

STATE OF MARYLAND
Request for Proposals
Behavioral Health and EAP Benefit Administration Services
Solicitation No. F10B0400011



DEPARTMENT OF
BUDGET & MANAGEMENT

Employee Benefits Division
Issue Date: April 29, 2010

NOTICE

Prospective Offerors who have received this document from the Department of Budget and Management's web site or eMarylandMarketplace.com, or who have received this document from a source other than the Procurement Officer, and who wish to assure receipt of any changes or additional materials related to this RFP, should immediately contact the Procurement Officer and provide their company name, contact name, email address, mailing address, and telephone number so that amendments to the RFP or other communications can be sent directly to them via email.

Minority Business Enterprises are encouraged to respond to this solicitation.

**STATE OF MARYLAND
NOTICE TO OFFERORS/CONTRACTORS**

In order to help us improve the quality of State proposal solicitations, and to make our procurement process more responsive and business friendly, we ask that you take a few minutes and provide comments and suggestions regarding the enclosed solicitation. Please return your comments with your proposals. If you have chosen not to bid on this Contract, please fax this completed form to: 410-974-3274 to the attention of Andrea Lockett.

Title: Behavioral Health and EAP Services

Solicitation No: F10B0400011

1. If you have responded with a "no bid", please indicate the reason(s) below:

- Other commitments preclude our participation at this time.
- The subject of the solicitation is not something we ordinarily provide.
- We are inexperienced in the work/commodities required.
- Specifications are unclear, too restrictive, etc. (Explain in REMARKS section.)
- The scope of work is beyond our present capacity.
- Doing business with Maryland Government is simply too complicated. (Explain in REMARKS section.)
- We cannot be competitive. (Explain in REMARKS section.)
- Time allotted for completion of the bid/proposals is insufficient.
- Start-up time is insufficient.
- Bonding/Insurance requirements are restrictive. (Explain in REMARKS section.)
- Bid/Proposals requirements (other than specifications) are unreasonable or too risky. (Explain in REMARKS section.)
- MBE requirements. (Explain in REMARKS section.)
- Prior State of Maryland Contract experience was unprofitable or otherwise unsatisfactory. (Explain in REMARKS section.)
- Payment schedule too slow.
- Other: _____

2. If you have submitted a bid or proposal, but wish to offer suggestions or express concerns, please use the Remarks section below. (Use reverse or attach additional pages as needed.)

REMARKS:

OPTIONAL:

Offeror Name: _____ Date: _____

Contact Person: _____ Phone: _____

Address or Email: _____

KEY INFORMATION SUMMARY SHEET
STATE OF MARYLAND
Request For Proposals
BEHAVIORAL HEALTH AND EAP BENEFIT ADMINISTRATION SERVICES
SOLICITATION NUMBER F10B0400011

RFP Issue Date: April 29, 2010

RFP Issuing Office: Department of Budget and Management
Employee Benefits Division (EBD)

Procurement Officer: Ms. Andrea R. Lockett
Office Phone: (410) 260-7374
Fax: (410) 974-3274
email: alockett@dbm.state.md.us

Proposals are to be sent to: Department of Budget and Management
Division of Procurement Policy and Administration
45 Calvert Street, Room 141
Annapolis, MD 21401
Attention: Andrea R. Lockett

Pre-Proposal Conference: May 19, 2010 at 10:00 A.M. (Local Time)
Maryland Department of Transportation Headquarters
7201 Corporate Center Drive
Harry Hughes Conference Room, Suite 2
Hanover, MD 21076

Closing Date and Time: Wednesday, June 30, 2010 at 2:00PM (Local Time)

NOTE

Prospective Offerors who have received this document from the Department of Budget and Management's web site or eMarylandMarketplace.com, or who have received this document from a source other than the Procurement Officer, and who wish to assure receipt of any changes or additional materials related to this RFP, should immediately contact the Procurement Officer and provide their company name, contact name, email address, mailing address, and telephone number so that amendments to the RFP or other communications can be sent directly to them via email.

Minority Business Enterprises are encouraged to respond to this solicitation.

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External Data Files

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Attachment I: EFT Registration Request Form (Word.doc)
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Attachment N: Confidential Documents..... (Excel.xls)
Attachment O: EAP Supervisory Referall Form (Word.doc)
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SECTION 1 - GENERAL INFORMATION

1.1 Summary Statement

The Department of Budget and Management is issuing this Request for Proposals (RFP) for Behavioral Health Benefit Administration Services for Maryland State Employees. The State of Maryland (the State) is seeking a third party administrator to provide administrative services for Behavioral Health (BH) and Employee Assistance Program (EAP) benefits. Behavioral Health benefits are provided for State members and their dependents that participate in a Preferred Provider Organization (PPO) or a Point of Service (POS) medical plan; the Behavioral Health benefits are self-funded by the State. EAP benefits are provided for active State employees, irrespective of the employee's participation in a State medical plan.

Please note that Gabriel, Roeder, Smith and Company, as the State's benefits consultant, is assisting the State in this procurement.

1.2 Abbreviations and Definitions

- A. For purposes of this RFP, the following abbreviations or terms have the meanings indicated below:
- a. **Behavioral Health or BH** means Behavioral Health benefit services provided in a group health plan(s) including mental health benefits and substance abuse treatment benefits.
 - b. **Breach** has the meaning provided in §13400 of the HI-TECH Act and 45 CFR §164.402 and shall include the unauthorized acquisition, access, use or disclosure of PHI that compromises the security or privacy of such information.
 - c. **COBRA** means Consolidated Omnibus Budget Reconciliation Act, which amended the Public Health Service Act, ERISA and the Internal Revenue Code to require the offering of continuation coverage under a group health plan to certain qualified beneficiaries.
 - d. **COMAR** means Code of Maryland Regulations; the on-line version of COMAR may be found here: <http://www.dsd.state.md.us/comar/comar.aspx>.
 - e. **Contract** means the Contract between the State and the Contractor for the provision of services solicited by this RFP; the form contract for this procurement is provided as **Attachment A: Contract**.
 - f. **Contractor** means the successful Offeror awarded a Contract pursuant to this procurement.
 - g. **DBM** means the Department of Budget and Management, referred to as the Department.
 - h. **Dependent** means a spouse, same sex domestic partner, and certain dependent child(ren) who are eligible for coverage at the election of a member, as provided by COMAR 17.04.13.03.A.
 - i. **Direct Pay Enrollee** means an individual who is billed directly by the Department of Budget and Management for selected benefits, including COBRA members, employees on a leave of absence, contractual employees and certain part-time employees who are not eligible for payroll deductions to pay for coverage.
 - j. **EAP** means Employee Assistance Program.
 - k. **EBD** means Employee Benefits Division.

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- l. **EDI** means Electronic Data Interface.
- m. **Electronic health record** has the meaning provided in §13400 of the HI-TECH Act, and includes an electronic record of health-related information on an individual that is created, gathered, managed, and consulted by authorized health care clinicians and staff.
- n. **FMLA** means Family Medical Leave Act.
- o. **HIPAA** means the Health Insurance Portability and Accountability Act of 1996, as amended from time to time.
- p. **HI-TECH Act** means Subtitle D of the Health Information Technology for Economic and Clinical Health Act, which is Title XIII of Division A and Title IV of Division B of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5.
- q. **IBNR** means incurred but not reported and refers to certain claims.
- r. **Immature Basis** means component fees have not yet reached the levels they will reach once the Plan is operating on a mature basis.
- s. **Leave of Absence** means the period of time a permanent employee has elected non-paid leave of absence from State of Maryland employment. During this time, the employee is not eligible for State subsidy of benefits (unless the leave is authorized FMLA leave), but is eligible to continue participation in certain benefits provided by the State of Maryland while on a leave of absence.
- t. **Local Time** means Eastern Time as observed in the State of Maryland.
- u. **Mature Basis** means component fees are representative of the Plan once the Plan has been operational for a year or more.
- v. **MBE** means a Minority Business Enterprise that is certified as such by the Maryland Department of Transportation.
- w. **MCMRA** means the Maryland Confidentiality of Medical Records Act, codified at Md. Ann. Code, Health-General §§4-301 et seq.
- x. **Member** means an employee, former employee or retiree (including Satellite and Direct Pay) who is enrolled in the State of Maryland Employee and Retiree Health and Welfare Benefits Program pursuant to COMAR 17.04.13.03A; the term does not include the member's dependents.
- y. **Offeror** means a Contractor who responds to the RFP by submitting a proposal to provide the requested services.
- z. **Participant** means all eligible individuals (including Members and Dependents) who are enrolled in or receiving services through the plan.
- aa. **Plan Year** means the 12-month period beginning July 1 and ending June 30 of the next calendar year.
- bb. **Privacy Rule**, when capitalized, means the Standards for Privacy and Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A and E, as amended by operation of the HI-TECH Act and from time to time.

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- cc. **Program**, when capitalized, means the State Employee and Retiree Health and Welfare Benefits Program, established and administered pursuant to Md. Ann. Code, State Personnel and Pensions, §§2-501 et seq., and regulations promulgated pursuant thereto.
 - dd. **RFP** means this Request for Proposals for Behavioral Health and EAP Benefits Administration Services.
 - ee. **Satellite Account Employee** means an employee of a political subdivision, agency, commission, or organization that is permitted by Maryland law to participate in the State of Maryland Employee and Retiree Health and Welfare Benefits Program.
 - ff. **Security Rule**, when capitalized, means the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 160 and Part 164, Subparts A and B.
 - gg. **State** means the State of Maryland.
 - hh. **Subcontractor** means an organization or entity that the Offeror plans to utilize for the purposes of services covered under this Contract.
 - ii. **TTY/TDD** means a telephone device used by hearing impaired individuals whereby they communicate via telephone connected to a keyboard and screen.
 - jj. **Unsecured protected health information** or **unsecured PHI** means PHI that is not secured through the use of a technology or methodology specified by the Secretary of DHHS in guidance or as otherwise defined in the §13402(h) of the HI-TECH Act and 45 CFR §164.402.
- B. Terms, phrases, and words in this Agreement which are defined in HIPAA, the Privacy Rule, or the Security Rule shall have the meaning provided in HIPAA, the HI-TECH Act, the Privacy Rule, or the Security Rule.

1.3 Scope

The State is soliciting proposals for one Contractor to provide TPA administration services for Behavioral Health benefit in the State's self-funded group health plan and Employee Assistance Program (EAP) benefits to all eligible participants as described in the RFP. The State's Contract with the current Contractor performing these services expires on June 30, 2011. The Offeror who is awarded the Contract pursuant to this RFP will be required to provide administration services with an effective date of coverage beginning July 1, 2011, and begin the necessary implementation services in the first quarter of calendar year 2011.

1.4 Contract Type

The Contract that results from this RFP shall be a fixed unit price Contract for administration services provided by the Contractor plus reimbursement of claims cost for behavioral health claims. (See COMAR 21.06.03.)

1.5 Contract Duration

The Contract resulting from this RFP shall cover three (3) plan years and run-out services for 15 months after the expiration of the last plan year and shall begin upon award of the Contract and

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cover implementation prior to the first plan year. The term of the Contract shall include three (3) plan years, which are anticipated to begin July 1, 2011. In addition, the Contractor shall be subject to audit after the last plan year.

1.6 Procurement Officer

The sole point of contact at the State for purposes of this RFP, prior to the award of any Contract, is the Procurement Officer at the address listed below:

Andrea R. Lockett
Department of Budget and Management
Division of Procurement Policy and Administration
45 Calvert Street, Room 141
Annapolis, Maryland 21401
Telephone #: (410) 260-7374
Fax #: (410) 974-3274
E-mail: alockett@dbm.state.md.us

DBM may change the Procurement Officer at any time by written notice to the Contractor.

1.7 Contract Manager

The Contract Manager is:

Anne Timmons
Employee Benefits Division
301 West Preston Street, Room 510
Baltimore, Maryland 21201
Telephone: 410-767-4710
Fax: 410-333-7122
E-mail: atimmons@dbm.state.md.us

DBM may change the Contract Manager at any time by written notice to the Contractor.

1.8 Pre-Proposal Conference

A Pre-Proposal Conference will be held on **Wednesday, May 19, 2010** beginning at **10:00AM** at the **Maryland Department of Transportation Headquarters, 7021 Corporate Center Drive, Harry Hughes Conference Room, Suite 2, Hanover, MD 21076**. Attendance at the Pre-Proposal Conference is not mandatory, but all interested Offerors are encouraged to attend in order to facilitate better preparation of their proposals and of the RFP requirements.

As promptly as is feasible subsequent to the Conference, a summary of the Pre-Proposal Conference and all questions and answers known at that time will be distributed, free of charge, to all prospective Offerors known to have received a copy of this RFP.

In order to assure adequate seating and other accommodations at the Pre-Proposal Conference, please submit the Pre-Proposal Conference Response Form to the attention of Andrea R. Lockett, preferably via e-mail at alockett@dbm.state.md.us, or via facsimile at (410) 260-7374

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with such notice no later than 4:00 PM Local Time on May 17, 2010. The Pre-Proposal Conference Response Form is included as **Attachment Q**. In addition, if there is a need for sign language interpretation and/or other special accommodations due to a disability, please contact the Procurement Officer no later than May 11, 2010.

1.9 Proposals Due (Closing) Date

An unbound original and seven (7) bound copies of each proposal (technical and financial) shall be received by the Procurement Officer, at the address listed in Section 1.6, no later than 2:00 PM (Local Time) on June 30, 2010 in order to be considered. Four electronic versions (CD) of the Technical Proposal in MS Word or Excel format shall be enclosed with the original Technical Proposal. Four electronic versions (CD) of the Financial Proposal in Excel format shall be enclosed with the original Financial Proposal. Ensure that the CDs are labeled with the RFP title, RFP project number and Offeror name and packaged with the original copy of the appropriate proposal (technical or financial).

Requests for extension of this date or time will not be granted. Offerors mailing proposals should allow sufficient mail delivery time to ensure timely receipt by the Procurement Officer. Except as provided in COMAR 21.05.02.10, proposals received by the Procurement Officer after the due date, June 30, 2010 at 2:00 PM (Local Time) will not be considered.

Proposals may not be submitted by e-mail or facsimile.

1.10 Questions

Written questions from prospective Offerors will be accepted by the Procurement Officer prior to the Pre-Proposal conference. As reasonably possible and appropriate, such questions will be answered at the Pre-Proposal conference (no substantive question will be answered prior to the Pre-Proposal conference). Questions may be submitted by mail, facsimile, or preferably, by e-mail to the Procurement Officer. Questions, both oral and written, will also be accepted from prospective Offerors attending the Pre-Proposal Conference. As reasonably possible and appropriate, these questions will be answered at the Pre-Proposal Conference, or shortly thereafter.

Questions will also be accepted subsequent to the Pre-Proposal Conference and should be submitted in a timely manner prior to the proposal due date to the Procurement Officer. The Procurement Officer, based on the availability of time to research and communicate an answer, shall decide whether an answer can be given before the proposal due date. Time permitting, answers to all substantive questions that have not previously been answered, and are not clearly specific only to the requestor, will be distributed to all Offerors who are known to have received a copy of the RFP.

1.11 Minority Business Enterprises Notification

MBE Contractors are encouraged to obtain certification from the Office of Minority Business Enterprise. All questions related to certification should be directed to the Office of Minority Business Enterprise.

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Maryland Department of Transportation (MDOT)
Office of Minority Business Enterprise
7201 Corporate Center Drive
Hanover, Maryland 21076
(410) 865-1269 or 1-800-544-6056
TTY (410) 865-1342
<http://www.marylandtransportation.com>

If the Offeror is a certified minority Contractor, it should be so indicated with the certification number in the Technical Proposal.

1.12 Minority Business Enterprises

A Minority Business Enterprise (MBE) Subcontractor participation goal has been set for the contract to be awarded pursuant to this RFP. The MBE Subcontractor participation goal is 10% of all the administrative fees paid to the Contractor. **Credit will only be given to the Contractor for MBE participation that is directly attributable (i.e. directly related) to the services provided under the State Contract.**

Subcontracting opportunities are limited to administrative services only. Services for treatment or provision of care will not be considered.

Areas which appear to have potential for subcontracting include: marketing and outreach, communications (development and printing), EAP coordination/referral processing, consulting services, account or customer services activities related to the State contract, or support for reporting and data management services required under this Contract. Other options for successful MBE subcontracting participation on the State Contract may be available depending on the Offeror's business model or approach to providing the services that are required under this Contract.

If an Offeror is proposing to subcontract case management services, the Offeror must document and establish how these case management services are considered administrative services (see **Attachment K-4**; Table 1; #1(i) Care Management) as opposed to treatment services (i.e. billed as part of the claims for treatment).

For any questions about the MBE Subcontractor participation goal, proper completion of MBE Affidavits, or the MBE program in general, please contact the Procurement Officer prior to the Proposal Due (closing) Date. Questions or concerns regarding the MBE requirements of this solicitation must be raised before the opening of initial proposals.

The Contractor shall structure its award(s) of subcontracts under the Contract in a good faith effort to achieve the goal in such subcontract awards by businesses certified by the State of Maryland as minority owned and controlled. MBE requirements are specified in **Attachment D: Minority Business Enterprise Participation. Read Attachment D carefully.** Subcontractors used to meet the MBE goal of this RFP must be identified in the Offeror's proposal.

Attachment D-1: Certified MBE Utilization and Fair Solicitation Affidavit must be properly completed and submitted with each Offeror's proposal. Completion means that every MBE has been identified and the requested information provided. An Offeror that does not commit to

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meeting the entire MBE participation goal outlined in this Section 1.12 must submit a request for waiver with its proposal submission based upon making a good faith effort to meet the MBE goal prior to submission of their proposal (full or partial waiver based on the MBE subcontracting commitment that is made). **Failure of an Offeror to properly complete, sign, and submit Attachment D-1 at the time it submits Technical Response(s) to the RFP will result in the State's rejection of the Offeror's Proposal to the RFP. This failure is not curable.**

A current directory of MBEs is available through the Maryland State Department of Transportation, Office of Minority Business Enterprise, 7201 Corporate Center Drive, P.O. Box 548, Hanover, Maryland 21076. The phone number is (410) 865-1269. The directory is also available at <http://www.e-mdot.com/>. Select the MBE Program label. The most current and up-to-date information on MBEs is available via the web site.

1.13 Multiple or Alternate Proposals

Neither multiple nor alternate proposals will be accepted.

1.14 Cancellations, Acceptance, Minor Irregularities and Discussions

The State reserves the right to cancel this RFP, accept or reject any and all proposals, in whole or in part, received in response to this RFP, to waive or permit cure of minor irregularities, and to conduct discussions with all qualified or potentially qualified Offerors in any manner necessary to serve the best interests of the State. The State also reserves the right, in its sole discretion, to award a Contract based upon the written proposals received without prior discussions or negotiations.

1.15 Duration of Offer

Proposals submitted in response to this RFP are irrevocable for 180 days following the closing date of proposals or of Best and Final Offers (BAFOs), if requested. This period may be extended at the Procurement Officer's request only with the Offeror's written agreement.

1.16 Revisions to the RFP

If it becomes necessary to revise this RFP before the due date for proposals, amendments will be posted on the DBM website and eMaryland Marketplace. In addition, amendments will be provided to all prospective Offerors who were sent this RFP or otherwise are known by the Procurement Officer to have obtained this RFP. Amendments made after the due date for proposals will be sent only to those Offerors who submitted a timely proposal.

Acknowledgment of the receipt of all amendments to this RFP issued before the proposal due date must accompany the Offeror's proposal in the Transmittal Letter accompanying the Technical Proposal submittal. Acknowledgement of the receipt of amendments to the RFP issued after the proposal due date shall be in the manner specified in the amendment notice. Failure to acknowledge receipt of amendments does not relieve the Offeror from complying with all terms of any such amendment.

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1.17 Oral Presentation

Offerors may be required to make oral presentations to State representatives in an effort to clarify information contained in their proposals. Significant representations made by an Offeror during the oral presentation shall be submitted in writing. All such representations will become part of the Offeror's proposal and are binding if the Contract is awarded. The Procurement Officer will notify Offerors of the time and place of oral presentations.

1.18 Public Information Act Notice

An Offeror shall give specific attention to the clear identification of those portions of its proposal that it considers confidential, proprietary commercial information or trade secrets, and provide justification why such materials, upon request, should not be disclosed by the State under the Public Information Act, Title 10, Subtitle 6, Part III of the State Government Article of the Annotated Code of Maryland.

Offerors are advised that, upon request for this information from a third party, the Procurement Officer is required to make an independent determination whether the information can be disclosed (see COMAR 21.05.08.01). **Information which is claimed to be confidential is to be identified *after* the Title Page and *before* the Table of Contents in the Technical Proposal and, if applicable, also in the Financial Proposal.**

1.19 Compliance with Laws/Arrearages

By submitting a proposal in response to this RFP, the Offeror, if selected for award, agrees that it will comply with all Federal, State and Local laws applicable to its activities and obligations under the contract.

By submitting a response to this solicitation, each Offeror also represents that it is not in arrears in the payment of any obligations due to the State of Maryland, including the payment of taxes and employee benefits, and that it shall not become so in arrears during the term of the Contract if selected for Contract award.

1.20 Bid/Proposal Affidavit

A proposal submitted by an Offeror shall be accompanied by a completed Bid/Proposal Affidavit. A copy of this Affidavit is included as **Attachment B: Bid/Proposal Affidavit**. For purposes of Section L of the Affidavit (Certification of Corporation Registration and Tax Payment), please note that any company incorporated outside of Maryland is considered a "foreign" company.

1.21 Contract Affidavit

All Offerors are advised that if a Contract is awarded as a result of this solicitation, the successful Offeror will be required to complete a Contract Affidavit. A copy of this Affidavit is included for informational purposes as **Attachment C: Contract Affidavit**. This Affidavit shall be provided to the Procurement Officer within five business days of notification of proposed Contract award.

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1.22 Procurement Method

This Contract will be awarded in accordance with the Competitive Sealed Proposals process under COMAR 21.05.03.

1.23 Mandatory Contractual Terms

By submitting an offer in response to this RFP, an Offeror, if selected for award, shall be deemed to have accepted the terms of this RFP and the Contract, attached as **Attachment A: Contract**. **Any exceptions to this RFP or the Contract shall be clearly identified in the Executive Summary of the technical proposal; exceptions to the required format and terms and conditions of the Financial Proposal must also be clearly identified in the Executive Summary, without disclosing any pricing information.** A proposal that takes exception to these terms may be rejected.

1.24 Protests/Disputes

Any protest or dispute related respectively to this solicitation or the resulting Contract shall be subject to the provisions of COMAR 21.10 (Administrative and Civil Remedies).

