SECTION 50 – SCOPE OF WORK

50.1 Agencies to Be Served
This contract shall be for use by the Cabinet for Health and Family Services (CHFS). No shipments shall be made except upon receipt by Vendor of an official Delivery Order from a using agency.

50.2 Extending the Contract Use to Other Agencies
The Office of Procurement Services reserves the right, with the consent of the Vendor, to offer the Master Agreement resulting from this Solicitation to other state agencies requiring the product(s) or service(s).

50.3 Term of Contract and Renewal Options
The initial term of the Contract shall be for a period of 89 months (29 months for DDI and 60 months for operations) from the effective date of the Award of Contract.

This Contract may be renewed at the completion of the initial Contract period for 3 additional 2 year periods upon the mutual agreement of the Parties. Such mutual agreement shall take the form of a Contract Modification as described in Section 40.8 of this RFP.

At the end of the contract the Vendor shall provide all agency data in a form that can be converted to any subsequent system of the agency’s choice. The Vendor shall cooperate to this end with the Vendor of the agency’s choice, in a timely and efficient manner.

The Commonwealth reserves the right not to exercise any or all renewal options. The Commonwealth reserves the right to extend the contract for a period less than the length of the above-referenced renewal period if such an extension is determined by the Commonwealth Buyer to be in the best interest of the Commonwealth.

The Commonwealth reserves the right to renegotiate any terms and/or conditions as may be necessary to meet requirements for the extended period. In the event proposed revisions cannot be agreed upon, either party shall have the right to withdraw without prejudice from either exercising the option or continuing the contract in an extended period.

50.4 Basis of Price Revisions
PRICE ADJUSTMENTS: Unless otherwise specified, the prices established by the Contract resulting from this Solicitation shall remain firm for the contract period subject to the following:
A: Price Increases: A price increase shall not occur during the first twelve (12) months of the contract. A vendor may request a price increase after twelve (12) months of the contract, which may be granted or denied by the Commonwealth. Any such price increase shall be based on industry wide price changes. The Contract holder must request in writing a price increase at least thirty (30) days prior to the effective date, and shall provide firm proof that the price increase(s) is justified. The Office of Procurement Services may request additional information or justification. If the price increase is denied, the Contract holder may withdraw from the Contract without prejudice upon written notice and approval by the Office of Procurement Services. Provided, however, that the Vendor must continue service, at the Contract prices, until a new Contract can be established (usually within sixty (60) days).

B: Price Decreases: The Contract price shall be reduced to reflect any industry wide price decreases. The Contract holder is required to furnish the Office of Procurement Services with notice of any price decreases as soon as such decreases are available.

C: Extended Contract Periods: If the Contract provides for an optional renewal period, a price adjustment may be granted at the time the Contract is renewed, subject to price increase justification as required in Paragraph A “Price Increases” as stated above.

50.5 Notices
After the Award of Contract, all programmatic communications with regard to day-to-day performance under the contract are to be made to the Agency technical contact(s) identified during the negotiation phase of this procurement. After the Award of Contract, all communications of a contractual or legal nature are to be made to the Commonwealth Buyer.

50.6 Subcontractors
The Contractor is permitted to make subcontract(s) with any other party for furnishing any of the work or services herein. The Contractor shall be solely responsible for performance of the entire Contract whether or not subcontractors are used. The Commonwealth shall not be involved in the relationship between the prime contractor and the subcontractor. Any issues that arise as a result of this relationship shall be resolved by the prime contractor. All references to the Contractor shall be construed to encompass both the Contractor and any subcontractors of the Contractor.

50.7 Scope of Work
The CHFS, Department for Medicaid Services (DMS) is seeking a Vendor(s) to provide Software as a Services (SaaS) solution for the Kentucky MEMS Claims
DRAFT MEMS SOW (as of 10/14/2014)

Processing and FA services, as well as DDI for Encounter Processing and a DW/DSS hosted by the Vendor as defined in this Statement of Work (SOW).

A. The replacement system should meet all of the requirements for performing MMIS activities and ongoing maintenance as indicated in this RFP, in addition to the functional and technical requirements detailed in Attachment G - MEMS Functional Requirements and Attachment H - MEMS Technical Requirements as well as those FA requirements identified in Attachment I. Detailed requirements gathering as part of this SOW should further refine/define the requirements for this solution. At the conclusion of the detailed requirements phase, the Commonwealth expects the selected Vendor to work with the Commonwealth team to prioritize requirements and if necessary, identify possible phases for implementation of the overall requirements. The selected Vendor’s Project Work Plan should be updated to identify all possible phases of implementation.

B. The Commonwealth seeks a best of breed approach for procuring the overall solution for the MEMS and understands this may include products offered in a variety of ways as part of an integrated solution.

CHFS has developed a technological roadmap for the Quality Health Information (QHI) framework. Kentucky views the QHI as a house built on a solid foundation of sharable technical services and a common ESB with various applications as pillars. Details regarding the QHI can be found in Section 50.7.1.

The QHI facilitates the implementation of technology standards and approaches for the development of an interoperable, scalable and easily adaptable cross-sector technology framework. The MEMS Operating Model, Attachment J to this RFP represents the combined vision for the operation of the interdependent functions of the MEMS Solution as well as shared functions as defined in the QHI.

C. Stakeholders foresee an environment that utilizes advanced technology and multiple channels to reach an array of users. The MEMS channels should include online capabilities offering MEMS functions via an online portal that is accessible through a standard or mobile web browser. The MEMS solution must interface in real time with the Cabinet’s Provider Self Service Portal which supports communications between providers and the MEMS, including web chat and, email. A toll free hotline should provide providers with the opportunity to access information via an Interactive Voice Response (IVR) or direct conversation with a Medicaid worker. Paper publications that provide education and access to the MEMS may be mailed on request. The MEMS should use outbound text messaging for notifications or alerts and voicemail functions for outbound call campaigns.
D. The MEMS solution shall adhere to the Medicaid Enterprise Certification Toolkit (MECT) as well as the architecture guidance and the CMS Seven Conditions and Standards for enhanced Federal funding. In alignment with this guidance, the technical solution architecture shall employ a modular design, based on Service Oriented Architecture (SOA) design principles and the MITA framework.

E. The Commonwealth expects the awarded Vendor to prepare the MEMS for Federal certification and to conduct planning activities to assure the new MEMS is developed and enhanced to meet MITA 3.0. The Commonwealth is participating in a new certification process piloted by CMS. This certification is done throughout the lifecycle of DDI and Operations.

F. The timeline for the MEMS Replacement project can be found in Attachment K.

G. The Vendor should assist DMS in the development and implementation of new business processes and workflows.

H. The Vendor should provide DMS training.

I. The Vendor should provide Turnover services.

50.7.1 Quality Health Information (QHI)

CHFS has developed a technological roadmap for the Kentucky QHI framework. The QHI facilitates the implementation of technology standards and approaches for the development of an interoperable, scalable and easily adaptable cross-sector technology framework.

CHFS legacy systems including KYMMIS were implemented on independent platforms creating individual monolithic architectures. Communication between systems is difficult as is aggregation and correlation of data in the enterprise. CHFS has adopted the QHI framework to promote interoperability, reusability and sharing of information throughout the enterprise as well as across organizational boundaries. Systems proposed with this RFP should be compliant with QHI framework as identified in sections below.

QHI Components

A. Citizen Portal: The CHFS Citizen Portal provides access via single sign-on to view information including eligibility, status, and claims for benefits received from the CHFS. In addition, it should also be a vehicle to view personal health record through the Kentucky Health Information Exchange (KHIE). The new MEMS solution shall interface in real time to the CHFS Citizen Portal to collect or distribute information to and from citizens.
B. **Partner Portal:** The CHFS Partner Portal provides access via single sign-on for provider enrollment, disenrollment, information inquiry, information management, communication, grievance and appeals, and outreach. The new MEMS solution shall interface in real time to the CHFS Partner Portal, currently being developed by CHFS.

C. **Worker Portal:** QHI contains a centralized worker portal however MEMS will not be required to utilize it. MEMS Vendor shall provide a worker portal within the MEMS solution.

D. **Document Management Services (DM):** CHFS has implemented a centralized document management repository utilizing Microsoft SharePoint 2013 server. The new MEMS solution shall utilize a document management solution; however, it is not required to utilize the KY solution.

E. **Business Rules Engine (BRE):** KY has implemented Corticon’s Business Rule Engine (BRE) to implement and maintain complex business rules. The new MEMS solution shall utilize a business rules engine; however, it is not required to utilize the KY solution.

F. **Enterprise Service Bus (ESB):** KY has implemented ESB using Microsoft BizTalk Server 2010 with its toolkit 2.1 to provide a framework for integration of services. The new MEMS solution shall utilize an Enterprise Service Bus; however, it is not required to utilize the KY solution except for communications with other QHI components.

G. **Security Framework:** The Kentucky Online Gateway (KOG) provides user provisioning and authorization services. Every component of QHI including MEMS shall invoke KOG services prior to executing a user request from within the MEMS solution. The new MEMS solution shall utilize the KOG solution for user provisioning and authorization services.

H. **Master Data Management (MDM):** Kentucky has implemented IBM’s Infosphere MDM (standard edition) for suites of MDM services. The main purpose of MDM is to manage an Enterprise Master Person Index for KY citizens and Master Provider Index for KY providers. KY also intends to create a patient-provider relationship as part of the KY MDM solution. The MEMS solution shall be required to register persons and providers with the KY MDM solution.

I. **Fulfillment Service:** KY has implemented HP Exstream solution for customer communication services to deliver notices, messages and documents through this shared service. KY plans to use this platform to deliver all communications on-demand or via batch, through multiple channels such as SMS, WEB, email, etc. The proposed Vendor shall provide a notification fulfillment service for the new MEMS solution.
J. **Data/Fraud Analytics Framework:** KY utilizes SAS Fraud Framework (SFF). The new MEMS solution shall interface with the KY SFF solution to provide and receive data.

K. **Workflow Management:** CHFS has implemented Black Pearl, a workflow management tool. The new MEMS solution shall utilize this workflow management tool for any DDI components but it is not required to utilize for COTS solutions.

**Other Components**

L. **Kentucky Medicaid Management Information System (KYMMIS):** The KYMMIS is the current claims processing and retrieval system. The KYMMIS is hosted and maintained by Hewlett Packard Enterprise Services (HPES). KYMMIS is a customized HP’s interchange system. It supports both FFS reimbursement as well as Managed Care programs. The MEMS will replace the KYMMIS.

M. **Health Benefit Exchange (HBE):** The Commonwealth of Kentucky has developed a HBE which is comprised of a closely integrated Eligibility and Enrollment (E&E) solution as well as a Plan Maintenance and Billing (PMB) solution. The HBE Vendor has implemented a custom E&E solution and COTS-based PMB solution. The core E&E system was developed using Microsoft technologies. The E&E is hosted at the Commonwealth’s data center and the PMB is hosted in a cloud environment by the Vendor.

E&E is an end-to-end solution that includes functions required to process eligibility and enrollment for all Income Eligible Medicaid members and other health insurance affordability programs offered on the HBE. It will also support functions such as workflow, Notifications, Scheduling, DMS, Business Rules Management, and associated business processes required to launch and continuously operate an efficient and effective E&E System.

A PMB solution includes functions required to offer and maintain individual and group insurance products including QHP Certification, Premium Billing, Collections & Reconciliation, Enrollment Maintenance, and more, required to offer individual and group health insurance products on the HBE and both support and sustain its seamless operation.

Non-Income Eligible Medicaid members are currently processed in Kentucky’s legacy Kentucky Automated Management and Eligibility System (KAMES). KAMES also support casework and reporting functions for SNAP, TANF, and Medicaid programs.
The HBE solution will be expanded to include the functions for Non-Income Eligible Medicaid, SNAP and TANF to replace the legacy KAMES system by the end of 2015. The new MEMS solution shall interface in real time with the HBE E&E solution for all Medicaid eligibility information.

N. **Support Programs:** CHFS maintains a number of application systems to support other Health and Family Services programs such as Child Support, Child Care, Child Welfare, etc. These application systems were developed and implemented using different platforms such as mainframe, client/server and Web. Efforts are underway to modernize these systems as appropriate to utilize the QHI framework.

O. **Public Health Systems:** The mission of the Department for Public Health is to promote and protect the health and safety of Kentuckians. DPH provides policy and program governance for systems supporting local health departments, communicable disease control, disease and injury surveillance, enforcement of public health regulations, public health education, risk identification and reduction, policy development, and responses to disasters. The Kentucky Immunization Registry (KY IR) is vendor-hosted and it is envisioned that registry data should be accessible through the Provider and Citizen Portals. The KHIE is currently exchanging data with the KY IR. The new MEMS solution should be required to interface with the Immunization Registry.

P. **All Payer Claims Database (APCD):** Following on Kentucky’s implementation of ARRA, HITECH, and ACA health care reform and HIT stimulus initiatives, the Commonwealth desires to move forward with implementation of an APCD. Access to timely, accurate data is fundamental to improving quality, mitigating costs, and promoting transparency in the health care delivery system. The new MEMS solution shall be required to supply Medicaid claims and encounter data to the APCD solution.

Q. **Kentucky Health Information Exchange (KHIE):** The KHIE is a fully functional health information exchange engaged with multiple small, medium, and large providers of healthcare data for the purpose of improving the quality and safety of healthcare in Kentucky. To accommodate the diversity of data sources in the health information exchange space, the KHIE has implemented a broad set of technologies to collect and consolidate clinical and claims-based data that are made available to exchange participants through web-based technology or direct consumption. In addition, the KHIE supports the collection of healthcare data for secondary use such as the population of registries and public health surveillance systems. KHIE will be registering patients with the KY MDM solution. The new MEMS solution shall be required to supply Medicaid claims and encounter data to the KHIE solution.
R. **EMR Interfaces**: Kentucky’s vision is to build a foundation for connectivity for all EMRs to facilitate the exchange of health information between exchange participants. The QHI foundation should provide this connectivity to exchange information with the KHIE using web services or the ESB. The QHI foundation should enable EMR Vendors to incorporate into physicians practice workflow access to all applicable KY State applications and reporting services. For example, a physician could retrieve a report directly from the State’s Prescription Monitoring Program system through EMR interface without leaving his/her EMR.

