improvement* and *Section VI. Contract Performance for Medicaid and State-funded Services* to any payment due to Contractor.
  - iii. The Contractor is responsible for all payments to its Subcontractors under the Contract. The Department shall not be liable for any purchases or Subcontracts entered into by the Contractor or any subcontracted Provider in anticipation of funding.
  - iv. All payments shall be made by electronic funds transfers. Contractor shall set up the necessary bank accounts and provide written authorization to Medicaid's Fiscal Agent to generate and process monthly payments.
  - v. Contractor shall not use funds paid under this Contract for services, administrative costs or populations not covered under this Contract related to non-Title XIX or non-Title XXI Members. 42 C.F.R. § 438.3(c)(2).
  - vi. Contractor shall maintain separate accounting for revenue and expenses for payments under this Contract in accordance with CMS requirements.
- l. **Third-Party Resources:**

The capitated rates set forth in this Contract have been adjusted to account for the primary liability of third parties for some of the services rendered to members. As required in *Section V.A.3.iv.*

*Third Party Liability (TPL) for Medicaid* the Contractor shall be responsible for actively seeking and identifying the liability of third parties and engaging in third party resource recovery and cost avoidance to pay for services rendered to members pursuant to this Contract. All funds recovered by the Contractor from third party resources shall be treated as income to Contractor.

- m. **Tailored Care Management Capacity Building Performance Incentive Program Payments**
  - i. Beginning in Contract Year 1, and in accordance with 42 C.F.R. § 438.6(b)(2), the Contractor will be eligible to receive quarterly Tailored Care Management Capacity Building Performance Incentive Program payments for the achievement of certain milestones specified in *Section.V.B.7.* and aligned with the Department’s quality strategy.
    - a. Incentive payments will be separate from and in addition to the capitation payments made to the Contractor under this Contract and will be specifically identified as the “performance incentive payment” in any distribution to the Contractor.
    - b. The incentive payment is not premium revenue and will not be considered as such for purposes of calculating the Contractor’s Medical Loss Ratio or premium tax liability.
    - c. In no event will payments exceed five (5) percent of total capitation revenue that the Contractor receives during the Contract Year.
    - d. Eligibility to participate in the Performance Incentive Program is not linked to whether the Contractor is a public or private entity or whether the Contractor has provided an intergovernmental transfer to the Department.
    - e. Payments are for performance on a quarterly basis under the Contract Year in which the performance incentive arrangement is applied.
    - f. The program will not be renewed automatically, but DHHS may include the program in subsequent Contract Years. The Department will notify the Contractor ninety (90) Calendar Days prior to the start of the Contract Year whether the program will be in effect for that Contract Year.

**35. PERFORMANCE BOND:**

- a. The BH I/DD Tailored Plan shall furnish a performance bond to the Department within thirty (30) Calendar Days after award of the contract. This security will be in the form a surety bond licensed in North Carolina with an A.M. Best’s rating of no less than A-
- b. The amount of the performance bond shall be a minimum of \$10,000,000 adjusted upwards based on the overall population in each Region as calculated using the 2018 population data by county in which the BH I/DD Tailored Plan is awarded a Contract as set forth in the table below. If a BH I/DD Tailored Plan is awarded a Contract in multiple Regions, then BH I/DD Tailored Plan shall furnish a single bond for the total amount. The 2018 county population information can be found at [https://files.nc.gov/ncosbm/demog/countytotals\\_2010\\_2019.html](https://files.nc.gov/ncosbm/demog/countytotals_2010_2019.html).

Population Range	Performance Bond
1 - 1,500,000	\$10,000,000
1,500,001 – 2,500,000	\$15,000,000
2,500,001 – 3,500,000	\$20,000,000
3,500,001 – 4,500,000	\$25,000,000
4,500,001 – 5,500,000	\$30,000,000
5,500,001 – 6,500,000	\$35,000,000
6,500,001 –7,500,000	\$40,000,000
7,500,001 – 8,500,000	\$45,000,000
8,500,001 – 9,500,000	\$50,000,000
9,500,001 – 10,500,000	\$55,000,000

- c. The following performance bond amounts are illustrative of the bond amount that would be required by Region at the time of publication of this RFA.

Region	2018 Population	Performance Bond
Region 1	1,049,463	\$10,000,000
Region 2	1,013,267	\$10,000,000
Region 3	3,157,148	\$20,000,000
Region 4	1,123,971	\$10,000,000
Region 5	1,912,914	\$15,000,000
Region 6	663,025	\$10,000,000
Region 7	1,469,360	\$10,000,000

- d. The BH I/DD Tailored Plan shall bear the cost of the performance bond.
- e. The performance bond must be made payable to the North Carolina Department of Health and Human Services.
- f. The contract number and contract period must be specified on the performance bond.
- g. For as long as the BH I/DD Tailored Plan has liabilities of \$50,000 or more outstanding under this Contract, or fifteen (15) months following the termination date of this Contract, whichever is later, the performance bond must be maintained to guarantee payment of the BH I/DD Tailored Plan's obligations.
- h. In the event of a default by the BH I/DD Tailored Plan, the Department shall obtain payment under the performance bond for the purposes of the following:
- i. Paying any damages sustained by Providers, non-contracting providers, non-providers, and other subcontractors by reason of a breach of the BH I/DD Tailored Plan's obligations under this Contract;
  - ii. Reimbursing the Department for any payments made by the Department on behalf of the BH I/DD Tailored Plan, including payment of the BH I/DD Tailored Plan's obligations to Providers;
  - iii. Reimbursing the Department for any administrative expenses incurred by reason of an uncured breach of the BH I/DD Tailored Plan 's obligations under this Contract, including expenses incurred after termination of this Contract; and
  - iv. In the event the BH I/DD Tailored Plan terminates the Contract prior to the end of the Contract period, a claim against the bond may be made by the Department to cover cost of issuing a new solicitation and selecting a new BH I/DD Tailored Plan or transitioning members to another BH I/DD Tailored Plan.

**36. PROHIBITION AGAINST CONTINGENT FEES AND GRATUITIES:** Contractor warrants that it has not paid, and agrees not to pay, any bonus, commission, fee, or gratuity to any employee or official of the State for obtaining any Contract or award issued by the State and its Departments and other agencies or entities. The Contractor further warrants that no commission or other payment has been or will be received from or paid to any third-party contingent on the award of any Contract by the State, except as shall have been expressly communicated to the Department's Office of Procurement, Contracts and Grants in writing prior to acceptance of the Contract or award in question. The Contractor and their authorized signatory further warrant that no officer or employee of the State has any direct or indirect

financial or personal beneficial interest, in the subject matter of the Contract; obligation or Contract for future award of compensation as an inducement or consideration for making the Contract. Subsequent discovery by the State of non-compliance with these provisions shall constitute sufficient cause for termination of all outstanding contracts. Violations of this provision may result in debarment of the Contractor as permitted by 09 NCAC 06B.1206, 01 NCAC 05B.1520, or other provision of law.