1.25 eMarylandMarketplace

eMarylandMarketplace (eMM) is an electronic commerce system administered by the Maryland Department of General Services. In addition to using the DBM web site (www.dbm.maryland.gov) and other means for transmitting the RFP and associated materials, the solicitation and summary of the pre-bid/proposal conference, Offeror questions and the Procurement Officer's responses, addenda, and other solicitation related information will be provided via eMM.

In order to receive a contract award, a Contractor must be registered on eMM. eMM registration is free and can be completed through the eMarylandMarketplace website at <https://ebidmarketplace.com>.

1.26 Incurred Expenses

The State will not be responsible for any costs incurred by an Offeror in preparing and submitting a proposal, in making an oral presentation, in providing a demonstration, or in performing any other activities relative to this solicitation.

1.27 Economy of Preparation

Proposals should be prepared simply and economically, providing a straightforward, concise description of the Offeror's proposal to meet the requirements of this RFP.

1.28 Offeror Responsibilities

The selected Offeror shall be responsible for rendering services for which they have been selected as required by this RFP. All Subcontractors shall be identified and a complete

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description of their role relative to the proposal shall be included in the Offeror's proposal. Additional information regarding MBE Subcontractors is provided under paragraph 1.12 above.

If an Offeror that seeks to perform or provide the services required by this RFP is the subsidiary of another entity, all information submitted by the Offeror, such as but not limited to references and financial reports, shall pertain exclusively to the Offeror, unless the parent organization will guarantee the performance of the subsidiary. If applicable, the Offeror's proposal shall contain an explicit statement that the parent organization will guarantee the performance of the subsidiary. Subcontractors retained for the sole purpose of meeting the established MBE participation goal(s) for this solicitation shall be identified as provided in **Attachment D: Minority Business Enterprise**.

1.29 Verification of Registration and Tax Payment

Before a corporation can do business in the State, it shall be registered and in good standing with the Department of Assessments and Taxation, State Office Building, Room 803, 301 West Preston Street, Baltimore, Maryland 21201. It is strongly recommended that any potential Offeror complete registration and ensure that it is in good standing prior to the due date for receipt of proposals. An Offeror's failure to complete registration and be in good standing with the Department of Assessments and Taxation may disqualify an otherwise successful Offeror from final consideration and recommendation for Contract award.

1.30 False Statements

Offerors are advised that section 11-205.1 of the State Finance and Procurement Article of the Annotated Code of Maryland provides as follows:

- (a) In connection with a procurement Contract, a person may not willfully:
 - Falsify, conceal, or suppress a material fact by any scheme or device;
 - Make a false or fraudulent statement or representation of a material fact; or
 - Use a false writing or document that contains a false or fraudulent statement or entry of a material fact.
- (b) A person may not aid or conspire with another person to commit an act under subsection (a) of this section.
- (c) A person who violates any provision of this section is guilty of a felony and on conviction is subject to a fine not exceeding \$20,000 or imprisonment not exceeding five (5) years or both.

1.31 Payments by Electronic Funds Transfer

By submitting a response to this solicitation, the Offeror agrees to accept payments by electronic funds transfer unless the State Comptroller's Office grants an exemption. The selected Offeror shall register using **Attachment F: Electronic Funds Transfer (EFT) Registration Request Form**. Any request for exemption shall be submitted to the State Comptroller's Office for approval at the address specified on the form and shall include the business identification information as stated on the form and include the reason for the exemption. The form can be

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downloaded at:

http://compnet.comp.state.md.us/General_Accounting_Division/Static_Files/gadx-10.pdf.

1.32 Confidentiality and Non-Disclosure Agreement

In order to get access to certain confidential data that are necessary to complete a proposal in response to this RFP, each Offeror must complete a Confidentiality and Non-Disclosure Agreement. The Confidentiality and Non-Disclosure Agreement must be in the form provided as **Attachment E: Confidentiality and Non-Disclosure Agreement** to this RFP.

The information that will be provided to the Offeror as **Attachment N: Confidential Documents** after submission of the Confidentiality and Non-Disclosure Agreement includes the following:

1. Demographic data showing the date of birth, gender, city, state, zip code and county for approximately 210,000 participants, which is to be used in completing the Geo-Access reports required in **Attachments J-7: Access (Behavioral Health Providers)** and **J-8: Access to EAP Providers**.
2. Data on the most utilized providers and facilities and disruption reports for completion of **Attachment J-12: Disruption by Paid Provider Claims** and **Attachment J-13: Disruption by Paid Facility Claims**.
3. Data including Behavioral Health and EAP utilization and enrollment to be used in the preparation of Financial Proposal.

In order to obtain the confidential data, an Offeror must first print, sign and return the Confidentiality and Non-Disclosure agreement provided as **Attachment E: Confidentiality and Non-Disclosure Agreement** with a request for the data to the Procurement Officer (scanned copy with the appropriate signature and transmitted by e-mail is acceptable). Requests may be submitted to the Procurement Officer at the Pre-Proposal Conference or thereafter. After submission of the signed agreement, Offerors will be provided with instructions on how to supply their organization's PGP key for data encryption and compression. Upon receipt of the PGP key, Offerors will be supplied login credentials for a secure FTP server. All data will be supplied to Offerors via the FTP server.

1.33 Living Wage

A solicitation for services under a State contract valued at \$100,000 or more may be subject to Title 18, State Finance and Procurement (SFP) Article, Annotated Code of Maryland. Additional information regarding the State's Living Wage requirement is contained in this solicitation (see **Attachment L: Living Wage Requirements for Service Contracts**). If an Offeror fails to submit and complete the Living Wage Affidavit of Agreement (see **Attachment L-1: Affidavit of Agreement**), the State may determine that Offeror to be not responsible.

Contractors and Subcontractors subject to the Living Wage Law shall pay each covered employee at least the minimum amount set by law for the applicable Tier Area; currently \$12.25 per hour in the Tier 1 Area and \$9.21 per hour in the Tier 2 Area. The specific Living Wage rate is determined by whether a majority of services take place in a Tier 1 Area or Tier 2 Area of the State. The Tier 1 Area includes Montgomery, Prince George's, Howard, Anne Arundel, and

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Baltimore Counties, and Baltimore City. The Tier 2 Area includes any county in the State not included in the Tier 1 Area. In the event that the employees who perform the services are not located in the State, the head of the unit responsible for a State pursuant to §18-102 (d) shall assign the tier based upon where the recipients of the services are located.

The Contract resulting from this solicitation will be deemed to be a Tier 1 Contract or a Tier 2 contract depending on the location(s) from which the Contractor provides 50% or more of the services. If the Contractor provides 50% or more of the services from a location(s) in a Tier 1 jurisdiction(s) the Contract will be a Tier 1 Contract. If the Contractor provides 50% or more of the services from a location(s) in a Tier 2 jurisdiction(s), the Contract will be a Tier 2 Contract. If the Contractor provides more than 50% of the services from an out-of-State location, then the Contract will be deemed to be a Tier 1 Contract. The Offeror must identify in their Offer the location(s) from which services will be provided.

Information pertaining to reporting obligations may be found by going to the DLLR Website <http://www.dllr.state.md.us/> and clicking on Living Wage.

**Note: The Living Wage rates are subject to annual adjustment (increase or decrease) by DLLR. For additional information, see Attachment L: Living Wage Requirements for Service Contracts.*

1.34 Performance Guarantees and Liquidated Damages

It is critical to the success of the State's benefits plans that services be maintained in a timely manner and that the Contractor operates in an extremely reliable manner. It would be impracticable and extremely difficult to fix the actual damage sustained by the State in the event of certain delays or failures in claims administration, service, reporting, and attendance of Contractor personnel on scheduled work and provision of services. The State and the Contractor, therefore, presume that in the event of certain such delays and failures, the amount of damage which will be sustained from a failure to perform to certain standards will be the amounts set forth in **Attachment J-14: Performance Guarantees**; and the Contractor agrees that in the event of any such failure of performance, the Contractor shall pay such amount as liquidated damages and not as a penalty. The State, at its option for amount due the State as liquidated damages, may deduct such from any money payable to the Contractor or may bill the Contractor as a separate item.

1.35 Data Transfer via Electronic File Transfers

All electronic file transfers by the Contractor shall be secure, using encryption and other security protocols as appropriate. All electronic file transfers between the Contractor and the State shall be exchanged using a point to point VPN (Virtual Private Network) connection approved by the State of Maryland, Department of Budget and Management. In addition, additional secure electronic file transfer methodology may be approved during the Contract term in accordance with procedures and approval by the Department of Information Technology.

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1.36 Electronic Procurements Authorized

- 1.36.1.** Under COMAR 21.03.05, unless otherwise prohibited by law, the Department of Budget & Management (DBM) may conduct procurement transactions by electronic means, including the solicitation, bidding, award, execution, and administration of a contract, as provided in the Maryland Uniform Electronic Transactions Act, Commercial Law Article, Title 21, Annotated Code of Maryland.
- 1.36.2.** Participation in the solicitation process on a procurement contract for which electronic means has been authorized shall constitute consent by the Offeror to conduct by electronic means all elements of the procurement of the Contract which are specifically authorized under the RFP or the Contract.
- 1.36.3.** “Electronic means” refers to exchanges or communications using electronic, digital, magnetic, wireless, optical, electromagnetic, or other means of electronically conducting transactions. Electronic means includes facsimile, electronic mail, internet-based communications, electronic funds transfer, specific electronic bidding platforms (e.g. eMarylandMarketplace.com), and electronic data interchange.
- 1.36.4.** In addition to specific electronic transactions specifically authorized in other sections of this RFP (e.g. §1.31 related to payments by electronic file transfer) and subject to the exclusions noted in subsection 5 of this section, the following transactions are authorized to be conducted by electronic means on the terms described:
- A. The Procurement Officer may conduct the procurement using eMarylandMarketplace, e-mail or facsimile to issue:
 - (i) the solicitation (e.g. the RFP);
 - (ii) any amendments;
 - (iii) pre-proposal conference documents;
 - (iv) questions and responses;
 - (v) communications regarding the solicitation or proposal to any Offeror or potential Offeror including requests for clarification, explanation, or removal of elements of an Offeror's proposal deemed not acceptable;
 - (vi) notices of award selection or non-selection; and
 - (vii) the Procurement Officer’s decision on any protest or Contract claim.
 - B. An Offeror or potential Offeror may use e-mail or facsimile to:
 - (i) ask questions regarding the solicitation;
 - (ii) reply to any material received from the Procurement Officer by electronic means that includes a Procurement Officer's request or direction to reply by e-mail or facsimile, but only on the terms specifically approved and directed by the Procurement Officer;
 - (iii) request a debriefing; or,
 - (iv) submit a "No Bid Response" to the solicitation.
 - C. The Procurement Officer, the State's Contract Manager and the Contractor may conduct day-to-day Contract administration, in accordance with the limitations of

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section 5 of this subsection, utilizing e-mail, facsimile or other electronic means if authorized by the Procurement Officer or Contract Manager.

1.36.5. The following transactions related to this procurement and any Contract awarded pursuant to it are not authorized to be conducted by electronic means:

- A. submission of initial bids or proposals;
- B. filing of protests;
- C. filing of contract claims;
- D. submission of documents determined by DBM to require original signatures (e.g. Contract execution, Contract modifications, etc); or
- E. any transaction, submission, or communication where the Procurement Officer has specifically directed that a response from the Contractor, Bidder or Offeror be provided in writing or hard copy.

1.36.6. Any facsimile or electronic mail transmission is only authorized to the facsimile numbers or electronic mail addresses for the identified person as provided in the RFP, the Contract, or in the direction from the Procurement Officer or Contract Manager.

1.37 Prompt Payment Requirements

This procurement and the Contract to be awarded pursuant to this solicitation are subject to the Prompt Payment Policy Directive issued by the Governor's Office of Minority Affairs (GOMA) dated August 1, 2008. Promulgated pursuant to Sections 11-201, 13-205(a), and Title 14, Subtitle 3 of the State Finance and Procurement Article (SFP), and Code of Maryland Regulations (COMAR) 21.01.01.03 and 21.11.03.01 et seq., the Directive seeks to ensure the prompt payment of all Subcontractors on non-construction procurement contracts. The successful Offeror who is awarded a Contract must comply with the prompt payment requirements outlined in the Contract, §27 (see **Attachment A: Contract**). Additional information is available on the GOMA website at http://www.mdminoritybusiness.com/documents/PROMPTPAYMENTFAQs_000.pdf.

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SECTION 2 – OFFEROR MINIMUM QUALIFICATIONS

The Offeror must demonstrate the following minimum qualifications as of the date of submission of the proposal:

1. Qualified Offerors must have at least five years experience administering Behavioral Health benefits for more than 125,000 members (enrolled units, including employees, retirees, etc.) This requirement can be met through a combination of the Offeror's complete portfolio of accounts, and is not limited to a single account.
2. Qualified Offerors must have at least five years experience administering, directly or through a Subcontractor, EAP benefits for more than 25,000 employees. This requirement can be met through a combination of the Offeror's complete portfolio of accounts, and is not limited to a single account.
3. Qualified Offerors must administer at least twenty-five million dollars (\$25,000,000) in annual Behavioral Health benefit claims, services or product income in calendar year 2009. This requirement can be met through a combination of the Offeror's complete portfolio of accounts, and is not limited to a single account.
4. Qualified Offerors must provide proof of current NCQA or JCAHO or URAC accreditation.
5. Qualified Offerors must provide proof of registration and/or certification as required by the following State laws:
 - a) Certification as a private review agent under Md. Ann. Code, Insurance Art., Title 15, subtitle 10B; and
 - b) Registration as a third party administrator of a group health plan under Md. Ann. Code, Insurance Art., Title 18, subtitle 3.

Please refer to **Attachment J-1: Minimum Requirements**, in the Excel portion of this RFP.

The minimum qualifications that relate to the Offeror's experience must be met by the Offeror itself (i.e. the legal entity); the experience of various personnel while with other employers or organizations may not be considered in determining whether a minimum qualification is met.

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3.1 Program Description

The State of Maryland administers a group of health benefits options through the State Employee and Retiree Health and Welfare Benefits Program. These benefits are offered by the State to most active State employees, Satellite Account employees, State retirees, Direct Pay enrollees and their dependents through the State Employee and Retiree Health and Welfare Benefits Program. Behavioral Health benefits are provided for covered participants in the Preferred Provider Organization and Point of Service organization benefits option through a carve-out from those plans; enrollment in a PPO or POS benefits option results in BH coverage administered through the carve-out. Behavioral Health benefits for participants covered by the Exclusive Provider Organization (EPO, an HMO look-alike) are administered by the EPO third party administrator.

Employee Assistance Program benefits are provided to all State active employees upon referral from a supervisor. The EAP is not a gatekeeper for BH benefits for covered participants. Those individuals who are covered in a PPO, POS or EPO benefits option may seek BH benefits without using the EAP.

The BH and EAP benefits are offered to a diverse workforce that includes clerical, administrative, technical, professional, maintenance, educational (State colleges and universities) and public safety employees, and appointed and elected officials at more than 250 different worksites.

Due to the large number of State employees, diverse population and numerous employee work locations, the State sponsors annual Benefit Fairs during each annual enrollment period. During the last enrollment period for which Benefit Fairs were held, the State conducted approximately 100 Benefit Fairs throughout the State.

3.2 Desired Plan Design

3.2.1 The State intends to continue the current BH and EAP plan designs as fully outlined in **Attachment J-3: Plan Design** of the Technical Proposal. Current co-payments/co-insurance levels, benefit limitations and exclusions are expected to remain in effect throughout the term of the Contract resulting from this RFP, except as changes to the program are required due to legislative or regulatory mandates during the term of the Contract.

3.2.2 The plan design for BH coverage is intended to be compliant with the Mental Health Parity Act of 1996 and the Mental Health Parity and Addiction Equity Act of 2008. As a result, the Contractor will be required to exchange certain data with the third party administrator for the PPO and POS plans (specifically accumulations toward the annual out-of-pocket maximum for out-of-network care, and accumulations toward the lifetime-maximum.) There are currently five PPO and POS benefits options, administered by three separate third party administrators:

- (a) CareFirst of Maryland Inc-PPO
- (b) United Healthcare Insurance Company - PPO
- (c) Aetna Life Insurance Company-POS
- (d) CareFirst of Maryland Inc-POS
- (e) United Healthcare Insurance Company- POS

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The Contractor shall exchange data with the PPO and POS TPA Contractors and accurately provide benefits using the combined thresholds for coverage and co-payment/co-insurance levels.

3.3 Background

3.3.1 Behavioral Health Benefits (BH)

Behavioral Health benefits are provided through the State Employee and Retiree Health and Welfare Benefits Program (the “Program”), which uses a July 1 through June 30 Plan Year. Certain Participants receive State subsidized health benefit coverage. Eligible individuals must elect or waive health benefits during the annual open enrollment held in the spring for a July 1 effective date of coverage each Plan Year. The Program is operated in accordance with Internal Revenue Code §125 for all Participants (i.e. mid-year changes in election, irrevocable coverage elections, special enrollment periods), even though only certain active State employees are eligible for pre-tax premium payment and certain dependents are covered on a post-tax basis.

There are no pre-existing condition exclusions for coverage through the Program. No proof of insurability is required. New employees or retirees must elect or waive coverage within 60 days of initial eligibility. Enrollment elections may not be changed until the next open enrollment period, unless a mid-year change in election is provided by State regulation or applicable federal law, e.g. HIPAA or IRC §125 and its implementing regulations.

The State of Maryland currently offers Behavioral Health benefits to Participants enrolled in the State’s medical plans through two different arrangements:

1. BH benefits are offered to PPO and POS medical plan participants through a self-insured plan currently administered by APS Healthcare. This Contract is being reissued through this RFP.
2. BH benefits for participants in the State’s self-funded Exclusive Provider Organization (an HMO-look-alike) plan options are provided directly through the EPO in which each participant is covered. BH services for EPO participants are not included in the scope of services for this Contract.

Members who elect PPO or POS plan medical coverage are automatically enrolled to receive mental health and substance abuse benefits coverage through the Behavioral Health plan. As of January 2010, enrollment in the BH plan due to enrollment in a PPO or POS plan totaled 97,500 broken down by subgroups as follows:

Sub Group	Members
Active State Employees	59,986
State Retirees	34,051
Direct Pay Members	1,521
Satellite Employees	2,094

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Summaries of current plan coverage for both active employees and retirees for the BH benefits are provided at the DBM web site (www.dbm.maryland.gov), using the “Health Benefits” link.

3.3.2 Employee Assistance Program (EAP)

A. The State offers certain EAP benefits to active State employees (whether they have elected medical plan participation or not) who are referred by management to the EAP unit in the Office of Personnel Services and Benefits (OPSB). There are approximately 70,000 State employees who are potentially eligible to be referred for EAP benefits. Currently, EAP counseling services are provided through an EAP Subcontractor to the prime Contractor. EAP benefits are provided only to active State employees and are not provided to Dependents. Current EAP utilization information is provided in **Attachment N-3 EAP Statistics**. An EAP supervisory referral form is provided as **Attachment O: EAP Supervisory Referral Form**.

B. Employee Referral Process

The purpose of the Employee Assistance Program (EAP) is to provide treatment to State employees experiencing adverse conditions in their personal lives that negatively impact their job performance. Referral from management is required for benefits provided through the EAP and is generally initiated at the supervisory level. An employee is entitled to one encounter in the EAP per year, calculated from point of each EAP referral date.

The Agency EAP coordinator forwards a confidential EAP Supervisory Referral Form to the EAP administrative staff. The EAP administrative staff is responsible for scheduling the initial appointment, conducting follow-up, providing feedback to the Agency EAP coordinator, and monitoring any employee who, pursuant to COMAR 17.04.09, is required to receive substance abuse rehabilitation services.

An EAP initial assessment, which is free to the employee and requires no payment from the State, is actually a “window” that can consist of (1) a single one-hour session or (2) up to three separate one-hour sessions, as deemed necessary by the initial assessor. Any counseling recommended by the initial assessor beyond the third session becomes the payment responsibility of the employee or the employee’s health insurance carrier. All BH coverage in the State plans requires a co-payment or co-insurance. Employees may be granted administrative leave to attend the initial assessment in the event that the appointment conflicts with the employee’s work schedule.

The EAP is two-pronged, in that an employee can be referred to a mental health provider for receipt of traditional counseling services or to a substance abuse provider for enrollment in a six-month treatment program, usually due to violation of the Governor’s Executive Order (01.01.1991.16), State of Maryland Substance Abuse Policy.

Inasmuch as the Program is also voluntary, it is required that all referral forms that are submitted bear the employee’s signature and a check mark beside “yes” indicating

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s/he is willing to participate. Referrals submitted without those two items will not be processed. Procedural steps for processing each of the two aforementioned types of EAP referrals are as follows:

B(1) Mental Health Counseling

1. An Agency supervisor, in conjunction with the employee being referred, completes the EAP Supervisory Referral Form.
2. The supervisor submits the completed referral form to the Agency's EAP Representative, who is responsible for screening the form to ensure it has been completed in compliance with the information requested and ensures that the appropriate supporting documentation has been attached.
3. The Agency EAP Representative then forwards the referral to the EAP Office located at 301 W. Preston Street, Room 607, Baltimore, Maryland 21201, via U.S. mail, hand delivery or the referral may be faxed to the EAP Office at 410-333-5004.
4. All referrals received at the EAP Office are first date-stamped, then entered into the EAP database by the office secretary, who then provides them to the State EAP Coordinator.
5. The State EAP Coordinator screens each incoming referral for compliance. With regard to referrals received that are non-compliant, the Coordinator contacts, by telephone, the Agency EAP Representative for each of those referrals to obtain the missing information.
6. On Friday of each week, all referrals received for the week that are either already compliant, or have been made compliant by that time, are mailed in one large envelope to the Contractor (or the Subcontractor).
7. Upon receipt of the referral package, the Contractor/Sub-Contractor places calls to counselors, determined by the zip code of the employees referred, to obtain appointments.
8. Generally, by Wednesday or Thursday of each week the Contractor/Sub-Contractor contacts the State EAP Coordinator by telephone to provide the appointment information.
9. Upon receipt of the appointments on Wednesday or Thursday, the State EAP Coordinator or the office secretary will generate appointment letters to the respective employees in time for the day's final mail run at 3:00 p.m. The employee's Agency EAP Representative is copied on each letter and both sets of letters (the employees' and the EAP Representatives') are mailed concurrently.
10. Those employees will generally receive their appointment letters anytime between that Saturday and any day during the next week-- again, depending on flow of the U.S. Mail.
11. The appointment letter instructs the employee to contact his/her assigned counselor within 72 hours (3 days—business days) to confirm his/her initial assessment appointment, and also specifies that deadline date. The letter

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includes the counselor's name, complete address, and telephone number, and indicates by "cc" at the bottom that the employee's Agency EAP Representative has been copied.