50.7.2 **SOA and MITA Overview**

The Commonwealth of Kentucky is expanding its vision of the MEMS beyond the scope of a traditional MMIS. The goal of the Commonwealth is to develop consumer-centric systems to provide the best services to the members of Kentucky combining efforts to streamline workflow, leverage all types of resources, and achieve economies of scale. The Commonwealth envisions a system that is adaptable, expandable, and flexible using the QHI architectural components wherever possible.

Medicaid modernization remains a high priority for the Commonwealth. It is seeking a partner that collaboratively works with stakeholders to develop a SOA and MITA-compliant enterprise system that utilizes sound technology, is flexible, and addresses current and future needs. The Commonwealth desires the system to be aligned with the CMS MITA current and future framework. The new MEMS solution shall meet MITA Majority Level 3 requirements of the MITA version 3.0. The MITA Business Architecture shall be reflected within the systems processes. The MITA Information Architecture shall be reflected within the system’s data models and information flows. The MITA Technical Architecture shall be reflected within the SOA components of the system and should include:

1. A SOA-based information system technical solution comprised of components that can be integrated into the Commonwealth’s SOA framework or directly utilizes the Commonwealth’s components.
2. A MITA-organized information solution provides seamless integration of data from one MITA application area to another, one business process to another, across the enterprise.
3. An information system that meets CMS certification requirements as defined in the CMS MECT for MMIS.
4. An information architecture and data management strategy that organizes, documents, and manages all of the data and enables easy access to information.
5. An information system solution that is flexible enough to fully support the administration of all of Kentucky’s health care programs and can be easily
configured to meet future expansion of programs and populations, and meet current and future regulatory needs.

6. The dynamic data exchange with external systems whenever possible and desirable. The system should support standards-based inbound and outbound transactions whenever appropriate.

50.7.3 MEMS Responsibilities
CHFS is the principal contact with the selected system services Vendor(s) for the MEMS solution. The selected Vendor shall be responsible for the activities listed in the following Sections: 50.7.3.3, 50.7.3.4, 50.7.3.5 and 50.7.3.6. Failure to fulfill these responsibilities may result in financial penalties and/or the assessment of consequential or liquidated damages to the selected Vendor.

50.7.3.1 CHFS Contract Management Responsibilities
1. Monitor the contract performance and compliance with contract terms and conditions.
2. Serve as a liaison between the selected Vendor(s) and other Commonwealth users.
3. Initiate or approve system change orders and operational procedures changes.
4. Assess and invoke damages and/or penalties for the selected Vendor(s) noncompliance.
5. Monitor the development and implementation of enhancements and modifications to the system.
6. Review and approve completion of the selected Vendor’s documentation as required by CHFS.
7. Develop, with participation from the selected Vendor(s), compliance with performance standards, negotiate reporting requirements and measure compliance.
8. Review and approve selected Vendor’s invoices and supporting documentation for payment of services.
9. Coordinate state and federal reviews and assessments.
10. Consult with the selected Vendor(s) on quality improvement measures and determination of areas to be reviewed.
11. Monitor the selected Vendor(s) performance of all Vendor(s) responsibilities.
12. Review, approve, and monitor proposed corrective actions taken by the selected Vendor(s).

50.7.3.2 CHFS Project Management Responsibilities
1. Perform overall monitoring and management overview of the project to ensure timely and satisfactory completion of all tasks and activities.
2. Review and approve the proposed outline format and content of all deliverable documents.
3. Review the selected Vendor deliverables, determine the approval status of the deliverable, and provide written comments to the selected Vendor in accordance with the Quality Assurance Review Process agreed upon with the selected Vendor.

4. Participate in weekly and monthly status meetings with the selected Vendor to review progress against the work plan.

5. Review weekly status meeting work products with the selected Vendor to review progress against work plan.

6. Analyze project issues and approve issue resolutions.

7. Monitor the selected Vendor's progress toward achievement of task milestones and vendor's adherence to the work plan and schedule.

8. Analyze proposed project scope of work changes, and authorize those that are approved.

9. Provide notice to the selected Vendor of inadequate performance; request and approve plans of correction.

10. Assign project resources to the various phases of the contract.

11. Report on risk and status to the project Steering committee per project management standards.

12. Provide information and support to the IV&V Vendor.

MEMS Vendor Contract Management Responsibilities

1. Develop, maintain and provide access to records required by CHFS, state and federal auditors.

2. Utilize Commonwealth provided SharePoint site as the single repository for all Project Management artifacts and activities, including: tracking of all risks and issues; submission of deliverables, invoices, and status reports; posting of meeting schedules and meeting minutes etc.

3. Provide reports necessary to show compliance with all performance standards, including documentation requirements (artifacts) for CMS Certification audits, SDLC Reviews, and any other contract requirements. Assist with the provision of responses and required activities as a result of the above reviews.

4. Provide to CHFS status reports regarding the selected Vendor's activities at agreed upon intervals. The selected Vendor shall provide reports with content and format agreed upon with CHFS. The intent of the reports is to provide CHFS and the selected Vendor with reliable up to date information to manage the progress of the MEMS project.

5. Prepare and submit to CHFS requests for system changes and notices of system problems related to the selected Vendor's operational responsibilities.

6. Prepare and submit for CHFS approval suggestions for changes in operational procedures and implement the changes upon approval by CHFS.

7. Maintain electronic operational procedure manuals and update the manuals to be approved during the change management process.
8. Ensure that effective and efficient communication protocols and lines of communication are established and maintained both internally and with CHFS staff. No action shall be taken which has the appearance of or effect of reducing open communication and association between CHFS and the selected Vendor’s staff. Communication protocols shall be outlined in the Program Management Plan.

9. Meet regularly with key stakeholders in the MEMS to review account performance and resolve issues between the selected Vendor and CHFS.

10. Provide to CHFS progress reports on the selected system Vendor’s activity as requested by CHFS, and outlined in the status report requirements in the Program Management Plan.

11. Meet all federal and state privacy, confidentiality and security requirements within the selected Vendor’s operation.

12. Monitor the quality and accuracy of the selected Vendor’s own work.

13. Submit quarterly reports electronically or in hard copy of the overall project quality assurance activities including quality assurance reviews, findings and corrective actions (if any) to CHFS.

14. Perform continuous analysis based on lessons learned to improve performance of contractor functions and report the results of the analysis to CHFS.

15. Provide CHFS with a description of any changes to agreed processes for approval prior to implementation of the change.

16. For any performance falling below a Commonwealth-specified level, explain the problems and identify the corrective action to improve the rating. The selected Vendor shall be subject to financial penalties and/or the assessment of consequential or liquidated damages in accordance with the negotiated contract.

17. Provide a written response to CHFS inquiries within two (2) business days, unless otherwise agreed to by both parties.

18. Maintain CHFS-approved documentation of the methodology used to measure and report completion of all requirements and attainment of all performance standards.

19. Provide information and support to the IV&V Vendor.

50.7.3.4 MEMS Vendor Project Management Responsibilities

1. Prepare an outline and obtain approval from CHFS for the content, format and acceptance criteria of each deliverable document before beginning work on the deliverable via a deliverable expectation document.

2. Responsible for taking minutes at meetings and providing written meeting minutes within two business days of the occurrence of that meeting. The selected Vendor shall provide sufficiently qualified business and technical staff to document decisions, actions and questions coming out of each meeting.
3. Provide all written documents and deliverables with a level of quality and completeness that indicates that they have been reviewed and proofread by the selected Vendor prior to being delivered to the Commonwealth. Indicators of quality and completeness include:
   a. A standard of business and technical writing that limits ambiguity and rework by CHFS;
   b. A level of English proficiency that limits CHFS edits for grammar and clarity; and
   c. Content is in keeping with expectations set out in Deliverable Expectation Documents and decisions captured in JAD sessions and other meetings.
4. Provide sufficient staff to conduct all project activities (including Joint Application Design (JAD) sessions).
5. Obtain written approval from the Commonwealth on all final deliverables.
6. Revise deliverables, if required, using Commonwealth review findings to meet content and format requirements.
7. Develop, obtain approval for, and maintain project work plan.
8. Identify issues related to the project using the Commonwealth-approved process for documenting issues, processes for assigning issues to resources, and resolving issues.
10. Report progress against the work plan through weekly written status reports (or on a schedule agreed to by the Commonwealth), at weekly review meetings with the CHFS Project Manager, and through a weekly update of the work plan / task schedule.
11. Deliver written status reports and updated work plans / schedules one business day before the status meeting.
12. Identify scope of work issues. Specify the basis upon which an issue is out of scope, including appropriate RFP references.
13. Maintain all project documentation within the CHFS SharePoint domain, with access provided to Commonwealth staff. Vendor should ensure access restrictions are applied as appropriate to documentation such as financial or contract information. All documentation restrictions shall be approved by the CHFS Project Manager prior to loading of documents on the SharePoint.
14. Provide one (1) week in advance notice for all Commonwealth staff who are required to participate in project activities. Distribute agendas and other materials as appropriate forty-eight (48) hours prior to the event.
15. Document and track all action items through the CHFS SharePoint site.

50.7.3.5 MEMS Vendor Certification and Review Responsibilities
   1. The selected Vendor shall be responsible for the MEMS solutions passing all external reviews. Details of review can be found in Section 50.7.12. Reviews include:
a. Federal reviews  
   i. CMS Reviews  
   b. Independent Security Reviews  
   c. Independent Architecture Review  
2. The selected Vendor shall be responsible for:  
   a. The MEMS solutions passing CHFS Security Accreditation process; 
   b. Meeting agreed upon timelines for Deliverables/Milestones; and 
   c. Final CMS Approval to operate the KY MEMS solution.

50.7.3.6 MEMS Vendor Other Responsibilities/Services  
1. DW/DSS for MARS, DSS, SURS, PI reporting, AdHoc reporting and advanced analytical reports.  
2. Claims and Encounter (analysis and reporting)  
3. Program Utilization reviews (analysis and reporting)  
4. System Support (data, operations)  
5. PI services (analysis and reporting)

50.7.4 Functional Requirements  
This section of the RFP outlines the narrative descriptions of each of the business functional areas identified in Attachment G – MEMS Functional Requirements. The requirements are cross referenced to those identified in the MECT. It is conceivable that a requirement may show up on several spreadsheets if it impacts a number of different business areas.

50.7.4.1 Member Management  
The Member Management business area is a collection of business processes involved in communications between the Medicaid agency and the prospective or enrolled members and actions that the agency takes on behalf of the member. These processes share a common set of member-related data. The goal for this business area is to improve healthcare outcomes and raise the level of consumer satisfaction. Many of the business processes in this area are performed by the HBE/E&E system specifically around the area of eligibility and demographics. Information pertaining specifically to claims and other information managed within MEMS shall be available via web services to the citizen’s portal created and managed by HBE. This business area is transformed with more patient self-directed decision-making.

In addition, this member information should be available via an intuitive ad hoc reporting tool. Member data gathered from the MCOs should be accurate and consistent with the internal files found at the Managed Care Organizations.

50.7.4.2 Provider Management  
The Provider Management business area is a collection of business processes that focus on recruiting potential providers, supporting the needs
of the population, maintaining information on the provider, and communicating with the provider community. The goal of this business area is to maintain a robust provider network that meets the needs of both beneficiaries and provider communities and allows the Commonwealth Medicaid agency to monitor and reward provider performance and improve healthcare outcomes. The Commonwealth provides most of its Medicaid services through MCOs.

The Provider business processes serve as the control point and central source of information on all providers and provider applicants. Files are maintained that provide comprehensive information on each provider, billing agency, trading partner, and provider group participating in the Commonwealth programs.

MEMS solution shall provide access to all Provider Management functionality related to all Medicaid Providers and Provider Organizations through Commonwealth’s self service Provider Portal. Commonwealth’s self service provider portal, under development using Microsoft .net technology, will provide functionality related to enrollments and eligibility enquiries. The transition between the MEMS solution and Commonwealth’s Self Service portal should be transparent and seamless to the end users with no additional logins.

The MEMS solution shall be responsible for including but not limited to:
1. Submit original claims, claim adjustments and prior approval requests.
2. Review claims payment and status information.
3. Access Prior approval requests.
5. Access provider training information including provider workshop registration, training materials, training evaluation forms, bulletins, broadcast emails, supporting documentation for training.

50.7.4.3 Operations Management
The Operations Management business area is the focal point of most State Medicaid Enterprises today. It includes operations that supports the payment of providers, managed care organizations (MCOs), other agencies, insurers, and Medicare premiums and supports the receipt of payments from other insurers, providers, and member premiums. The execution of these operations is addressed in the Financial Management business area.

This business area focuses on payments and receivables and “owns” all information associated with service payment and receivables. Common business processes include validating requests for payment and determining payable amount; responding to premium payment schedules and determining payable amount; and identifying and pursuing recoveries.
The MEMS solution shall be built to support all MITA business processes within the Operation Management business area.

50.7.4.4 Program Management
The Program Management business area houses the strategic planning, policy making, monitoring, and oversight activities of the agency. These activities depend heavily on access to timely and accurate data and the use of analytical tools. This business area uses a specific set of data (i.e., information about the benefit plans covered, services rendered, expenditures, performance outcomes, and goals and objectives) and contains business processes that have a common purpose (i.e., managing the Medicaid program to achieve the agency’s goals and objectives such as by meeting budget objectives, improving customer satisfaction, and improving quality and health outcomes).

The MEMS solution shall be built to support all MITA 3.0 business processes within Program Management business area.

Required Workflow and Management systems, along with improved Case Tracking, should aid the processes associated with this area. Cost avoidance reporting (both detail and summary) is desired in order to facilitate Third Party Liability (TPL) processing.

50.7.4.5 Program Integrity Management
The Program Integrity business area incorporates those business activities that focus on program compliance (i.e., auditing and tracking medical necessity and appropriateness of care and quality of care, fraud, waste, and abuse, erroneous payments, and administrative abuses).

Program Integrity collects information about an individual provider or member (i.e., demographics; information about the case itself such as case manager identification, dates, actions, and status; and information about parties associated with the case). The business processes in this business area have a common purpose (i.e., to identify case, gather information, verify information, develop case, report on findings, make referrals, and resolve case). As with the previous business areas, a single business process may cover several types of cases. The input, output, shared data, and the business rules may differ by type of case, but the business process activities remain the same.

