



STATE OF NORTH DAKOTA
Department of Human Services
600 E. Boulevard Ave., Dept. 325
Bismarck, ND, 58505-0250

Request for Proposal
RFP # 325-06-10-002
Date of Issue: January 6, 2006

Independent Verification & Validation Services
For the
North Dakota
Medicaid Systems Project

Geoff Lowe
Procurement Officer and Program Director
Information Technology Services
Department of Human Services
600 East Boulevard Ave., Dept. 325
Bismarck, ND 58505

This Page
Intentionally
Left Blank

Table of Contents

TABLE OF CONTENTS	A
1 INTRODUCTION AND INSTRUCTIONS.....	1
1.1 DHS OVERVIEW	1
1.2 MEDICAID INFORMATION TECHNOLOGY ARCHITECTURE.....	1
1.3 CURRENT SYSTEMS	2
1.4 AUTHORITY FOR THIS RFP.....	2
1.5 GLOSSARY OF TERMS AND ACRONYMS	2
1.6 GENERAL INSTRUCTIONS.....	2
1.6.1 Assistance To Bidders With A Disability.....	2
1.6.2 Required Review.....	3
1.6.3 Authorized Signature.....	3
1.6.4 State Registration.....	3
1.6.5 Joint Ventures.....	4
1.6.6 Conflict Of Interest.....	4
1.6.7 Offer Held Firm.....	4
1.6.8 Bidder's Certification.....	4
1.6.9 State Not Responsible For Preparation Costs	5
1.6.10 Rights Reserved.....	5
1.6.11 Supplemental Terms and Conditions	6
1.6.12 Disclosure Of Proposal Contents And Compliance With ND Open Records Laws.....	6
1.6.13 Public Notice.....	7
1.6.14 News Releases.....	7
1.6.15 Preference Laws.....	7
1.6.16 Standard Contract Provisions.....	7
1.6.17 Contract Negotiation.....	7
1.6.18 Notice of Intent to Award - Bidder Notification of Selection.....	7
1.6.19 Protest and Appeal.....	8
2 PROCUREMENT PROCESS.....	9
2.1 SCHEDULE OF EVENTS	9
2.2 PROCUREMENT REQUIREMENTS	9
2.2.1 Letter of Intent.....	9
2.2.2 Proposal Submission Deadline and Packaging	10
2.2.3 Questions and Responses	10
2.2.4 Other Requirements	11
2.2.5 Discussions/Negotiations/Awards.....	11
2.2.6 Proposal Validity	11
2.2.7 Addendum to RFP	11
2.2.8 Errors in Preparation	11
2.2.9 Proprietary Material.....	12
2.2.10 Payment.....	12
2.2.11 Performance Bond	12
2.2.12 Warranty and Support Services	12
2.3 PROPOSAL FORMAT	12
2.3.1 Cover Letter With Authorizing Signature.....	12
2.3.2 Table of Contents	13
2.3.3 Bidder Qualifications.....	13
2.3.4 Proposed Solution	14
2.3.5 Cost Proposal.....	15
2.4 PROPOSAL EVALUATION.....	16
2.5 ORAL PRESENTATIONS	16
2.6 BEST AND FINAL OFFERS.....	16

Table of Contents

3	SERVICES TO BE PROVIDED.....	17
3.1	PROJECT GOALS.....	17
3.2	STATEMENT OF NEED.....	17
3.3	PROJECT ESTIMATING STANDARD.....	17
3.4	REQUIRED SERVICES	18
3.4.1	<i>Verification Services</i>	18
3.4.2	<i>Validation Services</i>	18
3.4.3	<i>Consulting Services</i>	19
3.5	STAFFING REQUIREMENTS.....	19
3.5.1	<i>Specific Skills</i>	19
3.5.2	<i>Resources</i>	20
3.5.3	<i>Other Staffing Requirements</i>	20
3.6	DELIVERABLES	20
3.6.1	<i>Standards</i>	20
3.6.2	<i>Status Reporting</i>	21
3.6.3	<i>Planning Requirements</i>	21
3.6.4	<i>Review Requirements</i>	22
3.7	PAYMENT SCHEDULE.....	22
	ATTACHMENT A - GLOSSARY	24
	ATTACHMENT B - VERIFICATION ACTIVITIES	35
	ATTACHMENT C - VALIDATION ACTIVITIES.....	37
	ATTACHMENT D - SERVICE CONTRACT TEMPLATE	39
	ATTACHMENT E - CERTIFICATION OF HIPAA COMPLIANCE.....	44
	ATTACHMENT F – PRELIMINARY WEEKLY STATUS REPORT TEMPLATE.....	46
	ATTACHMENT G – PRELIMINARY MONTHLY MANAGEMENT REPORT TEMPLATE	47
	ATTACHMENT H – SAMPLE STRATEGY TEMPLATE	48
	ATTACHMENT I – PRELIMINARY PROJECT SCHEDULE	51



1 Introduction and Instructions

This Request for Proposal (RFP) is issued by the State of North Dakota, Department of Human Services. The purpose of this RFP is to solicit bids for providing Independent Verification and Validation (IV&V) services on the Medicaid Systems Project (Project). This Project is intended to replace the entire North Dakota (ND) Department of Human Services' Medicaid Management Information System (MMIS), pharmacy point-of-sale (POS), and decision support systems and data warehouse (DSS/DW).

1.1 DHS Overview

The ND Department of Human Services (DHS) provides services that help vulnerable North Dakotans of all ages maintain or enhance their quality of life, which may be threatened by lack of financial resources, emotional crises, disabling conditions, or an inability to protect themselves.

Federal regulations require states to have MMIS for claims processing and information retrieval. An MMIS includes the following six core subsystems: Recipient; Provider; Claims Processing; Reference File; Surveillance and Utilization Review; and Management and Administrative Reporting.

The Medical Services Division of DHS is the state entity responsible for administering the Medicaid program in North Dakota. The ND Information Technology Department (ITD) and the DHS Information Technology Services division (ITS) are responsible for the operations and maintenance of the MMIS. The Medical Services Division provides medical services to eligible Medicaid recipients under Title XIX (Medicaid) of the Social Security Act through enrolled providers and health plans.

The Federal Government amended Title XIX of the Social Security Act in 1972 to allow States to receive 90 percent Federal financial participation (FFP) for all expenditures attributable to the design, development, and installation of mechanized claims processing and information retrieval systems. The legislation also allows States to claim 75 percent FFP for the operation of such systems.

To receive the 75 percent FFP, the Secretary of the Department of Health and Human Services (HHS) must certify the developed system. The continuance of certification status for the ND MMIS is an **absolute priority** for DHS.

1.2 Medicaid Information Technology Architecture

The Federal Government's Center for Medicaid and State Operations (CMS) has launched an initiative, the Medicaid Information Technology Architecture (MITA), to establish federal-state partnerships promoting technologies and processes that support flexibility and adaptability, and can rapidly respond to changes in the Medicaid program. The goals of MITA include:

- Reducing costs by integrating interoperable systems that can share data
- "Modularity" - reusable system components, so that a single component can be upgraded or replaced, not the entire "system"
- Adopting and promoting industry standards



- Easy accessibility to timely and accurate data in order to make administrative and program decisions

DHS has made the decision to implement a system environment that conforms to the MITA model, focusing on aligning technological needs with business needs. This will require transforming the architecture and infrastructure of its existing information systems from procedurally programmed, monolithic applications into enterprise-wide, services-oriented components.

1.3 Current Systems

North Dakota's current MMIS is a 1978 EDS MMIS transfer system that is operated and jointly maintained by ITD and ITS. It has evolved continuously since its inception as a result of phased-in developments and enhancements. The North Dakota MMIS is certified and eligible for 75 percent FFP under 42 CFR, Part 433, Sub-Part C and Section 1903 (a) (4) of the Social Security Act.

The POS system is a mainframe system originally developed by GTE Corp. and transferred from Utah to North Dakota in 1996. It has been modified beyond the National Council for Prescription Drug Programs (NCPDP) 5.1 compliance standards that are mandated by HIPAA (see **Attachment E**).

The decision support system/data warehouse application (DSS/DW) provides a data warehouse, information retrieval system, and the analytical capability needed to enhance the operations of the Medicaid program. North Dakota currently contracts with MEDSTAT for use of its DSS/DW product called DataProbe™.

1.4 Authority For This RFP

This RFP is issued under the authority of Title XIX of the Social Security Act (as amended), the regulations issued under the authority delegated by the Office of Management and Budget (OMB), and N.D.C.C. chapter 54-44.4 and N.D.A.C. article 4-12. All bidders are charged with presumptive knowledge of all requirements of the cited authorities, as well as any systems services performance review standards. The submission of a valid Bid Proposal by any bidder will constitute admission of such knowledge on the part of the bidder.

1.5 Glossary Of Terms And Acronyms

DHS has prepared a Glossary of Terms and Acronyms to familiarize bidders with any industry or North Dakota-specific terms and acronyms that are contained within this RFP. This Glossary is presented as **Attachment A** to this document.

1.6 General Instructions

1.6.1 Assistance To Bidders With A Disability

Bidders with a disability needing accommodation should contact the Procurement Officer prior to the deadline for receipt of proposals so that reasonable accommodation(s) can be made.



1.6.2 Required Review

Bidders should carefully review this solicitation for defects and questionable or objectionable material. Comments concerning defects and objectionable material must be made in writing and received by the Procurement Officer by the time and date indicated in the Procurement Schedule. This will expedite issuance of any necessary amendments. It will also help prevent the opening of a defective solicitation and unnecessary exposure of bidder's proposals, upon which an award could not be made. Protests based on any omission or error, or on the content of the solicitation, will be disallowed if these faults have not been brought to the attention of the Procurement Officer, in writing, before the time indicated in the Procurement Schedule.

1.6.3 Authorized Signature

An individual that is authorized to bind the bidder to the provisions of the RFP must sign all Bid Proposals.

1.6.4 State Registration

All bidders must be registered by the time set for proposal opening. Registrations are required for both the vendor and the business.

1.6.4.1 Vendor Registration

North Dakota law requires that every person or company that desires to submit a Bid Proposal for commodity or service contracts must be an approved vendor in order to be placed on the State's bidders list. For this contract, bidders must be fully registered as "approved vendors" by the time that has been set for receipt of proposals.

DHS strongly encourages bidders to initiate their registration process upon receipt of the RFP, as this process could potentially be lengthy.

Prospective bidders may access the Procurement Vendor Database to verify whether or not their firm is currently on the bidders list. The Procurement Vendor Database may be viewed at:

<http://www.state.nd.us/csd/spo/csd-spo-public.htm>

The bidders list will be compiled from those vendors on the State's Procurement Vendor Database as well as others that have expressed an interest in participating. The selection from the Procurement Vendor Database will be based on NIGP commodity codes 918.20, 918.21, and 958.23.