12. The Agency EAP Representative, upon receipt of his/her copy of the appointment letter, is responsible for ensuring that contact is made by the EAP Representative and/or the employee's supervisor, with the employee to indicate that they are aware the appointment has been provided and that the employee is expected to honor it.
13. The Agency EAP Representative must be, by the Contractor/Sub-Contractor or counselor, notified if the employee is a "no-show" for the initial assessment appointment.

B(2) Substance Abuse Treatment

1. Agency management, in conjunction with the employee being referred, submits a completed EAP Supervisory Referral Form to its Agency EAP Representative on an employee who has violated the State of Maryland Substance Abuse Policy.
2. The Agency's EAP Representative is responsible for screening the form to ensure it has been completed in compliance with the information requested, which includes that the appropriate supporting documentation has been attached.
3. The Agency's EAP Representative then forwards the referral to the Employee Assistance Program Office located at 301 W. Preston Street, Room 607, Baltimore, Maryland 21201, either via mail, or hand delivery; or the referral may be faxed to the EAP Office at 410-333-5004.
4. Upon receipt at the Employee Assistance Program Office, the referral is date-stamped, then entered into the EAP database by the office secretary, who then provides it to the State EAP Coordinator.
5. The State EAP Coordinator screens the referral for compliance. If the referral is non-compliant, the Coordinator places a telephone call to the Agency's EAP Representative to obtain the missing information.
6. A boilerplate letter is mailed to the employee stating that inasmuch as s/he was referred to the EAP for being in violation of the Maryland Substance Abuse Policy, s/he must comply with that Policy by enrolling in a six-month substance abuse treatment program as soon as possible. The letter also states the employee must complete the enclosed two release forms upon his/her treatment enrollment and return them to the EAP Office, which authorizes the EAP to monitor the employee's six-month participation in the substance abuse program. The letter indicates by "cc" at the bottom that the employee's Agency EAP Representative has been copied.

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7. The copy of the employee’s letter is concurrently mailed to the employee’s Agency EAP Representative.
8. A copy of the referral under cover of a copy of the employee’s letter is mailed on Friday along with other referrals received that week- for statistical purposes only, in this case - to the Contractor/Sub-Contractor.
9. Upon receipt of the completed release forms from the employee, the EAP Coordinator is thereafter, once per month, provided a progress report by the treatment center at which the employee enrolled. It is through the progress reports that the “monitoring” of the employee’s treatment participation is actually accomplished.
10. The agency is notified on three occasions, via boilerplate letter that the employee’s participation status in treatment remains active: 1) first, at the onset of treatment; 2) again, at three months into treatment, and then finally; 3) upon completion of treatment that the employee has successfully done so.

3.4 Project Milestones and Due Dates

Following are the implementation schedule milestones and the due dates and project milestones for performance under this Contract:

		Date
3.4.1	Begin implementation meetings	Upon Contract award
3.4.2	Initiate information transfer and Contractor implementation activities/transition protocols	Within seven (7) calendar days of award
3.4.3	Final Implementation Plan submitted to the State	Within fourteen (14) days of award
3.4.4	Completion of information transfer activities	21 calendar days after Contract award
3.4.5	Completion of Contractor implementation plan/transition protocols	30 calendar days after Contract award
3.4.6	Benefit Coordinator Training Session (each plan year)	March – April and March – April of each subsequent year
3.4.7	Open Enrollment and Benefit Fairs (each plan year)	March – May
3.4.8	Effective Date of Behavioral Health and EAP Benefits Plan Coverage for each plan year	July 1
3.4.9	Annual Rate Setting Process for subsequent plan year	(Estimated) September-December

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3.5 Description of Scope of Work

3.5.1. Behavioral Health and EAP Plan Administration

The State is soliciting proposals for one Contractor to provide BH and EAP benefits to all eligible participants as described in the RFP. The selected Contractor is to provide a responsive, efficient, auditable, service-oriented system that will permit all eligible Members to access these benefits for themselves and/or their Dependents subject to the terms, conditions and requirements of this RFP.

The successful Offeror who is awarded the contract pursuant to this RFP will be required to provide services required by this RFP and proposed by the Offeror with an anticipated effective date of coverage beginning July 1, 2011, and begin the necessary implementation services in 2010 and early 2011, immediately after the contract is awarded.

Eligibility for coverage under the Behavioral Health Plan administered by the Contractor shall be determined pursuant to applicable regulations at COMAR 17.04.13 and the applicable statutes (Maryland Ann. Code, State Personnel and Pensions Article, Title 2, subtitle 5). See RFP sections 1.2 and 3.1. for eligible Members and Dependents. As these provisions are changed, those amended eligibility will be automatically incorporated into the Contract. The Department processes enrollment requests and makes coverage eligibility determinations. Enrollment files (at Open Enrollment and during the plan year) notify the Contractor of coverage/eligibility.

This RFP Section 3 contains general minimum requirements. Specific minimum requirements are outlined further in the attachments to this RFP. Each requirement should be addressed fully in the Offeror's Response:

3.5.2. Behavioral Health and EAP Services

- A. The Contractor shall provide adequate staffing and services in the following areas that assures the Behavioral Health and EAP Benefits successfully operate in a cost-efficient and quality controlled manner, consistent with this RFP and the Contract:
 - (i) Account Management Services;
 - (ii) Membership/Customer Services;
 - (iii) Member and Participant Communications;
 - (iv) Behavioral Health and EAP Network Management, ensuring a network of adequate size, accessibility (in and out of state), and scope;
 - (v) Claims Processing;
 - (vi) Program Reporting;
 - (vii) Enrollment, Data Processing and Interface;
 - (viii) HIPAA Compliance on behalf of the Plan;
 - (ix) Cost-Management Strategies and Supplemental Programs; and
 - (x) Auditability and Accountability.

- B. Significant detailed provisions regarding the minimum expectations of the services to be provided by the Contractor for the Behavioral Health and EAP plan are provided in **Attachment J: Technical Proposal**, which is contained in the Excel-based

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technical proposal of this RFP. All required signatures, explanations, and attachments, as described in this RFP must be included in the Offeror's proposal. See RFP, Section 4 for proposal submission instructions. The RFP and proposals are incorporated into the Contract.

3.5.3. Performance Standards

The Contractor must, at a minimum, meet established performance standards as described in **Attachment J-14: Performance Guarantees**.

3.5.4. Claims Processing and Payment

The Contractor shall pay claims in accordance with **J-3: Plan Design**. The Contractor shall provide timely, accurate and prompt tracking and processing of claims, representing significant cost savings for the State of Maryland.

3.5.5. Reporting

The Contractor shall provide to the Department the monthly, quarterly and annual reports as detailed in **Attachment J: Technical Proposal**. The format of the required reports is in **Attachment P: Standard Reporting Formats**.

3.5.6. Compliance with Mandates and Standards

The Contractor shall:

- A. Comply with all standards required under state and federal laws and regulations for health and Behavioral Health plans (e.g., parity requirements, HIPAA, EDI and privacy standards, State law regarding confidentiality of medical and psychological data, etc.) and shall meet any State mandated benefit provisions that may be required during the term of the Contract. The Contractor shall notify the Contract Manager immediately in the event that the contractor believes or determines that the State's plan design fails to comply with a federal or state coverage or procedural mandate.
- B. As a business associate in connection with the State's self-funded plan, meet all HIPAA standards related to privacy, security and transfer of protected health information. The State's minimum performance requirements in connection with HIPAA compliance are set forth in more detail in **Attachment J-4: Administrative Requirements**.

3.5.7. Insurance Requirements

- A. The Contractor shall maintain general liability, property and casualty insurance with minimum limits, as outlined below, and sufficient to cover losses resulting from or arising out of Contractor action or inaction in the performance of the Contract by the Contractor, its agents, employees or Subcontractors.
 - Worker's Compensation – The Contractor shall maintain such insurance as necessary and/or as required under Worker's Compensation Acts, the Longshore and Harbor Workers' Compensation Act, and the Federal Employee's Liability Act.

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- Errors and Omissions – The Contractor shall purchase and maintain Errors and Omissions liability coverage in the minimum amount of: \$10,000,000.
- Commercial General Liability – The Contractor shall purchase and maintain at least the following insurance protection for liability claims arising as a result of the Contractor’s operations under this Contract:

\$10,000,000: General Aggregate Limit

\$2,000,000: Products/completed operations aggregate limit

\$1,000,000: Each Occurrence Limit

\$1,000,000: Personal and Accidental Injury Limits

\$50,000: Fire Damage Limit

\$5,000: Medical Expense

- B. The Contractor shall provide a copy of the Contractor’s current certificate(s) of insurance.
- C. If recommended for award, within 10 business days the Contractor shall: (i) provide the State with current certificates of insurance that identify the State as an additional insured, and (ii) shall maintain and report such insurance annually to the Procurement Officer.

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SECTION 4 – PROPOSAL FORMAT

4.1 Two Part Submission

Offerors must submit proposals in two separate volumes:

- “Volume I – (TECHNICAL PROPOSAL)”
- “Volume II – (FINANCIAL PROPOSAL)”

4.2 Proposals

Volume I – Technical Proposal must be sealed separately from Volume II – Financial Proposal but submitted simultaneously to the Procurement Officer (address listed on Key Information Summary and in Section 1.6). This is the only address to which proposals may be submitted. An unbound original, so identified, and seven (7) bound copies of each volume are to be submitted. Hard copies must be a complete proposal containing all information contained on the CDs. Offerors must attach to the original Technical Proposal four (4) separate CDs containing an electronic version of Volume I- Technical Proposal (in MS Excel format and WORD or Adobe PDF, as appropriate). Offerors must also attach to the original Financial Proposal four (4) separate CDs containing an electronic version of the Volume II- Financial Proposal (in MS Excel format).

Please note that the Offeror must provide separate CDs for the Technical Proposal and the Financial Proposal, resulting in eight (8) CDs attached to the proposal. Four (4) of the CDs submitted should be labeled “Volume I – Technical Proposal”; Four (4) of the CDs submitted should be labeled “Volume II – Financial Proposal.”

4.3 Submission

Each Offeror is required to submit a separate sealed package for each Volume, to be labeled “Volume I-Technical Proposal” and “Volume II-Financial Proposal” respectively. Each sealed package must bear the RFP title and number, name and address of the Offeror, the volume number (I or II), and the closing date and time for receipt of the proposals on the outside of the package. Please label the electronic media with Volume I-Technical Proposal and Volume II-Financial Proposal, as appropriate.

All pages of both proposal volumes must be consecutively numbered from beginning (Page 1) to end (Page “x”).

4.4 Format of Volume I – Technical Proposal

4.4.1. Transmittal Letter

A transmittal letter must accompany the technical proposal. The purpose of this letter is to transmit the proposal and acknowledge the receipt of any addenda. The transmittal letter should be brief and signed by an individual who is authorized to commit the Offeror to the services and requirements as stated in this RFP.

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4.4.2. Title and Table of Contents

The technical proposal should begin with a title page bearing the name and address of the Offeror and the name and number of this RFP. This should be followed by a table of contents for the technical proposal.

Information that is claimed to be confidential is to be identified after the Title Page and before the Table of Contents in the Offeror’s Technical Proposal, and if applicable, also in its Financial Proposal. See also RFP Section 1.18, Public Information Act Notice.

4.4.3. Executive Summary

The Offeror shall condense and highlight the contents of the technical proposal in a separate section titled “Executive Summary,” including how the Offeror meets the minimum qualification outlined in Section 2. The summary shall also identify all exceptions the Offeror has taken to the requirements of this RFP, the Contract (**Attachment A: Contract**), or any other attachments. Exceptions to **Attachment K-1: Instructions** and **Attachment K-2: Financial Requirements** must also be clearly identified in the Executive Summary **but no information related to the remaining sections of Attachment K (i.e. no disclosure of the proposed fees, pricing guarantees, etc.) may be included in the Technical Proposal.**

WARNING: Exceptions to terms and conditions of the RFP, the Contract (**Attachment A: Contract**), or any other attachment may result in having the proposal deemed unacceptable or classified as not reasonably susceptible of being selected for award.

4.4.4. Attachments Requiring Completion

The following documents shall be completed in their entirety and shall include the signature of the Offeror’s authorized agent. **Failure to complete, sign, and/or return all specified Attachments may result in disqualification of the Offeror’s Proposal.**

- **Attachment B: Bid/Proposal Affidavit**
- **Attachment D-1: Certified MBE Utilization and Fair Solicitation Affidavit**
- **Attachment L-1: Affidavit of Agreement** (Maryland Living Wage Requirements - Service Contract)

4.4.5. Technical Proposal

The following exhibits are located in the MS Excel documents labeled **Attachment J: Technical Proposal** and **Attachment N: Confidential Documents**. (**Attachment N: Confidential Documents** will be sent only to those Offerors who submit a Confidentiality and Non-Disclosure Agreement to the procurement Officer as described in Section 1.32 of this RFP.)

The Offeror shall complete each of the tabs in **Attachment J: Technical Proposal** according to the instructions described below and any additional instructions included at the top of each worksheet. The Offeror shall use the “PRINT FINAL DOCUMENTS”

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button on the introductory tab and include each exhibit in the order specified below. The Offeror must submit the final electronic version of **Attachment J: Technical Proposal** with the Excel workbook intact. Do not add additional tabs to the workbook or break apart the tabs of the workbook and submit as separate attachments.

Cells which have been highlighted in yellow require a response from the Offeror. Response types throughout the documents include selecting from a pre-set drop down menu, entering a numerical value, and/or writing a brief narrative. If the cell includes a drop down menu, the Offeror shall not provide a response that is not provided in the drop down list. All “Yes” or otherwise affirmative responses must be unequivocal and not deviate from the RFP text. Each “No” or negative response must be accompanied by an explanation of the response in **Attachment J-16: Deviations Page**.

Microsoft Excel will only print the first 1,024 characters in each cell. Therefore, please limit the length of the response to 1,024 characters, per cell. Additional space has been provided in Attachment J-5b: Additional Questionnaire Answers for the Offeror to continue a response from Attachment J-5a: Questionnaire. The response to each question must be limited to one entry on J-5a and one row on J-5b.

In addition, the unlocked cells will automatically lock if the Offeror pastes an answer into a cell. This will prohibit the user from editing the cell(s) at a later time. The Offeror can use the Undo function to unlock the cell only if changes have not been saved since the paste occurred. To avoid locking a cell, text should be pasted into the formula bar.

A. Attachment J-1: Minimum Requirements

The Respondent shall complete **Attachment J-1** as requested. The Offeror shall indicate whether or not it meets each requirement.

B. Attachment J-2: Offeror Information

The Offeror shall complete each section of **Attachment J-2** as requested. References provided shall include at least one reference for which the proposed account manager currently provides service.

The Offeror’s Legal Name entered in **Attachment J-2** will automatically be used to populate other areas of the MS Excel attachments. The Offeror (i.e. legal entity) identified here must match the Offeror as identified in the Transmittal Letter and the entity which, if selected, will be the Contractor.

C. Attachment J-3: Plan Design

The Offeror shall complete **Attachment J-3** by filling out the 'deviations from proposed' column, if there are any deviations. If there are no deviations, indicate “Agree.”

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D. Attachment J-4: Administrative Requirements

The Offeror shall complete the exhibit by selecting either “Agree” or “Disagree” from the drop down list next to each administrative requirement. If the Offeror does not intend to commit to the full scope of each item, as written and without condition or qualification, the appropriate response is “Disagree.” For each requirement for which the Offeror selects “Disagree,” an explanation must be provided in **Attachment J-16: Deviations Page**.

E. Attachment J-5: Questionnaire

The Offeror shall concisely answer each question in **Attachment J-5a: Questionnaire** in the space provided. If additional space is needed, the response can be continued in **Attachment J-5b: Additional Answers to Questionnaire**. Continued responses should be labeled clearly with both the Section number and the corresponding question number (for example, J-5a, Q-2). If a drop down list is available, the Offeror shall select a response from the list provided.

F. Attachment J-6: Subcontractor Questionnaire

The Offeror shall complete a Subcontractor Questionnaire for each Subcontractor, including MBEs, proposed to perform any of the requirements of this Contract. **Attachment J: Technical Proposal** contains six (6) copies (identified as J-6(a) through J-6(f)) of the Subcontractor Questionnaire for this purpose. If needed, additional copies of **Attachment J-6a** will be provided to each Offeror requesting such forms before the Closing Date.

G. Attachment J-7: (a) Access to BH Clinical Psychologists, (b) BH Licensed Clinical Social Workers, (c) BH Family Therapists, (d) BH Psychiatrists and (e) BH Hospitals

The State is interested in the availability of providers in the proposed **Behavioral Health** network to its Member population. To assist the Offeror in completing the standard GeoAccess report by specialty, the State will provide the Offeror with a census file as part of **Attachment N: Confidential Documents**. The file will include the following fields: contract identifier, participant identifier, age, gender, ZIP Code, sub-type and contract type. This file will be sent to only those Offerors who submit a Confidentiality and Non-Disclosure Agreement to the Procurement Officer as described in Section 1.32 of this RFP.

The Respondent shall prepare GeoAccess reports for the Behavioral Health network proposed, using the census data provided by the **State for all employees and retirees currently enrolled in either the PPO or POS medical plans** and the parameters shown below:

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Access to Clinical Psychologists, Social Workers, Family Therapists and Psychiatrists ¹	
Urban Areas	2 within 5 miles
Suburban Areas	2 within 10 miles
Rural Areas	2 within 20 miles

¹ Definitions of Urban, Suburban, and Rural as defined by standard Geo Access guidelines

Access to Hospitals ¹	
Urban Areas	1 within 5 miles
Suburban Areas	1 within 10 miles
Rural Areas	1 within 20 miles

¹ Definitions of Urban, Suburban, and Rural as defined by standard Geo Access guidelines

Attachments J-7(a-e) are to be completed for **all employees and retirees currently enrolled in either the PPO or POS medical plan** included in the census file. The reports should include the average distance to each specialty type, the number of specialists in the ZIP Code, the number of Members that meet the access requirements above and the number of Members that do not meet the access requirements above.

In addition to the standard GeoAccess hard copy report, the data must be supplied in electronic format that has read/write capabilities. Do not send the data in a read-only file. Label the complete GeoAccess reports as *Response Attachment J-7a: BH GeoAccess Report for Clinical Psychologists, Attachment J-7b: BH GeoAccess Report for Licensed Clinical Social Workers, Attachment J-7c: BH GeoAccess Report for Family Therapists, Attachment J-7d: BH GeoAccess Report for Psychiatrists, Attachment J-7e: BH GeoAccess Report for Hospitals.*

Part B of **Attachments J-7(a-e)** shows the reporting format for the Offeror’s response attachment.

In addition, the Offeror shall complete the exhibit in Part C of **Attachments J-7(a-e)**, which summarizes the GeoAccess data by specialist and Maryland county. Please note that the Offeror need only to populate the highlighted cells in the exhibit; all other cells will be calculated based on the values entered in the highlighted cells.

H. Attachment J-8: (a) EAP Access to Clinical Psychologists, (b) EAP Licensed Clinical Social Workers, (c) EAP Family Therapists, and (d) EAP Psychiatrists

The State is interested in the availability of providers in the proposed **EAP Network** to its Member population. To assist the Offeror in completing the standard GeoAccess report by specialty, the State will provide the Offeror with a census file as part of **Attachment N: Confidential Documents**. The file will include the following fields: contract identifier, participant identifier, age, gender, ZIP Code, sub-type and

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contract type. This file will be sent to only those Offerors who submit a Confidentiality and Non-Disclosure Agreement to the Procurement Officer as described in Section 1.32 of this RFP.

The Respondent shall prepare GeoAccess reports for the **EAP** network proposed, using the census data provided by the State and the parameters shown below:

Access to Clinical Psychologists, Social Workers, Family Therapists and Psychiatrists ¹	
Urban Areas	1 within 3 miles
Suburban Areas	1 within 5 miles
Rural Areas	1 within 10 miles

¹ Definitions of Urban, Suburban, and Rural as defined by standard Geo Access guidelines

Attachments J-8 (a-d) are to be completed for all employees and retirees in the census file. The reports should include the average distance to a hospital the number of hospitals in the ZIP Code, the number of Members that meet the access requirements above and the number of Members that do not meet the access requirements above.

In addition to the standard GeoAccess hard copy report, the data must be supplied in electronic format that has read/write capabilities. Do not send the data in a read-only file. Label the complete GeoAccess reports as *Response Attachment J-8a: EAP GeoAccess Report for Clinical Psychologists, Attachment J-8b: EAP GeoAccess Report for Licensed Clinical Social Workers, Attachment J-8c: EAP GeoAccess Report for Family Therapists, Attachment J-8d: EAP GeoAccess Report for Psychiatrists.*

Part B of **Attachments J-8 (a-d)** shows the reporting format for the Offeror's response attachment.

In addition, the Offeror shall complete the exhibit in Part C of **Attachments J-8(a-d)**, which summarizes the GeoAccess data by specialty by Maryland County. Please note that the Offeror need only to populate the highlighted cells in the exhibit; all other cells will be calculated based on the values entered in the highlighted cells.

I. Attachment J-9: Behavioral Health Network Description

The Offeror shall complete the exhibit by providing for the proposed Behavioral Health network, a network identifier, lives covered and number of providers participating and accepting new patients and charges allowed by specialty for each Maryland County shown in the table.

J. Attachment J-10: EAP Network Description

The Offeror shall complete the exhibit by providing for the proposed EAP network, a network identifier, lives covered and number of providers participating and accepting

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new patients and charges allowed by specialty for each Maryland County shown in the table.

K. Attachment J-11: Hospital Networks

The Offeror shall complete the exhibit by indicating whether or not the named hospital is a member of the Behavioral Health network being proposed for the State. Valid responses are either “Yes” or “No.” All other responses will be treated as a “No” response. Additional network hospitals can be added under “Other.”

L. Attachment J-12: Disruption Based on Providers

The Offeror shall complete the exhibit by indicating whether or not the named Provider as provided in Confidential Documents **Attachment N-4: Disruption Based on Providers** is a member of the Behavioral Health network being proposed for the State. Valid responses are either “Yes” or “No.” All other responses will be treated as a “No” response.

M. Attachment J-13: Disruption Based on Facilities

The Offeror shall complete the exhibit by indicating whether or not the named Facility as provided in Confidential Documents **Attachment N-5: Disruption Based on Facilities** is a member of the Behavioral Health network being proposed for the State. Valid responses are either “Yes” or “No.” All other responses will be treated as a “No” response.

N. Attachment J-14: Performance Guarantees

At a minimum, the criteria identified in **Attachment J-14** serve as a benchmark for performance measurements. Please indicate your willingness to comply with each guarantee.