**37. RECORDS RETENTION:** All records and data held by the Contractor as it relates to this Contract shall be retained and maintained as required by North Carolina law, federal law, State and Department Record Retention requirements and policies.

- a. All records created or modified by the Contractor and not duplicated in Department system via interfaces must be retained for ten (10) years, unless a longer or shorter period is required by federal or State law or policy. The State policy is mandated by the State Archives of North Carolina and is located at the following link, accurate as of August 9, 2022: <https://archives.ncdcr.gov/government/retention-schedules>.
- b. Records shall not be destroyed, purged, or disposed of without the express written consent of the Department.
- c. If any litigation, claim, negotiation, audit, disallowance action or other action involving this Contract start before the expiration of the legally required retention period, the records must be retained until completion of the action and resolution of all issues which arise from it.
- d. In the event there are changes in record retention requirements or policies due to North Carolina law, federal law, State or Department record retention Policies, the Contractor shall make the necessary changes to be in compliance with all Records Retention requirements.
- e. Record Retention requirements included within the body of this RFA, subsequent contract and amendments, are intended to supplement this term. In the event of conflict, the provisions of this term are the controlling requirements.
- f. At the point the Contract terminates/expires, all data must be transitioned to the State in a format prescribed by the Department unless that data has exceeded its archive requirements. The Department may request verification from the Contractor that archive requirements are being met.
- g. BH I/DD Tailored Plan shall comply with all standards for record retention in 42 CFR 438.3(u) and the standards determined by the Department.
- h. BH I/DD Tailored Plans shall comply with all standards for record retention in 45 C.F.R. § 74.53 and the standards determined by the Department.
- i. BH I/DD Tailored Plans shall submit its BH I/DD Tailored Plan Policy for Record Retention to the Department for review. The BH I/DD Tailored Plan shall resubmit its BH I/DD Tailored Plan Policy for Record Retention to the Department if there are significant changes.
- j. Financial records and clinical records for the Innovations and TBI waivers shall be maintained by the Contractor in the manner prescribed in the clinical coverage policies for the Innovations and TBI waivers. In the absence of a policy, Contractor shall follow the requirements of this Record Retention clause.
- k. The Contractor shall maintain indirect cost rate proposals and cost allocation plans shall be retained for ten (10) years, unless otherwise required by federal or State law.
- l. This term survives termination or expiration of the Contract.

**38. RESPONSE TO STATE INQUIRES AND REQUEST FOR INFORMATION:** The Contractor shall prioritize requests from the Department to respond to inquiries from any Departments under the State of North Carolina, the North Carolina Legislature or other government agencies or bodies. Contractor shall respond to urgent requests from the Department within twenty-four (24) hours and according to the guidance and timelines provided by the Department. Contractor may be required to participate with and respond to inquiries from a consultant contracted with the Department regarding policies and



procedures requiring review to determine compliance.

- 39. SEVERABILITY:** If a court of competent authority holds that a provision or requirement of the Contract violates any applicable law, each such provision or requirement shall be enforced only to the extent it is not in violation of law or is not otherwise unenforceable and all other provisions and requirements of the Contract shall remain in full force and effect.
- 40. SITUS:** The place of this Contract, its situs and forum, shall be Wake County, North Carolina, where all matters, whether sounding in Contract or tort, relating to its validity, construction, interpretation, and enforcement shall be determined.
- 41. SOVEREIGN AND GOVERNMENTAL IMMUNITY:** Notwithstanding any other term or provision in this Contract, nothing herein is intended nor shall be interpreted as waiving any claim or defense based on the principle of sovereign immunity that otherwise would be available to the Department and State under applicable law. Notwithstanding any other term or provision in this Contract, nothing herein is intended nor shall be interpreted as waiving any claim or defense based on the principle of governmental immunity that otherwise would be available to the Contractor under applicable law.
- 42. STATE CONTRACT REVIEW:** This Contract and subsequent contracts are exempt from the State contract review and approval requirements pursuant to N.C. Gen. Stat. § 143B-216.80(b)(4).
- 43. SUBCONTRACTORS:** Work performed under this Contract by the Contractor or its employees shall not be subcontracted without prior written approval of the Department. Acceptance of Contractor's Application includes all Subcontractor(s) specified therein. For subsequent Subcontractor requests, Contractor must submit a written request, in the form of completed *Section VII. Attachment R. Subcontractor Identification Form* for approval at least sixty (60) Calendar Days prior to the start of services by any Subcontractor.
- a. Upon request, the Contractor shall provide the Department with complete copies of any contracts made by and between the Contractor and all Subcontractors. The selected Contractor remains solely responsible for the performance of its Subcontractors. Subcontractors, if any, shall adhere to the same standards required of the selected Contractor and this Contract. Any contracts made by the Contractor with a Subcontractor shall include an affirmative statement that the Department is an intended third-party Beneficiary of the Contract; that the contract with the Subcontractor does not create a contract between the Department and Subcontractor; and that the Department shall be indemnified by the Contractor for any claim presented by the Subcontractor. Notwithstanding any other term herein, Contractor shall timely exercise its contractual remedies against any non-performing Subcontractor.
  - b. The Contractor shall neither participate with nor enter into any agreement with any individual or entity that has been excluded from participation in federal health care programs. The Contractor shall not contract for the administration, management, or provision of medical services (or the establishment of policies or provision of operational support for such services), either directly or indirectly, with an individual convicted of crimes described in section 1128(b)(8)(B) of the Act. [42 C.F.R. § 438.808(a); 42 C.F.R. § 438.808(b)(2); 42 C.F.R. § 431.55(h); section 1903(i)(2) of the Act; 42 C.F.R. § 1001.1901(c); 42 C.F.R. § 1002.3(b)(3); SMDL 6/12/08; SMDL 1/16/09]
  - c. Any contract(s) between the Contractor and Subcontractor(s) require:
    - i. The Subcontractor to agree that the state, CMS, the DHHS Inspector General, the Comptroller General, or their designees have the right to audit, evaluate, and inspect its premises, any books, records, contracts, computer, or other electronic systems of the subcontractor relating to its Medicaid members, or of the Subcontractor's contractor, that pertain to any aspect of services and activities performed, or determination of amounts payable under the Contractor's contract with the State. and in turn will make available to

the state, CMS, the DHHS Inspector General, the Comptroller General, or their designees all audit materials as described in this subsection.