To become an approved vendor, bidders must: 1) be registered with the North Dakota Secretary of State (fees apply), and 2) submit a completed Bidders List Application to the ND State Procurement Office. Registration instructions and forms are available on-line at:

<http://www.state.nd.us/csd/spo/vendor-resources.htm>.

Contact the ND State Procurement Office at (701) 328-1726 or infospo@state.nd.us for additional information and guidance.

Any bidder who is not registered by the deadline for receipt of proposals will be determined



to be non-responsive, and their proposal will be rejected.

1.6.4.2 Business Registration

If the scope of the work will require the bidder to perform work in North Dakota, the successful bidder may also be required to register with the ND Secretary of State prior to award. One exception to this rule applies if the Project is an isolated transaction for the vendor and the vendor has not previously done work in North Dakota. For additional details and clarifications regarding registration, please contact the ND Secretary of State at (701) 328-4284.

1.6.5 Joint Ventures

Joint ventures will not be allowed in response to this procurement. For the purposes of this procurement, DHS defines a joint venture as follows:

A risk sharing partnership arrangement of two (2) or more vendors, who have teamed together to address a Project's set of contracted services. In this type of partnership, no single vendor assumes the lead role of "prime contractor" over one or more partner "subcontractors".

However, the use of subcontractors by the successful bidder is allowed, as long as the successful bidder is the sole prime contractor. Planned involvement or actual use of subcontractors on this Project must be approved by DHS in writing before any involvement of the subcontractor in Project activities. If subcontractors are approved, the successful bidder to this RFP will be the sole point of contact for all IV&V efforts on this Project.

1.6.6 Conflict Of Interest

Bidders must disclose any instances where the firm or any individuals working on the contract has a possible conflict of interest and, if so, the nature of that conflict (*e.g.* employed by the State of North Dakota). DHS reserves the right to cancel the award if any interest disclosed from any source could either give the appearance of a conflict or cause speculation as to the objectivity of the bidder's proposal. DHS' determination regarding any questions of conflict of interest will be final.

1.6.7 Offer Held Firm

Proposals must remain open and valid for at least 90 calendar days from the deadline specified for submission of proposals. In the event an award is not made within 90 calendar days, the State will send a written request to all bidders deemed eligible for award asking bidders to hold their price firm for a longer specified period of time.

1.6.8 Bidder's Certification

By signature on the proposal, bidders certify that they comply with all of the following:

- The laws of the State of North Dakota
- North Dakota Administrative Code
- All applicable local, State, and Federal laws, code, and regulations
- The applicable portion of the Federal Civil Rights Act of 1964



- The Equal Employment Opportunity Act and the regulations issued thereunder by the Federal government
- The Americans with Disabilities Act of 1990 and the regulations issued thereunder by the Federal government
- All terms, conditions, and requirements set forth in this RFP
- A condition that the proposal submitted was independently arrived at, without collusion
- A condition that the offer will remain open and valid for the period indicated in this solicitation
- A condition that programs, services, and activities provided to the general public under the resulting contract conform with the Americans with Disabilities Act of 1990, and the regulations issued thereunder by the Federal government
- A condition that the firm and any individuals working on the contract do not have a possible conflict of interest (*e.g.* employed by the State of North Dakota)

If any bidder fails to comply with the provisions stated in this paragraph, the State reserves the right to reject the Bid Proposal, terminate the contract, or consider the bidder in default.

1.6.9 State Not Responsible For Preparation Costs

DHS will not pay any cost associated with the preparation, submittal, or presentation of any proposal.

1.6.10 Rights Reserved

DHS has every intention to award a contract as a result of this RFP. However, issuance of this RFP does not commit DHS to award a contract. DHS reserves the right to:

- Cancel the RFP;
- Reject any or all proposals received in response to this RFP;
- Award part or all of the RFP services to one or more vendors;
- Waive provisions of the RFP that are determined to be inconsequential;
- Not award, or terminate any contract if it is determined that adequate funding is not available; and
- Award major service sections of this RFP to multiple vendors.

All materials submitted in response to this RFP become the property of DHS and should be appended to any formal documentation, which would further define or expand any contractual relationship between DHS and bidder resulting from this process.

Bid Proposals received from debarred or suspended vendors will be rejected. The Procurement Officer may reject any proposal that does not comply with all of the material and substantial terms, conditions, and performance requirements of the RFP.

Bidders may not qualify the proposal, nor restrict the rights of the State. If a bidder does so, the Procurement Officer may determine the proposal to be a non-responsive counteroffer and the proposal may be rejected.



The Procurement Officer may waive minor informalities that:

- Do not affect responsiveness,
- Are merely a matter of form or format,
- Do not change the relative standing or otherwise prejudice other offers,
- Do not change the meaning or scope of the RFP,
- Are trivial, negligible, or immaterial in nature,
- Do not reflect a material change in the work, or,
- Do not constitute a substantial reservation against a requirement or provision.

The State reserves the right to reject any bidder or Bid Proposal determined to be non-responsive. The State also reserves the right to refrain from making an award if it determines that to be in its best interest.

1.6.11 Supplemental Terms and Conditions

Bid Proposals including supplemental terms and conditions will not be accepted. Any proposals with supplemental conditions that conflict with those contained in this RFP or that diminish the State's right's under any contract resulting from the RFP will be considered null and void. The State is not responsible for identifying any conflicting supplemental terms and conditions that have been submitted in Bid Proposals before issuing a contract award. After award of contract:

1. If conflict arises between a supplemental term or condition included in the Bid Proposal and a term or condition of the RFP, the term or condition of the RFP will prevail; and
2. If the State's rights would be diminished as a result of application of a supplemental term or condition included in the Bid Proposal, the supplemental term or condition will be considered null and void.

1.6.12 Disclosure Of Proposal Contents And Compliance With ND Open Records Laws

All proposals and other material submitted become the property of the State and may be returned only at the State's option. All proposals and related information, including detailed cost information, will be held in confidence until an award is made.

After award, proposals will be subject to North Dakota open records law. Records are closed or confidential only if specifically stated in law. Bidders may make a written request that trade secrets and other proprietary data contained in proposals be held confidential. Material considered confidential by the bidder must be clearly identified, and the bidder must include a brief statement in their transmittal letter that sets out the statutory basis for confidentiality. The Procurement Officer will respond to the bidder's request, in writing, with a written determination whether the information is an exception to the North Dakota open records law, and the information will be processed appropriately.

DHS will not disclose the budget for the IV&V services.



1.6.13 Public Notice

The State requires that DHS send the RFP to all vendors registered on the OMB Approved Vendor List for the applicable category of service.

1.6.14 News Releases

News releases related to the contracts awarded from this RFP may only be made with prior approval of the Procurement Officer designated by the State for the resultant contract(s).

1.6.15 Preference Laws

The preference given to a resident North Dakota bidder will be equal to the preference given or required by the state of the nonresident bidder. A "resident" North Dakota bidder, bidder, seller, or contractor is one that has maintained a bona fide place of business within this State for at least one year prior to the date on which a contract was awarded. For a listing of state preference laws, visit the following website:

http://tpps.das.state.or.us/purchasing/pref-law/reciprocal_detail.php or contact the North Dakota State Procurement Office at 701-328-2683.

1.6.16 Standard Contract Provisions

The successful bidder will be required to sign and submit the contract attached to this RFP (**Attachment D**). The contractor must comply with the contract provisions set out in this attachment. Any objections to the contract provisions must be set out in the bidder's proposal. No alteration of these provisions will be permitted without prior written approval from the purchasing agency.

Bidders are instructed to contact the procurement officer in writing by the deadline set for questions with any concerns regarding the contract provisions.

1.6.17 Contract Negotiation

After final evaluation, the procurement officer may negotiate with the bidder of the highest-ranked proposal. Negotiations, if held, will be within the scope of the request for proposals and limited to those items that would not have an effect on the ranking of proposals. If the highest-ranked bidder fails to provide necessary information for negotiations in a timely manner, or fails to negotiate in good faith, the State may terminate negotiations and negotiate with the bidder of the next highest-ranked proposal.

When contract negotiations are commenced, they will be held in Bismarck, North Dakota, at a specific location to be determined.

When contract negotiations are held, the bidder will be responsible for all cost including its travel and per diem expenses.

1.6.18 Notice of Intent to Award - Bidder Notification of Selection

After the completion of contract negotiation, the procurement officer will issue a written Notice of Intent to Award and send copies to all bidders. The Notice of Intent Award will set out the names and addresses of all bidders and identify the proposal selected for award. The



scores and placement of other bidders will not be part of the Notice of Intent to Award.

The successful bidder named in the Notice of Intent to Award is advised not to begin work, purchase materials, or enter into subcontracts relating to the Project until both the successful bidder and the State sign the contract.

1.6.19 Protest and Appeal

North Dakota law provides that an interested party may protest a solicitation.

If an interested party wishes to protest the content of this RFP, the protest must be received, in writing, by the procurement officer at least seven calendar days before the deadline for receipt of proposals.

An interested party may protest the award or proposed award of a contract.

If a bidder wishes to protest the award of a contract or proposed award of a contract, the procurement officer must receive the protest in writing within seven calendar days after the date the Notice of Intent to Award was issued.



2 Procurement Process

2.1 Schedule Of Events

The procurement schedule of events set out herein represents the State of North Dakota's best estimate of the schedule that will be followed. If any component of this schedule is delayed, such as the closing date for receipt of proposals, dependent tasks in the rest of the schedule will be shifted by the same number of days. The present planned procurement schedule of events is as follows:

Table 1: Procurement Schedule of Events

Task	Key Procurement Task	Date
1.	Issue RFP	January 9, 2006
2.	Bidder's Letter of Intent to Bid Due	January 18, 2006
3.	Bidders' Questions Due	January 27, 2006
4.	Written Responses to Bidders' Questions Issued	January 31, 2006
5.	Closing Date For Receipt of Bid Proposals and Amendments to Bid Proposals	February 10, 2006
6.	Oral Presentations	February 15-17, 2006
7.	Best and Final offers Due (As Requested)	February 28, 2006
8.	Notice Of Intent to Award to Successful Bidders	March 1, 2006
9.	Completion of Contract Negotiations	March 7, 2006
10.	CMS Contract Approval and Execution of Contract	March 24, 2006
11.	DHS Execution of Contract / Service Begins	April 3, 2006

2.2 Procurement Requirements

The bidder's proposal must address all IV&V services described in this RFP as a consolidated set of services. Proposals will be evaluated on overall quality of content and responsiveness to the purpose and specifications of this RFP. Only those proposals that include complete information as required by this RFP will be considered for evaluation. DHS is not obligated to solicit information if it is not in the bidder's proposal.

Each bidder, by making a proposal, represents that (1) this document has been read and constitutes acceptance of the terms, conditions, criteria, and requirements set forth in this RFP; and (2) the proposal submitted is based upon the understanding of the specifications and requirements described in this RFP.