The MEMS solution shall be built to support all MITA 3.0 business processes within Program Integrity Management business area.

Improved reporting capabilities are a primary need to allow personnel to perform these processes. A reporting tool should be accurate and intuitive, with inquiries against data. Standard reports should be generated and
available on schedule, along with group profiles and statistics used in this activity.

The Commonwealth has contracted with SAS for the SAS Fraud Framework (SFF) and is utilizing it for Medicaid claims fraud, waste and abuse analysis. The new MEMS solution shall interface with the KY SFF solution.

50.7.4.6 Contractor Management
The Contractor Management business area accommodates states that have managed care contracts or a variety of outsourced contracts. The Contractor Management business area has a common focus (i.e., manage outsourced contracts), owns and uses a specific set of data (i.e., information about the contractor or the contract), and uses business processes that have a common purpose (i.e., solicitation, procurement, award, monitoring, management, and closeout of a variety of contract types).

The MEMS solution shall be built to support all MITA 3.0 business processes within Contractor Management business area.

Specific needs that have been identified include the ability to allow authorized personnel to view contract details (including financial history) online. The system should be designed to interface with the HBE E&E system, in order to share data and activity performed by the Vendor. Activities of the Managed Care organizations should be closely monitored for adherence to Commonwealth goals and regulations.

50.7.4.7 Business Relationship Management
The Business Relationship Management business area encompasses those relationships that do not require contracts and may or may not require an exchange of data. Some of these relationships may be formalized by Memoranda of Understanding (MOUs), while others are more informal in nature. Electronic exchange of data is not always required, but there may be an exchange of information.

The MEMS solution shall be built to support all MITA business processes within Business Relationship Management business area.

A primary need for the system is the ability to automate the tracking of business agreements. This would include notification of impending contract expiration so that new agreements (or termination) could be handled with a minimum of disruption.

50.7.4.8 Care Management
The Care Management business area illustrates the growing importance of care management as the Medicaid program evolves. Care Management collects information about the needs of the individual member, plan of treatment, targeted outcomes, and the individual’s health status. It also
contains business processes that have a common purpose (i.e., identify clients with special needs, assess needs, develop treatment plan, monitor and manage the plan, and report outcomes). This business area includes processes that support individual care management and population management. Population management targets groups of individuals with similar characteristics and needs and promotes health education and awareness. This area should work closely with the MWMA and Managed Care Organizations with respect to analysis of the member population and future programs. See Section 50.7.4.25 for additional information related to Waiver Management.

The MEMS solution shall be built to support all MITA business processes within the Care Management business area.

Improved reporting (both scheduled and ad hoc) would assist various areas associated with member care, including Program Integrity and personnel responsible for the administration of the waiver programs. This capability would also aid in the analysis of specific member groups in order to help identify needs.

50.7.4.9 Financial Management
The Financial Management business area is a collection of business processes to support the payment of providers, managed care organizations, other agencies, insurers, Medicare premiums, and supports the receipt of payments from other insurers, providers, and member premiums and financial participation. These processes share a common set of payment-and receivables-related data. The Financial Management business area is responsible for the financial data store.

The MEMS solution shall be built to support all MITA business processes within the Financial Management business area.

This area needs to greatly increase the number and quality of automated processes in such activities as the creation of standard reports, calculation and posting payments to various entities, and interface with Managed Care Organizations and insurance companies in order to share pertinent information.

50.7.4.10 DSS
Provide a DSS/DW to manage data and produce reports needed for operating Medicaid and reporting to Federal requirements. Provide a menu of hardware and software components which can be combined to facilitate access to data and data analysis to serve a wide range of end-users.

Data in the DSS/DW is to be refreshed periodically, on a schedule determined by CHFS. The DSS/DW supports security, data cleansing, data
archiving, data management, and data standards. The DSS/DW should accept data from a variety of sources, as directed by the Commonwealth, produce data extracts timely and as specified by the Commonwealth, and balance reports to validate accuracy.

50.7.4.11 Third Party Liability
The TPL processing function helps the Commonwealth of Kentucky utilize the private health insurance, Medicare, and other third-party resources of its medical assistance members. TPL ensures that Medicaid is the payer of last resort. This function works through a combination of cost avoidance (non-payment of billed amounts for which a third party may be liable) and post-payment recovery (post-payment collection of Medicaid and the Commonwealth paid amounts for which a third party is liable).

Key TPL business area objectives are: process data match and billing, maintain TPL data, research suspect information, cost avoidance, estate recovery, and accident case recovery.

50.7.4.12 MEMS Functions available via Web Services and Web Portal
Maintain the MEMS worker portal and Partner Portal interface for use by CHFS staff, providers, and other CHFS authorized parties. The awarded Vendor shall maintain the translator functional capability, or Enterprise Application Integration (EAI) software, and EDI mapping utility capability that can process all EDI and automated interface transactions, regardless of connectivity method and computer platform.

- Maintain the most current and up-to-date provider manuals on the KMA website in downloadable format.
- Maintain the EVS system on the Kentucky Medicaid website.
- Maintain Preferred Drug List (PDL) on Kentucky Medicaid website.
- Produce Drug Rebate invoices.
- Maintain online PA creation, inquiry, and update.
- Maintain the Kentucky Medical Assistance website using KOG as the single sign-on authentication, so that member/provider may seamlessly access relevant information stored in other state enterprise systems.
- The Kentucky Medical Assistance website and other ancillary system components as required by CHFS, must be available 24x7x365 except for CHFS approved time for system maintenance.

50.7.4.13 Document Management System
Document Management provides the ability to view, capture, and attach scanned images to individual cases. The functionality includes the ability to link scanned and verified images to a customer that may exist in other systems.
The imaging/document management capabilities of the MEMS should include the ability to maintain current imaging files, provide users with access and retrieval functions and create any new imaging environment proposed to meet the functional requirements of this RFP. The contractor should convert historical images to the new environment and provide users with access and retrieval capability.

50.7.4.14 Workflow Management
Workflow automation shall use software to guide system users through various business activities that should be established for recurring sets of business operations that are done within the context of established procedures. The workflow software should retain all the artifacts, such as documents, e-mails, files, spreadsheets, and images within a centralized document/media management repository. The software should also capture the status of business activities and any administrative actions (approvals/disapprovals) collected along the course of any instance of a business process controlled by workflow automation. The workflow software should be configured to enforce the established procedures or business rules related to the workflow, such as what documents are required, who needs to review and approve at each level, who needs to be notified of the progress, the routing and decision points along the workflow path, and the access to the workflow content based on the roles of the participants in the process. The use of workflow software should help to automate manual processes by integrating the documentation, generating notifications and alerts, scheduling and queuing work, and enabling electronic retrieval and status reporting. The workflow software should enforce standardization of the flow of business processes by ensuring routing, approvals, and content of each workflow in accordance with established business rules.

The new MEMS solution shall utilize this workflow management tool for any DDI components but it is not required to utilize for COTS solutions. The MEMS should have the capability to set user defined system and personal alerts, such as ticklers and reminders.

50.7.4.15 Fulfillment Services
The Notification Inventory to this RFP includes a preliminary list of the notifications that should be required. The selected Vendor should, prior to or during the System Design Phase, conduct discovery activities to compile a complete and final list of all notifications required to process life cycle management for all programs and products provided. The design and implementation of these notifications should not constitute a change in scope for this project. The new MEMS solution is required to include a notification fulfillment service. However, it is not required to utilize the KY solution using HP Extreme.
50.7.4.16 **Rules Engine**
A rules-based solution should allow the Commonwealth to quickly implement policy and program changes and eliminate most of the hard coding in the back-end software programs. The proposed MEMS solutions should produce automated documentation of the current rules in effect as well as the history of all rules implemented.

CHFS requires business rules in both human-and machine-readable formats.

50.7.4.17 **Customer Service Business Area**
The MEMS Vendor is expected to provide Contact Center infrastructure and staffing support for providers and MCOs.

The MEMS Vendor should implement and operate an integrated customer contact center to provide contact center services to support all KY Medicaid Providers, MCOs and Other partners for MEMS related services. Vendor also maintains Help Desk staffing to provide users of ECM/EDI and MCO’s with technical assistance and to provide users of electronic claim submission with technical assistance in accordance with Commonwealth-specified time parameters. The Vendor should plan to provide staffing support for the Provider and EDI support.

50.7.4.18 **Managed Care Enrollment**
The maintenance of managed care enrollment information is required to support claim processing in batch and online mode, reporting functions, and eligibility verification. Maintenance of member-related data is also required in other functional sections, such as TPL, Long Term Care (LTC), Managed Care, EPSDT, Management and Administrative Reporting (MAR), SUR, and PA.

Support the Automated Voice Response System (AVRS), maintain and update managed care enrollment information, maintain and update Buy-In Information, and interface with the Commonwealth’s eligibility and enrollment system.

50.7.4.19 **Managed Care Interfaces**
Implement and maintain all interfaces with Managed Care Organizations including, but not limited to, transactions for capitation, member enrollment, encounters, and COB as required by the Commonwealth. These include both HIPAA compliant transactions and Commonwealth defined transactions.

50.7.4.20 **Managed Care PCCM**
Support the administration of a variety of service delivery models, including, but not limited to, full-risk capitation, primary care capitation, physician case
50.7.4.21 **Managed Care PIHP PAHP**
Support the administration of a variety of service delivery models, including, but not limited to, full-risk capitation, primary care capitation, physician case management, MCO agreements, vendor contracting arrangements, and utilization controlled FFS arrangements.

50.7.4.22 **Reference**
Operate and maintain the Reference Data maintenance function of the MEMS, in accordance with policy set forth by KY Medicaid. Maintain all Reference Data to consist of proper procedure, diagnosis, and drug pricing codes and other data that support required payment methodologies [e.g., Outpatient Prospective Payment (OPP), Diagnosis-Related Group (DRG), and Resource Based Relative Value Scale (RBRVS)], as required by CHFS, or its designee.

50.7.4.23 **Security and Privacy**
Create a Security Plan and a User Access Security Plan, that incorporates Commonwealth and Federal regulation and publications along with the functional and non-functional requirements created for the MEMS. The Contractor shall comply with the provisions of the Privacy Act of 1974 and instruct its employees to use the same degree of care as it uses with its own data to keep confidential information concerning client data, the business of the Commonwealth, its financial affairs, its relations with its citizens and its employees, as well as any other information which may be specifically classified as confidential by the Commonwealth in writing to the Contractor. All Federal and State Regulations and Statutes related to confidentiality shall be applicable to the Contractor. The Contractor shall have an appropriate agreement with its employees.

50.7.4.24 **Immunization Registry**
The Vendor’s proposed MEMS should interact with the Immunization Registry providing data on a continual cycle. The interfaces should access the Registry through the KHIE.

50.7.4.25 **Waiver Management**
The MEMS should interface with the Medicaid Waiver Management Application (MWMA). Operate and maintain the Waiver Services function of the MEMS, in accordance with policy set forth by KY Medicaid. Accept waiver information into the system, at the direction of CHFS, or its designee.

Apply edits/audits that prevent claims from being paid when a member has not received a referral or PA when required by the primary care provider with whom they are enrolled. Produce program data necessary to satisfy
Federal Medicaid waiver reporting requirements, monitor utilization, and assess quality of care provided to members.

50.7.4.26 **Federal Reporting**
Provide Federal management data that produces the MAR required for financial, benefit plan, provider, member, and funding source reporting. The awarded Vendor has the responsibility of confirming that the Federal Reporting monthly summary process results are reconciled and balanced, resolving any problems associated with the outcome. The Vendor completes a monthly balancing report to ensure that Federal Reporting summarization process numbers match those generated from the weekly claim, financial, payout, and recoupment transactions, and are compared with funding source and balanced.

50.7.4.27 **Global Business Contractor**
Ability to include the items below for each business process impacted by the replacement system including, but not limited to, provider enrollment, prior authorizations, TPL/COB, and claims processing. However, the Vendor may include additional/alternative tasks supported by their methodology, including, but not be limited to:
1. Evaluate current business process documentation.
2. Produce, with assistance from Commonwealth staff, future business models including process descriptions, workflows, staff utilization and skill requirements.
3. Perform gap analysis between current and future business models.
4. Identify deficiencies in the replacement MEMS and define required modifications.
5. Produce, with assistance from Commonwealth staff, migration plans to implement future business models.
6. Provide training to Commonwealth staff on future processes of the MEMS.

50.7.4.28 **General Business Contractor**
Ability to correctly process all transactions and perform all functions under this Master Agreement in accordance with Federal and Commonwealth laws, regulations, and policies and procedures pertaining to the MEMS, Medicaid, and the Kentucky Commonwealth Plan, including the terms and conditions of demonstration waiver.

50.7.4.29 **Facility Management**
Ability to be responsible for all costs related to securing and maintaining the Kentucky MEMS Facility, including, but not limited to, hardware and software maintenance, lease holder improvements, utilities, telephone, office equipment, supplies, janitorial services, storage, transportation, the shredding of confidential documents, courier services, and insurance.
50.7.4.30 **Change Management**
The awarded Vendor should work with DMS to develop a Change Management Plan that describes the roles and responsibilities, policies, processes, and procedures necessary for controlling and managing the changes during the life of the Project. This document outlines how changes are identified, defined, evaluated, approved, and tracked through completion. This plan identifies responsibilities and defines the composition, function, and procedures for a Change Management Board. Additionally, the Vendor should follow a Configuration Management Plan and version control procedures.

50.7.4.31 **Learning Management**
Provide a training function. Follow approved Training Plans and provide training to DMS, other Commonwealth agencies, and contractors, as directed by DMS. Provide training plans and training materials to the Commonwealth for review and approval, prior to delivery of the training session/workshop. Develop and support a CBT application that can be accessed by various users as a training application, tutorial, or reinforcement training. Provide training material that ensures a comprehensive initial and ongoing training program to all Commonwealth and non-Commonwealth staff identified by DMS, Vendor staff, and providers.

50.7.5 **Technical Requirements**
The awarded Vendor should adhere to the enterprise-wide technical requirements (Attachment H – MEMS Technical Requirements). The purpose is to establish a shared understanding of CHFS’s vision as it relates to business processes and workflows, user interfaces, application/software architecture, and infrastructure/information architecture throughout the project life cycle. The interrelationships among these architectures and their joint properties are essential to the Kentucky enterprise-wide model and are intended to address the important enterprise-wide objectives of this project.