O. Attachment J-15: Alternative Cost Management Programs

The Offeror shall complete each exhibit of **Attachment J-15** as instructed. Do not include fees or financial information.

P. Attachment J-16: Deviations Page

The Offeror shall complete this attachment regardless of whether deviations from the administrative requirements or performance guarantees are proposed. The top right of the worksheet includes macros for the Offeror to indicate whether deviations are included in the table below the signature line.

Prior to printing the final proposal, the Offeror shall ensure that the print area of this document is set appropriately. If no deviations are claimed, then the print area shall end following the title of the individual signing the document. Otherwise, the print area shall end following the last deviation described in the table.

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Q. Additional Response Attachments

The following response attachments shall be included in the following order, after Attachment J:

- Response Attachment J-1: Behavioral Health Administration Experience (Requirement 1)
- Response Attachment J-1: EAP Administration Experience (Requirement 2)
- Response Attachment J-1: 2009 Annual Revenue (Requirement 3)
- Response Attachment J-1: Accreditation (Requirement 4)
- Response Attachment J-1: Registration/Certifications (Requirement 5)
- Response Attachment J-2: Other State Contracts (Section 4)
- Response Attachment J-5: Insurance Certificate / Workers Compensation (Q-7, a)
- Response Attachment J-5: Insurance Certificate / Errors and Omissions (Q-7, b)
- Response Attachment J-5: Insurance Certificate / Commercial General Liability (Q-7, c)
- Response Attachment J-5: Cost Containment Initiatives (Q-8)
- Response Attachment J-5: Annual Reports (Q-9)
- Response Attachment J-5: Financial Statements (Q-10)
- Response Attachment J-5: Financial Ratings (Q-11)
- Response Attachment J-5: Benefits to the Maryland Economy (Q-14)
- Response Attachment J-5: Plan Integration (Q-40, b)
- Response Attachment J-5: Sample Member Communication Materials (Q-52)
- Response Attachment J-5: Customer Satisfaction Survey (Q-56, a)
- Response Attachment J-5: Sample Standard Reporting Package (Q-98)
- Response Attachment J-5: Sale/sharing of Participant Information (Q-102)
- Response Attachment J-5: HIPAA Privacy and Security Breaches (Q-106)
- Response Attachment J-5: Implementation Team Organizational Chart (Q-119, e)
- Response Attachment J-5: Implementation Plan (Q-119, f)
- Response Attachment J-5: Account Management Team Organizational Chart (Q-122, f)
- Response Attachment J-5: Account Management Support (Q-122, g)
- Response Attachment J-5: Account Team Biographies (Q-123)
- Response Attachment J-5: Succession Plan (Q-125)
- Response Attachment J-5: Scope of Work (Q-129)
- Response Attachment J-7a: GeoAccess Report for Clinical Psychologists (Behavioral Health)
- Response Attachment J-7 b: GeoAccess Report for Licensed Clinical Social Workers (Behavioral Health)
- Response Attachment J-7c: GeoAccess Report for Family Therapists (Behavioral Health)
- Response Attachment J-7d: GeoAccess Report for Psychiatrists (Behavioral Health)
- Response Attachment J-7e: GeoAccess Report for Hospitals (Behavioral Health)
- Response Attachment J-8a: GeoAccess Report for Clinical Psychologists (EAP)
- Response Attachment J-8b: GeoAccess Report for Licensed Clinical Social Workers (EAP)

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- Response Attachment J-8c: GeoAccess Report for Family Therapists (EAP)
- Response Attachment J-8d: GeoAccess Report for Psychiatrists (EAP)

4.5 Format of Volume II - Financial Proposal

4.5.1. Transmittal Letter

A transmittal letter must accompany the Financial Proposal. The purpose of this letter is to transmit the proposal and acknowledge the receipt of any addenda. The transmittal letter should be brief and signed by an individual who is authorized to commit the Offeror to the services and requirements as stated in this RFP.

4.5.2. Title and Table of Contents

The Financial Proposal should begin with a title page bearing the name and address of the Offeror and the name and number of this RFP. This should be followed by a table of contents for the Financial Proposal. Information, which is claimed to be confidential, is to be identified after the Title Page and before the Table of Contents.

4.5.3. Attachment K: Financial Proposal

The Offeror shall complete each of the tabs in **Attachment K** according to the instructions described below and any additional instructions in **Attachment K-1** and at the top of each worksheet. The Offeror will use the “PRINT FINAL DOCUMENTS” button on the introductory tab and include each exhibit in the order specified below. The Offeror must submit the electronic version of **Attachment K** with the Excel workbook intact. Do not add additional tabs to the workbook or break apart the tabs of the workbook to submit as separate attachments. The Financial Proposal is based on an evaluation model.

Cells which have been highlighted in yellow require a response from the Offeror. Response types throughout the documents include selecting from a pre-set drop down menu, entering a numerical value and/or writing a brief narrative. If the cell includes a drop down menu, the Offeror shall not provide a response that is not provided in the drop down list.

Microsoft Excel will only print the first 1,024 characters in each cell. Therefore, please limit the length of your response to 1,024 characters.

In addition, the unlocked cells will automatically lock if the Offeror pastes an answer into a cell. This will prohibit the user from editing the cell(s) at a later time. The Offeror can use the Undo function to unlock the cell only if changes have not been saved since the paste occurred.

A. Attachment K-2: Financial Requirements

The Offeror shall complete the exhibit by selecting either “Yes” or “No” from the drop down list next to each financial requirement. If the Offeror does not intend to

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commit to the full scope of each item, as written and without condition or qualification, the appropriate response is “No.” For each requirement for which the Offeror selects “No,” an explanation must be provided in **Attachment K-3: Explanations**.

B. Attachment K-3: Explanations

The Offeror shall complete this attachment regardless of whether explanations from the financial requirements are necessary. The top right of the worksheet includes macros for the Offeror to indicate whether explanations are included in the table below the signature line.

Prior to printing the final proposal, the Offeror shall ensure that the print area of this document is set appropriately. If no explanations are necessary, then the print area shall end following the title of the individual signing the document. Otherwise, the print area shall end following the last explanation provided in the table.

C. Attachment K-4: Administrative Fees

In accordance with the Instructions provided in **Attachment K-1: Instructions**, the Offeror shall provide “per member per month” (PMPM) Behavioral Health and EAP administrative fees on a firm, fixed basis, for employees and retirees. It is the intent of the State that K-4 included all applicable fees necessary and related to the Offeror’s financial proposal. A summary of the Offeror's administrative fees will be automatically calculated in **Attachment K-10: Financial Proposal Summary**.

D. Attachment K-5: Physician Network Analysis

Using provider agreements proposed for the State of Maryland program, the Offeror shall reprice each procedure using and provide allowed charges (reimbursement) as of January 1, 2010 for participants both over and under the age of 65 in the three digit zip code. In addition, please indicate the pricing methodology used to calculate the allowed charges.

E. Attachment K-6: Inpatient Hospital Analysis

Using provider agreements proposed for the State of Maryland program at each of the identified hospitals, the Offeror shall reprice each case and enter the allowed charge as of January 1, 2010 for participants both over and under the age of 65 separately. The allowed charge should equal the amount of the claim covered immediately prior to applying plan design provisions. In addition, please indicate the pricing methodology (DRG, per diem, contracted fee for service, etc.) used to calculate the allowed charge.

A summary of the Offeror's allowed charges will be automatically calculated in **Attachment K-9: Network Analysis Summary** and included in **K-10: Financial Proposal Summary**. Included in the summary is the Offeror's average network discount for the sample cases for each facility in the exhibit.

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F. Attachment K-7: Partial Hospital Analysis

Using provider agreements proposed for the State of Maryland program at each of the identified hospitals, the Offeror shall reprice each case and enter the allowed charge as of January 1, 2010 for participants both over and under the age of 65 separately. The allowed charge should equal the amount of the claim covered immediately prior to applying plan design provisions. In addition, please indicate the pricing methodology (DRG, per diem, contracted fee for service, etc.) used to calculate the allowed charge.

A summary of the Offeror's allowed charges will be automatically calculated in **Attachment K-9: Network Analysis Summary** and included in **K-10: Financial Proposal Summary**. Included in the summary is the Offeror's average network discount for the sample cases for each facility in the exhibit.

G. Attachment K-8: Outpatient Hospital Analysis

Using provider agreements proposed for the State of Maryland program at each of the identified hospitals, the Offeror shall reprice each case and enter the allowed charge as of January 1, 2010 for participants both over and under the age of 65 separately. The allowed charge should equal the amount of the claim covered immediately prior to applying plan design provisions. In addition, please indicate the pricing methodology (DRG, per diem, contracted fee for service, etc.) used to calculate the allowed charge.

A summary of the Offeror's allowed charges will be automatically calculated in **Attachment K-9: Network Analysis Summary** and included in **K-10: Financial Proposal Summary**. Included in the summary is the Offeror's average network discount for the sample cases for each facility in the exhibit.

H. Attachment K-9: Network Analysis Summary

A summary of the Offeror's allowed charges included in Attachments K-5 through K-8 will automatically be calculated in **Attachment K-9: Network Analysis Summary**. The weighted averages applied to the charges are calculated based on the actual distribution of the State's paid claims for Fiscal Year 2009.

I. Attachment K-10: Financial Proposal Summary

To develop the ranking for the Offeror's financial proposal the State will rank each Offeror in the following two categories included in **Attachment K-10: Financial Proposal Summary**:

- Administrative Cost Summary based on line 9 in Table 2 in **Attachment K-4: Administrative Fees** and repeated in **K-10: Financial Proposal Summary** in cell F9.
- Network Analysis Summary based on the average network discount for the sample cases, as shown in cells E11, E12, and E13.

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The Offeror's financial ranking is based on a combination of administrative fees (cell F9) and total estimated paid claims costs based on the Offeror's average network discount (cell F14).

All qualified Offerors will be ranked from lowest to highest cost based on the amounts shown for each Offeror in cell F15, Total Estimated Cost.

J. Attachment K-11: Optional Services

The Offeror shall complete the exhibit as applicable. If the Offeror is not proposing any other programs as specified, please indicate "None" in the table provided.

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SECTION 5 – EVALUATION CRITERIA AND SELECTION PROCEDURE

5.1 Evaluation Criteria

Evaluation of the proposals will be performed by a committee organized for that purpose. Evaluations will be based on the criteria set forth below.

5.2 Technical Criteria

The criteria and sub-factors to be applied to each technical proposal are listed in descending order of importance:

1. Program Administration
 - a. Member services and enrollee satisfaction
 - b. Claims paying services
 - c. Information services and data reporting
2. Network
 - a. Size of network
 - b. Network disruption
 - c. Network management and administration
3. Capability
 - a. Capacity to deliver services
 - b. Experience in providing BH and EAP services
 - c. Past performance
 - d. Comprehensive IT support for all functions
 - e. Corporate history and structure
4. Implementation Plan and Account Management
5. Cost Containment Initiatives
 - a. Care Management (Utilization review, large case management)
 - b. Quality management
 - c. Provider management
6. Maryland Economic Impact

5.3 Financial Criteria

The State is using an evaluative model to rank each Offeror's Financial Proposal. The model combines the Offeror's proposed Administrative Fees (**see Attachment K-4: Administrative Fees**) and a three year claims projection based on the Offeror's evaluated network discount, as shown in **Attachment K-5: Physician Network Analysis, Attachment K-6: Inpatient Hospital Analysis, Attachment K-7: Partial Hospital Analysis, Attachment K-8: Outpatient Hospital Analysis** and summarized on **K-9: Network Analysis Summary**.

SECTION 5 – EVALUATION CRITERIA AND SELECTION PROCEDURE

All qualified Offerors will be ranked from the lowest to the highest price based on the “Total Estimated Cost” as quoted by the Offeror on the Financial Proposal Summary, **Attachment K-10: Financial Proposal Summary**.

5.4 Reciprocal Preference

Although Maryland law does not authorize procuring agencies to favor resident Offerors in awarding procurement contracts, many other states do grant their resident businesses preferences over Maryland Contractors. Therefore, as described in COMAR 21.05.01.04, a resident business preference will be given if: a responsible Offeror whose headquarters, principal base of operations, or principal site that will primarily provide the services required under this RFP is in another state submits the most advantageous offer; the other state gives a preference to its residents through law, policy, or practice; and, the preference does not conflict with a Federal law or grant affecting the procurement contract. The preference given shall be identical to the preference that the other state, through law, policy or practice gives to its residents.

5.5 Selection Procedures

5.5.1. General Selection Process

The Contract will be awarded in accordance with the competitive sealed proposals process under Code of Maryland Regulations 21.05.03. The competitive sealed proposals method is based on discussions and revision of proposals during these discussions.

Accordingly, the State may hold discussions with all Offerors judged reasonably susceptible of being selected for award, or potentially so. However, the State also reserves the right to make an award without holding discussions. In either case of holding discussions or not doing so, the State may determine an Offeror to be not responsible and/or an Offeror’s proposal to be not reasonably susceptible of being selected for award, at any time after the initial closing date for receipt of proposals and the review of those proposals.

5.5.2. Selection Process Sequence

- A. The first step in the process will be to assess compliance with the Offeror Minimum Requirements set forth in **Attachment J-1: Minimum Requirements** of the RFP. Offerors who fail to meet these basic requirements will be disqualified and their proposals eliminated from further consideration.
- B. The next level of review will be an evaluation for technical merit. During this review oral presentations and discussions may be held. The purpose of such discussions will be to assure a full understanding of the State’s requirements and the Offeror’s ability to perform, and to facilitate arrival at a contract that will be most advantageous to the State. For scheduling purposes, Offerors should be prepared to make an oral presentation and participate in discussions within two to four weeks of the delivery of proposals to the State. The Procurement Officer will contact Offerors when the schedule is set by the State.

SECTION 5 – EVALUATION CRITERIA AND SELECTION PROCEDURE

- C. Offerors must confirm in writing any substantive oral clarification of, or change in, their proposals made in the course of discussions. Any such written clarification or change then becomes part of the Offeror's proposal.
- D. The financial proposal of each Offeror will be evaluated separately from the technical evaluation. After a review of the financial proposals of Offerors, the Procurement Officer may again conduct discussions.
- E. When in the best interest of the State, the Procurement Officer may permit Offerors who have submitted acceptable proposals to revise their initial proposals and submit, in writing, best and final offers (BAFOs).

5.5.3. Award Determination

Upon completion of all discussions and negotiations, reference checks, and site visits, if any, the Procurement Officer will recommend award of the Contract to the responsible Offeror whose proposal is determined to be the most advantageous to the State considering technical evaluation factors and price factors as set forth in this RFP. In making the most advantageous Offeror determination, technical factors will be given equal weight with price factors.

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Behavioral Health and EAP Benefit Administration Services
Solicitation No. F10B0400011
April 29, 2010

ATTACHMENTS

In accordance with State Procurement Regulations:

ATTACHMENT A: The State's contract. It is provided with the RFP for informational purposes and is not required at proposal submission time. However, it must be completed, signed and returned by the selected Offeror to the Procurement Officer upon notification of proposed contract award.

ATTACHMENT B: Bid/Proposal Affidavit. This form must be completed and submitted with the Offeror's technical proposal.

ATTACHMENT C: Contract Affidavit. It is not required at proposals submission time. It must be submitted by the selected Offeror to the Procurement Officer within 5 working days of notification of proposed award.

ATTACHMENT D: Minority Business Enterprise Participation

ATTACHMENTS D-1: Certified MBE Utilization and Fair Solicitation Affidavit. This form must be submitted with the Offeror's technical proposal.

ATTACHMENTS D-2 and D-3: Other MBE forms. These must be submitted to the Procurement Officer by the selected Offeror within 10 working days of notification of proposed contract award.

ATTACHMENTS D-4 and D-5: Other MBE forms. These are submitted monthly by the Prime Contractor and MBE Subcontractor(s).

ATTACHMENT E: Confidentiality and Non-Disclosure Agreement.

ATTACHMENT F: State of Maryland Data Security Policy.

ATTACHMENT G: NAIC 120-1 Model COB Contract Provisions.

ATTACHMENT H-1: Census File Layout.

ATTACHMENT H-2: 100-Character File Layout.

ATTACHMENT I: EFT Registration Request Form.

ATTACHMENT J: Technical Proposal

ATTACHMENT K: Financial Proposal

ATTACHMENT L: Living Wage Requirements for Service Contracts

ATTACHMENT L-1: Affidavit of Agreement

ATTACHMENT M: Utilization Report Instructions

ATTACHMENT N: Confidential Documents

ATTACHMENT O: EAP Supervisory Referral Form

ATTACHMENT P: Standard Reporting Formats

ATTACHMENT Q: Pre-Proposal Conference Response Form

ATTACHMENT R: Claim Record File Layout

ATTACHMENT S: Administrative Fee Calculation Example

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Attachment A - Contract

**BEHAVIORAL HEALTH AND EAP BENEFITS ADMINISTRATION SERVICES
CONTRACT**

THIS CONTRACT is made this _____ day of _____, 2010 by and between _____ and the State of Maryland, acting through the Department of Budget and Management.

IN CONSIDERATION of the premises and the covenants herein contained, the parties agree as follows:

1. Definitions

In this Contract, the following words have the meanings indicated:

- 1.1. "Contract" means this Contract for Behavioral Health and EAP Administration Services.
- 1.2. "Contract Manager" means the individual identified in the RFP Section 1.7.
- 1.3. "Contractor" means _____ whose principal business address is _____.
- 1.4. "Department" means the Maryland Department of Budget and Management.
- 1.5. "Financial Proposal" means the Contractor's Financial Proposal dated _____.
- 1.6. "Procurement Officer" means the individual identified in the RFP Section 1.6.
- 1.7. "RFP" means the Request for Proposals for Behavioral Health and EAP Administration Services, Solicitation No. F10B04000110, dated April 29, 2010, and as amended through _____.
- 1.8. "State" means the State of Maryland.
- 1.9. "Technical Proposal" means the Contractor's Technical Proposal, dated _____, as amended and supplemented through _____ by the Contractor's responses to cure/clarification questions and a technical best and final offer.

2. Scope of Work

- 2.1. The Contractor shall provide behavioral health benefit administration and employee assistance program administration services, including claims processing, network administration, and other plan administration services, for the State's group health plan(s), as more fully described in the RFP and Exhibits listed below. The services shall be provided in accordance with this Contract and the following exhibits, which are attached and incorporated herein by reference. If there is any conflict between this Contract and the Exhibits, the terms of the Contract shall govern. If there is any conflict among the Exhibits, the following order of precedence shall determine the prevailing provision.

Exhibit A - The RFP, including attachments and Excel worksheets.

Exhibit B - The Technical Proposal.

Exhibit C - The Financial Proposal.

Exhibit D – State Contract Affidavit Addendum.

2.2. If there are any inconsistencies between this Contract and Exhibits A, B, and C, the terms of this Contract shall control. If there is any conflict among the Exhibits, Exhibit A shall control.

2.3. The Procurement Officer may, at any time, by written order, make changes in the work within the general scope of the Contract. No other order, statement or conduct of the Procurement Officer or any other person shall be treated as a change or entitle the Contractor to an equitable adjustment under this section. Except as otherwise provided in this Contract, if any change under this section causes an increase or decrease in the Contractor's cost of, or the time required for, the performance of any part of the work, whether or not changed by the order, an equitable adjustment in the Contract price shall be made and the Contract modified in writing accordingly. The Contractor must assert in writing its right to an adjustment under this section within thirty (30) days of receipt of written change order and shall include a written statement setting forth the nature and cost of such claim. No claim by the Contractor shall be allowed if asserted after final payment under this Contract. Failure to agree to an adjustment under this section shall be a dispute under Article 13, Disputes. Nothing in this section shall excuse the Contractor from proceeding with the Contract as changed.

3. Time for Performance

The Contractor shall begin providing services under this Contract upon the earlier of execution by the Department or July 1, 2011. Unless terminated earlier as provided in this Contract, the Contractor shall administer behavioral health benefits and employee assistance program benefits for three plan years (July 1, 2011 through June 30, 2014) and run-out administration services for the fifteen (15) month period immediately following the expiration of the last plan year covered by this Contract. Audit, confidentiality, document retention, and indemnification obligations under this Contract shall survive expiration of the Contract.

4. Consideration and Payment

4.1 In consideration of the satisfactory performance of the work set forth in this Contract, the Department shall pay the Contractor in accordance with the terms of the RFP and the Contractor's Financial Proposal.

4.2 Payments to the Contractor and any invoice from the Contractor will reflect the Contractor's federal tax identification number, which is _____. The Contractor's e-MarylandMarketplace registration number is _____. Payments to the Contractor pursuant to this Contract shall be made no later than 30 days after the State's receipt of a proper invoice from the Contractor, consistent with the schedule identified in the RFP. Charges for late payment of invoices, other than as prescribed by Title 15, Subtitle 1, of the State Finance and Procurement Article, Annotated Code of Maryland, as from time to time amended, are prohibited. Invoices for the payment of services shall be submitted to the Department on the schedule provided in the RFP. The final payment under this Contract will not be made until after certification is received from the Comptroller of the State that all taxes have been paid.

4.3 Electronic funds transfer will be used by the State to pay the Contractor for this Contract and any other State payments due Contractor unless the State's Comptroller's Office grants the Contractor an exemption.

4.4 In addition to any other available remedies if, in the opinion of the Procurement Officer, the Contractor fails to perform in a satisfactory and timely manner, the Procurement Officer may refuse or limit approval of any invoice for payment, and may cause payments to the Contractor to be reduced or withheld until such time as the Contractor meets performance standards as established by the Procurement Officer pursuant to this Contract

5. Personnel

Contractor agrees that all personnel identified in its proposal shall be assigned to the State account for the term of the Contract, including any extension, unless such personnel are no longer employed by the Contractor or the State requests a personnel change.

6. Rights to Records

6.1 The Contractor agrees that all documents and materials, including but not limited to, reports, drawings, studies, claims analyses, claims data, specifications, estimates, tests, maps, photographs, designs, graphics, mechanical, artwork, computations and data prepared by the Contractor for purposes of this Contract shall be the sole property of the Department and shall be available to the Department at any time. The Department shall have the right to use the same without restriction and without compensation to the Contractor other than that specifically provided by this Contract.

6.2 The Contractor agrees that at all times during the term of this Contract and thereafter, the works created and services performed under this Contract shall be "works made for hire" as that term is interpreted under U.S. copyright law. To the extent that any products created under this Contract are not works for hire for the Department, the Contractor hereby relinquishes, transfers, and assigns to the State all of its rights, title, and interest (including all intellectual property rights) to all such products created under this Contract, and will cooperate reasonably with the State in effectuating and registering any necessary assignments.