2.2.1 Letter of Intent

All bidders are required to submit a Letter of Intent to Bid acknowledging the intentions to submit a proposal for this RFP.



A Letter of Intent to Bid must be mailed, sent via delivery service, or hand delivered by the bidder (or the bidder's representative) to the Procurement Officer by 3:00 p.m., Central Time, on January 13, 2006. The Letter of Intent to Bid must include:

- Identification of the RFP number for which the bidder intends to submit a Bid Proposal
- The bidder's name and mailing address,
- Name and E-mail address for designated point of contact,
- Telephone and Fax numbers for designated point of contact,
- A statement verifying the company's intent to bid for the contract, and
- An authorizing signature

Electronic mail and faxed Letters of Intent to Bid will not be accepted.

Submitting a Letter of Intent to Bid is a mandatory condition to submitting a Bid Proposal and also ensures receipt of written responses to bidders' questions, comments, and any amendments to the RFP. Failure to submit a Letter of Intent to Bid by the deadline specified will result in the rejection of the bidder's Bid Proposal.

2.2.2 Proposal Submission Deadline and Packaging

The proposal package must contain two separate parts: (a) Bidder's proposed solution, and (b) Cost proposal. Each part must be sealed and clearly labeled to indicate whether it contains the bidder and proposed solution or cost proposal as well as the RFP name. Bidders must ensure that no reference to cost is made in part (a) bidder and proposed solution.

Each proposal must be submitted as one original and six copies. Use 8 ½ x 11 white paper only, with each page numbered consecutively. Do not provide materials not requested, including samples and brochures.

Proposals must be submitted in sealed packages or envelopes and clearly marked with the due date and the statement "North Dakota MMIS IV&V RFP" in large print, using a felt-tip marker in a prominent position on the package or envelope. Electronic or facsimile copies will ***not*** be accepted. Bidders who mail proposals should allow a sufficient mail delivery period to ensure timely receipt of their proposals. Proposals received after the deadline will not be accepted for consideration. All proposals must be mailed or delivered to:

**Geoff Lowe
Procurement Officer and Program Director
Information Technology Services
North Dakota Department of Human Services
600 East Boulevard Avenue, Dept 325
Bismarck, ND 58505-0250**

DHS must receive the proposals no later than **4:00 PM Central Daylight Time on February 6, 2006.**

2.2.3 Questions and Responses

Bidders are invited to submit written questions regarding the RFP. The questions must be submitted via the DHS website and received by the Procurement Officer before 3:00 p.m.,



Central Time, on January 20, 2006. Other instructions are as follows:

- Verbal, fax, and e-mail questions will not be permitted
- The question must specify the section of the RFP, and page number(s).
- Notification regarding the web posting of written responses to bidders' questions will be sent on or before January 24, 2006 to bidders who have submitted a Letter of Intent to Bid. Written responses to questions will be available on the DHS website at www.state.nd.us/humanservices.

If DHS modifies the RFP, DHS will issue an appropriate amendment to the RFP. Bidder questions that require an RFP amendment for full clarification will be answered with a reference to the appropriate amendment. DHS' written responses to all questions or clarification requests will be considered part of the RFP.

DHS assumes no responsibility for verbal representations made by its officers or employees, unless such representations are confirmed in writing and incorporated into the RFP. Oral communications will be considered unofficial and non-binding on the State. The interested party must confirm telephone conversations in writing.

2.2.4 Other Requirements

As part of this RFP, a DHS contract template is attached as **Attachment D**.

2.2.5 Discussions/Negotiations/Awards

By submission of a response to this solicitation, the bidder agrees that during the period following issuance of the solicitation and prior to the final award of contract, the bidder will not discuss this procurement with any party except with Geoff Lowe, Procurement Officer, ITS.

Geoff Lowe, Procurement Officer, ITS, will notify the successful bidder. The State of North Dakota reserves the right to make multiple and/or partial awards.

2.2.6 Proposal Validity

The bidder must certify that the proposal and associated costs are valid for 90 days after the proposal submission date of this RFP.

2.2.7 Addendum to RFP

In the event that it becomes necessary to revise any part of this RFP due to inquiries raised or other reasons, an addendum to this RFP will be provided to all bidders who had filed a Letter of Intent to Bid previous to the issuing of the Addendum.

2.2.8 Errors in Preparation

The Proposal Evaluation Committee has the right to rely on cost proposal provided by bidders. The bidder may be responsible for any mathematical error or incorrect extension of any calculations leading to bidder's cost proposal. The Proposal Evaluation Committee reserves the right to reject proposals that contain errors.



2.2.9 Proprietary Material

The cost proposal submitted in the bidder's proposal will include any allowance for royalties or fees to be paid to outside parties for rights to use any proprietary material and should be so identified in the Cost Proposal.

2.2.10 Payment

Payment for services will be made according to the provisions set forth in **Section 3.7 Payment Schedule** to this RFP. In summary, payment is contingent upon successful completion of Project deliverables, and will be made upon receipt of an invoice from the bidder for those completed and approved deliverables. The payment schedule will be finalized during contract negotiations.

The final negotiated cost will not be exceeded.

It is understood that after receipt of an invoice, DHS will require up to thirty (30) days to process the invoice for payment.

No claim for additional services, not specifically provided herein, will be allowed by DHS except to the extent provided by a valid modification or amendment to this agreement.

2.2.11 Performance Bond

If the bidder requires pre-payment for services to be performed under this contract, the bidder must obtain a performance bond in the amount of the pre-payment that is negotiated. The Bidder must submit any request for pre-payment to the Program Director in writing, and include reasonable justification for such pre-payment. DHS is not obligated to grant pre-payment requests.

2.2.12 Warranty and Support Services

Notwithstanding prior acceptance by DHS of any deliverables under any contract resulting from this RFP, the bidder expressly warrants all documentation, reports, and other items as correct and complete with the terms of the contract.

Upon DHS' recognition of an error, deficiency or defect on behalf of the bidder, DHS will notify the bidder in writing citing the specific deficiency. The bidder will, within ten (10) days of receipt of such notice, respond with a plan to correct any deficiencies cited in correspondence. If the plan is inadequate to correct the deficiency, or if the bidder fails to implement the plan, or to correct the error, deficiency or defect, or the error recurs, DHS may, at its option, act to correct the problem. The bidder will be required to reimburse DHS within 30 days for any such costs incurred or DHS may consider this to be cause for breach of contract.

2.3 Proposal Format

The proposal must be presented in the format described in the following Section.

2.3.1 Cover Letter With Authorizing Signature

The cover letter must summarize the firm's interest in the RFP and contain a signature of an individual authorized to legally bind the person, partnership, company, or corporation submitting



the proposal.

The cover letter must also contain the name, street address, telephone number, fax number, web site URL, and e-mail address of the proposing firm. In addition, the cover letter must disclose the bidder's legal status: sole proprietor, partnership, corporation, limited liability company, *etc.*

2.3.2 Table of Contents

Each complete proposal must include a table of contents, identifying the required components and page numbers.

2.3.3 Bidder Qualifications

The proposal will demonstrate that the company has the relevant experience providing the services for which they are submitting a proposal, and that the staff proposed for positions on this Project has the appropriate knowledge and experience obtained on Projects of similar nature, size, and scope. DHS may require substitution/replacement of any key personnel assigned to the Project if DHS determines that person does not possess the skills necessary to satisfactorily complete the tasks assigned.

To demonstrate qualifications, the bidder must provide the following:

- **Company Experience**

Proposals must provide a statement explaining corporate and staff knowledge in the specific areas on which the company is submitting a proposal. Experience preferably will be from the last five years, although earlier experience may be submitted if it demonstrates continuity of services over a broad span of years. The bidder should also include in this section any experience with Federal requirements for Medicaid programs and/or Medicaid Management Information Systems, or other Federal programs such as HIPAA, FDA, or related service areas.

- **Related Experience**

Proposals must describe similar Projects, completed or currently in process, within the past five years that demonstrate the skills and services to be used in this Project. The proposal should include a description of the history of each bidder Project. Additionally, the bidder will provide the following information related to three previous and/or current contracts, which are considered identical or similar to the requirements of this RFP:

- Name, address, and telephone number of contracting agency;
- The name of the contracting agency Project director who may be contacted for verification of all information submitted. If the Project director is not available as a reference, a suitable substitute and a statement of justification may be included;
- Contracts with government agencies;
- Dates of the contracts; and
- A brief, written description of the specific prior services performed and the outcome of that engagement.

- **Personnel/Staff Experience**



Proposals must provide an assurance that the bidder has the staff to produce the Project deliverables. The bidder will provide an organizational chart and staffing plan of the individuals proposed to work on this Project.

A resume is required for each staff member proposed to work on this Project. The resumes must include:

- Educational qualifications;
- Summary of employment experience;
- Specific experience with the service areas for which they are being proposed;
- Any Medicaid Management Information Systems or comparable systems; and
- Previous work assignments in a similar role for this type of engagement.

2.3.4 Proposed Solution

Proposals must address all of the requirements set forth in **Section 3 Services To Be Provided**, and must describe how the services will be provided. Proposals, which merely offer to provide services, will be considered non-responsive and will not be considered.

Due to the scope of services being requested in this RFP, DHS anticipates that bidders may wish to submit bids for part or all of the services requested. For each service for which the bidder is submitting a proposal, the proposed solution will have the following sections:

- Executive Summary

The bidder will provide a brief summary of their understanding of the scope of the RFP services and their proposed approach.

- Project Approach And Management

The bidder will describe the high-level activities that will be undertaken to ensure the Project deliverables are completed accurately and according to the schedule of events. All bidder activities will be based on the detailed requirements described in **Section 3 Services to Be Provided**, as well as the appropriate table in **Attachments B and C** to this RFP. The bidder, in the proposal narrative for this section, will describe its approach to the required services in **Section 3.4 Required Services**, addressing the required services in the same order as presented in **Section 3.4 Required Services**.

Note that, due to the risk, scope and distributed nature of the Medicaid Systems Project's efforts, DHS will implement cross-team processes and procedures that address and coordinate all vendors' activities.

The descriptions provided by each bidder must include an initial IV&V work plan defining the general approach and control mechanisms to be implemented, and an initial Project schedule for the IV&V effort. The preliminary Project work plan will consist of recommended plans and formats for:

- Incident Management, including management of issues, changes, defects and risks;
- Status Reporting;
- All appropriate Project Deliverables; and



- Other pertinent and appropriate Plan topics.

The Project schedule will:

- Be based on the Preliminary Project Schedule provided with this RFP in **Attachment I**;
- Be derived from a deliverables-based Work Breakdown Structure which includes:
 - Decomposition to the task level;
 - Assignment of bidder role-specific resources to individual tasks;
 - Identification of time and cost at the task level;
 - Identification of precedence and dependency at the task level; and
 - Work Breakdown Structure dictionary.
- Provide all data required to perform cost and schedule variance reporting and forecasting;
- Provide the information necessary to identify the Project's critical path;
- Define Project milestones; and
- Stipulate DHS staff resource assignment needs and time estimates.