This section of the RFP outlines the narrative descriptions of each of the technical areas identified in Attachment H – MEMS Technical Requirements and should form the foundational platform upon which the Commonwealth’s operational vision for the MEMS should be built.

50.7.5.1 **Access and Presentation Services**
The Access and Presentation Services layer of the technical solution is the architecture layer that addresses all user interface components and system access channels. The system can be decomposed into two user interaction layers, access channels and presentation.

The system’s access layer (ACC) provides a flexible framework for managing and providing internal and external communications over a
variety of different channels. Customers also have the flexibility to access services provided by the MEMS over a variety of channels that must include, but are not limited to, web, phone, email, and mail.

The presentation layer (PRE) provides users access to the system using a robust, thin-client, browser based solution delivered over the Internet. The selected Vendor is required to adhere to CHFS graphical user interface (GUI) standards and policies. The site shall provide services to persons with disabilities by complying with mandates listed in the Rehabilitation Act of 1973, Section 508 and W3C’s Web Content Accessibility Guidelines 2.0. The public facing site shall be accessible to individuals in English and Spanish, and should provide the ability to extend support to different languages in the future. The solution must support usable, mobile-friendly browsing and enable access to the site’s features and services using smart phones, tablets, and personal digital assistants (PDAs). The solution should support creation of and consumption by mobile applications (apps).

50.7.5.2 Integration Services (INT)
The Integration Services layer of the MEMS technical solution is the architecture layer that enables sharing of application services. The layer enables the system to share data, information, and processes that operate across application boundaries.

The integration layer features a shared services offering provided by the Commonwealth for ESB capabilities. The MEMS solution ESB shall provide services for, but not limited to, SOAP XML web services, HL7, HIPAA, and legacy integrations.

50.7.5.3 Application and Shared Services (APP)
The Application Services layer of the technical architecture is the layer that provides reusable commodity features and functions within the system. The Shared Services layer is a sub-set of Application Services that can be exposed externally to other systems, applications, or external entities for reuse.

The architecture features a set of services that are classified as Shared Services to promote reuse and leverage based on guidance from CMS.

The proposed MEMS solution shall include full-featured architecture components for developing, managing, maintaining, and versioning business rules external to application code. The MEMS BRE shall provide the ability to: quickly adapt program rules to policy changes, maintain business rules using business analysts rather than developers, and express rules using language that can be understood by the general public. The solution shall provide open standard interfaces so that it can be leveraged as a shared service.
The MEMS solution shall feature Application Services that will be utilized by the application to deliver basic commodity features and provide domain business services to the application. The system shall include services for data integration with KHBE and other state agencies.

50.7.5.4 Data and Information Management Services (DAT)
The Data and Information Management Services layer of the technical solution is the architecture layer that provides services for data management. This layer includes the definition of data services, reporting and analytics components, and the MDM features of the system.

The data services layer shall provide the application with highly-available, redundant, consistent data. The layer consists of the infrastructure, processes, and management tools required to deliver data services to the application.

The MEMS solution shall provide a normalized extensible relational data model that aligns to the business domain. The selected Vendor’s data architecture strategy shall include a data modeling solution that utilizes modeling tools. The data services layer shall maintain data integrity and consistency throughout the system life.

The solution shall include a Master Data Management (MDM) solution for managing master reference data and shall be required to register persons and providers with the KY MDM solution. The selected Vendor shall provide the system architecture components and strategy for master data management.

The DSS portion of the new MEMS solution shall take advantage of the advancements in system architecture and Web technologies to provide an economical and flexible data storage system. The DSS shall integrate seamlessly with the MEMS and take advantage of system interoperability and interface technologies.

The DSS shall function as a data storage repository for recipient, provider, claim, reference and encounter data, and data sets from external sources that may be designated by the Commonwealth. The Vendor shall provide a DSS with sufficient space and planning for efficient operations and growth throughout the life of the contract.

50.7.5.5 Infrastructure Services (INF)
The Infrastructure Services layer is the layer that provides the application servers, database platforms, programming libraries and runtime framework for the application. The Infrastructure Services layer shall be designed to
enable quality, high-performing, scalable delivery of application services to the end-user.

The Infrastructure Services layer shall provide logical environments for each testing phase. The selected Vendor’s infrastructure strategy shall provide the ability to create, deploy, load and manage multiple environments that operate concurrently. The selected Vendor’s environment strategy shall closely align with the work stream and testing strategy.

The MEMS solution shall demonstrate fault tolerance and redundancy to prevent applications from becoming unavailable due to component failures. The solution design shall provide clustered application server environments, load balanced applications and application components, and redundant application data and storage designs for all data stores (data, logs, messages, message queues, etc.).

50.7.5.6 Security Services (SEC)
The new MEMS solutions shall integrate with and utilize the CHFS security and enterprise user provisioning system, Kentucky Online Gateway (KOG). The MEMS shall be a claims-aware, Active Directory Federation Services (ADFS) compliant application, and shall provide for configurable, maintainable role-based access to business functions through both public and private MEMS channels.

The Security Services layer of the MEMS technical solution is a cross-cutting virtual architecture layer that addresses security concerns in each facet of the application and technical architecture layers. A core, key component of the MEMS security services architecture will be realized through re-use of the KOG, which will provide capabilities for addressing the MEMS identity and access management controls. KOG will provide user provisioning, de-provisioning, self-service registration, authentication, single-sign-on, and coarse-grained authorization services for the MEMS, and will facilitate the handoff of security tokens for application use within the MEMS. KOG leverages ADFS 2.0.

Security services within the MEMS shall be exposed as standards-compliant, reusable web services whenever feasible, and shall align to the MITA 3.0 and MITA security and policy standards.

50.7.5.7 Operations and System Management Services (OPR)
The Operations and System Management Services layer is the architecture layer that provides system and application administration and monitoring capabilities.

The selected Vendor’s solution shall monitor and report the health and status of all applications, services, and system components for the solution.
DRAFT MEMS SOW (as of 10/14/2014)

The application monitoring solution shall provide operations users the ability to view health and availability of application resources, application uptime, and service utilization. The server resources shall be monitored against similar server specific metrics. Adherence to MITA requires the collection of operational data in order to establish and meet Service Level Agreements (SLAs) for the system.

50.7.5.8 Development Architecture and Services (DEV)
The selected Vendor should utilize an established formal methodology that supports the Commonwealth’s requirement to sign off on results of the solution before proceeding to the next phase.

The selected Vendor’s testing methodology should include full testing to include the following test cycles: unit testing, integration testing, performance testing, load testing, stress and capacity testing, data conversion testing, user acceptance testing, and disaster recovery testing.

50.7.5.9 Interfaces
Some key elements of the functional requirements of the MEMS hinges on the availability of data from various sources, both internal and external to CHFS and the Commonwealth, in real time. The selected Vendor shall account for these interfaces, listed in Attachment L to this RFP, in its technical solution and its Preliminary Project Plan. Attachment L lists all known interfaces at the time of issuing this RFP. It is understood that the interfaces listed in Attachment L may not represent all the interfaces required for final implementation of the MEMS. The selected Vendor shall include in its System Design Phase a period for interface discovery and design, to identify and design all interfaces required for the fulfillment of the MEMS functional requirements. Identification of new interfaces during this phase shall not constitute a change in scope for this project.

The Commonwealth requires that all interfaces are real time where technically feasible. In the case where real time interfaces are not feasible, the selected Vendor shall submit a design for batch, or near real-time interfaces for approval by CHFS, and propose SLAs for both parties in that data exchange. It is important to note that while the MEMS shall establish and own the relationship with any third parties with whom data sharing will occur, the selected Vendor shall design, develop and test all necessary physical interfaces, web services, messaging, file sharing specifications and batch processes for data exchange.

50.7.6 Fiscal Agent Requirements
This section describes the Vendor’s FA responsibilities and performance expectations for business and program functions related to the core MEMS, its
modules, and system components. The Vendor should provide on-going FA services starting at MEMS go live through the life of the contract.

The Vendor should perform all business functions described in Attachment G – MEMS Functional Requirements and Attachment I – MEMS FA Responsibilities from the date of implementation of each component until each business function is turned over to a successor FA at the end of the Contract, including any optional additional periods or extensions. CHFS will monitor and review FA operations activities for enforcement of Contract provisions, accurate timely processing of fee for service claims, quality of call customer service, and other activities as described in the master SLA (Section 40. – Procurement Requirements). The Vendor is responsible for executing the FA operations of the MEMS on behalf of the State and has the authority to pay claims and execute other financial management functions of the Kentucky Medicaid Program.

The objective of this activity is to ensure that the Vendor provides the proper level of operational support for all critical business areas to meet or exceed the Commonwealth’s performance expectations and performance standards identified in the Contract. In conjunction with ensuring the proper level of support, the Vendor should show its commitment by providing staff resources that are skilled, experienced, competent and capable of delivering: Client Management Services, Provider Management Services, and Financial Management Services.

In addition, the Vendor should maintain consistent quality standards. The Vendor should deliver a Quality Management Plan to CHFS ninety (90) days before the scheduled start of operations. The plan should address the Vendors commitment to retaining the personnel skills, and competency levels originally proposed for project operation as well as explain the philosophy and approach to the organizational operating quality culture that together should drive the efficient delivery of all MEMS services and meet performance expectations.

50.7.7 Program Management

50.7.7.1 Project Management Framework
The Program Management Plan shall include the Project Management Framework that the Vendor shall follow for all projects in the program. The proposed Project Management Framework shall meet industry standards and contain a Project Management Framework Guide.

After the Vendor proposal has been accepted by CHFS, the Project Framework Guide shall be considered as an addendum to the Contract. The selected Vendor shall follow practices recommended by the Guide, and provide all necessary or recommended documentation. The plans, schedules and documents suggested in the Guide shall be required Vendor deliverables and as such are subject to CHFS approval.
In addition, the selected Vendor shall provide the initial draft of a comprehensive Program Management Plan to the Commonwealth within 10 business days after project initiation, which includes:

A. Program governance structures including Organization Chart and Steering Committee members
B. Standards for program and project communications including weekly and monthly status reporting and Steering Committee meetings
C. A schedule outline for regular status meetings and Program Board meetings with associated required participants
D. A Program Charter which outlines the agreed responsibilities of all participants in the program
E. A preliminary integrated project Work Plan which shows the selected Vendor’s approach to completing all work for the MEMS solution. The approach should include a work breakdown structure (WBS) with Task and Subtask descriptions, associated Deliverables, and resource requirements. The integrated project plan shall show details for all projects within the program, including task descriptions, dependencies, resource requirements, task assignments, effort, start and end dates for all activities and tasks, durations, milestones including Deliverable dates and review cycles and federal review dates, and project critical path for the delivery of the MEMS
F. Review and acceptance criteria for completion of each major phase of work

50.7.7.2 Concurrent Projects
CHFS has concurrent projects that will deliver solutions expected to integrate with the solutions developed within this project. In addition, the projects will require the sharing of limited resources, including CHFS staff. The selected Vendor for this project shall be required to collaborate and cooperate with other Vendors and CHFS, as needed, in order to develop and maintain a consolidated multi-project Work Plan.

As Vendors may have varying start dates, the Work Plan shall be a living document and the selected Vendor shall be flexible and work with other Vendors and CHFS, as needed, to modify, update and maintain the consolidated Work Plan.

The Integrated Project Work Plan and all updates shall be submitted to CHFS for review and comment prior to approval or acceptance.

50.7.7.3 Deliverable and Artifact Management
The Vendor’s proposal shall describe a Deliverable and Artifact Management approach that ensures the expectations, requirements, and content associated with each Deliverable and Artifact are clearly defined and agreed to in advance of actual delivery. The selected Vendor shall use
Deliverable Expectation Documents (DEDs), which will be submitted to and reviewed with the Commonwealth to ensure the selected Vendor and the Commonwealth have an agreed understanding of the expectations, requirements, and content of each deliverable. The DEDs will be designed to maximize the ability for deliverables to also serve as artifacts for required federal reviews. All deliverables and artifacts are subject to review and approval from the Commonwealth and the IV&V Vendor. The review cycle time required for each deliverable/artifact will be mutually established between the selected Vendor and the Commonwealth in the course of finalizing the Integrated Project Plan and be further reviewed and revised during the DED review cycles. The selected Vendor shall be responsible for managing the schedule for all deliverables/artifacts under the scope of work including the schedule for submission, review, updates and final approval.

All deliverables and artifacts will be maintained by the selected Vendor in a Microsoft SharePoint site that is accessible by Commonwealth staff and within the CHFS domain. The Vendor shall be responsible for maintaining all document directory structures, document versions and ensuring that all documents are accessible to Commonwealth staff within the agreed deliverable schedule.

The selected Vendor shall present its deliverable/artifact schedule in the Integrated Project Plan to be agreed with and approved by the Commonwealth prior to the commencement of any work. The deliverable/artifact schedule shall conform to any milestones laid out by the Commonwealth’s Enterprise Roadmap and for CMS Certification.

The selected Vendor shall deliver preliminary and interim versions of deliverables/artifacts as required by the schedule for CMS Certification. The final version shall be subject to review and approval by the Commonwealth, regardless of any preliminary or interim versions received and accepted for the purposes of CMS Certification. Payment shall not be issued until the final version of all deliverable documents and artifacts required to meet a payment milestone have been approved by the Commonwealth.

The selected Vendor shall account for at least one resource dedicated to managing the schedule of and repository for deliverables/artifacts. Responsibilities shall include but not be limited to maintaining the SharePoint repository for deliverables/artifacts, tracking the status of deliverables/artifacts in review and deliverables/artifacts approved, tracking the completion of action items and comments on deliverables/artifacts, maintaining communication records of signoffs or deliverable/artifact rejections.
The selected Vendor shall account for the deliverables and review artifacts listed in Attachment M, Kentucky MEMS Deliverables List within its deliverable schedule and Integrated Project Plan.