- ii. The Subcontractor to agree that the right to audit by the State, CMS, the DHHS Inspector General, the Comptroller General or their designees, will exist through ten (10) years from the final date of the contract period or from the date of completion of any audit, whichever is later; and
  - iii. That if the State, CMS, or the DHHS Inspector General determine that there is a reasonable possibility of fraud or similar risk, the State, CMS, or the DHHS Inspector General may inspect, evaluate, and audit the Subcontractor at any time.
  - iv. That the Contractor inform the Subcontractor of the sources of funding for the Contract and of any special compliance or reporting requirements associated with each funding source (e.g., block grants) and the Subcontractor to agree to accurate reporting and appropriate use of State and federal grant funds.
- d. Any contract(s) between the Contractor and Subcontractor(s) described in this Section shall include:
- i. Required activities and obligations, and related reporting responsibilities.
  - ii. Provision for revocation of the delegation of activities or obligations, or specify other remedies in instances where the Department or the Contractor determines that the Subcontractor has not performed satisfactorily. 42 C.F.R. § 438.230(c)(1)(i) - (iii).
  - iii. Requirement to comply with all applicable Medicaid laws, regulations, including applicable subregulatory guidance and contract provisions. 42 C.F.R. § 438.230(c)(2).

**44. SURVIVAL:** The expiration, termination, or cancellation of this Contract will not extinguish the rights of either Party that accrue prior to expiration, termination, or cancellation or any obligations that extend beyond termination, expiration or cancellation, either by their inherent nature or by their express terms.

**45. TAXES:** Any applicable taxes shall be invoiced as a separate item and in accordance with this paragraph and applicable laws.

- a. N.C. Gen. Stat. § 143-59.1 bars the Department from entering into Contracts with Contractors if the Contractor or its affiliates meet one of the conditions of N.C. Gen. Stat. § 105-164.8(b) and refuses to collect use tax on sales of tangible personal property to purchasers in North Carolina. Conditions under N.C. Gen. Stat. § 105-164.8(b) include: (i) Maintenance of a retail establishment or office, (ii) Presence of representatives in the State that solicit sales or transact business on behalf of the Contractor and (iii) Systematic exploitation of the market by media-assisted, media-facilitated, or media-solicited means. By execution of the application document the Contractor certifies that it and all its affiliates, (if it has affiliates), collect(s) the appropriate taxes.
- b. Contractor is a local political subdivision of the State of North Carolina and as such is exempt from local, State, and federal taxes, including but not limited to excise and transportation.
- c. Prices offered are not to include any personal property taxes, nor any sales or use tax (or fees) unless required by the North Carolina Department of Revenue.

**46. TERMINATION:** Any notice or termination made under the Contract shall be provided to Contractor's and Department's respective Contract Administrators.

- a. The Contractor obligations set forth in this Section shall survive the expiration or termination of this Contract and shall remain fully enforceable by Department against Contractor. .

b. Termination without Cause:

This Contract may be terminated, in whole or in part, without cause by the Department by giving at least one hundred and eighty (180) Calendar Days' prior written notice to the other Party. The termination shall be effective at 11:59:59 p.m. on the last day of the calendar month in which the

one hundred and eighty (180) Calendar Days notice period expires. In the event of termination without cause:

- i. Department and Contractor shall work together on a daily basis in good faith to minimize any disruption of services to Members;
- ii. Contractor shall perform all of the Contractor transition and other obligations specified in the Contract;
- iii. Department and Contractor shall resolve any outstanding obligations under this Contract; and
- iv. Contractor shall pay Department in full any refunds or other sums due to Department under this Contract.

c. Termination for Cause:

- i. In accordance with 42 C.F.R. § 438.708, Department shall have the right to terminate this Contract with Contractor and to enroll Contractor's members in other managed Care Plans if Department determines that Contractor has failed to carry out the substantive terms of this Contract or has failed to meet applicable requirements in Sections 1905(t), 1903(m), and/or 1932 of the Social Security Act.
- ii. Upon written notification to Contractor of Department's intent to terminate this Contract, Department may give members written notice of such intent and allow the members to disenroll immediately without cause in accordance with 42 C.F.R. § 438.722.
- iii. If Department seeks to terminate this Contract pursuant to 42 C.F.R. § 438.708, Department shall provide Contractor with a pre-termination hearing as required by 42 C.F.R. § 438.710(b) and as described in this Contract.
- iv. Department shall have the right to terminate this Contract for cause when the performance of Contractor or one of its Subcontractors has systemically or repeatedly threatened to place the health or safety of any Beneficiary in jeopardy, and Contractor knew or should have known of the issue and failed to take appropriate action immediately to correct the problem;
- v. Department shall have the right to terminate this Contract for cause when Contractor becomes subject to exclusion from participation in the Medicaid program pursuant to Section 1902(p)(2) of the Social Security Act or 42 U.S.C. 1396a(p);
- vi. Department shall have the right to terminate this Contract for cause when Contractor has systemically and fraudulently misled any Beneficiary or has systemically and fraudulently misrepresented the facts or law to any Beneficiary, and Contractor failed to take appropriate action immediately to correct the problem;
- vii. Department shall have the right to terminate this Contract for cause when gratuities of any kind with the intent to influence have been offered or received by a public official, employee or agent of the State by or from Contractor, its agents or employees;
- viii. Department shall have the right to terminate this Contract for cause if Contractor loses or fails to obtain accreditation with the selected accreditation agency.
- ix. Department shall have the right to terminate this Contract for cause if Contractor declares bankruptcy.
- x. Department shall have the right to terminate this Contract as otherwise set forth in this Contract.

d. Automatic Termination:

This Contract shall immediately and automatically terminate without further Contractor obligation to Department, except as provided below in Subsection e., if:

- i. Either of the two (2) sources of reimbursement for Medical Assistance (appropriations from the North Carolina General Assembly and appropriations from the United States Congress) no longer exists; or

- ii. The sum of all contractual obligations of Department exceeds the balance of funds available to Department for a contract year in which this Contract is effective.

Written certification from the Department that one or the other or both of the conditions described above has been met shall be conclusive and binding upon the parties. Department shall attempt to provide Contractor with ten (10) Business Days' prior notice of the possible occurrence of events described above.

In the event of immediate and automatic Contract termination, Contractor shall cooperate fully with the Department in transferring any data and information or providing such other assistance as described in this Section in an expedient manner.