Note that the successful bidder will expand and manage their schedule in conjunction with the overall Medicaid Systems Project schedule. The expanded schedule will further be linked into the overall Project schedule using the procedures and tools defined in **Section 3.6.1 – Deliverables Standards** to this RFP.

2.3.5 Cost Proposal

A completed cost proposal for the proposed services is required and must be submitted separately from the bidder and proposed solution. The cost proposal shall include the appropriate table from **Attachments B and C** for each service on which the bidder is submitting a bid. The bidder must enter a cost proposal in the column labeled "Bidder Cost Proposal" in each of the appropriate Attachments. Bidder shall further supply an hourly rate for consulting services as described in **Section 3.4.3 Consulting Services**.

The bidder's cost proposal should also provide a preliminary staff plan for this Project, based on staff level and role. The bidder must also identify the staff who will be assigned for on-site work in Bismarck, ND.

The cost proposal must identify costs for each Project deliverable and will be inclusive of any related expenses.

Note that DHS will be responsible for securing office space for this Project in Bismarck, North Dakota while performing the IV&V activities. The office space will be equipped with cubicles, chairs, desks, telephones, power and network portals. However, the bidder is required to supply all other materials to be used by their staff, including but not limited to:

- Hardware and licensed software including test tools, VPN and software maintenance;
- Legal copies of anti-virus and anti-spyware software on all computers;
- Long distance telephone service;
- Office equipment not supplied by DHS, e.g., fax machine, additional printers, etc.;



- Offices and ancillary supplies;
- Physical storage facilities;
- Transportation to Project-related meetings in North Dakota; and
- Shredding of confidential documents.

2.4 Proposal Evaluation

Proposals will be evaluated on the proposed solution, value-added approaches incorporating best practices, and proposed cost, with cost not being the sole determining factor:

Proposed solution	80% of the total evaluation points
Cost proposal	20% of the total evaluation points

2.5 Oral Presentations

After an initial evaluation of Bid Proposals by the proposal evaluation committee, the State will conduct Oral Presentations with bidders who have submitted proposals determined to be reasonably eligible for award. DHS will request that bidder finalists make an Oral Presentation of the Bid Proposal's offering. The presentation will occur in Bismarck, North Dakota. The determination of participants, location, order, agenda, and schedule for the presentations is at the sole discretion of the State and will be provided during the Evaluation process. Bidder staff designated as "Key Personnel" in the bidder's Bid Proposal will be among those expected to attend.

The Oral Presentation will include appropriate slides, graphics, handouts, and other media selected by the bidder to illustrate the bidder's Bid Proposal. The presentation shall not materially change the information contained in the Bid Proposal.

If modifications to the scope of work are made as a result of these discussions, they will be put in writing as part of an RFP amendment and bidders will be given the opportunity to submit supplements to their original proposals. Material presented in Bid Proposal supplements that materially changes the original submittal will be disallowed.

The State's preferred file format for presentations is Microsoft PowerPoint 2000. A Projector and Internet access will be provided by the State. Prior to Oral Presentations, the State will inform bidders of the purpose and scope of the Oral Presentation. All bidders will be asked a common set of questions that will be provided to the bidder prior to presentations. In addition, bidders will be asked a set of bidder-specific questions that will not be provided in advance of the presentation. Following Oral Presentations, bidders will provide an electronic copy of their presentation to the Procurement Officer.

2.6 Best and Final Offers

Following any discussions with bidders, the Procurement Officer will set a date and time for Best and Final Offers (BAFO) on Cost Proposal submissions from those bidders with whom discussions were held. Proposals may be re-evaluated after receipt of BAFO submissions.

If a bidder does not submit a BAFO on its Cost Proposal or a notice of withdrawal, the bidder's immediate previous Cost Proposal is considered the bidder's BAFO. The bidder must submit any oral modification of a Cost Proposal in writing.



3 Services To Be Provided

3.1 Project Goals

DHS has the following goals for the DDI Phase of this Project:

1. The resulting system be the most cost effective and administratively efficient system available to North Dakota Medical Services;
2. The new North Dakota MMIS must be able to meet all certification requirements established by CMS within the minimum time period allowed by CMS; and
3. The implementation of the new applications will be completed without disruption of service to Medicaid recipients or providers of services.

DHS has determined that a strong and effective IV&V effort is a necessary Project component in achieving these goals. This RFP is issued to solicit responses for the provision of the IV&V services for this Project. The successful bidder for these IV&V services will not have any other involvement in the ND Medicaid Systems Project other than the IV&V services described herein.

DHS is assuming and planning this Project to include numerous and frequent deliveries of software (*i.e.*, builds) for verification and validation. The sequence of builds is often referred to as a "build" strategy, and when dates are assigned to the build deliveries it becomes a build schedule. The specific build schedule will be determined early in the start-up activity phase of the Project, and the IV&V effort must be effectively incorporated into the Master Project Schedule.

3.2 Statement Of Need

Independent Verification and Validation (IV&V) is necessary to establish the appropriate quality assurance and control efforts for this project independent of the DDI efforts. As with any project of this magnitude, the Program Director will rely upon the IV&V bidder for the following critical needs:

1. Verification (quality control) to assure that the software developed by the other bidders (including components developed by ITD) performs according to specifications and requirements.
2. Validation (user services support) to ensure that the system as developed will meet the current and planned needs of the Medical Services Division of DHS, including any changes to the business operations, MITA compliance, *et al.*
3. Consulting services in support of the IV&V and overall project efforts.

These services are described further in **Section 3.4 Required Services** of this RFP.

3.3 Project Estimating Standard

Bidders must include the following when providing estimated costs for each of the activities on this Project:

- Identification of any deliverable to be produced which is not listed in the **Deliverables** column of **Attachments B and C**;
- Assumptions that were made when developing the cost estimates;



- Significant risks associated with the assumptions proving to be false; and
- Dependencies, especially to activities and tasks outside the specific scope of IV&V activities.

3.4 Required Services

The bidder will perform all IV&V responsibilities defined in this RFP throughout the term of the contract. The bidder is expected to actively participate in all meetings and to contribute IV&V expertise to all remaining phases of the Medicaid Systems Project. This procurement is subject to the availability of funds.

The IV&V services will follow industry standard methodologies and approaches, and will consist at least of the services described below. All bidders are urged to demonstrate added value in their proposals by recommending IV&V services not addressed below.

3.4.1 Verification Services

The successful bidder will be responsible for providing requirements-based independent integration testing services covering all application systems under test (MMIS, DSS/DW, POS and interfaces to other ND systems). These services will be derived from industry best practices and established quality control principles, and all verification artifacts will be based on the approved, allocated and prioritized requirements for the applications.

In general, these services will include:

- Review of key project deliverables to identify and prioritize testable requirements;
- Development and implementation of a Verification Strategy documenting the objectives, scope, approach, standards and procedures, tools, *etc.*, to be used in the verification effort;
- Implementation of automated testing tools and related standards and procedures;
- Development and execution of various test artifacts (test scenarios, test runs, test cases, and test scripts); and
- Administrative activities and tasks in support of the verification effort.

Specific verification activities and deliverables are provided in **Attachment B** to this RFP.

3.4.2 Validation Services

The successful bidder will also be responsible for providing validation support services to the ND Medical Services Division to ensure that all appropriate business issues have been satisfactorily addressed. The validation services will ensure that the new Medicaid system will meet the current and planned business needs of Medical Services, and that all necessary training, policy, process and procedural changes have been defined and implemented within Medical Services.

In general, these validation services will include:

- Review of the current business environment, policies, processes and procedures, including workflow and forms;



- Development of a User Acceptance Test (UAT) Validation Strategy to define and support the validation efforts;
- Directing the development and execution of UAT test artifacts by business personnel;
- Support for the development and implementation of training in the use of the new system, as well as attendant policies, processes and procedures;
- Support the CMS Certification process for the new system by ensuring that critical pieces of information and documentation are gathered and consolidated for CMS Certification visit; and
- Administrative activities and tasks in support of the validation effort.

Specific validation activities and deliverables are provided in **Attachment C** to this RFP.

3.4.3 Consulting Services

DHS reserves the option to acquire additional services from the bidder for related activities, such as expert witnesses resulting from a legal protest, for up to one year after termination of this contract upon mutual agreement in writing at the bidder's stated hourly rate.

3.5 Staffing Requirements

In determining proposed staff plans for this Project, the bidder will need to take into account the planned build strategy defined earlier.

3.5.1 Specific Skills

The bidder will propose a staff team with the most appropriate experience and expertise to address the requirements of this RFP. The team should be comprised of individuals with the following:

- Verification Services
 - Significant experience with industry-standard and best practices regarding quality, quality assurance and quality control principles and techniques;
 - Expertise with automated test tools and their most effective use within large-scale development, package-acquisition, and integration projects;
 - Appropriate experience with the specified relational database, mainframe, client/server, call center, data capture and web portal technologies in use on this project; and
 - Experience in healthcare related concepts, configuration and management, with Medicaid experience a plus.
- Validation Services
 - Extensive experience in providing IV&V user services, preferably in the Medicaid or healthcare industry;
 - Specific experience in supporting and directing UAT efforts;
 - Proficiency in integrating Training activities within a broader view of the validation effort;
 - Expertise in high volume health claims processing and related business functions;



- Extensive experience in procurement, installation, evaluation, operations and maintenance of Medicaid or similar large health care claims processing system;
 - Broad experience with technical writing;
 - Specific experience in healthcare related concepts, configuration and management; and
 - Experience with the CMS certification process.
- Consulting Services
 - Specific staffing requirements for these services will be determined and contracted for on an as-needed basis.

The team will be evaluated based on the teams' overall expertise, experience, and number of members. It is in the bidders' best interests to propose a Project team with a combination of the best skills and most extensive experience necessary to address the requirements of the RFP.

Proposals will include resumes of all Project staff to be assigned to this Project. The resumes will show employment history for all relevant and related experience, all other data processing experience, and all education and degrees (including specific dates, names of employers, and educational institutions).

3.5.2 Resources

The bidder's proposed key staff must be available and located with the North Dakota Project staff during the Project on a full-time basis. If any of the IV&V activities are approved by DHS to be performed off-site, then the bidder must provide toll-free communications with DHS staff to conduct IV&V business operations. In the Cost Proposal, the bidder should factor in any transportation, lodging, and per diem costs that may be required for any North Dakota site visits by non-local staff. Travel of local staff to other locations will not be required.

3.5.3 Other Staffing Requirements

The bidder is encouraged to recommend best practices or additional activities that would add value to the Project. DHS is seeking responses, as well as ongoing efforts, that will demonstrate, through approach and design, the bidder's ability to deliver exceptional services. Additional activities should be priced separate from the required activities.

The bidder may adjust individual activity dates in their proposal. It is the intent of DHS to purchase all activities outlined in this RFP. Specific activities will be determined, based on need and available funds, at the time of contract establishment.