All deliverables/artifacts are expected to be of a level of quality and completeness that indicates that they have been reviewed and proof read by the selected Vendor prior to being delivered to the Commonwealth. Indicators of quality and completeness include but are not limited to:

A. A standard of business and technical writing and quality assurance that limits ambiguity, errors and rework by CHFS
B. A level of English proficiency that limits CHFS edits for grammar and clarity
C. Content is in keeping with expectations set out in Deliverable Expectation Documents and decisions captured in JAD sessions and other meetings

Attachment M to this RFP contains details of the deliverables and artifacts required as part of the scope of work of the contract. The commonwealth reserves the right to revise Attachment M as required prior to contract award.

50.7.7.4 Change Control Management
Changes in scope may happen due to a variety of unforeseen factors. For the purposes of this program, change is defined as a request originating from the Commonwealth or Vendor that affects scope, schedule, and/or cost to the Commonwealth.

It is known, at the time of issuing of this RFP, that there will be changes to the requirements, presented herein, as rules and regulations evolve and are finalized by CMS and by the Commonwealth. These rules and regulations are expected to change through the lifecycle of the project. Changes in requirements due to evolution of Federal and Commonwealth regulations do not constitute a change in scope for this program. Potential changes to regulations, such as those pending legislation or judicial review, that pose the potential to disrupt the delivery schedule shall be documented by the selected Vendor in the Risk and Issue Log as defined in the approved PMP and managed accordingly.

The selected Vendor shall inform CHFS of any potential scope changes as soon as is reasonably possible to discuss, analyze, and document the impact of the change in scope, and determine direction and next steps. The assessment of the change in scope shall include specific impacts to both schedule and costs. CHFS will work with the selected Vendor to confirm/reconfirm Project scope for subsequent tasks, phases, and/or milestones. Additional details of the changes to scope are available in Section 40 of this RFP.
50.7.7.5 Issue and Risk Management
CHFS will look to reduce the impact of issues and risks that arise during the program life cycle by requiring the selected Vendor to implement robust Issue and Risk Management processes that will lessen the time it takes to detect, resolve and mitigate them.

The Vendor shall present in the proposal an Issue Management Plan that outlines the procedures for documenting, escalating and resolving issues. This shall include:
A. Procedures and tools for documenting and tracking project and program issues
B. Guidelines for determining severity of issues in terms of impact to the project or program
C. Procedures for review of issue log and escalating issues where required
D. Procedures for resolving issues including responsible parties for decision making based on severity and impact

The Vendor shall present in the proposal a Risk Management Plan that outlines the procedures for documenting, escalating and mitigating risk. This shall include:
A. Procedures and tools for documenting project and program risks
B. Guidelines for evaluation of risks in terms of probability and impact
C. Procedures for review of risk log and escalating risks where required
D. Procedures and guidelines for mitigating risks

50.7.8 Systems Development Lifecycle Management
Prior to the commencement of work, the selected Vendor shall submit a description of the SDLC Methodology that it will use for the MEMS, for review, comment, and approval by CHFS.

The selected Vendor shall deliver the solution using a phased development approach that supports the Commonwealth’s requirement to review and test iterations of development of logical functional groups of system components, before proceeding to the System Test phase. Therefore, the plan for the Development Phase shall account for durations of Commonwealth testing and feedback, and System updates by the Vendor, prior to the completion of the Development phase for each iteration.

50.7.8.1 Requirements Analysis
During the Planning and Establishment Phase, where the Commonwealth established its Operating Model for the MEMS, the team compiled a lengthy list of functional and technical requirements through a series of meetings with integrated work groups (Governance, Medicaid and Technical) which discussed critical operational, functional and technical design matters that are essential to the operations of the MEMS. These requirements are included in Attachments G, H, and I to this RFP. It is important to
understand that while these preliminary requirements to some extent define the scope and vision for the System, the requirements are not the final detailed requirements for the System. The selected Vendor shall conduct a Requirements Analysis Phase during which they will review, refine and seek approval for all preliminary requirements, and add requirements where gaps are identified through a detailed analysis exercise. The end result will be a set of detailed requirements to be used for building the solutions. These requirements will be the basis for the selected Vendor to create usage scenarios and detailed business process workflows. At the conclusion of the detailed requirements phase, the Commonwealth expects the selected Vendor to work with the Commonwealth team to prioritize requirements and if necessary, identify possible phases for implementation of the overall requirements. The selected Vendor's Project Work Plan must be updated to identify all possible phases of implementation. Once approved, the updated Requirements Analysis schedule shall be included in the Integrated Project Work Plan.

The selected Vendor shall be responsible for meeting all review milestones for System Design as laid out by CMS guidelines. High level review requirements are laid out in Section 50.7.12.

50.7.8.2 System Design
The selected Vendor shall submit its plan for the System Design Phase for approval by CHFS prior to the commencement of that phase of work. The plan shall include the approach for collaborative design with functional and technical subject matter experts, procedures for submission to, and review and approval by CHFS for each design component, and the overall schedule for the System Design Phase. Once approved, the updated System Design schedule shall be included in the Integrated Project Work Plan. A Project Work Plan revision is to be completed by the Vendor and approved by the Commonwealth prior to any phase of the project.

A formal review of the high-level architectural design may be conducted by CMS prior to detailed design of the automated system/application to achieve confidence that the design satisfies the system requirements, is in conformance with the enterprise architecture and prescribed design standards, to raise and resolve any critical technical and/or project-related issues, and to identify and mitigate project, technical, security, and/or business risks affecting continued detailed design and subsequent lifecycle activities. CMS review cycles should be included in the planning process for each necessary phase and time commitments are to be included in the project schedule. During the Design Phase, the selected Vendor shall begin the initial strategy for testing and training.

The selected Vendor shall be required to maintain current and up to date documentation of all System components through the life of the project. The
selected Vendor shall work with the Commonwealth to agree on the templates and the appropriate level of detail for documenting the design for each system component. This includes, but is not limited to, user interface, process flow, business logic, business rules, input validation, workflow, forms, data model, data architecture, web services, infrastructure, system architecture, IVR process flows, contact center scripts, and batch processing.

The selected Vendor shall be responsible for meeting all review milestones for System Design as laid out by CMS guidelines. High level review requirements are laid out in Section 50.7.12.

50.7.8.3 Development

The Commonwealth and the selected Vendor will agree upon the level of detail required for the development phase. The selected Vendor shall submit a plan for the Development Phase for review, comment and approval by CHFS prior to the commencement of that phase of work. The plan shall include the phased approach for system component development including shared components and base classes. The plan shall also include the selected Vendor’s approach for code base management, development standards, individual developer machine configuration requirements, build machine configuration requirements, unit and integration testing procedures and reporting requirements including code coverage targets, and code check-out and check-in procedures.

Test data and test case specifications are finalized by the selected Vendor. Unit and integration testing is performed by the selected Vendor’s developers with test results appropriately documented. Data conversion and training plans are finalized and user procedures are baseline, while operations, office and maintenance procedures are also initially developed.

The selected Vendor shall develop the solution using an iterative development approach that supports the Commonwealth’s requirement to review and test iterations of development of logical functional groups of system components, before proceeding to the System Test phase. Therefore, the plan for the development phase shall account for durations of Commonwealth testing and feedback, and Vendor System updates, for each logical functional group of system components.

The selected Vendor shall ensure that all System Design documentation is kept up to date with updates to the design that occur due to technical implementation details, change requests, or any other factors that cause a deviation from the original design.
The selected Vendor shall be responsible for meeting all review milestones for System Design as laid out by CMS guidelines. High level review requirements are laid out in Section 50.7.12.

50.7.8.4 Testing
The selected Vendor shall submit its Test Plan for all levels of testing for approval by CHFS prior to the completion of the Requirements Definition Phase of work. The Test Plan shall outline how the selected Vendor will test the System throughout the project development lifecycle. Once approved, the updated Test Plan schedule shall be included in the Integrated Project Work Plan. The selected Vendor shall provide tools to track testing that will be utilized in all phases of testing to record scenarios, indicate status, track test results, manage relationships (i.e. to requirements or to specific application components), and produce reports. The selected Vendor shall also establish testing environments, along with the necessary data and application modules, to support unit, integration, iterative functional, system, user acceptance, performance and operational readiness testing activities. Test Plans should trace back to requirements. At the minimum, the selected Vendor shall address the following:

- Approach to testing including testing philosophy, test data, test standards, verification approach, approach to non-testable requirements, test phases, test techniques and methods.
- Testing processes including test preparations, orientation and kickoff, test execution, test monitoring, test status meetings and reporting, closure evaluation criteria.
- Approach to creating the test environments needed.
- Provide defect tracking, resolution and aging reports during this phase.

The primary purpose of the Testing Phase is to determine whether the automated system/application software or other IT solution developed or acquired meets the Commonwealth's requirements and is ready for implementation. During the Test Phase, formally controlled and focused testing is performed to detect errors and bugs in the IT solution that need to be resolved. There are a number of specific validation tests that are performed during the Test Phase. Some testing activities will begin during the Development Phase, such as Unit Testing and Integration Testing. All testing activities identified below are to be detailed in the Project Work Plan.

The selected Vendor’s testing methodology should include full testing to include the following test cycles: unit testing, integration testing, performance testing, load testing, stress and capacity testing, data conversion testing, user acceptance testing, and disaster recovery testing.

50.7.8.4.1 Test Plan
The Test Plan shall include the selected Vendor’s testing approach, including test scenarios, test conditions and test scripts for the following required testing:

50.7.8.4.2 Unit Testing
Unit testing is done to assess and correct the functionality of individual or small groups of code or modules. Unit testing ensures the various objects and components that make up the System are individually tested, and that errors are detected and corrected prior to exiting the development environment.

The selected Vendor shall submit its approach to Unit Testing, including targets for unit test coverage and pass rates, for approval to CHFS prior to the commencement of the development phase.

50.7.8.4.3 Integration Testing
Integration Testing is performed by developers after integrating completed components or modules into the overall system codebase. This testing is done in order to ensure that the completed components or modules work at a high level and that existing components and shared components have not been broken by the new module. The selected Vendor shall include its approach to Integration Testing, including the recommended environment for Integration Testing, in its Test Plan. Integration testing guidelines shall be included in development standards documentation.

50.7.8.4.4 Iterative Functional Testing
Iterative functional testing ensures that the components developed for each logical iteration of the system meet all functional and technical requirements as defined and approved in the Test Plan and the Requirements Definition Phase.

50.7.8.4.5 System Testing
System Testing assesses the functionality and interoperability of the System and the multiple other systems and subsystems it interacts with, such as databases, hardware, software, rules engine, document management system, identity management system (KOG), workflow, interfaces and web services, and their integration with infrastructure into an overall integrated system. This test includes a test installation and configuration of the System, with a subsequent functional regression test to confirm the installation’s success.

50.7.8.4.6 Interface Testing
Interface Testing is conducted to ensure the completeness of interface development and the readiness of developed interfaces for integration in the wider system. The selected Vendor shall submit its approach for
Interface Testing for approval by CHFS in its Test Plan. This approach shall include strategy for early detection of interface errors such as non-conformance to interface contracts by either consumers or providers of services, and incorrect data being returned through an interface. The Interface Testing approach shall include an approach for testing of all interfaces error codes such as the network errors and unavailable source systems. The Interface Testing approach shall also outline the selected Vendor’s strategy for reporting, managing and mitigating defects for interfaces both within the control of CHFS (such as HBE) and outside the control of CHFS (such as the MCOs, PBM and Providers).

50.7.8.4.7 Regression Testing
Regression testing should be completed after integration of each major component into the wider system to ensure that components which have already been tested are still working. Regression testing should also be completed after every migration of new build versions to each test environment. Regression test scenarios shall be a subset of System Test scenarios, agreed upon with CHFS, chosen to ensure maximum functional and technical coverage of regression testing.

The selected Vendor shall include its approach to Regression Testing in its Test Plan. The approach should include the use of an automated test tool to minimize the cycle time and resources required to complete regression testing.

50.7.8.4.8 Security Testing
Security Testing is required by the selected Vendor on functional, technical and infrastructure components to ensure the system meets all system security requirements. Security Testing scenarios and strategy shall be approved by the CHFS Information Security Office (CHFS ISO) prior to execution and all Security Testing results shall be approved by CHFS and CHFS ISO.

Additionally, the selected Vendor is required to conduct its own security risk assessment prior to the Commonwealth engaging a Third Party Vendor to conduct the Independent Security Review detailed in Section 50.7.15. The selected Vendor shall provide a report of the results of its security risk assessment, including all tools used, such as code scanning and application scanning tools, and an action plan of remediation for vulnerabilities identified.

50.7.8.4.9 Performance Testing
Performance Testing is conducted in order to ensure that the System meets the minimum performance service levels required by CHFS, in terms of query and page response times under simulated load for a number of users for multiple concurrent functions in a given period of
time. Performance testing scenarios shall take into account expected peak period volumes for application processing such as closing of open enrollment periods. The performance test shall be conducted on a production ready version of the system on production IT infrastructure and Production Managed Network Services, i.e. a version that has passed all requirements validation, system and security testing. The performance test environment shall mirror the final production system specifications in order to accurately predict how the System will behave in the production environment.

50.7.8.4.10 Usability Testing
Usability testing is conducted to ensure the System’s user interface design takes into account usability considerations for its target user groups. Usability testing will include testing of the user interface for internal and external users, power users, users with limited computer skills, prospective new users, users who will require training in the system to complete their daily work, and users with disabilities. Accessibility standards established under Section 508 of the Rehabilitation Act shall be adhered to.

Feedback from usability testing shall be evaluated in terms of priority in collaboration with the Commonwealth, and a plan shall be developed to include the required updates into the final build.

The selected Vendor shall be responsible for developing a strategy for usability testing that includes usability evaluation from usability experts, testing with Commonwealth workers and representatives from the provider community. The usability testing shall account for testing for compliance as identified in Section 50.7.12. The selected Vendor shall provide a report to CHFS containing the results of the automated scanning tool used for compliance testing, including an action plan to remediate any deficiencies found.

50.7.8.4.11 Language Testing
The selected Vendor shall include in its Test Plan a strategy for testing the system in both English and Spanish.

50.7.8.4.12 Browser Testing
Browser testing is conducted to ensure that the System operates in the most likely configurations of browser versions and operating systems. Browser testing shall be performed using a subset of System test scripts that ensures maximum system coverage. The selected Vendor shall be responsible for providing the machine configurations to perform all necessary browser testing.