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

Unless otherwise provided by law, at least sixty (60) Calendar Days before Contract expiration, and within thirty (30) Calendar Days of receipt of notice by Contractor of any Contract termination, Contractor shall provide notice of termination to Members. In all cases, Contractor's notification letter must be approved by Department before Contractor mails the notice to Members.

No less than ninety (90) Calendar days prior to the date of planned expiration or forty-five (45) Calendar days of planned termination of this Contract, Contractor shall:

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

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

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

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

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

50. **WAIVER:** The failure to enforce or the waiver by the State of any right or of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.
51. **SUBSTANCE USE DATA (42 CFR Part 2):** Contractor is fully bound by the provisions of 42 CFR Part 2 upon receipt of data from DHB that includes Patient Identifying Information (PII) regarding substance use disorder, as those terms are defined by 42 CFR 2.11. Contractor shall implement appropriate safeguards to prevent the unauthorized uses and disclosures of data protected under 42 CFR Part 2. Contractor shall report any unauthorized uses, disclosures, or breaches of data subject to this term and condition, to the Contract Administrators for DHB within three (3) business days of the unauthorized use, disclosure, or breach. This notice is in addition to any other notice requirement regarding unauthorized disclosure of PII or PHI required by the Contract. Information disclosed to Contractor is limited to that which is necessary for the Contractor to perform its duties under the Contract. Contractor shall not re-disclose information to a third party unless that third party is a contract agent of the Contractor or subcontractor, helping to provide services described in the contract and only if the subcontractor only further discloses the information back to the contractor or lawful holder from which the information originated.

## E. Confidentiality, Privacy and Security Protections

1. The requirements of this Section shall survive expiration or termination of the Contract except the requirements to protect the privacy and security of State-owned data, which shall survive so long as Contractor holds State-owned data.
2. Confidential Information
  - a. The Contractor, its agents, and its Subcontractors shall maintain the privacy, security and confidentiality of all data information, working papers, and other documents related to the performance of the Contract, including information obtained through its performance under the Contract, that meets the conditions for confidentiality under NCGS 132-1.2, is otherwise protected by law or applicable policy as confidential, or is identified by the Department as embargoed, confidential, or not for release; i.e. confidential information. Any use, sale, or offer of confidential information associated with the performance of the Contract except as contemplated under the Contract or approved in writing by the Department shall be a violation of the Contract. Any such violation will be considered a material breach of the Contract. Contractor specifically warrants that it, its officers, directors, principals, employees, any Subcontractors, and approved third-party contractors shall hold confidential information received from the Department during performance of the Contract in the strictest confidence and shall not disclose the same to any third party except as contemplated under the Contract or approved in writing by the Department.
  - b. Contractor warrants that all its employees, Subcontractors, and any approved third-party Contractors are subject to a non-disclosure and/or confidentiality agreement or provisions that is/are enforceable in North Carolina and sufficient in breadth to include and protect confidential information related to the Contract. The Contractor shall, upon request by the Department, verify and produce true copies of any such agreements/provisions. Production of such agreements by the Contractor may be made subject to applicable confidentiality, non-disclosure, or privacy laws, provided that the Contractor produces satisfactory evidence supporting exclusion of such agreements from disclosure under the North Carolina Public Records laws in N.C. Gen. Stat. § 132-1 et. Seq. The Department may, in its sole discretion, provide a non-disclosure and confidentiality agreement satisfactory to the Department for the Contractor's execution. The Department may exercise its rights under this paragraph as necessary or proper, in its discretion, to comply with applicable security regulations or statutes, including but not limited to 26 U.S.C. 6103, SSA, and IRS

Publication 1075 (Tax Information Security Guidelines for Federal, State, and Local Agencies and Entities), HIPAA, and implementing regulation in the Code of Federal Regulations and any future regulations imposed upon the Department of Information Technology Services or the North Carolina Department of Revenue pursuant to future statutory or regulatory requirements.

- c. The Department, State auditors, State Attorney General, federal officials as authorized by federal law or regulations, and State officials as authorized by State law or regulations, as well as the authorized representatives of the foregoing, shall have access to confidential information in accordance with the requirements of State and federal laws and regulations. No other person or entity shall be granted access to confidential information unless State and federal laws and regulations allow such access. The Department has the sole authority to determine if and when any other person or entity has properly obtained the right to have access to any confidential information and whether such access may be granted. Use or disclosure of confidential information shall be limited to purposes directly connected with the administration of the Contract.
  - d. The Contractor warrants that without prior written approval of the Department, the Contractor shall not incorporate confidential or proprietary information of any person or entity not a Party to the Contract into any materials furnished to the Department, nor without such approval shall the Contractor disclose to the Department or induce the Department to use any confidential or proprietary information of any person or entity not a Party to the Contract.
  - e. The foregoing confidentiality provisions do not prevent the Contractor from disclosing information that (i) at the time of disclosure by the Department is already known by the Contractor without an obligation of confidentiality other than under this Contract, (ii) is publicly known or becomes publicly known through no act of the Contractor other than an act that is authorized by the Department or applicable law, (iii) is rightfully received by Contractor from a third party and Contractor has no reason to believe that the third party's disclosure was in violation of an obligation of confidence to the Department, (iv) is independently developed by the Contractor without use of the Department's confidential information, (v) is disclosed without similar restrictions to a third party by the Department, or (vi) is required to be disclosed pursuant to a requirement of law or a governmental authority, so long as the Contractor, to the extent possible provides the Department with timely prior notice of such requirement and coordinates with the State in an effort to limit the nature and scope of such required disclosure.
3. HIPAA and HITECH
- a. The Department has declared itself to be a hybrid entity under HIPAA with the DHB being a covered health care component. As such, this Contract and related activities are subject to HIPAA and HITECH. Contractor shall comply with HIPAA and HITECH requirements and regulations, as amended, including:
    - i. Compliance with the Privacy Rule, Security Rule, and Notification Rule;
    - ii. The development of and adherence to applicable Privacy and Security Safeguards and Policies;
    - iii. Timely reporting of violations regarding the access, use, and disclosure of PHI; and
    - iv. Timely reporting of privacy and/or security incidents at the following link, accurate as of August 9, 2022: <https://www.ncdhhs.gov/about/administrative-divisions-offices/office-privacy-security>
  - b. Contractor will be performing functions on behalf of the Department that make Contractor a business associate for purposes of HIPAA regulations. Accordingly, Contractor and this Contract are subject to the terms and conditions of *Section VIII. Attachment Q.12. First Revised and Restated Business Associate Agreement*.