3.6 Deliverables

3.6.1 Standards

Deliverables are to be developed and maintained by the bidder using DHS-provided facilities, and in a form ready to be provided to DHS in the event of termination of the Project or the bidder's participation. Deliverables will also be prepared according to established Project documentation standards.

DHS must approve all deliverables for each activity, before the activity in question will be considered complete.



The bidder is expected to describe in detail in the proposal the actions necessary to produce the deliverables and to obtain DHS approval. In addition, the bidder should use examples, spreadsheets, Project planning, and pro forma reports to describe the format and content of the deliverables.

The bidder is required to describe in detail the process for a state Project team review and DHS approval, of each deliverable before it is considered complete.

All textual materials will be submitted to DHS on CD-ROM with fully useable files using tools from Microsoft Office 2000 (Microsoft Word 2000, Microsoft Excel 2000, Microsoft PowerPoint 2000, Microsoft Access 2000), and a Project management support tool capable of providing earned value reporting, such as Microsoft Project 2003 or the Primavera Project and portfolio management suite. DHS requires that the bidder provide one copy of the materials on a CD, one electronic copy stored on the state network, one original and one paper copy for each state team member identified.

DHS expects the bidder to provide all hardware and software needed to create all deliverables in this RFP. This includes all necessary supplies, equipment, and staff support required to generate these deliverables.

DHS expects the bidder to provide an initial detailed work breakdown structure and schedule in Microsoft Project 2003 format that will track activities, tasks, milestones, deliverables, and resources. Microsoft Project 2003 (or a comparable tool) will be used on this Project in order to take advantage of the earned value components available in these tools. Note that as a part of their response to this RFP, the bidder may propose the use of an alternative tool so long as the initial schedule is provided in a Microsoft Project format, and the objectives of effective Project management and earned value reporting are met.

All deliverables and correspondence produced in the execution of this RFP must be clearly labeled with, at a minimum, Project name, deliverable title, deliverable tracking or reference number, version number and date.

3.6.2 Status Reporting

The bidder will be expected to provide the DHS Program Director with a weekly status report following the preliminary Status Report template provided in **Attachment F** to this RFP. This weekly progress report will be delivered to the Program Director no later than 9AM (Central Time Zone) each Monday morning, and will cover the period from the preceding Monday through Sunday.

In addition, the bidder will provide a monthly status report using the Preliminary monthly Management Report template provided in **Attachment G** to this RFP. This report will be due to the DHS Program Director not later than 5PM (Central Time Zone) on the second business day of each month, and will cover the activities of the previous month.

3.6.3 Planning Requirements

The bidder will prepare and obtain final DHS approval in writing of the procedures to be used by the bidder to assist the state in the resulting procurement prior to performing any work. The bidder will endeavor to use deliverable formats and documentation standards in use on this Project; the bidder must obtain DHS written approval for any deviations from specified deliverable formats, tools, standards, *etc.* for all status reports, deliverables, and work plans to be submitted.



Before starting each activity, the bidder will be required to draft a detailed outline, format, and description of the deliverable. DHS will review the outline, the format description, the schedule and approach. DHS will request changes, as necessary, until it is acceptable.

3.6.4 Review Requirements

When the bidder has completed work on any given contract deliverable listed and described in the preceding activities, DHS will review the deliverable. The bidder must receive formal, written approval from the DHS Program Director before DHS will consider the deliverable to be accepted and approved. This requirement applies to formal Project deliverables developed by the bidder. DHS will review and accept ongoing deliverables, such as status reports, test artifacts, *etc.* on an *ad hoc* basis. The primary focus of DHS review will be to determine compliance with the agreed plan and content of the deliverable, and with the terms of the contract.

The bidder will conduct a walk-through of each deliverable with the Program Director prior to DHS' review. The bidder will include at least five (5) work days in the Project work plan per deliverable for DHS staff to conduct a complete review and to document findings. Based on their review, DHS may grant approval, reject all or part of the document, or request that the bidder make revisions. The bidder will schedule meetings with the state Project team and make necessary changes during these meetings. Additional review periods may be needed when revisions are required or deliverables are rejected. Each deliverable will be complete, within and of itself, and will be consistent with any previously produced deliverables. DHS reserves the right to require the bidder to revise previously approved deliverables or to reject current deliverables based on inconsistency among deliverables.

3.7 Payment Schedule

The bidder will be paid through a two-stage payment schedule, based on the nature of the work and the deliverables from that work.

- The first stage will include formal deliverables that can be labeled as “one-time”, *i.e.*, once the deliverable is produced, little or no additional ongoing work is required to complete it other than routine maintenance to ensure conformance with the Project’s status and direction. Such “one-time” deliverables include defined and prioritized testable requirements, Strategies, scheduled IV&V reports, development of the initial work breakdown structure and schedule, *et al.* Such “one-time” deliverables are so indicated in **Attachments B and C** in the “1 / O” column, where “1” indicates a “one time” deliverable.
- The second stage deliverables are those that will be developed over the course of the Project on an ongoing basis, such as test cases and test scripts, developed and executed; issues, defects, status reports, *et al.* The vendor may bill for these deliverables according to the schedule for the delivery of such deliverables agreed upon between the vendor and DHS. Second stage deliverables are indicated in **Attachments B and C** in the “1 / O” column, where “O” indicates an ongoing deliverable.

The vendor will submit completed deliverables to the DHS Program Director for review. The vendor may also at that time submit an invoice for services rendered in producing that deliverable (for “one time” deliverables), or on a monthly basis for ongoing deliverables. In all cases, the DHS Program Director will determine successful completion of a deliverable when the deliverables have been received, reviewed and approved by DHS. Should the deliverable not be accepted, the DHS Program Director will return the deliverable to the vendor, along with a written notification of the issues pertaining to the deliverable. The vendor will then be required



to address the issues to the satisfaction of the DHS Program Director and re-submit the deliverable for review. Any such rework will not be billable to DHS.

Payment will be made based on the bidder's cost proposal for that deliverable. The cost proposal will contain the proposed cost for each activity in the appropriate column for **Attachments B and C**. The ongoing activities will be paid after DHS' review and upon the submission of a monthly status report approved by DHS.

All payments will be paid using an 80/20 rule, *i.e.*, DHS will pay 80% of the invoice pending review and approval of the deliverable. Upon successful review, and formal, written approval from the DHS Program Director, the remaining 20% will then be paid.

The bidder must submit the final invoice for payment to DHS no more than 45 days after acceptance of the final deliverable by DHS. If the bidder fails to do so, all right to payment is forfeited, and DHS will not honor any request submitted after aforesaid time period. Any payment due under the terms of the contract resulting from this RFP may be withheld until all applicable deliverables and invoices have been accepted and approved by DHS.

There will be no additional payments made to the bidder for incidental expenses such as software, office supplies, or travel expenses related to the completion of the deliverables of this contract.

Attachment A - Glossary

ACRONYM OR TERM	DEFINITION
Activity	A collection of one or more tasks or other activities and tasks within a work breakdown structure.
ADA	American Dental Association (as in ADA claims)
AMA	American Medical Association
ANSI	American National Standards Institute
APC	Ambulatory Payment Classification
APG	Ambulatory Patient Groups
API	Application Programming Interface
ASA	American Society of Anesthesiologists
ASC	Ambulatory Surgical Center
ASP	Average Sales Price
ASSIST	Assessment Case Management System
AVR or AVRS	Automated Voice Response System
AWP	Average Wholesale Price. Part of a calculation for one of the State's four pharmacy reimbursement methods.
Baseline	A specification or product that has been formally reviewed and agreed upon, thereafter serves as the basis for further development, and can be changed only through formal change control procedures.
Basic Care	Residential coverage for aged, blind, and disabled SSI recipients in North Dakota.
BCBSND	Blue Cross Blue Shield of North Dakota
BENDEX	Beneficiary & Earnings Data Exchange System
Bug	See Defect
Build	A formally defined and approved set of requirements incorporated into a collection of system artifacts assembled into a working component for the purposes of verifying the work completed to date. See also "Super Build".
Build Schedule	A build strategy with approved delivery dates assigned to each build.
Build Strategy	A defined and approved sequence of builds, culminating in the delivery of all requirements embodied in system artifacts and resulting in a complete working system / product.
Buy-In	See Medicare Buy-In
CD	Compact Disc
CD ROM	Compact Disc Read-Only Memory
CDT	Current Dental Terminology
CFR	Code of Federal Regulations
CHAMPUS	Civilian Health and Medical Programs of the Uniformed Services (Now TRI-CARE)

Attachment A - Glossary

ACRONYM OR TERM	DEFINITION
CI	Configuration Item; a work product that is treated as a single entity and placed under configuration management. A CI has four common characteristics: <ol style="list-style-type: none"> 1. Defined functionality 2. Replaceable as an entity 3. Unique specification 4. Formal control of form, fit and functionality
CICS	Customer Information Control System
CLIA	Clinical Laboratory Improvement Amendments
CMS	Centers for Medicare and Medicaid Services (formerly HCFA)
CMS 64 Report	The CMS 64 Report provides the State's Medicaid Financial Statistics Tables to the Federal Government.
CMS-1500	Centers for Medicare and Medicaid Services, Form 1500. The CMS-1500 is the basic form prescribed by CMS for claims from physicians and suppliers, except for ambulance services.
CMSO	Center for Medicaid and State Operations
CNRA	Council on Naturopathic Registration and Accreditation
COB	Coordination of Benefits
COLD	Computer Output to Laser Disk
COLT	Computer Output Laser Technology
CON	Certificate of Need
Configuration Management	The process for establishing and maintaining consistency of a product's functional and physical attributes with its requirements, design and operational information throughout development of the product and the product's life.
Contract Officer	The individual assigned by DHS to provide: <ol style="list-style-type: none"> 1.) Final approval on contractor deliverables 2.) Signing authority to enter into contract with the contractor 3.) Signing authority to modify the contract with the contractor 4.) Signoff on substitution of subcontractors 5.) Signoff on substitution of Key Personnel
Coordinated Services Program (CSP), formerly Lock-In	A special program administered by DHS for Medicaid members who have "over-utilized" Medicaid services. These individuals are assigned to a select group of "Lock-In" providers to control claims.
COTS	Commercial Off-the-Shelf
CPT-4	Current Procedural Terminology, Version 4
Crossover Claims	Claims for members with both Medicare and Medicaid coverage.
CSHS	Children's Special Health Services - specialty care in North Dakota for children to treat an eligible diagnosed condition
DD	Developmentally Disabled
DDE	Direct Data Entry