50.7.8.4.13 User Acceptance Testing
User Acceptance Testing (UAT) is conducted to ensure that the developed system meets all expectations of the Commonwealth and its eventual users. The selected Vendor must follow exit criteria developed by the Commonwealth to move from System Integration Testing to UAT. The selected Vendor shall be responsible for providing data and environments and test scripts to the Commonwealth for the successful execution of UAT. The selected Vendor will work with the Commonwealth to develop test scripts. UAT test scripts shall cover all facets of the System. The Commonwealth shall be responsible for identifying the participants involved in UAT and for the overall execution of UAT scripts and ad-hoc UAT testing. The selected Vendor will review all UAT results with the Commonwealth and a mutual strategy for mitigation shall be agreed for each defect based on severity, priority and impact.

50.7.8.4.14 Data Conversion Testing
Data Conversion testing is done to ensure that data migrated from legacy systems is brought across to the new system in a usable, complete, correct, and expected state. The Data Conversion Testing should use automated tools where possible to test that all data converted in the conversion test environment complies with the standards set out in the Data Conversion Plan. The Data Conversion tools shall be adjusted depending on the test results until all migrated data passes the appropriate tests. Data Conversion exception tolerance levels shall be agreed with and approved by CHFS prior to the commencement of conversion testing. Test results must be approved by CHFS prior to commencement of production Data Conversion.

Additional tests will be conducted to validate documentation, training, contingency plans, disaster recovery, operational readiness and installation. The approach to these additional tests will be evaluated in conjunction with CHFS to assess their necessity and will be included in the final test plan to be approved by CHFS.

50.7.8.5 Additional Testing Responsibilities
The selected Vendor will be responsible for developing all test conditions, scenarios and scripts. These are subject to approval by CHFS prior to execution of any test phase. The selected Vendor is also responsible for preparation of all test data, including identifying data required for each test phase that may require collaboration from Commonwealth resources to acquire that data.

The selected Vendor shall ensure that all System Design documentation is kept up to date with updates to the design which occurs due to changes or fixes that arise in the Testing Phase.
The selected Vendor shall be responsible for meeting all review milestones for System Design as laid out by CMS guidelines. High level review requirements are laid out in Section 50.7.12 of this document.

50.7.8.6 **Data Conversion**
The selected Vendor shall propose a Data Conversion Strategy that will describe its approach to migration of existing data from the current KYMMIS and the DSS. The Data Conversion Strategy must be submitted to CHFS for review, comment and approval, prior to the development of a Data Conversion Plan. The Commonwealth foresees the execution of a successful data conversion strategy and plan as one of the key challenges in the successful implementation of the MEMS. Therefore the selected Vendor shall complete a full analysis to identify all systems from which data will be converted to successfully implement the MEMS solution.

The Commonwealth requires a Data Conversion Strategy that is highly automated and minimizes both risk and the disruption to current KYMMIS, the DSS and other systems service. The data conversion strategy should include any data conversion methodology, including data analysis techniques and processes, checks and balances for ensuring data quality and accuracy, as well as data conversion toolsets that the selected Vendor intends to employ.

*Reference Attachment G/H – Data Conversion Requirements.*

50.7.8.7 **Security Plan**
The selected Vendor shall submit its Security Plan for all levels of security in MEMS for approval by CHFS prior to the completion of the System Design Phase of work.

50.7.8.8 **Training**

50.7.8.8.1 **End User Training**
Due to the scale of the organizational and system change involved in the implementation of the MEMS, the Commonwealth views the successful roll-out of a robust end-user training program as one of the critical elements in the overall success of the MEMS. The selected Vendor shall be responsible for all aspects related to user training to ensure the successful implementation of the MEMS. This includes development and maintenance of a Master Training Plan, training location and schedule management, development and maintenance of all training material, appropriate delivery of material to end users according to work functions, quality control reviews, and re-training where necessary. The selected Vendor is required to work cooperatively with the Commonwealth and
any other vendors contracted by the Commonwealth to coordinate all training efforts.

CHFS will assist in the identification of specific individuals to be included in the types of training based on the training strategy defined in the Master Training Plan. Training for each group should encompass the following:

1. MEMS User Training – The MEMS User Training includes a basic MEMS overview that provides a system orientation and basic operation for all CHFS MEMS users including Providers and MCO’s as well as the Fiscal Agent staff. User training should be required in Vendor-provided locations throughout the State.

2. Technical Staff Training – Technical training emphasizes the understanding and skills needed to perform assigned duties in support of the new MEMS. Technical training is provided to all designated CHFS systems staff.

50.7.8.8.2 **End User Training - Master Training Plan**

The selected Vendor shall submit a Master Training Plan to CHFS for review, comment and approval, prior to the completion of the System Design Phase. The selected Vendor is responsible for maintaining updates to the Master Training Plan based on actual components developed during the System Design and Development Phases. The Master Training Plan will be used to govern and manage the overall activities, effort, and scope of training for each training group mentioned above. The Master Training Plan will offer a comprehensive, detailed picture of the plan to implement the training effort, and define the approach used to develop and deliver the System training solution to the Commonwealth and detailed in the Project Work Plan.

The selected Vendor shall create, maintain, and update, as required, the approved training plan. At a minimum, the training plan shall include the following:

1. An overview of the training methodology for roles based MEMS training
2. Training objectives for each user role
3. Roles and Responsibilities for the selected Vendor training staff
4. Assumptions
5. Training courses and associated course objectives, competency level and skill set assessment tools, including the format and content of all training material to be developed by the selected Vendor
6. Timelines for the development, review, and completion of all training materials
7. Review and approval process for all training materials by the Commonwealth
8. An overview of the training presentation style and how concepts of Adult Learning will be integrated into the delivery
9. Performance expectations for both instructors and students and approach to performance measurement and reporting
10. Staffing plan that includes a 10:1 student to instructor ratio for all Instructor Led Courses
11. The number of role-based training sessions necessary to train all identified users
12. The number of users to be trained by the type of training
13. The length of each training course
14. Procedures for implementing and maintaining a training database/environment that is a mirror image of the production environment including reports and notices
15. Milestones for training
16. Training schedule and procedures for scheduling end users to their appropriate courses
17. Plan for working cooperatively with and coordinating all training efforts with other vendors, as needed and directed by the Commonwealth.
18. Procedures for updating course material due to system updates or feedback from the initial rounds of training
19. Method for certifying that end users have successfully completed their job based curriculum
20. Criteria for identifying where remedial training is necessary and plan for providing that additional support
21. How the Learning Management System (LMS) will be used to manage the training schedule, instructor/course evaluations, and student competency measurements
22. Methodology for providing technical support for training
23. Methodology for capturing and answering frequently asked questions (FAQs)
24. Documentation of all training sites and types of training equipment needed and how the equipment will be deployed and used in the training process
25. Plan for testing and certifying that each training site is technically and physically ready to meet the requirements to conduct MEMS user training
26. Approach to assure that the training location and delivery is ADA compliant
27. An Instructor Checklist which identifies items necessary for the instructor in preparation for classroom training:
   a. Necessary technical support information
   b. IDs and Passwords
28. Training Materials
29. On Site Preparation
30. Post-class administrative activities
The selected Vendor will identify any assumptions they have made in proposing the training development and delivery plan.

50.7.8.3 **End User Training Strategy**
The selected Vendor shall provide a description of its vision, strategy, and approach for conducting all training related operations. This description shall include detailed information about the level of staffing and the various staffing roles. The selected Vendor shall, at a high level, address each of the items noted above, that at a minimum shall be in the Master Training Plan.

50.7.8.4 **End User Training Prerequisites**
The selected Vendor will identify potential prerequisites to any training session. This will also involve developing a plan for how trainees can fulfill the prerequisites. In this section the selected Vendor shall describe their approach for measuring the skills sets of future MEMS users.

50.7.8.5 **End User Training Development**
The selected Vendor shall ensure the training materials address the specific job functions of the trainees. It is critical that the training materials are modified to reflect the latest approved version of the MEMS. The materials shall incorporate currently known concepts of adult learning. All training materials will be reviewed by the Commonwealth at least 30 days prior to the beginning of the training window. Training materials will be developed in, but not limited to, an Instructor Led Training (ILT) format which takes place using a Training Environment and/or web based training (WBT) modules. The format should be based on the extent and difficulty of the course, with the more complex topics handled in the ILT format. Examples of training materials include, but are not limited to, student guides, instructor guides, lesson plans, Frequently Asked Questions (FAQs) documentation, online help, and online policy manual. The selected Vendor will also develop an online training demonstration to guide providers through the Provider Self Service Portal.

Appropriate training materials shall be developed that can be used in a hands-on, interactive manner, using data in the online training database that reflects real world conditions. To assure that the materials focus on specific job functions and reflect real world conditions, the selected Vendor will conduct an audience analysis for each course. Once the content is assessed, the most appropriate delivery approach for training is determined.

The selected Vendor shall meet all material development requirements identified in the Master Training Plan, including all review and completion timelines. The selected Vendor will incorporate and integrate the training
materials developed by any Third Party Vendor into the review and completion process as identified in the Master Training Plan.

The selected Vendor shall provide sufficient copies of all training material for all staff. The selected Vendor shall provide all electronic source documents and graphics used in the development and presentation of all aspects of training to the Commonwealth.

50.7.8.6 Updating Training Material and Version Control
The selected Vendor shall identify a procedure for updating course material due to system updates, feedback from the initial rounds of training delivery, etc. The selected Vendor will use several inputs to support the identification and delivery of timely, consistent and appropriate material updates. Updated material will be presented in the classroom within 5 business days of the update being identified and approved. This procedure will also document a version control plan.

50.7.8.7 End User Training Delivery
The selected Vendor shall develop a plan to identify delivery methodology (ILT, WBT, etc.) for each course based on, but not limited to, the type and complexity of the content. ILT will consist of structured presentations delivered by a qualified instructor using a training environment that mirrors production. WBT allows the user to learn at his own pace. The delivery methodology shall incorporate concepts of adult learning and have techniques identified to train personnel who have varying computer skills and job knowledge.

To assure that training delivery is role based and reflects the new business process, the selected Vendor will establish a plan to integrate change request and management decisions into the training delivery process. The selected Vendor will also identify a process for capturing unanswered business process questions that arise in the training classroom, and feeding these back through the deficiency management and change control processes.

50.7.8.9 Configuration Management
The selected Vendor shall present their Configuration Management Approach to CHFS for review, comment and approval prior to the commencement of any development activity. The Configuration Management Approach must demonstrate how the selected Vendor will manage the multiple configurations of the System including:

- Code base management
- Environment management
- Build management
- Deployment management
- Network management
50.7.8.10 Implementation

The selected Vendor shall submit its Preliminary Plan for the Implementation Phase for approval by CHFS prior to the completion of the Design Phase of Work. The Preliminary Implementation Plan will outline the high level tasks that will be accounted for in the Implementation Phase, as well as the selected Vendor’s overall strategy for the production launch of the MEMS, and any potential risks associated with that strategy.

The selected Vendor shall submit its Final Plan for the Implementation Phase for approval by CHFS prior to the completion of the Testing phase of Work. The Final Implementation Plan will outline the detailed tasks required for a successful launch of the MEMS, including, but not limited to infrastructure configuration readiness, operation readiness, “Go/No Go” checklist, training readiness, production launch risk mitigation strategies, rollback procedures and post launch monitoring and support procedures.

The MEMS System Documentation should be prepared by the successful Vendor and provided to the State prior to final acceptance of the MEMS. System Documentation will be used during UAT. MEMS System Documentation should be provided to the State in hardcopy (as requested) as well as electronic form. MEMS System Documentation should be updated by the successful Vendor to reflect system changes. Updated documentation should be provided to the State prior to final acceptance of the system change.

The selected Vendor shall be responsible for meeting all review milestones for System Implementation as laid out by CMS guidelines. High level review requirements are laid out in Section 50.7.12 of this document and shall be included in the Project Work Plan.

50.7.9 Project Staffing

50.7.9.1 Key Roles

The Project Staffing Plan shall include resumes for each of the selected Vendor’s proposed staffing choices for the Key Roles described below:

1. **Program Manager**: Primary point of contact with MEMS's Program Manager for activities related to contract administration, project management, scheduling, correspondence with MEMS staff, and deliverable reviews. Should have a current Project Management Professional (PMP) Certification, and at least ten (10) years of management experience. The Commonwealth will consider equivalent
project management certification or demonstrable formal project management training as a substitute for PMP certification.

2. **Project Manager:** Responsible for planning, directing, managing and overseeing the overall Vendor Project Management activities. The primary focus is on providing an integrated view of all project and related program activities. Should have, a current Project Management Professional (PMP) Certification, and at least five (5) years of management experience. The Commonwealth will consider equivalent project management certification or demonstrable formal project management training as a substitute for PMP certification.

3. **Technical Manager:** Primary point of contact with MEMS Technical Staff. Should serve as the Technical SME over the selected Vendor’s team. Should have at least seven (7) years of similar experience.

4. **Functional Manager:** Responsible for the overall functional design of all system components, functional procedures, program applications, and functional documentation. Also responsible for liaising with business SMEs on any functional decisions. Should have similar experience in MMIS Solution Development of similar size and complexity. Should have at least seven (7) years of similar experience.

5. **System Architect:** Responsible for the design, maintenance, procedures, and architecture related to data, program applications, and systems documentation. Should have similar experience in MEMS Solution Development of similar size and complexity. Should have at least seven (7) years of similar experience.

6. **Implementation Manager:** Primary point of contact with Commonwealth staff regarding system implementation. Should have at least five (5) years of similar experience.

7. **Operations and Maintenance Manager:** Responsible for system operations and ongoing maintenance after implementation. Should have at least five (5) years of similar experience.

8. **Data Manager:** Responsible for overall data architecture of the system including Master Data Management planning and implementation, data exchange planning and implementation and data migration to new system. Should have at least five (5) years of similar experience.

9. **Librarian:** Responsible for maintaining the SharePoint repository for deliverables/artifacts, tracking the status of deliverables/artifacts in review and deliverables/artifacts approved, tracking the completion of
action items and comments on deliverables/artifacts, maintaining communication records of signoffs or deliverable/artifact rejections.