- c. Contractor shall cooperate and coordinate with the Department and its privacy officials and other compliance officers as mandated by HIPAA and HITECH and accompanying regulations, or as requested by the Department, during performance of the Contract so that both Parties are in compliance with HIPAA and HITECH.
  - d. In addition to federal law and regulation, Contractor shall comply with State rules and regulations regarding protected information and Department and State policies including State IT Security Policy and standards. State and Department policies may be revised from time to time, with at last thirty (30) Calendar Days' notice to Contractor and the Contractor shall comply with all such revisions following the notice period as soon as practicable upon written notification of such revision(s).
4. North Carolina Identity Theft Protection Act and Other Protections
- Certain data and information received, generated, maintained or used by Contractor may be classified as "identifying information" within the meaning of N.C. Gen. Stat. § 14-113.20(b) or "personal information" within the meaning of N.C. Gen. Stat. § 75-61(10). Contractor is subject to the North Carolina Identity Theft Protection Act requirements, N.C. Gen. Stat. §§ 132-1.10 and 75-65 and must protect such identifying information and personal information as required by law, Department and State policy, and the terms of this Contract. Contractor shall report security incidents and breaches of all protected information, whether PHI, identifying information, or personal information as required in these Confidentiality, Privacy, and Security provisions.
5. Information Technology
- a. Contractor shall comply with and adhere to all applicable federal and North Carolina laws, regulations, policies, and guidelines, including but not limited to HIPAA, CMS and State IT Security Policy and Standards; Department Privacy and Security Policies; and the most recent Information Security and Privacy guidance shared by CMS. State and Department policies may be revised periodically, with at last thirty (30) Calendar Days' notice to Contractor and Contractor shall comply with any revisions following the notice period as soon as practicable upon written notification of such revision(s). The State Security Manual is available at the following link, accurate as of August 9, 2022: [https://files.nc.gov/ncdit/documents/files/Statewide-Information\\_Security\\_Manual.pdf](https://files.nc.gov/ncdit/documents/files/Statewide-Information_Security_Manual.pdf) and the Department security manual is available at <https://www2.ncdhhs.gov/info/olm/manuals/dhs/pol-80/man/>.
  - b. Contractor's information technology systems shall meet all State and federal statutes, rules and regulations governing information technology (including but not limited to 26 U.S.C. 6103, SSA, IRS Publication 1075, and HIPAA) and the policies of the NC Department of Information Technology, including NIST 800-53, as outlined in the State's Information Security Manual which can be found at the following links, accurate as of August 9, 2022. *See e.g.*, <https://it.nc.gov/statewide-resources/policies>; [https://files.nc.gov/ncdit/documents/files/Statewide-Information\\_Security\\_Manual.pdf](https://files.nc.gov/ncdit/documents/files/Statewide-Information_Security_Manual.pdf) and <https://it.nc.gov/document/statewide-data-classification-and-handling-policy>.
  - c. Enterprise Architecture Standards: The North Carolina Statewide Technical Architecture standards are located at the following link, accurate as of August 9, 2022: <https://it.nc.gov/services/it-architecture/statewide-architecture-framework>. This provides a series of domain documents describing objectives, principles and best practices for the development, implementation and integration of business systems.
  - d. Modifications, Updates or Fixes to the Contractor's Information Technology Systems: The Contractor will adhere to the Department's Change Management and control policies and procedures for all modifications to systems that contain electronic protected health information. The Contractor shall not modify, update, or fix any IT system that shares information with (or interfaces with) the Department's Information Technology systems without the Department's

prior written approval, unless Contractor identifies the need to perform a security emergency change. The Contractor's request for approval must be communicated to the Department one hundred twenty (120) Calendar Days prior to the change, or immediately after an emergency change, and contain a detailed description of the changes proposed or taken by the Contractor. The Contractor must supplement its request with all clarifications and additional information requested by the Department. The Contractor shall not place any modification, upgrade, or fix into a production environment without first giving the Department an opportunity to test the modification, upgrade, or fix to ensure that it does not impair the operation of the Department's IT systems. The Department reserves the right to delay Contractor's system implementation if it perceives a risk to its operations.

- e. Modifications, Updates, and Fixes Requested by the Department: The Contractor shall promptly modify, upgrade, or fix any part of its Information Technology System that shares information with (or interfaces with) the Department's Information Technology Systems as requested by the Department. The Contractor shall not place any such modification, upgrade or fix into a production environment without first giving the Department an opportunity to test the modification, upgrade or fix to ensure that it does not impair the operation of the Department's Information Technology Systems. The Contractor may not unilaterally refuse to make a modification, update or fix requested by the Department. In the event the Contractor disagrees with the Department on modification, update or fix requests, the Contractor must follow the Change Management and control policies and procedures for resolution. If the Parties cannot come to agreement, the Contractor may utilize the Dispute Resolution process described in this Contract.
- f. Patch Management: As soon as practicable upon receipt of written notification of the need to do so, the Contractor will apply patches based on State requirements on or to any Information Technology Systems or platforms that share information with (or interfaces with) the Department's Information Technology Systems or which may impact the delivery of services to the Department's members, provided that the patches do not disrupt Contractor operations. The State requirements are located at the following link, accurate as of August 9, 2022: [https://files.nc.gov/ncdit/documents/files/Statewide-Information\\_Security\\_Manual.pdf](https://files.nc.gov/ncdit/documents/files/Statewide-Information_Security_Manual.pdf)  
The Contractor will coordinate patching activity with the Department to be sure any dependent patching that needs to be implemented on Department Information Technology Systems or platforms is completed in the conjunction with Contractor patching. The requirement to apply the patch may come from the Contractor, the Department, or an external organization such as <https://www.us-cert.gov/>
- g. Changes to Department Information Technology Systems: The Department anticipates changes to its Information Technology Systems. As soon as practicable upon receipt of written notification of the need to do so, the Contractor will update its Information Technology Systems to conform with any updates to the Departments' Information Technology System changes including but not limited to data exchanges and interfaces, file formats, data exchange frequencies, data exchange protocols and transports, source and target systems, and file size (i.e. number of records per file or overall file size in bytes). The Department will provide test environments to allow adequate testing time.
- h. The Department's Rejection of the Contractor's Modifications, Updates or Fixes to the Contractor's IT Systems: The Department reserves the right to reject any modification, update or fix that does not meet the Department's Information Technology standards or could impair the operation of the Department's Information Technology Systems.
- i. Cost of Modifications, Updates, Fixes, and Patches to the Contractor's IT Systems: The cost of all modifications, updates, fixes, and patches to the Contractor's Information Technology Systems



(whether proposed by the Contractor or required by the Department) shall be borne solely by the Contractor.