Attachment A - Glossary

ACRONYM OR TERM	DEFINITION
DDI Phase	Design, Development, and Implementation Phase of Contract
DDS	Disability Determination Services
DEA	Drug Enforcement Agency
DEERS	Defense Enrollment Eligibility Reporting System
Defect	A variance between an expected result and an actual result during the development of a product. See also "Failure"
Deliverable	The work product from a single task on the work breakdown structure
Demotion	The movement of a defective promotion from the Project level in which the defect was identified to development for remediation
Deployment	A promotion of an approved CI to the operational or "production" environment
DESI	Drug Efficacy Study Implementation
DHS	North Dakota Department of Human Services
DME	Durable Medical Equipment
DOD	Department of Defense
DOH	North Dakota Department of Health
DOS	Date of Service
DPI	North Dakota's Department of Public Instruction
DRG	Diagnosis Related Groups
DSH	Disproportionate Share Hospital
DSM	Diagnostic and Statistical Manual of Mental Disorders
DSS	Decision Support System
DUR	Drug Utilization Review or Drug Use Review. <i>See also ProDUR and RetroDUR.</i>
DW	Data Warehouse
EAC	Estimated Acquisition Cost
Earned Value	Earned value is a tool that allows managers to have visibility into technical, cost, and schedule progress on their contracts. EV ensures that cost, schedule and technical aspects of a contract are truly integrated.
ECM	Enterprise Content Management
EDI	Electronic Data Interchange
EDMS	Electronic Document Management Systems
EDS	Electronic Data Systems
EFT	Electronic Funds Transfer
EMC	Electronic Media Claim
EOB	Explanation of Benefit. <i>See also REOMB.</i>
EPSDT	Early and Periodic Screening, Diagnosis, and Treatment (<i>Health Tracks</i> in North Dakota)

Attachment A - Glossary

ACRONYM OR TERM	DEFINITION
EQRO	External Quality Review Organization
Failure	A variance from expected results that occurs in the use of a product, directly affecting business operations and the business' customers
FDA	Food and Drug Administration
FDB	First DataBank
FEIN	Federal Employer Identification Number
FFP	Federal Financial Participation
FFS	Fee For Service
FFY	Federal Fiscal Year
FMAP	Federal Medicaid Assistance Payment
FPL	Federal Poverty Level
FQHC	Federally Qualified Health Centers
FTE	Full-Time Equivalent
FUL	Federal Upper Limits
GCN	Generic Code Number
GIS	Geographic Information Systems
GPI	Generic Product Indicator
GSD	General Systems Design
GTE	GTE (General Telephone and Electric) Data Services, Inc.
GUI	Graphical User Interface
HCBS	Home and Community Based Services waivers. North Dakota has six HCBS waivers, which are for: the Aged and Disabled, Developmentally Disabled, and Traumatic Brain Injury.
HCFA-1500	See CMS-1500.
HCIDEA	Health Care Identifier that cross references all DEA numbers for a provider.
HCPCS	Healthcare Common Procedure Coding System
HEDIS®	Health Plan Employer Data and Information Set. HEDIS is a set of standardized performance measures designed to ensure that purchasers and members have the information they need to reliably compare the performance of managed health care plans.
HID	Health Information Designs – Performs RetroDUR for North Dakota
HIPAA	Health Insurance Portability and Accountability Act of 1996.
HIPP	Health Insurance Premium Payment
HL7	Health Level Seven - Standards developing organizations (SDO) operating in the healthcare arena – standards for clinical and administrative data
HPSA	Health Professional Shortage Area

Attachment A - Glossary

ACRONYM OR TERM	DEFINITION
HRSA	Health Resource Services Administration
HTML	Hypertext Markup Language
ICD-9-CM	International Classification of Diseases 9 th Edition Clinical Modification
ICF	Intermediate Care Facilities
ICF/MR	Intermediate Care Facility for the Mentally Retarded
ICN	Internal Control Number. The internal control number is used to uniquely identify claims documents.
ID	Identification (number)
IDEA	Individual Disabilities Education Act
IEP	Individual Education Program
IHS	Indian Health Services
ISLA	Individual Supported Living Arrangement
ITD	North Dakota Information Technology Department
ITS	North Dakota DHS Information Technology Services division
J2EE	Java 2 Platform, Enterprise Edition
JAD	Joint Application Design
JCAHO	Joint Commission on Accreditation of Healthcare Organizations
LAN	Local Area Network
LOS	Length of Stay
LTC	Long Term Care
LTCF	Long Term Care Facility
MAC	Maximum Allowable Cost; <i>e.g.</i> , Federal MAC or State MAC
MAPD	Medicaid Assistance and Prescription Drug
MAR or MARS	Management and Administrative Reporting (MAR) Subsystem
MCO	Managed Care Organization. North Dakota has one MCO, administered by Noridian Mutual Health Insurance Company.
MD	Doctor of Medicine
MDS	Minimum Data Set
Medically Needy	The Medically Needy program provides medical assistance to individuals who meet the categorical but not the financial criteria for Medicaid eligibility. Medically Needy eligibles may be responsible for a portion of their medical expenses. This is referred to as "recipient liability".
Medicare Buy-In	Premium Payments made by DHS to CMS on behalf of North Dakota Medicaid members that are determined to be Medicare eligible.
Medicare Part A	Medicare hospital insurance that pays for inpatient hospital stays, care in a skilled nursing facility, hospice care and some home health care.

Attachment A - Glossary

ACRONYM OR TERM	DEFINITION
Medicare Part B	Medicare medical insurance that helps pay for doctors' services, outpatient hospital care, durable medical equipment, and some medical services that are not covered by Part A.
Medicare Part D	Medicare's prescription drug benefit
MER	Medical Evidence of Record
MITA	Medicaid Information Technology Architecture
MMIS	Medicaid Management Information System
MOM	Message-Oriented Middleware
MPP	Massively Parallel Processing
MR	Mentally Retarded (developmentally disabled)
MSIS	Medicaid Statistical Information System
NABP	National Association of Boards of Pharmacy
NCPDP	National Council for Prescription Drug Programs
NCQA	National Committee for Quality Assurance
NCVHS	National Committee on Vital and Health Statistics
NDC	National Drug Code
NDM	Network Data Mover
Nebo Systems	Provider Enrollment accesses this site for UPIN look-up
NF	Nursing Facility
NHII	National Health Information Infrastructure
NPI	National Provider Identifier number
NPS	National Provider System
NSF	National Standard Format
NUBC	National Uniform Billing Committee
NUCC	National Uniform Claims Committee
OCR	Optical Character Recognition
ODBC	Open Database Connectivity
OIG	Office of the Inspector General - the Federal authority for identifying and investigating instances of fraud and abuse for State Medicaid programs and all Federal programs.
OLTP	On-line Transaction Processing
Online	Accessible via a computer system or computer network
Operations Phase	If applicable, the Operations Phase of the contract refers to the contract phase in which the contractors awarded contracts by an RFP will assume and maintain live operation of a Medicaid function from a current contractor or the State. In the event that a current contractor is awarded a contract whose function they are already providing, the Operations Phase then refers to the point where newly implemented enhancements, services, or features begin operation.
OSCAR	Online Survey Certification and Reporting (CLIA)

Attachment A - Glossary

ACRONYM OR TERM	DEFINITION
PA	Prior Authorization
Pay and Chase	Pay and Chase is the term used by North Dakota Medicaid to identify the portion of funds paid to a provider for member services that are recoverable from liable third parties.
PBM	Pharmaceutical Benefits Manager
PC	Personal Computer
PC-ACE	The software that Noridian Mutual Insurance Company (Noridian) supplies to their providers to submit claims. It is a PC-based software system that creates and transmits 837 Professional and Institutional claims transactions to Noridian. Noridian validates the transaction, and if there are no HIPAA validation errors, transmits the file to the MMIS.
PCCM	Primary Care Case Management
PCP	Primary Care Provider
PDP	Prescription Drug Plan
PO	Project Office, a Project function that provides support to the Program Director in coordinating and directing specific Project tasks and functions under the direction of the Program Director.
PONC	Price of Non-Conformance (formerly Cost of Failure), one of Philip Crosby's 3 Costs of Quality in which the effects of delivering defective products or services to our clients/customers is measured or assessed.
POS	Point-of-Sale
PPS	Prospective Payment System
PQAS	Prior Quarter Adjustment Summaries (Drug Rebate)
PRO	Peer Review Organization
Procurement Officer	The individual assigned by DHS to manage the procurement of this contract.
ProDUR	Prospective Drug Utilization Review
Project Director	The individual assigned by DHS to manage this Project after contract award.
Program Director	The individual assigned by the contractor to manage this Project after contract award.
Promotion	The approved movement of a CI from one Project level to another, <i>e.g.</i> from development to IV&V.
QA	Quality Assurance, the process that endeavors to keep defects from occurring
QA/UR	Quality Assurance/Utilization Review
QC	Quality Control, the process that actively searches for defects in a delivered product
QMB	Qualified Medicare Beneficiary
QSP	Qualified Service Provider

Attachment A - Glossary

ACRONYM OR TERM	DEFINITION
Quality	Meets requirements; better as “meets requirements the first time”.
RA	Remittance Advice
RBRVS	Resource-Based Relative Value Scale
RDBMS	Relational Database Management System
REOMB	Recipient Explanation Of Medicaid Benefit. See also EOB.
Requirement	A condition, feature or attribute that must exist in a product or service for that product or service to satisfy a contract, standard specification or expectation.
RetroDUR	Retrospective Drug Utilization Review
RFP	Request for Proposal
RHC	Rural Health Clinic
RHIO	Regional Health Information Organization
RL	Recipient Liability; Relevant for medically needy individuals who have a specific amount of income that must be spent down in order to qualify. This becomes the recipient’s share of cost.
ROAP	Regional Office Automation Program
ROSI	Reconciliation of State Invoice
RPC	Remote Procedure Call
RR	Recipient Responsibility – the Recipient’s share of cost in the Basic Care program
RUG	Resource Utilization Group
RVS	Relative Value Scale (or Schedule)
RVU	Relative Value Unit
Rx	Medical Prescription
RxHCC	Medical Prescription Hierarchical Condition Category – a means to assess risk adjustment as a part of the Part D Model for MA/PDP Plan
SAMS	Information system used by the Aging Services Division
Schedule	A Work Breakdown Structure (WBS) expanded with the inclusion of task deliverables, interdependencies, durations, resources, resource effort estimates, and start/end dates for each task.
SCHIP	State Children’s Health Insurance Program (“ <i>Healthy Steps</i> ” in North Dakota)
SDX	State Data Exchange
SFY	State Fiscal Year
SKFI	Scan and Key from Image
SLMB	Specified Low-income Medicare Beneficiary
SMP	Symmetric Multi-Processing
SNF	Skilled Nursing Facility

Attachment A - Glossary

ACRONYM OR TERM	DEFINITION
SOA	Service-Oriented Architecture
SPED	Service Payments for the Elderly and Disabled – in-home and community based services for older or physically disabled persons in North Dakota
SPOC	Single Plan Of Care
SQL	Structured (or System) Query Language
SSA	Social Security Administration
SSDI	Social Security Disability Insurance
SSI	Supplemental Security Income
SSN	Social Security Number
Super Build	A collection of one or more builds that are assembled for validation of the results in user acceptance testing. See also “Build”.
SUR or SURS	Surveillance and Utilization Review (SUR) Subsystem
TAD	Turnaround Document. The paper TAD is used to bill for non-medical services rendered by QSP, Basic Care, and DD (non-ICF/MR) providers.
TANF	Temporary Assistance to Needy Families
Task	The lowest level of effort within a work breakdown structure. Tasks are transformed into work packages during the creation of a schedule by the inclusion of a specific deliverable, resource(s) to create that deliverable, labor cost estimates in hours for each resource, start date, duration, inter-dependencies, assumptions and risks associated with that work package.
TBI	Traumatic Brain Injury
TCM	Targeted Case Management
TECS	Technical Eligibility Computer Systems
Testing	A process used to find defects in a delivered product.
TIN	Tax Identification Number
Title XIX	Social Security Act, Title XIX (Title 19). This Act established Medicaid medical assistance programs.
Title XVIII	Social Security Act, Title XVIII (Title 18). Title 18 of the Act, which is entitled Health Insurance for the Aged and Disabled, established Medicare health insurance.
Title XXI	Social Security Act, Title XXI (Title 21). This act provides funds to States, enabling them to initiate and expand the provision of child health assistance to uninsured, low-income children.
TP	Transaction Processing
TPA	Trading Partner Agreement
TPL	Third Party Liability
UAT	See User Acceptance Testing
UB-92	Universal Billing, Form 92.