6.3 The Contractor shall report to the Department, promptly and in written detail, each notice or claim of copyright infringement received by the Contractor with respect to all data or materials delivered under this Contract.

6.4 The Contractor shall not affix any restrictive markings upon any data and if such markings are affixed, the Department shall have the right at any time to modify, remove, obliterate, or ignore such warnings.

6.5 Upon termination of this Contract, the Contractor, at its own expense, shall deliver any equipment, software or other property provided by the State to the place designated by the Procurement Officer.

6.6 Nothing in this Section 6 shall abrogate or transfer any intellectual property rights of the Contractor in its proprietary information related to its methodologies, methods of analysis, ideas, know how, methods, techniques, and skills possessed prior to this Contract.

7. Confidentiality

7.1 Subject to the Maryland Public Information Act and any other applicable laws, including without limitation HIPAA, the HI-TECH Act, and the Maryland Medical Records Act, all confidential or proprietary information and documentation relating to either party (including without limitation, any information or data stored within the Contractor's computer systems) shall be held in absolute confidence by the other party. Each party shall, however, be permitted to disclose relevant confidential information to its officers, agents and employees to the extent that such disclosure is necessary for the performance of their duties under this Contract, provided the data may be collected, used, disclosed, stored and disseminated only as provided by and consistent with the law. The provisions of this section shall not apply to information that (a) is lawfully in the public domain; (b) has been independently developed by the other party without violation of this Contract; (c) was already in the possession of such party; (d) was supplied to such party by a third party lawfully in possession thereof and legally permitted to further disclose the information; or (e) which such party is required to disclose by law.

7.2 The Contractor shall notify the Department promptly of any request for information, request for statement, or other similar request from any entity or organization other than the Department that requires the Contractor to discuss or disclose information related to this Contract or gathered in performance of this Contract. Disclosures specifically pursuant to the RFP to the State's auditor, actuary and/or consultant, and in the context of members services (see Attachment J-4) are not included within the scope of this section. The Contractor may not discuss this Contract or the plan or benefits administered pursuant to this Contract without approval from the Department.

8. Non-Hiring of Employees

No official or employee of the State of Maryland as defined under State Government Article section 15-102, Annotated Code of Maryland, whose duties as such official or employee include matters relating to or affecting the subject matter of this Contract shall, during the term of this Contract and while serving as an official or employee of the State become or be an employee of the Contractor or any entity that is a subcontractor on this Contract.

9. Disputes

This Contract shall be subject to the provisions of Title 15, Subtitle 2, of the State Finance and Procurement Article of the Annotated Code of Maryland, as from time to time amended, and COMAR 21.10 (Administrative and Civil Remedies). Pending resolution of a claim, the Contractor shall proceed diligently with the performance of the Contract in accordance with the Procurement Officer's decision. Unless a lesser period is provided by applicable statute, regulation, or the Contract, the Contractor must file a written notice of claim with the Procurement Officer within 30 days after the basis for the claim is known or should have been known, whichever is earlier. Contemporaneously with or within 30 days of the filing of a notice of claim, but no later than the date of final payment under the Contract, the Contractor must submit to the Procurement Officer its written claim containing the information specified in COMAR 21.10.04.02.

10. Maryland Law

This Contract shall be construed, interpreted, and enforced according to the laws of the State of Maryland.

11. Nondiscrimination in Employment

The Contractor agrees: (a) not to discriminate in any manner against an employee or applicant for employment because of race, color, religion, creed, age, sex, marital status, national origin, ancestry, or disability of a qualified individual with a disability; (b) to include a provision similar to that contained in subsection (a), above, in any subcontract except a subcontract for standard commercial supplies or raw materials; and (c) to post and to cause subcontractors to post in conspicuous places available to employees and applicants for employment, notices setting forth the substance of this clause.

12. Contingent Fee Prohibition

The Contractor warrants that it has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee, bona fide agent, bona fide salesperson, or commercial selling agency working for the Contractor to solicit or secure this Contract, and that it has not paid or agreed to pay any person, partnership, corporation or other entity, other than a bona fide employee, bona fide salesperson or commercial selling agency, any fee or other consideration contingent on the making of this Contract.

13. Non-availability of Funding

If the General Assembly fails to appropriate funds or if funds are not otherwise made available for continued performance for any fiscal period of this Contract succeeding the first fiscal period, this Contract shall be canceled automatically as of the beginning of the fiscal year for which funds were not appropriated or otherwise made available; provided, however, that this will not affect either the State's rights or the Contractor's rights under any termination clause in this Contract. The effect of termination of the Contract hereunder will be to discharge both the Contractor and the State from future performance of the Contract, but not from their rights and obligations existing at the time of termination. The Contractor shall be reimbursed for the reasonable value of any nonrecurring costs incurred but not amortized in the price of the Contract. The State shall notify the Contractor as soon as it has knowledge that funds may not be available for the continuation of this Contract for each succeeding fiscal period beyond the first.

14. Termination for Cause

If the Contractor fails to fulfill its obligations under this Contract properly and on time, or otherwise violates any provision of the Contract, the State may terminate the Contract by written notice to the Contractor. The notice shall specify the acts or omissions relied upon as cause for termination. All finished or unfinished work provided by the Contractor shall, at the State's option, become the State's property. The State of Maryland shall pay the Contractor fair and equitable compensation for satisfactory performance prior to receipt of notice of termination, less the amount of damages caused by the Contractor's breach. If the damages are more than the compensation payable to the Contractor, the Contractor will remain liable after termination and the State can affirmatively collect damages. Termination hereunder, including the termination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.11B.

15. Termination for Convenience

The performance of work under this Contract may be terminated by the State in accordance with this clause in whole, or from time to time in part, whenever the State shall determine that such termination is in the best interest of the State. The State will pay all reasonable costs associated with this Contract that the Contractor has incurred up to the date of termination, and all reasonable costs associated with

termination of the Contract; provided, however, the Contractor shall not be reimbursed for any anticipatory profits that have not been earned up to the date of termination. Termination hereunder, including the determination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.12 (A)(2).

16. Delays and Extensions of Time

The Contractor agrees to perform the work under this Contract continuously and diligently. No charges or claims for damages shall be made by the Contractor for any delays or hindrances from any cause whatsoever during the progress of any portion of the work specified in this Contract. Time extensions will be granted only for excusable delays that arise from unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including but not restricted to acts of God, acts of the public enemy, acts of the State in either its sovereign or contractual capacity, acts of another contractor in the performance of a contract with the State, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, or delays of subcontractors or suppliers arising from unforeseeable causes beyond the control and without the fault or negligence of either the Contractor or the subcontractors or suppliers.

17. Suspension of Work

The State unilaterally may order the Contractor in writing to suspend, delay, or interrupt all or any part of its performance for such period of time as the Procurement Officer may determine to be appropriate for the convenience of the State.

18. Pre-Existing Regulations

In accordance with the provisions of Section 11-206 of the State Finance and Procurement Article, Annotated Code of Maryland, as from time to time amended, the regulations set forth in Title 21 of the Code of Maryland Regulations (COMAR 21) in effect on the date of execution of this Contract are applicable to this Contract.

19. Financial Disclosure

The Contractor shall comply with the provisions of Section 13-221 of the State Finance and Procurement Article of the Annotated Code of Maryland, as from time to time amended, which requires that every business that enters into contracts, leases, or other agreement with the State of Maryland or its agencies during a calendar year under which the business is to receive in the aggregate \$100,000 or more, shall within 30 days of the time when the aggregate value of these contracts, leases or other agreements reaches \$100,000, file with the Secretary of the State of Maryland certain specified information to include disclosure of beneficial ownership of the business.

20. Political Contribution Disclosure

The Contractor shall comply with the Election Law Article, Sections 14-101 through 14-108, of the Annotated Code of Maryland, which requires that every person that enters into contracts, leases, or other agreements with the State, a county or an incorporated municipality or their agencies, during a calendar year under which the person receives in the aggregate \$100,000 or more, shall file with the State Board of Elections a statement disclosing contributions in excess of \$500 made during the reporting period to a candidate for elective office in any primary or general election. The statement shall be filed with the State Board of Elections: (1) before a purchase or execution of a lease or contract by the State, a county, an incorporated municipality, or their agencies, and shall cover the

preceding two calendar years; and (2) if the contribution is made after the execution of a lease or contract, then twice a year, throughout the contract term, on: (a) February 5, to cover the 6-month period ending January 31; and (b) August 5, to cover the 6-month period ending July 31.

21. Retention of Records

The Contractor shall retain and maintain all records and documents in any way relating to this Contract for six years after final payment by the State of Maryland under this Contract or any applicable statute of limitations or federal document retention requirement (such as HIPAA), whichever is longer, and shall make them available for inspection and audit by authorized representatives of the State, including the Procurement Officer or the Procurement Officer's designee, at all reasonable times. All records related in any way to the Contract are to be retained for the entire time provided under this section. This section shall survive expiration of the Contract.

22. Compliance with Laws

The Contractor hereby represents and warrants that:

- 22.1** It is qualified to do business in the State of Maryland and that it will take such action as, from time to time hereafter, may be necessary to remain so qualified.
- 22.2** It is not in arrears with respect to the payment of any monies due and owing the State of Maryland, or any department or unit thereof, including but not limited to the payment of taxes and employee benefits, and that it shall not become so in arrears during the term of this Contract.
- 22.3** It shall comply with all federal, State and local laws, regulations, and ordinances applicable to its activities and obligations under this Contract.
- 22.4** It shall obtain, at its expense, all licenses, permits, insurance, and governmental approvals, if any, necessary to the performance of its obligations under this Contract.

23. Cost and Price Certification

By submitting cost or price information, the Contractor certifies to the best of its knowledge that the information submitted is accurate, complete, and current as of a mutually determined specified date prior to the conclusion of any price discussions or negotiations.

The price under this Contract and any change order or modification hereunder, including profit or fee, shall be adjusted to exclude any significant price increases occurring because the Contractor furnished cost or price information which, as of the date agreed upon by the parties, was inaccurate, incomplete, or not current.

24. Living Wage

- 24.1** A State contract for services valued at \$100,000 or more may be subject to Title 18, State Finance and Procurement Article, Annotated Code of Maryland and COMAR 21.11.10.
- 24.2** Contractors and Subcontractors subject to the Living Wage Law shall pay each covered employee at least the minimum amount set by law for the applicable Tier Area. If Contractor is an out of state Contractor, this contract is deemed to be a Tier 1 Contract.

- 24.3** The Contractor shall comply with Title 18, State Finance and Procurement Article, Annotated Code of Maryland and COMAR 21.11.10, including the submission of payroll reports to the Commissioner of Labor and Industry and the posting in a prominent and easily accessible place at the work site(s) of covered employees a notice of the Living Wage Rates, employee rights under the law, and the name, address, and telephone number of the Commissioner.
- 24.4** The Contractor shall make any subcontractor on this Contract aware of the Living Wage law requirements.

25. Commercial Non-Discrimination

- 25.1** As a condition of entering into this Contract, Contractor represents and warrants that it will comply with the State's Commercial Nondiscrimination Policy, as described under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland. As part of such compliance, Contractor may not discriminate on the basis of race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation, or on the basis of disability or other unlawful forms of discrimination in the solicitation, selection, hiring, or commercial treatment of subcontractors, vendors, suppliers, or commercial customers, nor shall Contractor retaliate against any person for reporting instances of such discrimination. Contractor shall provide equal opportunity for subcontractors, vendors, and suppliers to participate in all of its public sector and private sector subcontracting and supply opportunities, provided that this clause does not prohibit or limit lawful efforts to remedy the effects of marketplace discrimination that have occurred or are occurring in the marketplace. Contractor understands that a material violation of this clause shall be considered a material breach of this Contract and may result in termination of this Contract, disqualification of Contractor from participating in State contracts, or other sanctions. This clause is not enforceable by or for the benefit of, and creates no obligation to, any third party.
- 25.2** The Contractor shall include the above Commercial Nondiscrimination clause, or similar clause approved by the Department of Budget and Management, in all subcontracts.
- 25.3** As a condition of entering into this Contract, upon the Maryland Human Relations Commission's request, and only after the filing of a complaint against Contractor under Title 19 of the State Finance and Procurement Article, as amended from time to time, Contractor agrees to provide within 60 days after the request a complete list of the names of all subcontractors, vendors, and suppliers that Contractor has used in the past 4 years on any of its contracts that were undertaken within the state of Maryland, including the total dollar amount paid by Contractor on each subcontract or supply contract. Contractor further agrees to cooperate in any investigation conducted by the State pursuant to the State's Commercial Nondiscrimination Policy as set forth under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland, and to provide any documents relevant to any investigation that are requested by the State. Contractor understands that violation of this clause is a material breach of this Contract and may result in contract termination, disqualification by the State from participating in State contracts, and other sanctions.

26. Subcontracting; Assignment

The Contractor may not subcontract any portion of the services provided under this Contract without obtaining the prior written approval of the State of Maryland, nor may the Contractor assign this Contract or any of its rights or obligations hereunder, without the prior written approval of the State. Any such subcontract or assignment shall include the terms of sections 6 through 8, 10 through 25, and 27 through 29 of this Contract and any other terms and conditions that the State deems necessary to protect its interests. The State shall not be responsible for the fulfillment of the Contractor's obligations to the subcontractors.

27. Prompt Pay Requirements

- 27.1** If the Contractor withholds payment of an undisputed amount to its subcontractor, the Department, at its option and in its sole discretion, may take one or more of the following actions:
- (a) Not process further payments to the contractor until payment to the subcontractor is verified;
 - (b) Suspend all or some of the contract work without affecting the completion date(s) for the contract work;
 - (c) Pay or cause payment of the undisputed amount to the subcontractor from monies otherwise due or that may become due;
 - (d) Place a payment for an undisputed amount in an interest-bearing escrow account; or
 - (e) Take other or further actions as appropriate to resolve the withheld payment.
- 27.2** An "undisputed amount" means an amount owed by the Contractor to a subcontractor for which there is no good faith dispute. Such "undisputed amounts" include, without limitation:
- (a) Retainage which had been withheld and is, by the terms of the agreement between the Contractor and subcontractor, due to be distributed to the subcontractor; and
 - (b) An amount withheld because of issues arising out of an agreement or occurrence unrelated to the agreement under which the amount is withheld.
- 27.3** An act, failure to act, or decision of a Procurement Officer or a representative of the Department, concerning a withheld payment between the Contractor and a subcontractor under this provision, may not:
- (a) Affect the rights of the contracting parties under any other provision of law;
 - (b) Be used as evidence on the merits of a dispute between the Department and the contractor in any other proceeding; or
 - (c) Result in liability against or prejudice the rights of the Department.
- 27.4** The remedies enumerated above are in addition to those provided under COMAR 21.11.03.13 with respect to subcontractors that have contracted pursuant to the Minority Business Enterprise program.
- 27.5** To ensure compliance with certified MBE subcontract participation goals, the Department may, consistent with COMAR 21.11.03.13, take the following measures:
- (a) Verify that the certified MBEs listed in the MBE participation schedule actually are performing work and receiving compensation as set forth in the MBE participation schedule.
 - (b) This verification may include, as appropriate:
 - i. Inspecting any relevant records of the Contractor;
 - ii. Inspecting the jobsite; and

- iii. Interviewing subcontractors and workers.
- iv. Verification shall include a review of:
 - a. The Contractor's monthly report listing unpaid invoices over 30 days old from certified MBE subcontractors and the reason for nonpayment; and
 - b. The monthly report of each certified MBE subcontractor, which lists payments received from the Contractor in the preceding 30 days and invoices for which the subcontractor has not been paid.
- (c) If the Department determines that the Contractor is in noncompliance with certified MBE participation goals, then the Department will notify the Contractor in writing of its findings, and will require the Contractor to take appropriate corrective action. Corrective action may include, but is not limited to, requiring the Contractor to compensate the MBE for work performed as set forth in the MBE participation schedule.
- (d) If the Department determines that the Contractor is in material noncompliance with MBE contract provisions and refuses or fails to take the corrective action that the Department requires, then the Department may:
 - i. Terminate the contract;
 - ii. Refer the matter to the Office of the Attorney General for appropriate action; or
 - iii. Initiate any other specific remedy identified by the contract, including the contractual remedies required by this Directive regarding the payment of undisputed amounts.
- (e) Upon completion of the Contract, but before final payment or release of retainage or both, the Contractor shall submit a final report, in affidavit form under the penalty of perjury, of all payments made to, or withheld from MBE subcontractors.

28. Indemnification

- 28.1** The Contractor shall indemnify the State against liability for any costs, expenses, losses, suits, actions, liabilities and/or expenses, and claims of any character arising from or relating to the performance of the Contractor or its subcontractors under this Contract.
- 28.2** The State of Maryland has no obligation to provide legal counsel or defense to the Contractor or its subcontractors in the event that a suit, claim or action of any character is brought by any person not party to this Contract against the Contractor or its subcontractors as a result of or relating to the Contractor's obligations under this Contract.
- 28.3** The State has no obligation for the payment of any judgments or the settlement of any claims against the Contractor or its subcontractors as a result of or relating to the Contractor's obligations under this Contract.
- 28.4** The Contractor shall immediately notify the Procurement Officer of any claim or suit made or filed against the Contractor or its subcontractors regarding any matter resulting from or relating to the Contractor's obligations under the Contract, and will cooperate, assist, and consult with the State in the defense or investigation of any claim, suit, or action made or filed against the State as a result of or relating to the Contractor's performance under this Contract.
- 28.5** This Article 28 shall survive termination of this Contract.

29. Loss of Data

In the event of loss of any State data or records where such loss is due to the intentional act or omission or negligence of the Contractor or any of its subcontractors or agents, the Contractor shall be responsible for recreating such lost data in the manner and on the schedule set by the Contract Manager. The Contractor shall ensure that all data is backed up and recoverable by the Contractor. Contractor shall use its best efforts to assure that at no time shall any actions undertaken by the Contractor under this Contract (or any failures to act when Contractor has a duty to act) damage or create any vulnerabilities in data bases, systems, platforms and/or applications with which the Contractor is working hereunder.

30. Administrative

30.1 Procurement Officer. The work to be accomplished under this Contract shall be performed under the direction of the Procurement Officer. All matters relating to the interpretation of this Contract shall be referred to the Procurement Officer for determination. The Contract management shall oversee and direct day-to-day performance under this Contract.

30.2 Notices. All notices hereunder shall be in writing and either delivered personally or sent by certified or registered mail, postage prepaid as follows:

If to the State: Director, Employee Benefit Division
State of Maryland
301 W. Preston St.
Room 509
Baltimore, MD 21201

And

Andrea R. Lockett
Procurement Officer
Department of Budget and Management
Room 141, 45 Calvert Street
Annapolis, Maryland 21401

If to the Contractor: _____

IN WITNESS THEREOF, the parties have executed this Contract.

CONTRACTOR

MARYLAND DEPARTMENT OF
BUDGET AND MANAGEMENT

By:

By: T. Eloise Foster, Secretary

Date

Date

Witness

Witness

APPROVED FOR FORM AND LEGAL SUFFICIENCY THIS _____ DAY OF _____ 2010.

ASSISTANT ATTORNEY GENERAL

APPROVED BY BPW: _____
(Date) (BPW Item #)

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Attachment B – Bid/Proposal Affidavit

(Authorized Representative and Affiant)

A. AUTHORIZED REPRESENTATIVE

I HEREBY AFFIRM THAT:

I am the (title) _____ and the duly authorized representative of (business) _____ and that I possess the legal authority to make this Affidavit on behalf of myself and the business for which I am acting.

B. CERTIFICATION REGARDING COMMERCIAL NONDISCRIMINATION

The undersigned bidder hereby certifies and agrees that the following information is correct: In preparing its bid on this project, the bidder has considered all proposals submitted from qualified, potential subcontractors and suppliers, and has not engaged in “discrimination” as defined in §19-103 of the State Finance and Procurement Article of the Annotated Code of Maryland. “Discrimination” means any disadvantage, difference, distinction, or preference in the solicitation, selection, hiring, or commercial treatment of a vendor, subcontractor, or commercial customer on the basis of race, color, religion, ancestry, or national origin, sex, age, marital status, sexual orientation, or on the basis of disability or any otherwise unlawful use of characteristics regarding the vendors, supplier’s or commercial customer’s employees or owners. “Discrimination” also includes retaliating against any person or other entity for reporting any incident of “discrimination.” Without limiting any other provision of the solicitation on this project, it is understood that, if the certification is false, such false certification constitutes grounds for the State to reject the bid submitted by the bidder on this project, and terminate any contract awarded based on the bid. As part of its bid or proposal, the bidder herewith submits a list of all instances within the past 4 years where there has been a final adjudicated determination in a legal or administrative proceeding in the state of Maryland that the bidder discriminated against subcontractors, vendors, suppliers, or commercial customers, and a description of the status or resolution of that determination, including any remedial action taken. Bidder agrees to comply in all respects with the State’s Commercial Nondiscrimination Policy as described under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland.