- j. State LAN/Wan: The Contractor shall not connect any of its own equipment to a State-owned or operated LAN/WAN without prior written approval by the Department. The Contractor shall complete all necessary paperwork as directed and coordinated by the Department's appropriate Contract Administrator to obtain the required written approval by the Department to connect Contractor-owned equipment to a State LAN/WAN.
  - k. Connectivity: The Contractor shall be responsible for providing connectivity to the Department's network and systems as required by the Department. This includes any network, connectivity, licensing, or hardware associated with complying with the State's and the Department's policy for securing data. This applies to all communication between the Contractor and the Department, and also includes the Department's current and future Contractors' networks.
  - l. Web / Internet Presence: Where necessary, any web presence that is required to complete the terms of this agreement will comply with the Department's, the State's, and federal standards including but not limited to those required for accessibility (Web Content Accessibility Guidelines (WCAG) 2.0 and the current release of web content accessibility guidelines published by the Web Accessibility Initiative and outlined in Sec. 508 of the Rehabilitation Act of 1973 as amended January 2017). The Department will make these standards available as needed.
  - m. Architecture Framework: The Contractor shall follow the North Carolina Statewide Information Architecture Framework (located at following link, accurate as of August 9, 2022: <https://it.nc.gov/services/it-architecture/statewide-architecture-framework>), and any Department derivatives of these documents. The Contractor shall provide documentation as requested by the Department to assess the security of the Contractor's facilities and systems. The security review is part of the overall readiness and noncompliance may be subject to Contract Termination for Cause.
6. Continuous Monitoring
- a. The Contractor shall adhere to the mandate for a Continuous Monitoring Process and work with the Department to implement a risk management program that continuously monitors risk through assessments, risk analysis and data inventory. The requirements are based on NIST 800-37, Continuous Monitoring Process and originates from N.C. Gen. Stat. § 143B-1376, located online at the following link, accurate as of August 9, 2022: [http://www.ncleg.net/EnactedLegislation/Statutes/HTML/ByChapter/Chapter\\_143B.html](http://www.ncleg.net/EnactedLegislation/Statutes/HTML/ByChapter/Chapter_143B.html), which requires the North Carolina State CIO to annually assess each agency and each agency's contractors' compliance with enterprise security standards.
  - b. The Contractor shall assist the Department with risk assessment and security assessment of the Contractor's critical systems and infrastructure.
    - i. The Contractor shall perform the required assessments, either through a third-party or a self-assessment, on a three-year cycle (with a third-party assessment mandated every third year).
    - ii. All findings identified in the assessment shall be provided, through DHB to the North Carolina Department of Information Technology within thirty (30) Calendar Days of assessment completion and a plan to remediate each finding.
    - iii. The Contractor shall provide a risk assessment for its cloud-hosted providers or off-site hosting service providers. Contractor shall provide all findings identified in these risk assessments to the Department and NC DIT within thirty (30) Calendar Days of assessment completion, also including a corrective action plan documenting how each finding will be remediated.
  - c. Assessment of agency cloud-hosted providers or off-site hosting services.

- i. The Contractor will provide attestation to their compliance and an industry recognized, third party assessment report performed annually. Types of these reports include: Federal Risk and Authorization Management Program (FedRAMP) certification, SOC 2 Type II, SSAE 18 or ISO 27001.
- ii. Departments and their divisions/offices are required to review these reports, assess the risk of each Contractor, and provide annual certification of their compliance to the State CIO.
- iii. Contractor shall cooperate with the Department in completing a data inventory of all public cloud hosted services as required and performed through completion of a Privacy Threshold Analysis (PTA) documenting the data classification and data fields hosted within the cloud, offsite or vendor hosted environment. The PTA shall be reviewed and updated annually by the Parties and when changes have been made to the data being collected. The Department's PTA form is available at the following link, accurate as of August 9, 2022: <https://ncconnect.sharepoint.com/sites/ESRMO-PTA/Lists/PTATracker/NewForm.aspx>

7. Secure Integration Services

- a. The Contractor's systems shall be able to transmit, receive and process data in HIPAA-compliant or Department-specific formats and methods, including but not limited to Secure File Transfer Protocol (SFTP) over encrypted connections such as a SSL (Secure Sockets Layer) or SSH (Secure Shell).
- b. As soon as practicable upon receipt of written notification of the need to do so, the Contractor shall work with the Department and Department vendors to implement data exchanges that comply with the Department, State's security policies, as defined by the North Carolina Department of Information Technology. The State's preferred method of exchanging data with other applications in the Medicaid Enterprise System (MES) is through synchronous real-time web services and/or asynchronous queue-based messaging, when ready.
- c. The Contractor shall have the ability to exchange files through secure protocols with other systems.

8. Service Organization Control (SOC) reports

All SOC 1 and SOC 2 Type II reports, and associated SOC 2 corrective action plans, must be submitted annually to the DHHS Privacy and Security Office in a format to be specified by the State. The Department will accept ISO 27001 certification for security controls in lieu of a SOC 2 Type II report. Reports must be submitted within thirty (30) days of completion unless another timeframe is approved by the Department.

9. Security

a. State of NC Security Standards and DHHS Privacy and Security Standards

- i. Contractor shall comply with all security standards including those published in the State of North Carolina Statewide Information Security Manual, the Department PSO Standards, and any federal regulations and requirements (found at the following link, accurate as of July 1, 2022: <https://www2.ncdhhs.gov/info/olm/manuals/dhs/pol-80/man/>). The State of North Carolina Statewide Information Security Manual is available at the following URL, accurate as of August 9, 2022: <https://it.nc.gov/statewide-information-security-policies>. The Department will work with the Contractor to validate compliance with the PSO standards.
- ii. The Contractor's systems and processes shall comply with all current and future federal, State, and Department requirements for privacy and security and data exchange within one hundred twenty (120) Calendar Days of the implementation of that standard.

b. Physical Security

- i. Each person who is an employee or agent of Contractor or Subcontractor must always display an appropriate State badge and his or her company ID badge while on State

premises. Upon request of Department personnel, each such employee or agent must also provide additional photo identification.

- ii. At all times at any State facility, Contractor's personnel shall cooperate with State site requirements, including being prepared to be escorted, providing information for badging, and wearing the badge in a visible location.