Attachment A - Glossary

ACRONYM OR TERM	DEFINITION
UPIN	Universal Provider Identification Number
UPL	Upper Payment Limit
UR	Utilization Review
URA	Unit Rebate Amount (Drug Rebate)
User Acceptance Testing	A testing process specifically designed to ensure that any new technology meets the current and planned business needs of the business unit(s) sponsoring the development of the new technology.
Usual & Customary	One of Four Reimbursement Methods for Pharmacy. This refers to the amount that a provider typically bills for a particular drug.
Validation	A process used to determine that a delivered product meets the true business needs.
Verification	A process used to determine that a delivered product meets the specified requirements for that product.
VERSA	Disability Determination Services (DDS) payment system
VISION	Automated eligibility system, housing a portion of North Dakota's Medicaid eligibility information
VR	Vocational Rehabilitation
VRIS	Vocational Rehabilitation Information System
VSAM	Virtual Storage Access Method
WAC	Wholesaler Acquisition Cost
Waiver Programs	See HCBS.
WAP	Wireless Application Protocol
WML	Wireless Markup Language
Women's Way	North Dakota's program for women who are not Medicaid eligible and who have been diagnosed with breast or cervical cancer.
Work Breakdown Structure (WBS)	A list of phases, activities and tasks required to complete a Project
Work Package	Detailed tasks identified to accomplish work required completing a contract. A work package has the following characteristics: It represents units of work at levels where work is performed; it is clearly distinguished from all other work packages; it is assigned to a single organizational element; it has scheduled start and completion dates and, as applicable, interim milestones which are representative of physical accomplishment; it has a budget or assigned value expressed in terms of dollars, work-hours, or other measurable units; its duration is limited to a relatively short span of time, or it is subdivided by discrete value milestones to facilitate the objective measurement of work performed, or it is level of effort; it is integrated with detailed engineering, manufacturing, or other schedules.

Attachment A - Glossary

ACRONYM OR TERM	DEFINITION
Work Plan	The Work Plan for response to this RFP includes Phases, Activities, Tasks and Subtasks; Work Package Duration, Resources, Milestones/Deliverables, and Target Dates for Milestones/ Deliverables.
WSI	Workforce Safety and Insurance (formerly Worker's Compensation)
X12 270/271	ANSI ASC X12 270/271 Transaction. Refers to HIPAA Healthcare Eligibility Benefit Inquiry and Response Transactions.
X12 275	ANSI ASC X12 275 Transaction. Refers to HIPAA Claims Attachment Transaction (yet to be finalized and incorporated).
X12 276/277	ANSI ASC X12 276/277 Transaction. Refers to HIPAA Healthcare Claims Status Request and Response Transactions.
X12 278	ANSI ASC X12 278 Transaction. Refers to HIPAA Referral Certification and Prior Authorization Requests Transaction.
X12 820	ANSI ASC X12 820 Transaction. Refers to HIPAA Premium Payment Transaction.
X12 834	ANSI ASC X12 834 Transaction. Refers to HIPAA MCO and SCHIP Enrollment and Disenrollment Transaction.
X12 835	ANSI ASC X12 835 Transaction. HIPAA Claims Payment and Remittance Advice Transaction.
X12 837	ANSI ASC X12 837 Transaction. Refers to HIPAA Healthcare Claim or Encounter Transaction.
X12 841	ANSI ASC X12 841 Transaction. Refers to HIPAA related code lists. Provides standardized data requirements and content for the purpose of loading a database with the code sets adopted under HIPAA.
X12 997	ANSI ASC X12 997 Transaction. Refers to the HIPAA Functional Acknowledgement Transaction.
XML	eXtensible Markup Language
YCC	North Dakota's Youth Correctional Center

Attachment B - Verification Activities

Ref. #	Verification Activity	Detailed Description	Deliverable(s)	1 / O	Planned Due Date	Bidder Cost Proposal
1.	Project Integration	Integrate all verification efforts into the overall project schedule, including participation in the definition of the incremental approach for the application builds with the DDI contractor(s). These builds will be based on a combination of business risk, requirements priorities and development schedules, and will define the schedule and functionality (traced to specific detailed requirements) according to which the software will be created and/or modified, and promoted to the IV&V team for verification.	Verification schedule linked to other project activities Build Strategy for Verification	1 1	1 month after the beginning of the start-up phase of the IV&V contract	
2.	Identification of Issues	Document requirements-based and project-based issues using the DHS Incident Management procedure and tool, and track to resolution.	Issues	O	Ongoing, starting within 1 after the beginning of the start-up phase of the IV&V contract	
3.	Risk Identification	Communication of business risks to DHS and project contractors through the DHS Incident Management procedure and tool; and working with all parties to ensure that these risks and issues have been reflected in the overall project schedule and priorities.	Documented risks and mitigation approaches	O	Ongoing, starting within 1 month after the beginning of the start-up phase of the IV&V contract	
4.	Requirements Review	Review of allocated requirements, and formal identification of the testable requirements to be verified. The bidder will also need to review the Medicaid Systems Replacement RFP, Implementation Advance Planning Document (IAPD) and IAPD updates to gain an understanding of the needed requirements for the new MMIS, DSS/DW, and POS Systems. NOTE: due to the critical nature of this specific activity, and the role that these requirements will serve as the foundation for other efforts, including the EVMS reporting, the schedule for this activity <u>may</u> be accelerated to occur earlier than other IV&V or project activities.	Testable Requirements Issues Change Requests	1 O O	Within 1 month after the beginning of the start-up phase of the IV&V contract Ongoing Ongoing	
5.	Requirements Prioritization	Work with ND Medical Services to ensure that the requirements are prioritized according to business functions and overall or specific risks.	Prioritized Testable Requirements	1	Within 2 months after the beginning of the start-up phase of the IV&V contract	
6.	Verification WBS and Schedule	Develop and maintain a work breakdown structure and schedule for all verification efforts.	WBS Schedule	1 O	Within 1 month after the beginning of the start-up phase of the IV&V contract Ongoing	
7.	Testing Crossover	Work with the State of North Dakota's Information Technology Department (ITD) to define the crossover point at which the testing of the application	Cross-over Strategy defined	1	Within 1 month after the signing of the IV&V	

Attachment B - Verification Activities

Ref. #	Verification Activity	Detailed Description	Deliverable(s)	1 / O	Planned Due Date	Bidder Cost Proposal
		interfaces will be handed off from the vendor to ITD.			contract	
8.	Verification Strategy	Develop a Verification Strategy for the project, to be published and distributed to DHS and all project contractors for their review. This Strategy will address a range of topics, such as overall verification approach, verification standards and procedures, build strategy, and others as described in Attachment H .	Approved Verification Strategy	1	1 month after the beginning of the start-up phase of the IV&V contract	
9.	Test Scenario Development	Prepare test scenarios that address the testable requirements and the build strategy, and which define specific business cases and test verification efforts for those cases.	Test Scenarios	O	Ongoing beginning within 1 month of completion of the Requirements Prioritization activity	
10.	Test Artifact Development and Execution	Develop and execute test runs, test cases and automated test scripts (if appropriate) to verify the intermediate and detailed testable requirements. Ensure that the test efforts and schedule are based on defined requirements priorities as well as Project risk.	Test Artifacts Execution results Defects Issues	O O O O	Ongoing, beginning within 1 month of the start of Test Scenario Development	
11.	Incident Management	Document and track changes, issues, defects and risks identified throughout the entire verification process, utilizing the Project's Enterprise Project Management facility for management of these items.	Documented changes, issues and defects Change estimates Updated Verification deliverables per Change Request	O	Ongoing	
12.	Test Automation	Present test execution automation scripts as deliverables from this effort, using Segue as the preferred test automation tool.	Automated test scripts Test data repository	O O	Ongoing, beginning within 3 months of the start of Test Scenario Development	
13.	Status Reporting	Provide DHS Project Management with weekly status reports clearly describing the state of the verification effort, and a monthly management report. Sample status report templates are provided in Attachments F and G to this RFP.	Weekly Status Reports	O	Ongoing	
14.	Review by DHS PM	Provide all project deliverables to DHS Project Management for review; and schedule and participate in regular review meetings for the project and for all deliverables.	Review Comments	O	Ongoing	
15.	Other Services	Due to the nature of the verification services to be provided, other specific responsibilities and attendant deliverables may be required within the scope of these services.	Various	O	Ongoing	