C. AFFIRMATION REGARDING BRIBERY CONVICTIONS

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business (as is defined in §16-101(b) of the State Finance and Procurement Article of the Annotated Code of Maryland), or any of its officers, directors, partners, controlling stockholders, or any of its employees directly involved in the business’s contracting activities including obtaining or performing contracts with public bodies, has been convicted of, or has had probation before judgment imposed pursuant to Criminal Procedure Article, §6-220, Annotated Code of Maryland, or has pleaded nolo contendere to a charge of, bribery, attempted bribery, or conspiracy to bribe in violation of Maryland law, or of the law of any other state or federal law, except as follows (indicate the reasons why the affirmation cannot be given and list any conviction, plea, or imposition of probation before judgment with the date, court, official or administrative body, the sentence or disposition, the name(s) of person(s) involved, and their current positions and responsibilities with the business):

D. AFFIRMATION REGARDING OTHER CONVICTIONS

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, or any of its officers, directors, partners, controlling stockholders, or any of its employees directly involved in the business's contracting activities including obtaining or performing contracts with public bodies, has:

- (1) Been convicted under state or federal statute of:
 - (a) a criminal offense incident to obtaining, attempting to obtain, or performing a public or private contract; or
 - (b) fraud, embezzlement, theft, forgery, falsification or destruction of records, or receiving stolen property;
- (2) Been convicted of any criminal violation of a state or federal antitrust statute;
- (3) Been convicted under the provisions of Title 18 of the United States Code for violation of the Racketeer Influenced and Corrupt Organization Act, 18 U.S.C. §1961, et seq., or the Mail Fraud Act, 18 U.S.C. §1341, et seq., for acts in connection with the submission of bids or proposals for a public or private contract;
- (4) Been convicted of a violation of the State Minority Business Enterprise Law, §14-308 of the State Finance and Procurement Article of the Annotated Code of Maryland;
- (5) Been convicted of a violation of the §11-205.1 of the State Finance and Procurement Article of the Annotated Code of Maryland;
- (6) Been convicted of conspiracy to commit any act or omission that would constitute grounds for conviction or liability under any law or statute described in subsection (1) through (5) above;
- (7) Been found civilly liable under a state or federal antitrust statute for acts or omissions in connection with the submission of bids or proposals for a public or private contract; or
- (8) Been found in a final adjudicated decision to have violated the Commercial Nondiscrimination Policy under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland with regard to a public or private contract; or
- (9) Admitted in writing or under oath, during the course of an official investigation or other proceedings, acts or omissions that would constitute grounds for conviction or liability under any law or statute described in §§B — C and subsections (1) through (8) above, except as follows (indicate reasons why the affirmations cannot be given, and list any conviction, plea, or imposition of probation before judgment with the date, court, official or administrative body, the sentence or disposition, the name(s) of the person(s) involved and their current positions and responsibilities with the business, and the status of any debarment):

E. AFFIRMATION REGARDING DEBARMENT

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, or any of its officers, directors, partners, controlling stockholders, or any of its employees directly involved in the business's contracting activities including obtaining or performing contracts with public bodies, has ever been suspended or debarred (including being issued a limited denial of participation) by any public entity, except as follows (list each debarment or suspension providing the dates of the suspension or debarment, the name of the public entity and the status of the proceedings, the name(s) of the person(s) involved and their current positions and responsibilities with the business, the grounds of the debarment or suspension, and the details of each person's involvement in any activity that formed the grounds of the debarment or suspension):

F. AFFIRMATION REGARDING DEBARMENT OF RELATED ENTITIES

I FURTHER AFFIRM THAT:

- (1) The business was not established and it does not operate in a manner designed to evade the application of or defeat the purpose of debarment pursuant to §16-101, et seq., of the State Finance and Procurement Article of the Annotated Code of Maryland; and
- (2) The business is not a successor, assignee, subsidiary, or affiliate of a suspended or debarred business, except as follows (you must indicate the reasons why the affirmations cannot be given without qualification):

G. SUB-CONTRACT AFFIRMATION

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, has knowingly entered into a contract with a public body under which a person debarred or suspended under Title 16 of the State Finance and Procurement Article of the Annotated Code of Maryland will provide, directly or indirectly, supplies, services, architectural services, construction related services, leases of real property, or construction.

H. AFFIRMATION REGARDING COLLUSION

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business has:

- (1) Agreed, conspired, connived, or colluded to produce a deceptive show of competition in the compilation of the accompanying bid or offer that is being submitted;
- (2) In any manner, directly or indirectly, entered into any agreement of any kind to fix the bid price or price proposal of the bidder or Offeror or of any competitor, or otherwise taken any action in restraint of free competitive bidding in connection with the contract for which the accompanying bid or offer is submitted.

I. FINANCIAL DISCLOSURE AFFIRMATION

I FURTHER AFFIRM THAT:

I am aware of, and the above business will comply with, the provisions of §13-221 of the State Finance and Procurement Article of the Annotated Code of Maryland, which require that every business that enters into contracts, leases, or other agreements with the State of Maryland or its agencies during a calendar year under which the business is to receive in the aggregate \$100,000 or more shall, within 30 days of the time when the aggregate value of the contracts, leases, or other agreements reaches \$100,000, file with the Secretary of State of Maryland certain specified information to include disclosure of beneficial ownership of the business.

J. POLITICAL CONTRIBUTION DISCLOSURE AFFIRMATION

I FURTHER AFFIRM THAT:

I am aware of, and the above business will comply with, Election Law Article, §§14-101—14-108, Annotated Code of Maryland, which requires that every person that enters into contracts, leases, or other agreements with the State of Maryland, including its agencies or a political subdivision of the State, during a calendar year in which the person receives in the aggregate \$100,000 or more shall file with the State Board of Elections a statement disclosing contributions in excess of \$500 made during the reporting period to a candidate for elective office in any primary or general election.

K. DRUG AND ALCOHOL FREE WORKPLACE

(Applicable to all contracts unless the contract is for a law enforcement agency and the agency head or the agency head's designee has determined that application of COMAR 21.11.08 and this certification would be inappropriate in connection with the law enforcement agency's undercover operations.)

I CERTIFY THAT:

- (1) Terms defined in COMAR 21.11.08 shall have the same meanings when used in this certification.
- (2) By submission of its bid or offer, the business, if other than an individual, certifies and agrees that, with respect to its employees to be employed under a contract resulting from this solicitation, the business shall:
 - (a) Maintain a workplace free of drug and alcohol abuse during the term of the contract;
 - (b) Publish a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession, or use of drugs, and the abuse of drugs or alcohol is prohibited in the business' workplace and specifying the actions that will be taken against employees for violation of these prohibitions;

- (c) Prohibit its employees from working under the influence of drugs or alcohol;
- (d) Not hire or assign to work on the contract anyone whom the business knows, or in the exercise of due diligence should know, currently abuses drugs or alcohol and is not actively engaged in a bona fide drug or alcohol abuse assistance or rehabilitation program;
- (e) Promptly inform the appropriate law enforcement agency of every drug-related crime that occurs in its workplace if the business has observed the violation or otherwise has reliable information that a violation has occurred;
- (f) Establish drug and alcohol abuse awareness programs to inform its employees about:
 - (i) The dangers of drug and alcohol abuse in the workplace;
 - (ii) The business' policy of maintaining a drug and alcohol free workplace;
 - (iii) Any available drug and alcohol counseling, rehabilitation, and employee assistance programs; and
 - (iv) The penalties that may be imposed upon employees who abuse drugs and alcohol in the workplace;
- (g) Provide all employees engaged in the performance of the contract with a copy of the statement required by §K(2)(b), above;
- (h) Notify its employees in the statement required by §K(2)(b), above, that as a condition of continued employment on the contract, the employee shall:
 - (i) Abide by the terms of the statement; and
 - (ii) Notify the employer of any criminal drug or alcohol abuse conviction for an offense occurring in the workplace not later than 5 days after a conviction;
- (i) Notify the procurement officer within 10 days after receiving notice under §K(2)(h)(ii), above, or otherwise receiving actual notice of a conviction;
- (j) Within 30 days after receiving notice under §K(2)(h)(ii), above, or otherwise receiving actual notice of a conviction, impose either of the following sanctions or remedial measures on any employee who is convicted of a drug or alcohol abuse offense occurring in the workplace:
 - (i) Take appropriate personnel action against an employee, up to and including termination; or
 - (ii) Require an employee to satisfactorily participate in a bona fide drug or alcohol abuse assistance or rehabilitation program; and
- (k) Make a good faith effort to maintain a drug and alcohol free workplace through implementation of §K(2)(a)—(j), above.

- (3) If the business is an individual, the individual shall certify and agree as set forth in §K(4), below, that the individual shall not engage in the unlawful manufacture, distribution, dispensing, possession, or use of drugs or the abuse of drugs or alcohol in the performance of the contract.
- (4) I acknowledge and agree that:
 - (a) The award of the contract is conditional upon compliance with COMAR 21.11.08 and this certification;
 - (b) The violation of the provisions of COMAR 21.11.08 or this certification shall be cause to suspend payments under, or terminate the contract for default under COMAR 21.07.01.11 or 21.07.03.15, as applicable; and
 - (c) The violation of the provisions of COMAR 21.11.08 or this certification in connection with the contract may, in the exercise of the discretion of the Board of Public Works, result in suspension and debarment of the business under COMAR 21.08.03.

L. CERTIFICATION OF CORPORATION REGISTRATION AND TAX PAYMENT

I FURTHER AFFIRM THAT:

- (1) The business named above is a (domestic ___) (foreign __) corporation registered in accordance with the Corporations and Associations Article, Annotated Code of Maryland, and that it is in good standing and has filed all of its annual reports, together with filing fees, with the Maryland State Department of Assessments and Taxation, and that the name and address of its resident agent filed with the State Department of Assessments and Taxation is:

Name: _____

Address: _____

(If not applicable, so state).

- (2) Except as validly contested, the business has paid, or has arranged for payment of, all taxes due the State of Maryland and has filed all required returns and reports with the Comptroller of the Treasury, the State Department of Assessments and Taxation, and the Department of Labor, Licensing, and Regulation, as applicable, and will have paid all withholding taxes due the State of Maryland prior to final settlement.

M. CONTINGENT FEES

I FURTHER AFFIRM THAT:

The business has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee, bona fide agent, bona fide salesperson, or commercial selling agency working for the business, to solicit or secure the Contract, and that the business has not paid or agreed to pay any person, partnership, corporation, or other entity, other than a bona fide employee, bona fide agent, bona fide salesperson, or commercial selling agency, any fee or any other consideration contingent on the making of the Contract.

N. Repealed.

O. ACKNOWLEDGEMENT

I ACKNOWLEDGE THAT this Affidavit is to be furnished to the Procurement Officer and may be distributed to units of: (1) the State of Maryland; (2) counties or other subdivisions of the State of Maryland; (3) other states; and (4) the federal government. I further acknowledge that this Affidavit is subject to applicable laws of the United States and the State of Maryland, both criminal and civil, and that nothing in this Affidavit or any contract resulting from the submission of this bid or proposal shall be construed to supersede, amend, modify or waive, on behalf of the State of Maryland, or any unit of the State of Maryland having jurisdiction, the exercise of any statutory right or remedy conferred by the Constitution and the laws of Maryland with respect to any misrepresentation made or any violation of the obligations, terms and covenants undertaken by the above business with respect to (1) this Affidavit, (2) the contract, and (3) other Affidavits comprising part of the contract.

I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

Date: _____ By: _____

(Authorized Representative and Affiant)

Attachment C – Contract Affidavit

A. AUTHORIZED REPRESENTATIVE

I HEREBY AFFIRM THAT:

I am the _____ (title) and the duly authorized representative of _____ (business) and that I possess the legal authority to make this Affidavit on behalf of myself and the business for which I am acting.

B. CERTIFICATION OF CORPORATION REGISTRATION AND TAX PAYMENT

I FURTHER AFFIRM THAT:

(1) The business named above is a (domestic____) (foreign____) corporation registered in accordance with the Corporations and Associations Article, Annotated Code of Maryland, and that it is in good standing and has filed all of its annual reports, together with filing fees, with the Maryland State Department of Assessments and Taxation, and that the name and address of its resident agent filed with the State Department of Assessments and Taxation is: Name: _____ Address: _____.

(2) Except as validly contested, the business has paid, or has arranged for payment of, all taxes due the State of Maryland and has filed all required returns and reports with the Comptroller of the Treasury, the State Department of Assessments and Taxation, and the Department of Labor, Licensing, and Regulation, as applicable, and will have paid all withholding taxes due the State of Maryland prior to final settlement.

C. CERTAIN AFFIRMATIONS VALID

I FURTHER AFFIRM THAT:

To the best of my knowledge, information, and belief, each of the affirmations, certifications, or acknowledgements contained in that certain Bid/Proposal Affidavit dated _____, 20____, and executed by me for the purpose of obtaining the Contract to which this Exhibit is attached remains true and correct in all respects as if made as of the date of this Contract Affidavit and as if fully set forth herein.

I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

Date: _____

By: _____
(Authorized Representative and Affiant)

Attachment D – Minority Business Enterprise Participation

The Contractor shall structure its procedures for the performance of the work required in this Contract to attempt to achieve the Minority Business Enterprise (MBE) goal stated in the Request for Proposals (RFP). MBE performance shall be in accordance with this Exhibit, as authorized by Minority Business Enterprise Policies as set forth by 21.11.03 of the Code of Maryland Regulations (COMAR). Accordingly, the Contractor agrees to exercise all good faith efforts to carry out the requirements set forth in this Exhibit.

To meet the goal using MBE subcontractors, all Prime Contractors shall:

- ❑ Identify work areas for subcontracting
- ❑ Solicit minority business enterprises through written notice or personal contact
- ❑ Help minority businesses meet bonding requirements or grant them a waiver of bonding requirements
- ❑ Identify their MBE subcontractors at the time they submit their bids or proposals

MBE GOAL AND SUB GOALS

An MBE subcontract participation goal of **10% of all the administrative fees paid to the Contractor** has been established for this procurement. By submitting a response to this solicitation, the bidder or offeror agrees that this percentage of the administrative fees paid under the Contract will be performed by certified minority business enterprises.

A prime Contractor — including an MBE prime Contractor — shall accomplish an amount of work not less than the MBE subcontract goal with certified MBE subcontractors. (COMAR 21.11.03.09B(2))

SOLICITATION AND CONTRACT FORMATION

- ◆ A bidder or offeror must include with its bid or offer a completed *Certified MBE Utilization and Fair Solicitation Affidavit (Attachment D-1)* whereby:
 - (1) the bidder or offeror acknowledges the certified MBE participation goal or requests a waiver, commits to making a good faith effort to achieve the goal, and affirms that MBE subcontractors were treated fairly in the solicitation process; and
 - (2) the bidder or offeror responds to the expected degree of Minority Business Enterprise participation as stated in the solicitation, by identifying the specific commitment of certified MBEs at the time of submission. The bidder or offeror shall specify the percentage of contract value associated with each MBE subcontractor identified on the MBE Participation Schedule.
- ◆ *If a bidder or offeror fails to submit a completed Attachment D-1 with the bid or offer, the Procurement Officer shall deem the bid non-responsive or shall determine that the offer is not reasonably susceptible of being selected for award.*

- ◆ Within 10 working days from notification that it is the apparent awardee or from the date of the actual award, whichever is earlier, the apparent awardee shall provide the following documentation to the Procurement Officer:

(1) Outreach Efforts Compliance Statement (Attachment D-2)

(2) Subcontractor Project Participation Certification (Attachment D-3)

(3) If the apparent awardee has requested a waiver (in whole or in part) of the overall MBE goal , it shall submit a fully documented waiver request that complies with COMAR 21.11.03.11.

(4) Any other documentation required by the Procurement Officer to ascertain bidder or offeror responsibility in connection with the certified MBE participation goal.

NOTE: If the apparent awardee fails to return each completed document within the required time, the Procurement Officer may determine that the apparent awardee is not responsible and therefore not eligible for Contract award. If the Contract has already been awarded, the award is voidable.

MBE REPORTING INSTRUCTIONS

Prime Contractor shall:

1. Submit by the 10th of each month to the Department a Prime Contractor Paid/Unpaid MBE Invoice Report listing any unpaid invoices, over 30 days old, received from any certified MBE subcontractor, the amount of each invoice and the reason payment has not been made.
2. Include in its agreements with its certified MBE subcontractors a requirement that those subcontractors submit by the 10th of each month to the Department a Subcontractor Paid/Unpaid MBE Invoice Report that identifies the prime contract and lists all payments received from Contractor in the preceding 30 days, as well as any outstanding invoices, and the amount of those invoices.
3. Maintain such records as are necessary to confirm compliance with its MBE participation obligations. These records must indicate the identity of certified minority and non-minority subcontractors employed on the contract, the type of work performed by each, and the actual dollar value of work performed. Subcontract agreements documenting the work performed by all MBE participants must be retained by the Contractor and furnished to the Procurement Officer on request.
4. Consent to provide such documentation as reasonably requested and to provide right-of-entry at reasonable times for purposes of the State's representatives verifying compliance with the MBE participation obligations. Contractor must retain all records concerning MBE participation and make them available for State inspection for three years after final completion of the contract.
5. At the option of the procurement agency, upon completion of the contract and before final payment and/or release of retainage, submit a final report in affidavit form and under penalty of perjury, of all payments made to, or withheld from MBE subcontractors.

ATTACHMENTS

- A. Certified MBE Utilization and Fair Solicitation Affidavit – Attachment D-1 (must be submitted with bid or offer)
- B. Outreach Efforts Compliance Statement – Attachment D-2 (must be submitted within 10 working days of notification of apparent award or actual award, whichever is earlier)
- C. Subcontractor Project Participation Certification – Attachment D-3 (must be submitted within 10 working days of notification of apparent award or actual award, whichever is earlier)
- D. Prime Contractor Paid/Unpaid MBE Invoice Report – Attachment D-4 (must be submitted by the 10th of each month by the Prime Contractor)
- E. Subcontractor Paid/Unpaid MBE Invoice Report – Attachment D-5 (must be submitted by the 10th of each month by the Subcontractor)

Attachment D-1 – Certified MBE Utilization and Fair Solicitation Affidavit

This document **MUST BE** included with the bid or offer. If the Bidder or Offeror fails to complete and submit this form with the bid or offer as required, the procurement officer shall deem the bid non-responsive or shall determine that the offer is not reasonably susceptible of being selected for award.

In conjunction with the bid or offer submitted in response to Solicitation No. F10B0400011, I affirm the following:

1. I acknowledge and intend to meet the overall certified Minority Business Enterprise (MBE) participation goal of **10% of all the administrative fees paid to the Contractor**. Therefore, I will not be seeking a waiver pursuant to COMAR 21.11.03.11.

OR

- I conclude that I am unable to achieve the MBE participation goal. I hereby request a complete waiver, in whole, of the overall goal. Within 10 business days of receiving notice that our firm is the apparent awardee, I will submit all required waiver documentation in accordance with COMAR 21.11.03.11.

OR

- I conclude that I am unable to achieve the entire MBE participation goal. I hereby request a partial waiver of the overall goal and have identified the portion of the MBE goal I intend to achieve through a specific commitment of the certified Minority Business Enterprises listed in the MBE Participation Schedule below. Within 10 business days of receiving notice that our firm is the apparent awardee, I will submit all required waiver documentation (for the portion I am unable to achieve) in accordance with COMAR 21.11.03.11.

2. ***I understand that if I am notified that I am the apparent awardee, I must submit the following additional documentation within 10 working days of receiving notice of the potential award or from the date of conditional award (per COMAR 21.11.03.10), whichever is earlier.***

- (a) Outreach Efforts Compliance Statement (Attachment D-2)
- (b) Subcontractor Project Participation Statement (Attachment D-3)
- (c) Any other documentation, including waiver documentation, if applicable, required by the Procurement Officer to ascertain bidder or offeror responsibility in connection with the certified MBE participation goal.

I understand that if I fail to return each completed document within the required time, the Procurement Officer may determine that I am not responsible and therefore not eligible for contract award. If the contract has already been awarded, the award is voidable.

3. In the solicitation of subcontract quotations or offers, MBE subcontractors were provided not less than the same information and amount of time to respond as were non-MBE subcontractors.
4. Set forth below are the (i) certified MBEs I intend to use and (ii) the percentage of the total contract amount allocated to each MBE for this project. I hereby affirm that the MBE firms are only providing those products and services for which they are certified by the Maryland Department of Transportation.

MBE Participation Schedule

Prime Contractor: (Firm Name, Address, Phone)	Project Description:
Project Number:	

List Information For Each Certified MBE Subcontractor On This Project

Minority Firm Name	MBE Certification Number

Percentage of Total Contract/Administrative Fees	
Minority Firm Name	MBE Certification Number

Percentage of Total Contract/Administrative Fees	
Minority Firm Name	MBE Certification Number

Percentage of Total Contract/Administrative Fees	
Minority Firm Name	MBE Certification Number

Percentage of Total Contract/Administrative Fees	
Minority Firm Name	MBE Certification Number

Percentage of Total Contract/Administrative Fees	

Continue on a separate page, if needed.

SUMMARY

Total MBE Participation: _____ %

I solemnly affirm under the penalties of perjury that the contents of this Affidavit are true to the best of my knowledge, information, and belief.

Bidder/Offeror Name
(PLEASE PRINT OR TYPE)

Signature of Affiant

Name: _____
Title: _____
Date: _____

SUBMIT THIS AFFIDAVIT WITH BID/PROPOSAL

Attachment D-2 – Outreach Efforts Compliance Statement

Complete and submit this form within 10 working days of notification of apparent award or actual award, whichever is earlier.

In conjunction with the bid or offer submitted in response to Solicitation No. F10B0400011. I state the following:

1. Bidder/Offeror identified opportunities to subcontract in these specific work categories:

2. Attached to this form are copies of written solicitations (with bidding instructions) used to solicit MDOT certified MBEs for these subcontract opportunities.

3. Bidder/Offeror made the following attempts to contact personally the solicited MDOT certified MBEs:

4. Select ONE of the following:
 This project does not involve bonding requirements.

OR

 Bidder/Offeror assisted MDOT certified MBEs to fulfill or seek waiver of bonding requirements (*describe efforts*).

5. Select ONE of the following:
 Bidder/Offeror did/did not attend the pre-bid/proposal conference.

OR

 No pre-bid/proposal conference was held.

Bidder/Offeror Printed Name	By:	Signature
Address		Title
City/State/Zip		Date

Attachment D-3 – Subcontractor Project Participation Certification

Please complete and submit one form for each MDOT certified MBE listed on Attachment A within 10 working days of notification of apparent award.

_____ (*prime contractor*) has entered into a contract with _____ (*subcontractor*) to provide services in connection with the Solicitation No. F10B0400011 described below.

Prime Contractor Address and Phone	Project Description
Project Number	Total Contract Amount \$
Minority Firm Name	
MBE Certification Number	
Work To Be Performed	
Percentage of Total Contract	

The undersigned Prime Contractor and Subcontractor hereby certify and agree that they have fully complied with the State Minority Business Enterprise law, State Finance and Procurement Article §14-308(a)(2), Annotated Code of Maryland which provides that, except as otherwise provided by law, a contractor may not identify a certified minority business enterprise in a bid or proposal and:

- (1) fail to request, receive, or otherwise obtain authorization from the certified minority business enterprise to identify the certified minority business enterprise in its bid or proposal;
- (2) fail to notify the certified minority business enterprise before execution of the contract of its inclusion of the bid or proposal;
- (3) fail to use the certified minority business enterprise in the performance of the contract; or
- (4) pay the certified minority business enterprise solely for the use of its name in the bid or proposal.

PRIME CONTRACTOR SIGNATURE

SUBCONTRACTOR SIGNATURE

By: _____
Signature

By: _____
Signature

Name, Title

Name, Title

Date

Date

Attachment D-4 – Minority Business Enterprise Participation

This form is to be completed
monthly by the prime
contractor.