- c. State of NC Data Classification and Handling

The State of North Carolina Data Classifications as published in the North Carolina Department of Information Technology Data Classification and Handling Policy guide and the related handling procedures will apply to all data held in Contractor's IT systems on behalf of the Department, and in the execution of this Contract. The guide is available at the following URL, accurate as of August 9, 2022: <https://files.nc.gov/ncdit/documents/files/Statewide-Data-Class-Handling.pdf>

10. Privacy and Security Incidents and Breaches

- a. Contractor shall cooperate with the Department regarding any privacy and security incident or breach.
- b. Contractor shall report significant privacy and security incidents (whether confirmed or suspected) and any breaches to the Department's PSO Incident Website at the following link, accurate as of August 9, 2022: <https://www.ncdhhs.gov/about/administrative-divisions-offices/office-privacy-security> within twenty-four (24) hours after the incident is first discovered. If a Social Security number has been compromised, the incident must be reported to the Department's PSO within sixty (60) minutes after the incident is discovered.
- c. Contractor, in coordination with the Department PSO, shall also report any breaches of personal information to the North Carolina Department of Justice Consumer Protection Division as well as to the three major consumer reporting agencies. NCDOJ information is available here: <https://ncdoj.gov/protecting-consumers/protecting-your-identity/protect-your-business-from-id-theft/security-breach-information/>
- d. If any applicable federal, State, or local law, regulation or rule requires the Department or the Contractor to give persons written notice of a privacy and/or security breach arising out of the Contractor's performance under this Contract, the Contractor shall bear the cost of the notice and any other costs related to or resulting from the breach.
- e. Contractor shall notify the Department's PSO and the appropriate Contract Administrator of any contact by the federal Office for Civil Rights (OCR) received by the Contractor. This term survives termination or expiration of the Contract, as it relates to contact by OCR related to this Contract.

## F. Public Records and Trade Secrets Protections

1. Pursuant to N.C. Gen. Stat. § 132-1, et seq., this Contract and information or documents provided to the Department under the Contract are Public Record and subject to inspection, copy and release to the public unless exempt from disclosure by statute. Any proprietary or confidential information which conforms to exclusions from public records as provided by Chapter 132 of the General Statutes must be clearly marked as such with each page containing the trade secret or confidential information identified with bold face as "**CONFIDENTIAL.**" Any material labeled as confidential constitutes a representation by the Contractor that it has made a reasonable effort in good faith to determine that such material is, in fact, a trade secret under N.C. Gen. Stat. § 66-152(3). Under no circumstances shall price information be designated as confidential. Contractor is urged and cautioned to limit the marking of information as trade secret or confidential so far as is possible.
2. Regardless of what Contractor may label as a trade secret, the determination of whether it is or is not entitled to protection will be made in accordance with N.C. Gen. Stat. § 132-1.2 and N.C. Gen. Stat. § 66-152(3). If any challenge, legal or otherwise, is made related to the confidential nature of

information redacted by the Contractor, the Department will provide reasonable notice of such action to Contractor, and Contractor shall be responsible for the cost and defense of, or objection to, release of any material. The Department is not obligated to defend any challenges as to the confidential nature of information identified by the Contractor as being trade secret, proprietary, and otherwise confidential. The Department shall have no liability to Contractor with the respect to disclosure of Contractor's confidential information ordered by a court of competent authority pursuant to N.C. Gen. Stat. § 132-9 or other applicable law.

3. A redacted copy of this Contract and any subsequent amendments, documents, or materials relating to or provided as part of this Contract, shall be provided to the Department within thirty (30) days of execution. Redacted copies must clearly indicate where information has been redacted. For the purposes of this Contract, redaction means to edit the document by obscuring information that is considered confidential and proprietary **and** meets the definition of Confidential Information set forth in N.C. Gen. Stat. § 132-1.2. In lieu of redacting information by obscuring, Contractor may replace the information, paragraphs or pages with the word "Redacted." By submitting a redacted copy, the Contractor warrants that it has formed a good faith opinion, having received such necessary or proper review by counsel and other knowledgeable advisors, that the portions marked Confidential and/or Redacted meet the requirements of Chapter 132 of the General Statutes. Redacted copies provided by Contractor to the Department may be released in response to public record requests without notification to the Contractor. Information submitted by Contractor that is not marked "Confidential" or "Trade Secret" will become a public record.

## G. Dispute Resolution for Contract Compliance

1. Disputes that arise out of this Contract shall be promptly investigated by the Department's Contract Administrator. If either Party identifies a dispute or potential problem with contract compliance, the Department's Contract Administrator shall first obtain all information regarding the issue from the BH I/DD Tailored Plan Contract Administrator and/or relevant Department staff, review all the facts in conjunction with the requirements and terms and conditions of this Contract and confer with Department leadership, if necessary, to determine the appropriate course of action.
2. If BH I/DD Tailored Plan alleges the dispute or potential problem is the fault of the Department or any of its Divisions, agents, employees or subcontractors, the Department Contract Administrator shall investigate the BH I/DD Tailored Plan's allegations, take immediate steps to cure the problem if substantiated by the Department and shall notify the BH I/DD Tailored Plan Contract Administrator in writing of its investigative findings and the timeline for resolution, if any, within five (5) Business Days of such determination.
3. If the Department alleges the dispute or potential problem, including but not limited to contested over or under payments, recoupments, penalties or adjustments pursuant to this Contract, is the fault of BH I/DD Tailored Plan or its agents, employees or subcontractors, the BH I/DD Tailored Plan Contract Administrator shall investigate the Department's allegations, take immediate steps to cure the problem if substantiated by BH I/DD Tailored Plan and shall notify the Department Contract Administrator in writing of its investigative findings and the timeline for resolution, if any, within five (5) Business Days of such determination.
4. If the dispute is not resolved pursuant to *Section III. G.2,3* and is the result of a conflict or lack of clarity within this Contract, the Parties will negotiate in good faith an Amendment to this Contract to resolve the dispute.
5. If the unresolved dispute appears to impact more than one BH I/DD Tailored Plan operating under the 1915(b)/(c) Waiver, the Department Contract Administrator shall notify Department leadership, who will develop a plan of action with multiple BH I/DD Tailored Plans for resolving the dispute. The goal of

the resolution process shall be to resolve all problems before they escalate to the next level. The Department and BH I/DD Tailored Plan Contract Administrators shall schedule telephone or face to face meetings as necessary in order to achieve resolution without conflict where possible.

6. If BH I/DD Tailored Plan or Department is not satisfied with the results of the above-described resolution process decision, BH I/DD Tailored Plan or Department may invoke any legal or administrative remedy available to it under State and Federal law. Pending appeal, both parties shall proceed diligently with the performance of this Contract, unless a court of competent jurisdiction issues a stay.