10. Security Lead: Responsible for the assessment, planning and implementation of all security standards, practices and components required for the MEMS. Responsible for adherence to CHFS security standards, communications with CHFS ISO, compliance with HIPAA requirements, and IRS Federal Tax Information. Must have CISM, GIAC or CISSP certification and at least five (5) years of similar experience.

The selected Vendor shall provide an Organizational Chart that will account for all Key Roles as well as the Lead roles listed below.

50.7.9.2 Lead Roles
Lead roles shall be filled by selected Vendor staff with appropriate levels of experience.

1. Quality Assurance Manager: Responsible for the Vendor’s implementation of their Quality Plan. Responsible for overall effort involved in system testing, including test strategy, planning, execution and status reporting. Performs audits and reviews identifying areas for improvement. Should have at least five (5) years of relevant experience.

2. Training Lead: Responsible for overall effort involved in end-user training, including training strategy, schedule, planning, training materials, delivery and status reporting. Must have at least seven (7) years of similar experience.

3. Organizational Change Lead: Responsible for the creation, implementation and coordination of the Organizational Change Management strategy and plan for the MEMS. Must have at least five (5) years of similar experience.

4. Infrastructure Lead: Responsible for the assessment, planning, procurement, installation, configuration, maintenance and monitoring of all infrastructure components required for the MEMS. Responsible for the MEMS server, network and data center operations for all environments including test, production, and disaster recovery sites. Must have at least five (5) years of similar experience.

5. Application Development/Configuration Lead: Responsible for the planning, coordinating, and supervising of all activities related to configuration, system design and development. Must have at least seven (7) years of similar experience.
6. Help Desk Manager: Responsible for internal staff User Support and Contact Center Help Desk operation. Should have at least five (5) years of similar experience.

7. Technical and Business Writing Quality Assurance Lead: Responsible for providing standards to be adhered to for technical and business documents and all deliverables. Responsible for enforcing and tracking compliance with quality standards and procedures including peer review processes, quality checks and remediation actions. Must have five (5) years’ experience in technical and business writing.

8. Testing Manager: Responsible for the Vendor’s implementation of their Test Plan. Responsible for testing activities. Should have at least five (5) years of relevant experience.

50.7.9.3 Other Vendor Activities
Other activities that should be provided by the Vendor roles include the following:

1. Fiscal Agent Manager
2. Business Analyst for each of the business areas
3. DSS Systems Engineers for ad hoc reporting
4. Financial staff
5. Third Party Liability staff
6. Provider Relations representatives
7. Provider Call Center staff
8. EDI Staff (including EDI call center)

50.7.9.4 Key Role Staffing Location
All individuals assigned to Key Roles shall be located on the project site in Frankfort, Kentucky for the duration of the project. All individuals assigned to Lead Roles shall be located on the project site in Frankfort, Kentucky, at a minimum for the duration of the activities they lead, but ideally for the duration of the project. Any deviation from this requirement is subject to review with CHFS prior to approval of an alternate staffing location for individuals in Key Roles for any period of time.

The selected Vendor shall explain in its Staffing Plan how each individual meets the requirements of the proposed role. All proposed Vendor staffing for Key Roles is subject to approval by CHFS. CHFS reserves the right to reject the Vendor’s proposed individuals for Key Roles. In such a case the selected Vendor shall be required to provide an alternative staffing proposal for that Key Role. CHFS reserves the right to interview individuals proposed to Key Roles, if desired, prior to approval of any staffing.
CHFS and its stakeholders will be interacting with the selected Vendor’s staff on an ongoing basis, and as such the selected Vendor shall submit in its plan an organizational chart for Staffing that describes how the selected Vendor’s team will interact with CHFS staff and key Commonwealth stakeholders.

50.7.9.5 Vendor Staffing Levels
CHFS recognizes that changes in the selected Vendor’s level of Staffing may happen due to a variety of unforeseen factors. However, the selected Vendor will be held responsible for ensuring the appropriate experienced staffing level is maintained throughout the project to ensure the objectives of this Project are met on time.

To mitigate risks associated with changes in Vendor staffing, CHFS shall require the selected Vendor to include a contingency plan with the Project Staffing Plan. The contingency plan shall address staffing changes to include: replacement of key personnel or other proposed staff, staff augmentation plans in the event of an inability to meet performance standards, and a method for deploying and bringing new team members up to date with the project.

50.7.9.6 DDI Project Location
During the DDI Phase, CHFS will provide office space in Frankfort, KY for Vendor staff needed for support of the project to include Key Roles and others such as business analysts, technical staff, etc.

50.7.9.7 Offsite Project Work
The Commonwealth will permit development project work to be performed offsite with prior approval. For offsite work, the Commonwealth requires strong management of the resources and assigned activities; adequate, timely and accurate communications and completion of assigned work by specified deadlines. This is important to any offsite relationship.

50.7.10 Organizational Change Management
The purpose of Organization Change Management (OCM) is to successfully support DMS in the transition from the current business processes and organizational structure, to the future business practices and organizational structure surrounding the new MEMS in a controlled way. The Vendor should be expected to strive to integrate these change efforts with any ongoing CHFS-wide Organizational Change program at the time of the development effort.

OCM is directed at maximizing positive response to the new MEMS by effectively managing stakeholder expectations and helping to ensure smooth adoption of the new system. It incorporates effective communication and highlights impacts on affected business processes. At a minimum, the OCM limits disruption of staff
and minimizes impact to the Medicaid members. CHFS is looking to move forward along the MITA maturity continuum in its business processes. The Vendor should work with the Commonwealth to achieve MML 3 increases from its current MML 1.

The selected Vendor shall submit its Organizational Change Management and Business Transformation Plan for approval by CHFS prior to the commencement of the System Design phase. The Organizational Change Management and Business Transformation Plan shall outline the Change Management activities that the selected Vendor and other stakeholders will conduct at each phase of the MEMS Lifecycle including post-implementation. The Change Management and Business Transformation Plan shall identify all organizations, groups, bodies, and individuals from the private sector that will be required to participate in Change Management activities. The plan will also outline the schedule, expectations, design documents and participants involved in Business Process Design as part of change management and business transformation activities.

The Organizational Change Management and Business Transformation Plan shall be considered a living document, after its initial approval by CHFS.

The selected Vendor shall account for up to 4,500 existing Commonwealth staff to be trained in the new business processes and operating procedures as well as core and specialized system functions.

**50.7.11 Operational Systems Support**

Ongoing operations activities shall begin after all requirements have been successfully implemented and the Commonwealth has determined that those requirements are fully operational in the Production Environment of the System. Operational activities shall consist of operating, supporting, and maintaining the MEMS. The selected Vendor will be responsible for creating a detailed operational plan to meet the needs of the Commonwealth post-implementation. The Vendor must provide the proper level of software maintenance and modification support service, including meeting the performance standards identified in Section 40. This includes ensuring that an appropriate level of Vendor staff resources is identified to reliably operate, maintain and enhance the new MEMS modules and system components.

At a high level, ongoing operational activities may consist of but not be limited to the following:

- System changes, maintenance, and modifications (includes testing, documentation, etc.)
- Software enhancements and updates
- System availability monitoring
- Network Infrastructure monitoring
- Interface maintenance
DRAFT MEMS SOW (as of 10/14/2014)

- Helpdesk and user support
- Security management
- Policy and process changes (business rules engine updates and changes);
- Notifications maintenance (paper and electronic)
- Self Service Portal maintenance
- Documentation maintenance and version control
- Production of ongoing operational reports
- Performance monitoring and tuning
- System defects resolution (record, track, resolve, report)
- Cooperate and comply with State and Federal audit requests

Defects (including development, testing, training and implementation) should be made for any of the following:
- Deficiency or problem with the application functionality of the transfer system.
- Deficiency or problem with the functionality developed or implemented.
- Deficiency or problem with the functionality of subsequent system enhancements.

The selected Vendor shall take into account the high level operational activities referenced above, as well as any additional operational activities the selected Vendor deems necessary for the successful ongoing operation of the System when creating an Operational Plan. The Operational Plan shall be approved by CHFS prior to commencement of Operational Support Activities.

Within the Vendor hosting Facilities, the Vendor shall procure, install, configure, and operate equipment and software for the MEMS. The Vendor is required to propose a solution that complies with Data center and architecture requirements, standards, Federal and State regulations.

50.7.11.1 Modifications, Changes and Maintenance Staffing

After system implementation, modifications to the software should go through the formal change control process. CHFS is requiring 25,000 hours of Vendor-categorized staff time per contract year to apply towards system enhancements to the MEMS once the system has been fully implemented for the life of the contract. The Vendor should analyze the change request, provide an estimate to CHFS, and receive approval prior to expending any of these hours. Defects cannot be corrected utilizing any of these 25,000 hours. Any hours remaining at the end of a contract year are to be rolled over to the next year. The Commonwealth will not be charged for any configurable items nor will hours go against the pool of change order hours. Examples of configurable items include but are not limited to: adding MCOs, Provider Types, Procedure Codes, TPL Carriers, Rate changes, Notification changes.
The Vendor is responsible for full-time staff support comprised of professional systems engineers (programmer/analysts) for all system maintenance change categories. This staff should be in addition to Vendor staff performing routine and general system maintenance activities. The Vendor should identify staff to be assigned to system modification, change and enhancement projects. Additionally, the staff can be assigned to support routine and general maintenance activities with the approval of the CHFS.

Other non-programming categorized staff should support routine and general maintenance activities that include: workflow analysis, system testing, documentation updates, and program procedure activities may consist of architects, testers, business analysts, security experts, Database Analysts (DBAs), change management personnel, and/or administrative staff. The mix should be left up to the Vendor, as long as the required level of service is met.

Vendor staff responsibilities for all system maintenance activities are prioritized by the CHFS, with input from the Vendor. Within these priorities, the Systems Manager is responsible for directing the work of Vendor staff to ensure that all maintenance and modification efforts proceed in a timely manner as defined in an agreed upon service level agreement. All module and system component functions should be covered by at least one Vendor systems/programming staff with extensive knowledge and experience in the corresponding technical area. Team members should be sufficiently cross-trained to support temporary changes in priorities and/or responsibilities.

50.7.11.2 Operational Project Location
Once MEMS is implemented, the technical and fiscal agent staff should be located in a Vendor supported facility within fifty (50) miles of the Kentucky Cabinet for Health and Family Services, CHR facility throughout the life of the contract.

50.7.12 CMS Certification
In order to obtain maximum FFP, the new MEMS must meet CMS requirements for federal certification.

50.7.12.1 CMS Gateway Reviews
At this time, CMS is not requiring the eight Gateway Reviews, prescribed in CMS’s Exchange Life Cycle (ELC), referred to in the Collaborative Environment and Life Cycle Governance – Exchange Reference Architecture Supplement for MEMS development. The Commonwealth has been given permission from CMS to participate in a pilot CMS Gateway Review process for the MEMS solution. Therefore during the DDI period, the Vendor is also responsible for creating any artifact or documentation that is required by a CMS review, or for approval of the MEMS solution, that
is not covered in a listed Deliverable. All additional documentation required should be included in the Project Work Plan.

The awarded Vendor is expected to participate in all CMS Certification activities and provide documentation and artifacts as required for certification.

The awarded Vendor must warrant that the system is operating as designed and all defects as evidenced during implementation have been addressed and are fully remediated to the State’s satisfaction before final payment is awarded.

CHFS must apply for and receive system certification from CMS, by demonstrating that the system meets all requirements and performance standards before receiving full Federal matching funds. It is expected that Certification should be completed in stages throughout the DDI and Implementation phases with final certification completed based on CMS availability.

CHFS intends to meet all CMS MECT requirements. The requirements found in the MECT checklists have been incorporated into the RFP requirements. The MEMS must meet all Federal requirements for certification as prescribed in the SMM, Part 11, and will be certified. The CMS Certification requirements and activities are described in Scope of Work, Certification.

50.7.12.2 Other Federal Reviews
In the event that the Commonwealth is required to undergo an IRS or SSA review relating to the system, the selected Vendor shall be responsible to prepare any documentation requested.

50.7.13 Turnover
Turnover process will be exercised by CHFS at the end of the Contract period. When CHFS exercises this process, the Vendor is required to transfer FA responsibilities and O&M support services for the MEMS to a successor Vendor (designee). The Vendor should cooperate with the successor FA, other Vendors, and CHFS in the planning and transfer of the MEMS and operations. The Vendor should dedicate special additional resources to this phase. This phase will begin nine (9) months before the end of the Contract period and end six (6) months after the end of the Contract period, or as extended by the exercise of Contract provisions or amendments to the Contract. This section describes the process necessary to ensure a smooth turnover of the MEMS and FA service responsibilities defined in Attachment G – MEMS Functional Requirements and Attachment I – MEMS Fiscal Agent Responsibilities.
At the beginning of the Turnover Phase, the Vendor should provide CHFS current operational and systematic processing procedures, data, and documentation or other information on a schedule as required by CHFS.

The Vendor provides full support and assistance in turning over the complete and current MEMS to a successor Vendor. CHFS desires a low-risk turnover that is transparent to recipients, providers, and users. Specific objectives are to provide for an orderly, complete, and controlled transition to the successor Vendor and to minimize any disruption of processing and services provided to clients, providers, and operational users of the MEMS.

50.7.14 IV&V

The selected Vendor shall cooperate with any Third Party Vendor(s) that the Commonwealth engages for the purposes of Independent Verification and Validation (IV&V) of the Program or system at any point in the program life cycle. The selected Vendor shall, upon request and as required, provide documentation to CHFS and the IV&V Vendor to facilitate the independent verification process. The MEMS Vendor shall support the IV&V Vendor in its objective verification and validation activities. The IV&V Vendor shall have access to all deliverables and visibility into the MEMS Vendor’s processes to produce those deliverables, including on-site visits.

The most significant contribution expected of the IV&V consultant is performing project oversight and acting in the role of a contract monitor to oversee the contractual obligations, performance, and compliance of the Vendor awarded the Contract for the new MEMS. CHFS views the function of the IV&V consultant as literally independent, and not a part of the DDI process. The IV&V consultant should be able to sample, review, and critique all parts of the Vendor’s DDI activities and the CHFS’s oversight of those activities.