**Maryland Department of Budget and Management
Prime Contractor Paid/Unpaid MBE Invoice Report**

Report #: _____	Contract #:
Reporting Period (Month/Year): _____	Contracting Unit:
Report is due by the 10th of the month following the month the services were provided.	Contract Amount:
	MBE Subcontract Amt:
	Project Begin Date:
	Project End Date:

Prime Contractor:		Contact Person:	
Address / City / State / Zip:			
Phone:	FAX:		
Subcontractor Name:		Contact Person:	
Phone:	FAX:		
Subcontractor Services Provided:			
List all payments made to MBE Subcontractor named above during this reporting period:		List dates and amounts of any outstanding invoices:	
<u>Invoice#</u>	<u>Amount</u>	<u>Invoice #</u>	<u>Amount</u>
1.		1.	
2.		2.	
3.		3.	
Total Dollars Paid: \$ _____		Total Dollars Unpaid: \$ _____	

NOTE:

- If more than one MBE Subcontractor is used for this Contract, use separate D-4 forms.
- Return one copy (hard or electronic) of this form to the following address
(electronic copy with signature and date is preferred)

Thomas McLamore MBE Officer Department of Budget and Management 45 Calvert Street, Room 116 Annapolis, MD 21401 Telephone: 410.260.7663 / Fax: 410.974.3274 Email: tmclamore@dbm.state.md.us	Anne Timmons Director, Employee Benefits Division Employee Benefits Division 301 West Preston Street, Room 510 Baltimore, Maryland 21201 Telephone: 410.767.4710 / Fax: 410.333.7122 E-mail: atimmons@dbm.state.md.us
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Signature: _____ **Date:** _____

Attachment D-5 – Minority Business Enterprise Participation

This form is to be completed monthly by each MBE subcontractor.

**Maryland Department of Budget and Management
Subcontractor Paid/Unpaid MBE Invoice Report**

Report#: _____ Reporting Period (Month/Year): _____ Report is due by the 10th of the month following the month the services were performed.	Contract # _____ Contracting Unit: _____ MBE Subcontract Amount: _____ Project Begin Date: _____ Project End Date: _____ Services Provided: _____
---	--

MBE Subcontractor Name: _____

MDOT Certification #: _____

Contact Person: _____

Address / City / State / Zip: _____

Phone: _____	FAX: _____
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Subcontractor Services Provided:

<p>List all payments received from Prime Contractor during reporting period indicated above.</p> <table style="width:100%;"> <thead> <tr> <th style="width:5%;"></th> <th style="width:40%; text-align: center;"><u>Invoice Amt</u></th> <th style="width:55%; text-align: center;"><u>Date</u></th> </tr> </thead> <tbody> <tr><td>1.</td><td></td><td></td></tr> <tr><td>2.</td><td></td><td></td></tr> <tr><td>3.</td><td></td><td></td></tr> <tr> <td colspan="3">Total Dollars Paid: \$ _____</td> </tr> </tbody> </table>		<u>Invoice Amt</u>	<u>Date</u>	1.			2.			3.			Total Dollars Paid: \$ _____			<p>List dates and amounts of any unpaid invoices over 30 days old.</p> <table style="width:100%;"> <thead> <tr> <th style="width:5%;"></th> <th style="width:40%; text-align: center;"><u>Invoice Amt</u></th> <th style="width:55%; text-align: center;"><u>Date</u></th> </tr> </thead> <tbody> <tr><td>1.</td><td></td><td></td></tr> <tr><td>2.</td><td></td><td></td></tr> <tr><td>3.</td><td></td><td></td></tr> <tr> <td colspan="3">Total Dollars Unpaid: \$ _____</td> </tr> </tbody> </table>		<u>Invoice Amt</u>	<u>Date</u>	1.			2.			3.			Total Dollars Unpaid: \$ _____		
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2.																															
3.																															
Total Dollars Unpaid: \$ _____																															

Prime Contractor: _____	Contact Person _____
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****Return one copy (hard or electronic) of this form to the following address (electronic copy with signature and date is preferred)**

Thomas McLamore MBE Officer Department of Budget and Management 45 Calvert Street, Room 116 Annapolis, MD 21401 Telephone: 410.260.7663 / Fax: 410.974.3274 Email: tmclamore@dbm.state.md.us	Anne Timmons Director, Employee Benefits Division Employee Benefits Division 301 West Preston Street, Room 510 Baltimore, Maryland 21201 Telephone: 410.767.4710 / Fax: 410.333.7122 E-mail: atimmons@dbm.state.md.us
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Signature: _____ **Date:** _____

Attachment E – Confidentiality and Non-Disclosure Agreement (Offeror)

This Confidentiality and Non- Disclosure Agreement (the “Agreement”) is made this ___ day of _____ 2010, by and between _____ (hereinafter referred to as "the OFFEROR ") and the State of Maryland (hereinafter referred to as "the State").

OFFEROR warrants and represents that it intends to submit a Technical Proposal in response to RFP # F10B0400011, the Request for Proposals for Behavioral Health and EAP Administration Services. In order for the OFFEROR to submit a Proposal, it will be necessary for the State to provide the OFFEROR with access to certain confidential information including, but not limited, to demographic and identifying information on eligible individuals and plan utilization data. All such information provided by the State shall be considered Confidential Information regardless of the form, format, or media upon which or in which such information is contained or provided, regardless of whether it is oral, written, electronic, or any other form, and regardless of whether the information is marked as “Confidential Information.” As a condition for its receipt and access to the Confidential Information described in Section 1.32 of the RFP, OFFEROR agrees as follows:

1. OFFEROR will not copy, disclose, publish, release, transfer, disseminate or use for any purpose in any form any Confidential Information received under Section 1.32, except in connection with the preparation of its Proposal. All Confidential Information and copies thereof shall be protected from disclosure by commercially reasonable means, including without limitation encryption, password protection, and secure transmission where appropriate. OFFEROR shall review and implement, as commercially reasonable, guidance from the federal Department of Health and Human Services about making PHI secure in connection with use, storage, retention, destruction, and transmission of the Confidential Information. See <http://www.hhs.gov/ocr/privacy/hipaa/administrative/breachnotificationrule/brguidance.html>.
2. Each employee or agent (including without limitation subcontractors) of the OFFEROR who receives or has access to the Confidential Information shall be notified of the confidentiality and nondisclosure requirements of this Agreement and the confidential nature of the Confidential Information. Each employee or agent of the OFFEROR who is provided access to or a copy of the Confidential Information shall be bound by confidentiality and nondisclosure obligations that are no less restrictive than the obligations set forth herein. The OFFEROR shall be liable for any violations by any employees or agents who are provided or given access to Confidential Information. The OFFEROR shall provide a list of all individuals, employees, and agents of the OFFEROR who have or have had access to the Confidential Information, along with the certification required in section 3 of this Agreement, to the Procurement Officer.
3. OFFEROR shall return to the State the original and destroy (in a manner designed to prohibit reading of or reconstruction of the data) all copies of the Confidential Information remaining in its possession within five business days of the State’s notice of a recommended award in connection with this procurement. If the OFFEROR does not submit a Proposal, the OFFEROR shall return the Confidential Information to the Procurement Officer identified in the RFP, Section 1.6, on or before the due date for Proposals. The OFFEROR shall certify, in writing and signed by an individual with authority to bind the OFFEROR, that any and all Confidential Information (in whatever format or media) has been destroyed or returned to the Procurement Officer within five business days of the notice of recommended award or the notice that the OFFEROR will not submit a proposal, whichever is earlier. Such certification may be in the form provided below or in another form.

4. OFFEROR acknowledges that the disclosure of the Confidential Information may cause irreparable harm to the State and agrees that the State may obtain an injunction to prevent the disclosure, copying, or other impermissible use of the Confidential Information. The State's rights and remedies hereunder are cumulative and the State expressly reserves any and all rights, remedies, claims and actions that it may have now or in the future to protect the Confidential Information and/or to seek damages for the OFFEROR'S failure to comply with the requirements of this Agreement. The OFFEROR consents to personal jurisdiction in the Maryland State Courts.

5. In the event the State suffers any losses, damages, liabilities, expenses, or costs (including, by way of example only, attorneys' fees and disbursements) that are attributable, in whole or in part to any failure by the OFFEROR or any employee or agent of the OFFEROR to comply with the requirements of this Agreement, OFFEROR shall hold harmless and indemnify the State from and against any such losses, damages, liabilities, expenses, and/or costs.

6. This Agreement shall be governed by the laws of the State of Maryland.

7. OFFEROR acknowledges that pursuant to Section 11-205.1 of the State Finance and Procurement Article of the Annotated Code of Maryland, a person may not willfully make a false or fraudulent statement or representation of a material fact in connection with a procurement contract. Persons making such statements are guilty of a felony and on conviction subject to a fine of not more than \$20,000 and/or imprisonment not exceeding 5 years or both. OFFEROR further acknowledges that this Agreement is a statement made in connection with a procurement contract.

8. The individual signing below warrants and represents that he or she is fully authorized to bind the OFFEROR to the terms and conditions specified in this Agreement.

OFFEROR:

BY: _____ [signature]
 NAME: _____ [print name]
 TITLE: _____
 ADDRESS: _____

**OFFEROR'S EMPLOYEES AND AGENTS WHO WILL BE
 GIVEN ACCESS TO THE CONFIDENTIAL INFORMATION**

<i>Printed Name and Address of Individual/Agent</i>	<i>Employee (E) or Agent (A)</i>	<i>Printed Name and Address of Individual/Agent</i>	<i>Employee (E) or Agent (A)</i>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

CERTIFICATION

I CERTIFY, on behalf of _____ (“OFFEROR”) that the original and any and all copies of the Confidential Information provided by the State in connection with RFP #F10B0400006 have been returned to the Procurement Officer or destroyed in a manner designed to prevent reconstruction of or reading of the data. Below is a list of the individuals, employees and/or agents to whom copies of or access to the Confidential Information **have been provided.**

I warrant and represent that I am fully authorized to bind the OFFEROR to the terms and conditions specified in this Agreement.

OFFEROR: _____

BY: _____ [signature]

NAME: _____ [print name]

TITLE: _____

ADDRESS: _____

DATE: _____

WITNESS: _____

OFFEROR’S EMPLOYEES AND AGENTS WHO WERE GIVEN ACCESS TO THE CONFIDENTIAL INFORMATION

Printed Name and
Address of Individual/Agent

Employee (E)
or Agent (A)

_____	_____
_____	_____
_____	_____
_____	_____

Attachment F – State of Maryland Data Security Policy

**STATE OF MARYLAND
IT SECURITY POLICY AND STANDARDS**

AVAILABLE IN ELECTRONIC FORMAT

See Department of Information Technology website, select Policies and Guidance tab, select State of Maryland Information Technology Security Policies link, select Information Security Policy link.

http://doit.maryland.gov/support/Documents/security_guidelines/DoITSecurityPolicy.pdf

Attachment G – NAIC 120-1 Model COB Contract Provisions

NAIC 120-1 MODEL COB CONTRACT PROVISIONS

Copr. © West 2003 No Claim to Orig. U.S. Govt. Works

MODEL COB CONTRACT PROVISIONS

COORDINATION OF THIS GROUP CONTRACT'S BENEFITS WITH OTHER BENEFITS

This coordination of benefits (COB) provision applies when a person has health care coverage under more than one plan. "Plan" is defined below.

The order of benefit determination rules below determine which plan will pay as the primary plan. The primary plan that pays first pays without regard to the possibility that another plan may cover some expenses. A secondary plan pays after the primary plan and may reduce the benefits it pays so that payments from all group plans do not exceed 100% of the total allowable expense.

DEFINITIONS

A. A "plan" is any of the following that provides benefits or services for medical or dental care or treatment. However, if separate contracts are used to provide coordinated coverage for members of a group, the separate contracts are considered parts of the same plan and there is no COB among those separate contracts.

(1) "Plan" includes: group insurance, closed panel or other forms of group or group-type coverage (whether insured or uninsured); hospital indemnity benefits in excess of \$200 per day; medical care components of group long-term care contracts, such as skilled nursing care; medical benefits under group or individual automobile contracts; and Medicare or other governmental benefits, as permitted by law.

(2) "Plan" does not include: individual or family insurance; closed panel or other individual coverage (except for group-type coverage); amounts of hospital indemnity insurance of \$200 or less per day; school accident type coverage, benefits for non-medical components of group long-term care policies; Medicare supplement policies, Medicaid policies and coverage under other governmental plans, unless permitted by law.

Each contract for coverage under (1) or (2) is a separate plan. If a plan has two parts and COB rules apply only to one of the two, each of the parts is treated as a separate plan.

B. The order of benefit determination rules determine whether this plan is a "primary plan" or "secondary plan" when compared to another plan covering the person.

When this plan is primary, its benefits are determined before those of any other plan and without considering any other plan's benefits. When this plan is secondary, its benefits are determined after those of another plan and may be reduced because of the primary plan's benefits.

C. "Allowable expense" means a health care service or expense, including deductibles and copayments, that is covered at least in part by any of the plans covering the person. When a plan provides benefits in the form of services, (for example a PPO) the reasonable cash value of each service will be considered an allowable expense and a benefit paid. An expense or service that is not covered by any of the plans is not

an allowable expense. The following are examples of expenses or services that are not allowable expenses:

(1) If a covered person is confined in a private hospital room, the difference between the cost of a semi-private room in the hospital and the private room, (unless the patient's stay in a private hospital room is medically necessary in terms of generally accepted medical practice, or one of the plans routinely provides coverage for hospital private rooms) is not an allowable expense.

(2) If a person is covered by 2 or more plans that compute their benefit payments on the basis of usual and customary fees, any amount in excess of the highest of the usual and customary fees for a specific benefit is not an allowable expense.

(3) If a person is covered by 2 or more plans that provide benefits or services on the basis of negotiated fees, an amount in excess of the highest of the negotiated fees is not an allowable expense.

(4) If a person is covered by one plan that calculates its benefits or services on the basis of usual and customary fees and another plan that provides its benefits or services on the basis of negotiated fees, the primary plan's payment arrangements shall be the allowable expense for all plans.

(5) The amount a benefit is reduced by the primary plan because a covered person does not comply with the plan provisions. Examples of these provisions are second surgical opinions, precertification of admissions, and preferred provider arrangements.

D. "Claim determination period" means a calendar year. However, it does not include any part of a year during which a person has no coverage under this plan, or before the date this COB provision or a similar provision takes effect.

E. "Closed panel plan" is a plan that provides health benefits to covered persons primarily in the form of services through a panel of providers that have contracted with or are employed by the plan, and that limits or excludes benefits for services provided by other providers, except in cases of emergency or referral by a panel member.

F. "Custodial parent" means a parent awarded custody by a court decree. In the absence of a court decree, it is the parent with whom the child resides more than one half of the calendar year without regard to any temporary visitation.

ORDER OF BENEFIT DETERMINATION RULES

When two or more plans pay benefits, the rules for determining the order of payment are as follows:

A. The primary plan pays or provides its benefits as if the secondary plan or plans did not exist.

B. A plan that does not contain a coordination of benefits provision that is consistent with this regulation is always primary. There is one exception: coverage that is obtained by virtue of membership in a group that is designed to supplement a part of a basic package of benefits may provide that the supplementary coverage shall be excess to any other parts of the plan provided by the contract holder. Examples of these types of situations are major medical coverages that are superimposed over base plan hospital and surgical benefits, and insurance type coverages that are written in connection with a closed panel plan to provide out-of-network benefits.

C. A plan may consider the benefits paid or provided by another plan in determining its benefits only when it is secondary to that other plan.

D. The first of the following rules that describes which plan pays its benefits before another plan is the rule to use.

(1) Non-Dependent or Dependent. The plan that covers the person other than as a dependent, for example as an employee, member, subscriber or retiree is primary and the plan that covers the person as a dependent is secondary. However, if the person is a Medicare beneficiary and, as a result of federal law, Medicare is secondary to the plan covering the person as a dependent; and primary to the plan covering the person as other than a dependent (e.g. a retired employee); then the order of benefits between the two plans is reversed so that the plan covering the person as an employee, member, subscriber or retiree is secondary and the other plan is primary.

(2) Child Covered Under More Than One Plan. The order of benefits when a child is covered by more than one plan is:

(a) The primary plan is the plan of the parent whose birthday is earlier in the year if:

- . The parents are married;
- . The parents are not separated (whether or not they ever have been married); or
- . A court decree awards joint custody without specifying that one party has the

responsibility to provide health care coverage.

If both parents have the same birthday, the plan that covered either of the parents longer is primary.

(b) If the specific terms of a court decree state that one of the parents is responsible for the child's health care expenses or health care coverage and the plan of that parent has actual knowledge of those terms, that plan is primary. This rule applies to claim determination periods or plan years commencing after the plan is given notice of the court decree.

(c) If the parents are not married, or are separated (whether or not they ever have been married) or are divorced, the order of benefits is:

- The plan of the custodial parent;
- The plan of the spouse of the custodial parent;
- The plan of the noncustodial parent; and then
- The plan of the spouse of the noncustodial parent.

(3) Active or inactive employee. The plan that covers a person as an employee who is neither laid off nor retired, is primary. The same would hold true if a person is a dependent of a person covered as a retiree and an employee. If the other plan does not have this rule, and if, as a result, the plans do not agree on the order of benefits, this rule is ignored. Coverage provided an individual as a retired worker and as a dependent of an actively working spouse will be determined under the rule labeled D(1).

(4) Continuation coverage. If a person whose coverage is provided under a right of continuation provided by federal or state law also is covered under another plan, the plan covering the person as an employee, member, subscriber or retiree (or as that person's dependent) is primary, and the continuation coverage is secondary. If the other plan does not have this rule, and if, as a result, the plans do not agree on the order of benefits, this rule is ignored.

(5) Longer or shorter length of coverage. The plan that covered the person as an employee, member, subscriber or retiree longer is primary.

(6) If the preceding rules do not determine the primary plan, the allowable expenses shall be shared equally between the plans meeting the definition of plan under this regulation. In addition, this plan will not pay more than it would have paid had it been primary.

EFFECT ON THE BENEFITS OF THIS PLAN

A. When this plan is secondary, it may reduce its benefits so that the total benefits paid or provided by all plans during a claim determination period are not more than 100 percent of total allowable expenses. The difference between the benefit payments that this plan would have paid had it been the primary plan, and the benefit payments that it actually paid or provided shall be recorded as a benefit reserve for the covered person and used by this plan to pay any allowable expenses, not otherwise paid during the claim determination period. As each claim is submitted, this plan will:

- (1) Determine its obligation to pay or provide benefits under its contract;
- (2) Determine whether a benefit reserve has been recorded for the covered person; and
- (3) Determine whether there are any unpaid allowable expenses during that claims determination period.

If there is a benefit reserve, the secondary plan will use the covered person's benefit reserve to pay up to 100% of total allowable expenses incurred during the claim determination period. At the end of the claims determination period, the benefit reserve returns to zero. A new benefit reserve must be created for each new claim determination period.

B. If a covered person is enrolled in two or more closed panel plans and if, for any reason, including the provision of service by a non-panel provider, benefits are not payable by one closed panel plan, COB shall not apply between that plan and other closed panel plans.

FACILITY OF PAYMENT

A payment made under another plan may include an amount that should have been paid under this plan. If it does, [Organization responsible for COB administration] may pay that amount to the organization that made that payment. That amount will then be treated as though it were a benefit paid under this plan. [Organization responsible for COB administration] will not have to pay that amount again. The term "payment made" includes providing benefits in the form of services, in which case "payment made" means reasonable cash value of the benefits provided in the form of services.

RIGHT OF RECOVERY

If the amount of the payments made by [Organization responsible for COB administration] is more than it should have paid under this COB provision, it may recover the excess from one or more of the persons it has paid or for whom it has paid; or any other person or organization that may be responsible for the benefits or services provided for the covered person. The "amount of the payments made" includes the reasonable cash value of any benefits provided in the form of services.

Attachment H-1 – Census File Layout

Location	Size	Class	Description	Data
1-8	8	N	Date of Birth	CCYYMMDD
9	1	A	Filler	
10-16	7	A	Unique Identifier	
17	1	A	Filler	
18	1	A	Gender	F = female, M = male, U = unknown
19-22	4	A	Filler	
23-25	30	A	Home Address Line 1	
53	1	A	Filler	
54-83	30	A	Home Address Line 2	
84	1	A	Filler	
85-114	30	A	City	
115	1	A	Filler	
116-117	2	A	State	
118-120	3	A	Filler	
121-125	5	A	Zip Code	
126	1	A	Filler	
127	1	A	Employment Status	F = full time
128-131	4	A	Filler	
132	1	A	Employee Group	A = active, D = direct pay, R = retiree, S = satellite
133-136	4	A	Filler	
137-146	10	A	Medical Carrier	Aetna, CareFirst, MAMSI
147	1	A	Filler	
148-150	3	A	Medical Plan	POS, PPO
151-152	2	A	Filler	
153	1	A	Medical Enrollment Tier	1 = individual, 2 = individual and child, 3 = individual and spouse, 4 = individual and 2 or more
154-157	4	A	Filler	
158-159	2	A	Number of Covered Dependents	
160-162	3	A	Filler	
	162		Record Length	

Attachment H-2 – 100 Character Layout

File Name: VENDPPOCF.TXT
File Organization: SEQUENTIAL
Storage Medium: DISK
Record Size: 100
Block Size: 10000
Record Format: FB

POSITIONS	SIZE	CLASS	DESCRIPTION	DATA
1-15	15	A/N	Document No.	Claim number
16-24	9	A/N	MD State Enrollee SSN	Primary S.S. #
				0=self, 1=spouse, 2=child, 3=grandchild, 4=stepchild, 5=legal ward
25	1	A/N	Patient Relation Code	
26-34	9	A/N	Patient SSN	Patient S.S. #
35-42	8	N	Patient DOB	MMDDCCYY
43-50	8	N	Incur From Date	MMDDCCYY
51-58	8	N	Incurred Thru Date	MMDDCCYY
59-68	10	A/N	Group No.	Group Number
69-77	9	N	Amount Paid	9(7)v99
78-100	23	A/N	Filler	Spaces

Attachment I – Electronic Funds Transfer (EFT) Registration Request Form

**State of Maryland
Comptroller of Maryland**

Vendor Electronic Funds Transfer (EFT) Registration Request Form

Date of request _____

Business identification information (Address to be used in case of default to check):

Business/Individual name _____

Address line 1 _____

Address line 2 _____

City _____ State _____ Zip code

Taxpayer identification number:

Federal Employer Identification Number:

(or) Social Security Number:

Business contact name, title, e-mail and phone number including area code. (And address if different from above):

Financial institution information:

Name and address _____

Contact name, phone number (include area code) _____

ABA number

Account number

Account type Checking Money Market Savings

Format Desired: _____ CCD+ _____ CTX* _____ EDI* (Check one.)

***Note – There may be a charge to you by your bank with this format. You must contact your bank to receive this format.**

A VOIDED CHECK from the bank account must be attached or letter from the bank confirming the account number.

COT/GAD X-10

Transaction requested:

1. ___ Initiate all disbursements via EFT to the above account.
2. ___ Discontinue disbursements via EFT, effective _____
3. ___ Change the bank account to above information – a copy of the approved Registration Form for the previous bank account shall be attached.