## IV. First Revised and Restated Minimum Qualifications

The Department has defined Minimum Qualifications that the Applicant is required to meet to be considered and have its response evaluated as defined in *Section II.G. Evaluation Process and Contract Award. Section IV. Table 1: Minimum Qualifications* below defines the Department’s Minimum Qualifications. The Applicant must complete *Section VIII. Second Revised and Restated Attachment Q.2. First Revised and Restated Minimum Qualifications Response* and provide the appropriate details to support each requirement as part of *Section VIII. Second Revised and Restated Attachment Q. Application Response* and Completed Attachments.

Section IV. First Revised and Restated Table 1: Minimum Qualifications	
Qualification	
1.	The Applicant is a local political subdivision of the State and operates as an LME/MCO, as that term is defined in N.C. Gen. Stat. § 122C-3(20c), at the time of application. The Applicant is applying only for the Region in which it was operating as an LME/MCO as of the issue date of this RFA; the Applicant acknowledges that there may be an opportunity to respond to Supplemental Evaluation Questions to be considered to fill an Empty Region.
2.	The Applicant agrees to all of the terms and conditions, including confidentiality, privacy and security protections and public records and trade secrets protections, specified herein.
3.	The Applicant agrees to comply with the Conflict of Interest requirements within this RFA, as outlined in <i>Section III.D.15. Disclosure of Conflicts of Interests and Section V.A.1.ix.(xiii) Conflict of Interest</i> .
4.	The Applicant agrees to comply with the Performance Bond requirements within this RFA, as outlined in <i>Section III.C.37 Performance Bond</i> .
5.	The Applicant certifies the Applicant is not located outside of the United States in accordance with 42 C.F.R. § 438.602(i).

## V. Scope of Services

## VI. Contract Performance for Medicaid and State-funded Services

## VII. RFA Attachments

The following Attachments to the Contract are incorporated herein by reference and shall be completed and signed as required under the Contract.

1. Second Revised and Restated Attachment A. BH I/DD Tailored Plan Organization Roles and Positions
2. First Revised and Restated Attachment B. Summary of Medicaid and NC Health Choice Covered Services and Clinical Coverage Policies
3. First Revised and Restated Attachment C. Approved Behavioral Health In Lieu of Services
4. First Revised and Restated Attachment D. Anticipated Contract Implementation Schedule
5. First Revised and Restated Attachment E. Required BH I/DD Tailored Plan Quality Metrics
6. First Revised and Restated Attachment F. BH I/DD Tailored Plan Network Adequacy Standards
7. Second Revised and Restated Attachment G. Required Standard Provisions for BH I/DD Tailored Plan and Provider Contracts
8. Second Revised and Restated Attachment H. Addendum for Indian Health Care Providers (IHCPs)
9. Second Revised and Restated Attachment I. Provider Appeals for Medicaid, NC Health Choice, and State-funded Services Providers
10. First Revised and Restated Attachment J. Reporting Requirements for Medicaid and State-funded Services
11. First Revised and Restated Attachment K. Risk Level Matrix
12. First Revised and Restated Attachment L. Managed Care Terminology Provided to the BH I/DD Tailored Plan for Use with Members Pursuant to 42 C.F.R. § 438.10
13. Attachment M. Policies
  - First Revised and Restated Attachment M. 1. North Carolina Medicaid Managed Care Enrollment Policy
  - First Revised and Restated Attachment M. 2. Advanced Medical Home Program Policy for Medicaid and NC Health Choice Members
  - First Revised and Restated Attachment M. 3. AMH+ Practice and CMA Certification Policy
  - Attachment M. 4. Pregnancy Management Program Policy for Medicaid and NC Health Choice Members
  - Attachment M. 5. Care Management for High-Risk Pregnancy Policy for Medicaid and NC Health Choice Members
  - First Revised and Restated Attachment M. 6. Reserved
  - First Revised and Restated Attachment M. 7. Uniform Credentialing and Re-credentialing Policy
  - First Revised and Restated Attachment M. 8. Management of Inborn Errors of Metabolism Policy for Medicaid and NC Health Choice Members

- Attachment M. 9. Behavioral Health Service Classifications for Appointment Wait Time and Routine, Urgent and Emergent Care Standards for Medicaid and NC Health Choice Members and State-funded Recipients
  - First Revised and Restated Attachment M. 10. Reserved
  - First Revised and Restated Attachment M. 11. Tribal Payment Policy
  - Attachment M. 12. Healthy Opportunities Screening Questions
14. First Revised and Restated Attachment N. Division of State Operated Healthcare Facilities Policy for Medicaid Members and State-Funded Recipients
  15. First Revised and Restated Attachment O. Reserved.
  16. First Revised and Restated Attachment P. Performance Metrics, Service Level Agreements and Liquidated Damages
  17. Attachment R. Subcontractor Identification Form
  18. Attachment S: National Correct Coding Initiative Confidentiality Agreement
  19. Attachment T: BH I/DD Tailored Plan Catchment Areas

## VIII. Second Revised and Restated Attachment Q. Application Response and Completed Attachments

Second Revised and Restated Attachment Q. is located in a separate document titled ***RFA 30-2020-052-DHB Section VIII. Second Revised and Restated Attachment Q. Application Response and Completed Attachments***. This includes the following sub attachments that are part of the Application Response and Completed Attachments.

Section VIII. 1. Instructions

Section VIII. 2. First Revised and Restated Minimum Qualifications Response

Section VIII. 3. First Revised and Restated Applicant's Response to Evaluation Questions

Section VIII. 4. Use Care Scenarios

Section VIII. 5. BH I/DD Tailored Plan Key Personnel

Section VIII. 6. Contractor's Contract Administrators

Section VIII. 7. Certification of Financial Condition

Section VIII. 8. Disclosure of Litigation and Criminal Conviction

Section VIII. 9. Disclosure of Conflicts of Interest

Section VIII. 10. Disclosure of Ownership Interest

Section VIII. 11. Subcontractor Identification

Section VIII. 12. First Revised and Restated Business Associate Agreement

Section VIII. 13. Reserved.

Section VIII. 14. First Revised and Restated State Certifications

Section VIII. 15. First Revised and Restated Federal Certifications

Section VIII. 16. Request for Proposed Modifications to the Terms and Conditions

## IX. Medicaid Tailored Plan Rate Book

The Medicaid Tailored Plan Rate Book shall be incorporated into this Contract in a future amendment and applies to the services provided under this Contract.

The Medicaid PIHP Rate Book, which applies to the services provided under Contract #30-2020-052-DHB, is located at **Contract #30-2022-007-DHB, Section VII. Medicaid PIHP Rate Book.**