The IV&V will independently produce status reports on the progress of the project and submit them simultaneously to CHFS and CMS. This action should ensure a check and balance approach to assessment and allow the IV&V consultant to maintain the independence it needs to do the job for which they were contracted. It should also ensure that CMS is getting necessary information in a timely and unedited manner. CHFS will also initiate a standing monthly status update call with CMS the week following the status report to discuss the findings, recommendations, and corrective action, if required.

50.7.15 System Compliance

The Vendor shall comply with all of the following laws, regulations, and rules.

The MEMS Security Services shall implement security controls in compliance with NIST special publication 800-53 rev. 2 guidance for high baseline controls in
DRAFT MEMS SOW (as of 10/14/2014)

accordance with CHFS security standards, and will comply with all relevant state and local security and privacy regulations, as well as federal security and privacy standards adopted by the U.S. Department of Health and Human Services for Exchanges. The selected Vendor is required to cooperate with any Third Party Vendor that the Commonwealth engages to conduct a Certification and Accreditation of the system controls prior to go-live, in accordance with CHFS standards and policies for Certification and Accreditation.

The MEMS shall be built using leading practices for secure application development, and shall protect the privacy and disclosure of sensitive, protected health information and personally identifiable information in accordance with HIPAA Security and Privacy Rules.

50.7.15.1 Patient Protection and Affordable Care Act
On March 23 and 30, 2010, President Barack Obama signed into law the Patient Protection and Affordable Care Act, Public Law 111-148 and the Health Care and Education Reconciliation Act, Public Law 111-152. The two laws are collectively referred to as the ACA.

Under provisions of the ACA, the Commonwealth of Kentucky may expand access to health insurance coverage to newly eligible individuals. More specifically, the ACA extends Medicaid eligibility coverage to childless adults under age 65 with incomes up to 133 percent of the FPL. The MEMS must comply with all ACA standards and interface with the HBE.

50.7.15.2 Compliance with Federal Regulations and Standards
The MEMS must comply with the national standards as prescribed by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Balanced Budget Act of 1997 and any other Federal requirements and should be kept in compliance with new and modified requirements.

50.7.15.3 CMS Enhanced Funding Requirements
CMS is encouraging states to broaden their vision in implementing a “big picture” approach to improving the operation of their Medicaid Programs. These changes should occur at the “enterprise” level and prioritize global population health and financial goals while improving the coordination and delivery of care to each Medicaid beneficiary, with an emphasis on those who have the greatest health needs and highest costs.

On April 2011, CMS issued the “Enhanced Funding Requirements: Seven Conditions and Standards” Medicaid Information Technology (IT) Supplement (MITS-11-01-v1.0). The requirements outlined in the CMS Seven Conditions and Standards should be met for future MMIS procurements in order for states to qualify for enhanced funding. Kentucky requires that the new MEMS qualify for the full Federal enhanced funding match.
The goal is to promote a cost-effective, competitive environment for reusable MMIS products that can sustain the growing demand for flexible, open, SOA systems in the MMIS marketplace environment. CHFS intends to procure a solution that meets the enhanced funding requirements.

50.7.15.4 Compliance with CMS Seven Conditions and Standards

In addition to meeting the above objectives, the new MEMS shall meet the conditions and standards for enhanced Federal match through the design, development, integration, implementation, and operation of a system that shall:

1) Modularity

The new MEMS adheres to the CMS definition of a modular, flexible approach to systems development, including the use of open interfaces and exposed APIs; the separation of business rules from core programming; and the availability of business rules in both human and machine-readable formats. The commitment to formal system development methodology and open, reusable system architecture is extremely important in order to ensure that CHFS can more easily change and maintain systems, as well as integrate and interoperate with a clinical and administrative ecosystem designed to deliver customer-centric services and benefits.

The definition of Modularity is breaking down systems requirements into the lowest component parts and still be functional.

It is expected that the new system should be developed as part of an SOA. Modularity also helps address the challenges of customization. Baseline web services and capabilities can be developed for and used by anyone, with exceptions for specific business processes handled by a separate module that interoperates with the baseline modules. With modularity, changes can be made independently to the baseline capabilities without affecting how the extension works. By doing so, the design ensures that future iterations of software can be deployed without breaking custom functionality.

a) Use Systems Development Life Cycle Methodologies

CHFS wishes to allow each potential Vendor to bring to this development effort its industry-best-practice system development methodologies and tailor them to the DMS’s needs. To encourage this and to foster the adoption of an integrated development approach, CHFS plans to rely on the evaluation of proposal methodologies to see how the deliverables and practices of these methodologies meet industry standard system and software engineering principles. It hopes that by adopting this approach, it
should encourage innovation and agility while preserving its desired development outcomes. At a minimum, CHFS is expecting the Vendor’s life cycle development approach to use the CMS Guidance for Exchange and Medicaid Information Technology (IT) Systems v 2.0 and higher. Within the life cycle, CHFS will encourage Vendors to identify items of risk and introduce them as early as possible. The “risk forward” approach may involve development or prototyping of high-risk items as soon as the project starts.

CHFS’s goal is to benefit from an iterative or agile-based development approach focused on the delivery of working components generally, while retaining the ability to address high-risk items with a greater level of process discipline when needed. This approach is preferred due to the perceived need to respond and support rapid business changes that are forthcoming. CHFS will require from the Vendor an SDLC that can accommodate all these needs while balancing agility and traditional process discipline.

b) **Emphasize Open Interfaces**
   The flexibility of open interfaces and exposed APIs as components for the service layer as set forth in the standards and conditions is a mandatory system component. Kentucky has identified current and potential future interfaces but not limited to those in Attachment L – MEMS Interfaces and Attachment N – Interface Diagram.

c) **Utilize a Rules Engine**
   KY has implement Corticon’s Business Rule Engine (BRE) to implement and maintain complex business rules. KY has selected Corticon BRE because of its ability to build, test, and deploy complex rules using its studio and its performance. Corticon is deployed as a web service and therefore fits as a SOA infrastructure. The new MEMS solution is required to utilize a business rules engine; however, it is not required to utilize the KY solution.

2) **Align and Advance in MITA Maturity**
MITA is an initiative of CMS, aligned with the National Health Infrastructure Initiative (NHII), and intended to foster integrated business and IT transformation across the Medicaid domain to improve the administration of the Medicaid program. The MITA objectives are specifically to:

1. Adopt data and industry standards.
2. Promote secure data exchange.
3. Promote reusable components through standard interfaces and modularity.
4. Promote efficient and effective data sharing to meet stakeholder needs.
5. Provide a customer-centric focus.
7. Support integration of clinical and administrative data to enable better decision-making.
8. Break down artificial boundaries between systems, geography, and funding (within the Medicaid program).

The overall MITA initiative reaches well beyond the scope of the MEMS, but the system plays a critical role in CHFS’s ability to successfully implement and achieve the goals of MITA. MITA aims to incorporate many relevant standards into an architecture model that should be used to build and enhance Medicaid health care systems as well as the data exchange between system components and drive system design from a business and customer-centric perspective across the Medicaid enterprise.

MITA is a planning tool intended to support proactive, modular approaches to planning improvements to both the program and the supporting systems. The Agency intends to use this tool in the design and development of the new MEMS.

a) MITA SS-A and Roadmap
DMS completed a MITA 2.01 SS-A update in July 2012 and has plans to update its self-assessment by end of year 2014 for Version 3.0. These goals form the basis of the Roadmap projects. These projects should enhance the Commonwealth’s ability to improve efficiency and services for its stakeholders consistent with MITA principles. It is anticipated that with the implementation of the new MEMS that DMS shall meet MML 3 requirements of MITA Version 3.0. This roadmap should be reviewed and updated annually, at a minimum, to review progress, as well as to update changes that should inevitably occur. DMS plans to continue the reengineering of business processes along the MITA continuum.

The State is seeking an innovative MEMS solution that:
1. Supports the goals of the MITA framework.
2. Uses software engineering and SDLC methodologies as the basis to design new systems.
3. Uses proven methodologies and tools to develop new business processes and create information requirements for the new MEMS.
4. Uses proven operational management tools and processes to provide best-of-breed program and business services.

b) Concept of Operations (COO) and Business Process Models (BPMs)
The Vendor should be required to develop business process models for the purpose of continually streamlining and standardizing the business processes surrounding the MEMS. DMS will be continuing to work on aligning these business work flows as additional guidance is received from CMS.

3) Industry Standards
a) Identification of Industry Standards
CHFS wants assurance that the new MEMS aligns with, and incorporates industry standards including:
1. The HIPAA security, privacy, and transaction standards
   a. MITA supports facilitating automation where possible, and promotes using standards when developing and building automated processes. This is most apparent as MITA work efforts continue to move forward with developing standard data elements, file layouts, and other processes for efficient and effective data exchange to occur. Although such standards are not yet fully developed through the MITA initiative, the Vendor should use existing standards such as HIPAA-compliant eligibility transactions and be prepared to utilize new standards once available.
   b. Accessibility standards established under Section 508 of the Rehabilitation Act, or standards that provide greater accessibility for individuals with disabilities and compliance with Federal civil rights laws including production of a Section 508 Product Assessment Package as part of its SDLC. All products and services provided or developed as part of fulfilling this contract conforms to Section 508 of the Rehabilitation Act of 1973 and any amendments thereto, (29 U.S.C. & 794d), and its implementing Electronic and Information Technology Accessibility Standards (36 CFR § 1194). Section 508 requires that electronic and information technology is accessible to people with disabilities, including employees and members of the public. Information regarding accessibility under Section 508 is available at http://www.section508.gov/ and a technical assistance document can be found at http://www.access-board.gov/sec508/guide/. Compliance testing is required.
   c. Websites, web services, and web applications should be accessible to and usable by individuals with disabilities. This means any websites, web services, and/or web applications
developed in the fulfillment of this contract — including, but not limited to any web-based training material, user documentation, reference material, or other communications materials intended for public or internal use related to the work completed under this contract.

2. Standards adopted by the Secretary under Section 1104 of the ACA.

3. Standards and protocols adopted by the Secretary under Section 1561 of the ACA.

4. The National Information Exchange Model (NIEM) and unified form to develop, disseminate, and support standards and processes that enable the consistent, efficient, and transparent exchange of data elements between programs and states.

5. National Institute of Standards and Technology (NIST) security guidance and other standards as appropriate.

6. Section 6103 of the Internal Revenue Code.

7. Additional standards identified by CMS.

8. Industry standards promote reuse, data exchange, and reduction of administrative burden on patients, providers, and applicants.

b) Incorporation of industry standards in requirements, development, and testing phases
The Vendor should implement practices and procedures for the system development phases such as requirements analysis, system testing, and user acceptance testing (UAT). Plans should ensure that all systems comply fully and on-time with all industry standards adopted by the Secretary of HHS.

4) Leverage
   a. Reuse of efforts
   Wherever possible, the new MEMS should leverage and reuse technologies and systems from within the Commonwealth of Kentucky and other states. CHFS acknowledges that it can benefit substantially from the experience and investments of other states through the reuse of components and technologies already developed, consistent with a SOA, from publicly available or commercially sold components and products, and from the future use of cloud technologies to share infrastructure and applications.

   b. Identification of open source, cloud-based and commercial products
   Vendors are encouraged to provide solutions incorporating commercially or publicly available off-the-shelf or open source solutions, and discuss considerations and plans for cloud computing. Vendors identify any ground-up development activity within their solution and why this approach has been proposed.
c. **Customization**
CHFS prefers a solution requiring as little customization as possible while still meeting all the requirements identified. Once a solution is identified it is expected that the Vendor should perform a gap analysis to identify gaps between the requirements and the solution.

d. **Transition and retirement plans**
CHFS is already in the process of identifying duplicative systems and services through collaboration with other Commonwealth Cabinets to lower cost of ownership over the long term. One of the goals of this collaborative effort is to build upon existing public and private sector resources and capabilities to the greatest extent possible.
The MEMS Vendor should analyze the existing system services that are currently being used by Commonwealth to support MEMS operations and deliver a transition plan to eliminate duplicative system services during the DDI phase. The plan should also include cost effectiveness of this approach.

5) **Improve Business Results**
   a. **Degree of Automation**
      Kentucky seeks the highest degree of automation possible and has documented this need throughout the requirements. It is only through this high degree of automation that one can achieve efficiencies and accuracy.
   b. **Customer Service**
      DMS has continuously sought to improve customer service through the establishment of customer service centers, web applications, and a call center. CHFS will be furthering its efforts with the new system that will allow customers to access information regarding their accounts through a web portal.
   c. **Performance Standards**
      DMS has identified several different performance standards for program improvement and these should undergo testing. If unable to meet system performance standards established, the Vendor should create and execute a Plan of Action to execute and correct. DMS expects the Vendor, if applicable, to identify what criteria or performance standards that its solution currently meets or exceeds.

6) **Incorporate Reporting Conditions**
CHFS has identified robust reporting requirements to produce transaction data, reports, and performance information through the use of dashboards, and ad hoc reporting. A current list of reporting requirements can be found in Attachment O – Report Inventory. More requirements will be identified during requirements gathering.
7) **Be Interoperable**
The MEMS should be built with appropriate architecture and utilize standardized messaging and communication protocols in order to preserve the ability to efficiently, effectively, and appropriately exchange data with other programs. The Vendor assumes responsibility for knowing and understanding CHFS’s environment (data, applications, and infrastructure) in order to map its data to information-sharing requirements. The data-sharing architecture should address the conceptual and logical mechanisms used for data sharing and should also address data semantics, data harmonization strategies, shared-data ownership, security and privacy implications of shared data, and the quality of shared data.

50.7.16 **Independent Security Review**
The selected Vendor shall cooperate with any Third Party Vendor(s) that the Commonwealth engages to complete a Certification and Accreditation of the system controls prior to go-live, in accordance with CHFS standards and policies for Certification and Accreditation. Reviews shall be included in the Project Work Plan.

All MEMS system components including sub systems and components delivered by sub-contractors are subject to the independent review.

50.7.17 **Value Added Services**
Value-added services provide additional functionalities and capabilities that enhance a Vendor’s solution. This is an opportunity for Vendors to distinguish themselves from competing Vendors. The vendor should recommend, in summary format, innovative Practices, Business Strategies and value-added services that will be offered by the vendor to enable the Commonwealth to be successful in this effort.