I am authorized by * _____ (hereinafter Company) to make the representations contained in this paragraph. Company authorizes the Comptroller and the Treasurer of Maryland to register it for electronic funds transfer (EFT) using the information contained in this registration form. Company agrees to receive all funds from the State of Maryland by electronic funds transfer according to the terms of the EFT program. Company agrees to return to the State of Maryland any EFT payment incorrectly disbursed by the State of Maryland to the Company's account. Company agrees to hold harmless the State of Maryland and its agencies and departments for any delays or errors caused by inaccurate or outdated registration information or by the financial institution listed above.

*Name of registering business entity

Signature of individual, company treasurer, controller, or chief financial officer and date

Completed by GAD/STO

Date Received _____

GAD registration information verified _____ Date to STO _____

STO registration information verified _____ Date to GAD _____

R*STARS Vendor No. and Mail Code Assigned:

State Treasurer's Office approval date

General Accounting Division approval date

To Requestor:

Please retain a copy of this form for your records. Please allow approximately 30 days from the date of your request for the Comptroller's and Treasurer's Offices to process your request. Failure to maintain current information with this office could result in errors in payment processing. If you have any questions, please call the EFT registration desk at 410-260-7375.

Please submit form to: EFT Registration, General Accounting Division
Room 205, P.O. Box 746
Annapolis, Maryland 21404-0746

(or) Fax: 410-974-2309

Instructions: Electronic Funds Transfer instructions are located:
<http://compnet.comp.state.md.us/General%5FAccounting%5FDivision/Vendors/Electronic%5FFunds%5FTransfer/>

Questions may be requested by email, gad@comp.state.md.us. Or call 1-888-784-0144.

COT/GAD X-10

Attachment J – Technical Proposal

See data file: Attachment J_Technical Proposal.xls

Attachment K – Financial Proposal

See data file: Attachment K_Financial Proposal.xls

Attachment L – Living Wage Requirements for Service Contracts

- A. This contract is subject to the Living Wage requirements under Title 18, State Finance and Procurement Article, Annotated Code of Maryland and the regulations proposed by the Commissioner of Labor and Industry. The Living Wage generally applies to a Contractor or Subcontractor who performs work on a State contract for services that is valued at \$100,000 or more. An employee is subject to the Living Wage if he/she is at least 18 years old or will turn 18 during the duration of the contract; works at least 13 consecutive weeks on the State Contract and spends at least one-half of the employee's time during any work week on the State Contract.
- B. The Living Wage Law does not apply to:
- (1) A Contractor who:
 - (A) has a State contract for services valued at less than \$100,000, or
 - (B) employs 10 or fewer employees and has a State contract for services valued at less than \$500,000.
 - (2) A Subcontractor who:
 - (A) performs work on a State contract for services valued at less than \$100,000,
 - (B) employs 10 or fewer employees and performs work on a State contract for services valued at less than \$500,000, or
 - (C) performs work for a Contractor not covered by the Living Wage Law as defined in B(1)(B) above, or B (3) or C below.
 - (3) Service contracts for the following:
 - (A) services with a Public Service Company;
 - (B) services with a nonprofit organization;
 - (C) services with an officer or other entity that is in the Executive Branch of the State government and is authorized by law to enter into a procurement ("Unit"); or
 - (D) services between a Unit and a County or Baltimore City.
- C. If the Unit responsible for the State contract for services determines that application of the Living Wage would conflict with any applicable Federal program, the Living Wage does not apply to the contract or program.
- D. A Contractor must not split or subdivide a State contract for services, pay an employee through a third party, or treat an employee as an independent Contractor or assign work to employees to avoid the imposition of any of the requirements of Title 18, State Finance and Procurement, Annotated Code of Maryland.
- E. Each Contractor/Subcontractor, subject to the Living Wage Law, shall post in a prominent and easily accessible place at the work site(s) of covered employees a notice of the Living Wage Rates, employee rights under the law, and the name, address, and telephone number of the Commissioner.
- F. The Commissioner of Labor and Industry shall adjust the wage rates by the annual average increase or decrease, if any, in the Consumer Price Index for all urban consumers for the Washington/Baltimore

- metropolitan area, or any successor index, for the previous calendar year, not later than 90 days after the start of each fiscal year. The Commissioner shall publish any adjustments to the wage rates on the Division of Labor and Industry's Website. An employer subject to the Living Wage Law must comply with the rate requirements during the initial term of the contract and all subsequent renewal periods, including any increases in the wage rate, required by the Commissioner, automatically upon the effective date of the revised wage rate.
- G. A Contractor/Subcontractor who reduces the wages paid to an employee based on the employer's share of the health insurance premium, as provided in §18-103(c), State Finance and Procurement Article, Annotated Code of Maryland, shall not lower an employee's wage rate below the minimum wage as set in §3-413, Labor and Employment Article, Annotated Code of Maryland. A Contractor/Subcontractor who reduces the wages paid to an employee based on the employer's share of health insurance premium shall comply with any record reporting requirements established by the Commissioner of Labor and Industry.
- H. A Contractor/Subcontractor may reduce the wage rates paid under §18-103(a), State Finance and Procurement, Annotated Code of Maryland, by no more than 50 cents of the hourly cost of the employer's contribution to an employee's deferred compensation plan. A Contractor/Subcontractor who reduces the wages paid to an employee based on the employer's contribution to an employee's deferred compensation plan shall not lower the employee's wage rate below the minimum wage as set in §3-413, Labor and Employment Article, Annotated Code of Maryland.
- I. Under Title 18, State and Finance Procurement Article, Annotated Code of Maryland, if the Commissioner determines that the Contractor/Subcontractor violated a provision of this title or regulations of the Commissioner, the Contractor/Subcontractor shall pay restitution to each affected employee, and the State may assess liquidated damages of \$20 per day for each employee paid less than the Living Wage.
- J. Information pertaining to reporting obligations may be found by going to the DLLR Website <http://www.dllr.state.md.us/> and clicking on Living Wage.

**Attachment L-1 – Affidavit of Agreement
Maryland Living Wage Requirements-Service Contracts**

Contract No. _____

Name of Contractor _____

Address _____

City _____ State _____ Zip Code _____

If the Contract is Exempt from the Living Wage Law

The Undersigned, being an authorized representative of the above named Contractor, hereby affirms that the Contract is exempt from Maryland's Living Wage Law for the following reasons (check all that apply):

- Bidder/Offeror is a nonprofit organization
- Bidder/Offeror is a public service company
- Bidder/Offeror employs 10 or fewer employees and the proposed contract value is less than \$500,000
- Bidder/Offeror employs more than 10 employees and the proposed contract value is less than \$100,000

If the Contract is a Living Wage Contract

- A. The Undersigned, being an authorized representative of the above named Contractor, hereby affirms our commitment to comply with Title 18, State Finance and Procurement Article, Annotated Code of Maryland and, if required, to submit all payroll reports to the Commissioner of Labor and Industry with regard to the above stated contract. The Bidder/Offeror agrees to pay covered employees who are subject to living wage at least the living wage rate in effect at the time service is provided for hours spent on State contract activities, and to ensure that its Subcontractors who are not exempt also pay the required living wage rate to their covered employees who are subject to the living wage for hours spent on a State contract for services. The Contractor agrees to comply with, and ensure its Subcontractors comply with, the rate requirements during the initial term of the contract and all subsequent renewal periods, including any increases in the wage rate established by the Commissioner of Labor and Industry, automatically upon the effective date of the revised wage rate.

Attachment L-1 (continued)
Affidavit of Agreement
Maryland Living Wage Requirements-Service Contracts

B. _____ (initial here if applicable) The Bidder/Offeror affirms it has no covered employees for the following reasons: (check all that apply):

- The employee(s) proposed to work on the contract will spend less than one-half of the employee's time during any work week on the contract
- The employee(s) proposed to work on the contract is 17 years of age or younger during the duration of the contract; or
- The employee(s) proposed to work on the contract will work less than 13 consecutive weeks on the State contract.

The Commissioner of Labor and Industry reserves the right to request payroll records and other data that the Commissioner deems sufficient to confirm these affirmations at any time.

Name of Authorized Representative: _____

Signature of Authorized Representative

Date

Title

Witness Name (Typed or Printed)

Witness Signature

Date

Attachment M - Utilization Report Instructions

These instructions are to be used in conjunction with the following attachments:

- P-1: Utilization Data File Layout
- P-2: Utilization and Savings Summary
- P-3: Inpatient Utilization
- P-4: Large Claims Analysis
- P-5: Paid Claims by Diagnostic Category
- P-6: Case Management Activity Report
- P-7: Utilization
- P-8: Authorization Utilization
- P-9: In and Out of Network Paid Claim Summary
- P-10: Utilization by Top Diagnosis
- P-11: Length of Stay and Admission Rate by Diagnosis
- P-12: EAP Service Summary
- P-13: Membership Analysis
- P-14: Performance Report Card

1. Hospital Inpatient

Hospital Inpatient Admissions are those billed by a hospital or psychiatric hospital or skilled nursing facility for services provided by the facility to patients admitted for overnight stay. Partial day hospitalization is not considered inpatient.

The vendor is required to provide either DRG codes or ICD9 diagnosis and procedure codes as part of its Hospital Inpatient claim data. If DRG data is not available or if a carrier does not utilize DRGs, then the carrier may complete this section on a best effort basis.

Behavioral Health DRGs
425-438
521-523

2. Hospital Outpatient

Hospital Outpatient refers to:

Visits billed by a hospital, psychiatric hospital or skilled nursing facility for services provided by the facility to patients not admitted for overnight stay. Partial day hospitalization is considered outpatient.

The entire Hospital visit is categorized based on Uniform Billing (UB92) data. The UB92 data breaks total charges into components based on Revenue Codes. The Revenue Codes are used to categorize the entire Visit. In the following table, the order of the categories is important. As soon as any Revenue Code is found satisfying the conditions for a category, the entire visit is assigned to that category. That is, if emergency room charges are present, the entire visit is characterized as Emergency Room. If no emergency room charges are present, then the visit will be characterized as surgery if operating room or ambulatory surgery charges are present, and so on.

If UB92 data is not available or if a carrier does not utilize UB92 data, then the carrier may complete this section on a best effort basis.

Description	Revenue Codes
Emergency Room	45x
Medicine (Clinic)	51x (clinic), 52x (free standing clinic)
Behavioral Health- Psych	90x (psychiatric/psychological treatments), 91x (psychiatric/psychological services)
Laboratory	30x (laboratory), 31x (laboratory pathological)

3. Professional Inpatient

Professional Inpatient refers to non-Hospital services provided in a hospital, psychiatric hospital or skilled nursing facility. Each service is categorized separately, using HCPCS Level I (CPT) and Level II codes, regardless of how the services may be billed.

Description	HCPCS Codes
ER	99281-99288
Behavioral Health – Evaluation & Management	96100-96150 or (992xx, 994xx performed by a psychiatric professional)
Behavioral Health – Psychotherapy	90804-90857
Behavioral Health – Other	908xx excluding 90804-90857.
Pathology	8xxxx, Pxxxx
Diagnostic Tests	91000-91299, 93875-94799, 95250, 95805-95999

4. Professional Outpatient

Professional Outpatient refers Behavioral Health services provided outside a hospital, psychiatric hospital or skilled nursing facility setting. Each service is categorized separately, using HCPCS Level I (CPT) and Level II codes, regardless of how the services may be billed.

Description	Codes
Behavioral Health – Evaluation & Management	96100-96150, 992xx-994xx (performed by psychiatric professional)
Behavioral Health - Psychotherapy	90804-90857
Behavioral Health – Other	90862-90899

Attachment N – Confidential Documents

See data file: Attachment N_Confidential Documents.xls

See also RFP Section 1.32, Confidentiality and Non-Disclosure Agreement and Attachment E.

Attachment O – EAP Supervisory Referral Form

MS 561 (8/04) Revised

CONFIDENTIAL

*The purpose of this form is to provide information to the Employee Assistance Program (EAP) regarding an employee's poor work performance when there is reason to believe that the cause may be due to a personal/ medical problem. **THIS FORM AND ALL SUPPORTING DOCUMENTATION MUST BE SENT IN DUPLICATE. IF DOCUMENTATION DOES NOT EXIST, PLEASE PROVIDE A SYNOPSIS EXPLAINING THE BASIS FOR REFERRAL. DO NOT SUBMIT WITHOUT ONE OR THE OTHER.***

-Please print in ink, or type -

REFERRAL DATE: _____

EMPLOYEE'S NAME: _____
(Please circle: Mr./Mrs./Ms.)

SS# _____

STREET ADDRESS _____

HOME PHONE: _____

CITY, STATE: _____

WORK PHONE: _____

ZIP CODE: _____

DOB: _____

CLASSIFICATION: _____ GRADE: _____ EOD: _____

DEPARTMENT WORK LOCATION: _____
(Zip Code)

ADDRESS: _____
(Zip Code)

WORK HOURS (SHIFT): _____ DAYS OFF: _____
(Please use non-military time)

REFERRED BY: _____ TITLE: _____

PHONE: _____ FAX: _____

EAP COORDINATOR: _____ TITLE: _____

PHONE: _____ FAX: _____

EAP COORDINATOR'S SIGNATURE

REASON FOR REFERRAL

-Please check off areas below that are relevant to this referral and attach documentation supporting areas checked -

VIOLATION OF GOVERNOR'S EXECUTIVE ORDER REGARDING SUBSTANCE ABUSE

____ Failed random drug test

____ Alcohol related conviction

ATTENDANCE *(Please place numbers where numbers are requested.)*

____ Number of days absent in past 12 months

____ Number of extended lunch periods in past 6 months

____ Pattern (e.g., Mondays, Fridays, after paydays, before and after holidays)

____ Number of times late in past 6 months
Other: _____

JOB PERFORMANCE (*This area must be impacted for referral eligibility, with supporting documentation attached for items checked.*)

- Lower quality of work
- Decreased productivity
- Increased errors
- Impaired judgment/memory
- Erratic work patterns
- Failure to meet schedules
- Inability to concentrate
- Other: _____
- _____
- _____

BEHAVIOR DEMONSTRATED WITH RESPECT TO JOB PERFORMANCE

- Avoids supervisors or co-workers
- Less communicative
- Unusually sensitive to advice or constructive criticism
- Unusually critical of supervisor, co-workers or employer
- Loss of interest
- Frequent mood swings
- Disregard for safety
- Other: _____

HAVE THE ABOVE ISSUES BEEN DISCUSSED WITH EMPLOYEE? YES NO

HAS EMPLOYEE BEEN REFERRED TO STATE MEDICAL DIRECTOR? YES NO

IF YES, WHEN? (Please attach relevant documentation.) _____

- This section must be completed by employee or referral cannot be processed -

I understand that my employer is referring me to the State’s Employee Assistance Program. I also understand that my signature below does not reflect my agreement/disagreement with any of the issues raised. My signature verifies that I have seen the referral and all documentation contained therein.

YES, I will participate in the Employee Assistance Program. My health insurance carrier is:

 NO, I will not participate in the Employee Assistance Program.

Signature

Date

Please forward this form and all supporting documentation IN DUPLICATE to:

Maryland Department of Budget and Management
Office of Personnel Services and Benefits
Employee Assistance Program
301 W. Preston Street, Room 607
Baltimore, Maryland 21201

If you have questions, please contact the Employee Assistance Program at 410-767-3800/Fax: 410-333-5004

FAILURE TO FULLY COMPLETE THIS FORM WILL RESULT IN A DELAY IN YOUR APPOINTMENT

Attachment P - Standard Reporting Formats

See data file: Attachment P _Standard Reporting Formats.xls

These reporting formats are provided for informational purposes only. No response to Attachment P is required unless an Offeror takes an exception to the reporting formats.

Attachment Q - Pre-Proposal Conference Response Form

Solicitation No. F10B0400011

A Pre-Proposal Conference will be held at 10:00 AM on May 19, 2010 at the Maryland Department of Transportation Headquarters, 7201 Corporate Center Drive, Harry Hughes Conference Room, Suite 2, Hanover, MD 21076.

Please return this form by 4:00 PM Local Time on May 17, 2010 advising whether or not you plan to attend.

Return or fax this form to the Procurement Officer:

Andrea R. Lockett, Procurement Officer
Department of Budget and Management
45 Calvert Street/ First Floor
Annapolis, Maryland 21401
Telephone #: 410 - 260 - 7374
Fax #: 410 - 974 - 3274
E-mail: alockett@dbm.state.md.us

Please indicate:

_____ Yes, the following representatives will be in attendance:

- 1.
- 2.

_____ No, we will not be in attendance.

Signature

Title

Attachment R – Claim Record File Layout

As referenced in Attachment J-4, AR 67, the Contractor shall be required to provide to the State and its designated representatives, at least monthly, a detailed claims transaction file. The file shall include, at a minimum the following information:

- (1) Member Social Security Number / identifier
- (2) Patient Social Security Number / identifier
- (3) Patient Name
- (4) Patient Date of Birth
- (5) Patient Gender
- (6) Patient's Relationship to the Insured
- (7) Patient's ZIP
- (8) Claim received date
- (9) Claim processed date
- (10) Claim paid date
- (11) Paid provider id
- (12) Paid provider name
- (13) Paid provider ZIP code
- (14) Rendering provider ID
- (15) Rendering provider name
- (16) Rendering provider ZIP code
- (17) Procedure code and modifiers
- (18) Revenue code (facility claims only)
- (19) Units of service
- (20) Submitted charge
- (21) Allowed charge
- (22) Paid amount
- (23) Copay
- (24) Deductible
- (25) Coinsurance
- (26) COB paid
- (27) Beginning date of service
- (28) Ending date of service
- (29) Primary diagnosis code (ICD9 format)
- (30) Admission date (if facility)
- (31) Discharge date (if facility)
- (32) 2nd diagnosis (ICD9 format)
- (33) 3rd diagnosis (ICD9 format)
- (34) 4th diagnosis (ICD9 format)
- (35) 5th diagnosis (ICD9 format)
- (36) Principle Procedure (ICD9 format, if facility)
- (37) 2nd procedure (ICD9 format, if facility)
- (38) 3rd procedure (ICD9 format, if facility)
- (39) 4th procedure (ICD9 format, if facility)
- (40) 5th procedure (ICD9 format, if facility)
- (41) Discharge state (facility claims only)
- (42) Previous member ID
- (43) DBM reporting groups (Active, Satellite, Direct Pay, Retiree)
- (44) Place of Service (CMS standard definitions)

Attachment S – Administrative Fee Calculation Example

Attachment Administrative Fee Calculation

COMPUTATION OF ADMIN FEE FOR THE MONTH OF JANUARY 2013

FOR EXAMPLE PURPOSES ONLY

PGM #		RATE	ACTIVES Enrollees	AMOUNT	SATELLITE Enrollees	AMOUNT	RETIREEES Enrollees	AMOUNT	DIR.PAY Enrollees	AMOUNT	TOTAL Enrollees	AMOUNT
Dec 2012 pmt. based on Oct 2012 actual		\$ 1.01	56,735.00	\$ 57,302.35	2,178.50	\$ 2,200.29	34,760.00	\$ 35,107.60	940.00	\$ 949.40	94,613.50	\$ 95,559.64
Actual Dec. 2012 amount	FY 2013	\$ 1.01	59,680.50	\$ 60,277.31	2,186.00	\$ 2,207.86	34,980.00	\$ 35,329.80	1,043.00	\$ 1,053.43	97,889.50	\$ 98,868.40
Actual Dec. 2012 amount	FY 2012	\$ 1.00	15.50	\$ 15.50	-	\$ -	-	\$ -	-	\$ -	15.50	\$ 15.50
Actual Dec. 2012 amount	SUB-Total		59,696.00	\$ 60,292.81	2,186.00	\$ 2,207.86	34,980.00	\$ 35,329.80	1,043.00	\$ 1,053.43	97,905.00	\$ 98,883.90
Adjustment for Dec. 2012			2,961.00	\$ 2,990.46	7.50	\$ 7.58	220.00	\$ 222.20	103.00	\$ 104.03	3,291.50	\$ 3,324.26
Est. fees for January 2013 based on Dec. 2012			59,680.50	\$ 60,277.31	2,186.00	\$ 2,207.86	34,980.00	\$ 35,329.80	1,043.00	\$ 1,053.43	97,889.50	\$ 98,868.40
January 2013 payment				\$ 63,267.76		\$ 2,215.44		\$ 35,552.00		\$ 1,157.46		\$ 102,192.66

COMPUTATION OF ADMIN FEE - Example

Plan		ACTIVES	SATELLITE	RETIREEES	DIR.PAY	TOTAL
Vendor A	FY 2013	33,925.0	1,050.5	23,486.0	533.0	58,994.5
	FY 2012	11.5	-	-	-	11.5
	Total	33,936.5	1,050.5	23,486.0	533.0	59,006.0
Vendor B	FY 2013	12,665.0	622.0	4,123.0	322.0	17,732.0
	FY 2012	-	-	-	-	-
	Total	12,665.0	622.0	4,123.0	322.0	17,732.0
Vendor C	FY 2013	2,175.5	86.0	2,690.0	28.0	4,979.5
	FY 2012	2.0	-	-	-	2.0
	Total	2,177.5	86.0	2,690.0	28.0	4,981.5
Vendor D	FY 2013	7,373.0	182.0	3,942.0	104.0	11,601.0
	FY 2012	2.0	-	-	-	2.0
	Total	7,375.0	182.0	3,942.0	104.0	11,603.0
Vendor G	FY 2013	3,542.0	245.5	739.0	56.0	4,582.5
	FY 2012	-	-	-	-	-
	Total	3,542.0	245.5	739.0	56.0	4,582.5
Total	FY 2013	59,680.5	2,186.0	34,980.0	1,043.0	97,889.5
	FY 2012	15.5	-	-	-	15.5
	Total	59,696.0	2,186.0	34,980.0	1,043.0	97,905.0

The State will make the first payment for July 2011 based on preliminary numbers of enrollees in the two PPO and three POS plans as the result of the FY 2011 Open Enrollment period. The estimated July 2011 payment for administrative fees should be processed and received by the vendor no later than the last day of the month in this case - July 2011. August 2011 will reconcile July 2011 actual enrollment based on State's records against the estimated numbers used to pay the estimated amount for July 2011. This adjustment for July 2011 will be added to an estimated payment for August 2011, which will be based on the actual enrollment from July 2011. This combined July 2011 adjustment and estimated August 2011 payment should be processed and received by the vendor no later than the last day of August 2011. The example above shows the calculation that will be used for the months of December 2012 & January 2013. Actives will be based on bi-weekly payroll deductions maintained by Central Payroll Bureau; Retirees from monthly deduction files from Maryland State Retirement Agency; Satellite employees and Direct Pay enrollees from monthly billing system maintained by Department of Budget and Management.