Attachment C - Validation Activities

Ref. #	Validation Activity	Detailed Description	Deliverable(s)	I / O	Planned Due Date	Bidder Cost Proposal
1.	Project Integration	Integrate all validation efforts into the overall project schedule, including participation in the definition of the incremental approach for the application builds with the DDI contractor(s) and verification effort. Define "super builds" (development builds or aggregates of development builds) that allow user acceptance testing to proceed) based on DD/verification builds.	Validation schedule linked to other project activities Build Strategy for Validation	1 1	1 month after the beginning of the start-up phase of all Project contracts	
2.	Validation WBS and Schedule	Develop and maintain a work breakdown structure and schedule for all validation efforts.	WBS Schedule	1 O	Within 1 month after the beginning of the start-up phase of the IV&V contract Ongoing	
3.	Risk Identification	Communication of business risks and issues to DHS and project contractors through the DHS Incident Management procedure and tool; and working with all parties to ensure that these risks and issues have been reflected in the overall project schedule and priorities.	Documented risks and mitigation approaches	1	1 month after the start of the start-up phase of the IV&V contract	
4.	Current MMIS Review	Review the completed operations and systems functions of the Medicaid program to determine the current and future requirements. The bidder will review the systems documentation, user manuals, Medicaid handbooks and interview Department of Human Services staff and the Information Technology Department (ITD) staff to gain a thorough understanding of the current programs and processes.	Documented review notes Issues	1 O	1 month after the start of the start-up phase of the IV&V contract Ongoing	
5.	Validation Strategy	Development of a Validation Strategy. The templates provided in described in Attachment H will be used as a starting point for the Validation Strategy.	Approved Validation Strategy	1	1 month after the start of the start-up phase of the IV&V contract	
6.	Test Artifact Development and Execution	Assistance to Medical Services in developing and executing the test cases required validating the business functions based on the requirements included in each "super build".	Test Artifacts Execution results Defects Issues	O O O O	1 month after the start of the start-up phase of the IV&V contract	
7.	Training Support	Training support to Medical Services in preparing the requisite materials for use in training the Medical Services staff in the use and operation of the new MMIS system.	Training Plan Training Materials	1 1	Weekly and Monthly Status Reports	
8.	Business Operations Review	Assistance to Medical Services in reviewing departmental policies, processes and procedures applicable to the use and operation of the new	Revised Medical Services Policies,	1	1 month after the signing of the contract	

Attachment C - Validation Activities

Ref. #	Validation Activity	Detailed Description	Deliverable(s)	I / O	Planned Due Date	Bidder Cost Proposal
		MMIS system; and implementing any needed changes to these items.	processes and procedures	O		
9.	Status Reporting	Provide DHS Project Management with weekly and monthly management status reports clearly describing the state of the validation effort. These status reports will be prepared and delivered separately from the status reports for the verification effort. Sample status report templates are provided in Attachments F and G .	Weekly status reports	O	Ongoing	
10.	Project Support	Provide all project deliverables to DHS Project Management for review; and schedule and participate in regular review meetings for the project and for all deliverables.	Reviewed deliverables Issues	O	Ongoing	
11.	Review by DHS PM	Provide all project deliverables to DHS Project Management for review; and schedule and participate in regular review meetings for the project and for all deliverables.	Review Comments	O	Ongoing	
12.	Certification Support	Assist in the definition, identification, collection and organization all pertinent documentation for the CMS Certification process. Coordinate DHS staff to meet specific CMS requirements. Provide direction to the DHS team during Certification visit to ensure that CMS needs are met.	Certification deliverables	1	Within 6 months of deployment	
13.	Other Services	Due to the nature of the validation services to be provided, other specific responsibilities and attendant deliverables may be required within the scope of these services.	Various	O	Ongoing	

Attachment D - Service Contract Template

The following pages present a sample Service Contract that would be modified per the scope of this RFP and signed by DHS and the contractor prior to commencement of work.

CONTRACT #

PURCHASE OF SERVICE AGREEMENT

WHEREAS, the State of North Dakota, acting through its North Dakota Department of Human Services, Information Technology Services (State), has determined the services referred to in the paragraph below entitled "Scope of Service" should be purchased; and

WHEREAS, _____, (Vendor) proposes to provide those services;

NOW, THEREFORE, the State and Vendor enter into the following:

A G R E E M E N T

I. TERM OF THE AGREEMENT

The term of this agreement will be from the ___ day of _____ 200__ through the ___ day of _____ 200__. However, this agreement may be terminated with or without cause by either party giving the other party thirty (30) days prior written notice.

II. SCOPE OF SERVICE

The Vendor agrees to provide:

III. COMPENSATION

DHS, upon written request of the Vendor, agrees to pay the Vendor \$_____ for completing the scope of service. Total payment under the terms of this agreement will not exceed \$_____. **Final payment requests will be submitted to the State no later than thirty (30) days after the expiration of this agreement.**

IV. VENDOR'S UNDERSTANDING OF TERM OF FUNDING

The Vendor understands that this agreement is a one-time agreement, and acknowledges that it has been furnished no assurances that this agreement may be extended for periods beyond its termination date.

V. VENDOR ASSURANCES

This agreement will be construed according to the laws of the State of North Dakota. In connection with the furnishing of supplies or performance of work under this agreement, persons who contract with or receive funds to provide services to the North Dakota Department of Human Services are obligated and agree to comply with all local, state and federal laws, regulations and executive orders related to the performance of this agreement including but not limited to the following: Fair Labor Standards Act, Equal Pay Act of 1963, Titles VI and VII of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act of 1990, the North Dakota Human Rights Act, and the Drug-free Workplace Act of 1988. Questions regarding the provision of services according to these Acts may be directed to Krista L. Andrews, Contract Officer, North Dakota Department of Human Services, Judicial Wing, State Capitol, 600 E. Boulevard, Bismarck, ND 58505 (701-328-2311 or 701-328-3975 TDD).

The Vendor certifies by signing this agreement that neither the Vendor, Subcontractor, nor their principals, are presently debarred, declared ineligible or voluntarily excluded from participation in transactions with the State or Federal Government by any Department or Agency of the Federal Government.

Vendor will be an approved vendor with the Office of Management and Budget within the State of North Dakota as required by NDCC § 54-44.4-09.

VI. AUTHORITY TO CONTRACT

The Vendor will not have the authority to contract for or on behalf of or incur obligations on behalf of the State. However, the Vendor may subcontract with qualified Vendors of services provided that any such subcontract will acknowledge the binding nature of this agreement, and incorporate this agreement, together with its attachments as appropriate. The Vendor agrees to be solely responsible for the performance of any subcontractor.

Attachment D - Service Contract Template

VII. INDEPENDENT ENTITY

The Vendor will perform as an independent entity under this agreement. The Vendor, its employees, agents, or representatives are not employees of the State for all purposes, including but not limited to, the application of the Social Security Act, the Fair Labor Standards Act, the Federal Insurance Contribution Act, the Federal Unemployment Act, the North Dakota Unemployment Compensation Law, and the North Dakota Workers' Compensation Act. No part of this agreement will be construed to represent the creation of an employer/employee relationship. The Vendor will retain sole and absolute discretion in the judgment of the manner and means of carrying out the Vendor's activities and responsibilities under this agreement.

VIII. NONPERFORMANCE

Failure by the Vendor to perform the terms of this agreement will constitute a breach of contract, and will result in the immediate termination of the agreement. In the event of a termination for breach by the Vendor, the State may retain, as liquidated damages, any payment to be made under this agreement which remains unpaid at the time of the breach, and may also recover from the Vendor, those amounts already paid for individual items of work which are incomplete at the time of the breach.

However, should a breach by the Vendor be caused by circumstances, beyond the control of the Vendor, and no fault of its own, so as to render the agreement impossible of performance by the Vendor, then the agreement will be terminated. In the event of a breach, by the Vendor, in such circumstances, the State may set off, against any liability or obligations owed to the Vendor, under this agreement or otherwise, any amounts paid for individual items of work which are incomplete at the time of the breach, but will not be entitled to liquidated damages.

DHS will give written notice, to the Vendor, of the termination, which notice will specify the effective date thereof.

IX. TERMINATION OF AGREEMENT FOR INADEQUACY OF FUNDS

It is agreed that in the event appropriations to DHS are not obtained and continued at a level sufficient to allow for payments to the Vendor, for the services identified in Paragraph II, the obligations of each party hereunder may be terminated at the option of the State, provided that any such termination will be without prejudice to any obligations or liabilities of either party already accrued prior to such termination.

X. INDEMNITY

Vendor agrees to defend, indemnify, and hold harmless the State of North Dakota, its agencies, officers and employees (North Dakota), from any and all claims of any nature, including all costs, expenses, and attorneys' fees, which may in any manner result from or arise out of this agreement, except for claims resulting from or arising out of North Dakota's sole negligence. The legal defense provided by Vendor to North Dakota under this provision must be free of any conflicts of interest, even if retention of separate legal counsel for North Dakota is necessary. Vendor also agrees to defend, indemnify, and hold North Dakota harmless for all costs, expenses, and attorneys' fees incurred in establishing and litigating the indemnification coverage provided herein. This obligation will continue after termination of this agreement.

XI. INSURANCE

A. **Required Coverages.** Vendor will secure and keep in force during the term of this agreement, from insurance companies authorized to do business in North Dakota, the following insurance coverages covering the Vendor for any and all claims of any nature which may in any manner arise out of or result from this agreement:

- 1) Commercial general liability, including contractual coverage, with minimum liability limits of \$250,000 per person and \$1,000,000 per occurrence.
- 2) Professional errors and omissions including a three (3) year "tail coverage endorsement," with minimum liability limits of \$1,000,000 per occurrence and in

Attachment D - Service Contract Template

the aggregate. In the alternative to obtaining the tail coverage endorsement, Vendor agrees to continue the insurance in place a minimum of three (3) years following completion of the work specified in this agreement.

- 3) Automobile liability, with minimum liability limits of \$250,000 per person and \$500,000 per occurrence.
- 4) Workers' compensation coverage meeting all North Dakota statutory requirements.

B. General Insurance Requirements. The insurance coverages listed above must meet the following additional requirements:

- 1) Any deductible or self-insured retention amount or other similar obligation under the policies will be the sole responsibility of the Vendor. The amount of any deductible or self-retention is subject to approval by the State.
- 2) This insurance may be in policy or policies of insurance, primary and excess, including the so-called umbrella or catastrophe form, and must be placed with insurers rated "A" or better by A.M. Best Company, Inc., provided any excess policy follows form for coverage. The policies will be in form and terms approved by the State. "Follows form" means the excess policy must be written with the same terms and conditions as the policy to which it is excess.
- 3) North Dakota will be defended, indemnified, and held harmless to the full extent of any coverage actually secured by the Vendor in excess of the minimum requirements set forth above. The duty to indemnify North Dakota under this agreement will be not be limited by the insurance required in this agreement.
- 4) North Dakota will be endorsed on the commercial general liability policy, including any excess policies (to the extent applicable), as additional insureds. North Dakota will have all the rights and coverages as Vendor under said policies. The additional insured endorsement for the commercial general liability policy will be written on a form equivalent to the ISO 1985 CG 20 10 form, or such other form as approved by North Dakota, and will not limit or delete North Dakota's coverage in any way based upon North Dakota's acts or omissions.
- 5) The insurance required in this agreement, through a policy to endorsement, will include:
 - a) a "Waiver of Subrogation" waiving any right of recovery the insurance company may have against North Dakota;
 - b) a provision that the policy and endorsements may not be canceled or modified without thirty (30) days' prior written notice to the undersigned State representative;
 - c) a provision that any attorney who represents North Dakota under this policy must first qualify as and be appointed by the North Dakota Attorney General as a Special Assistant Attorney General as required by N.D.C.C. § 54-12-08;
 - d) a provision that Vendor's insurance coverage will be primary (*i.e.*, pay first) as respects any insurance, self-insurance or self-retention maintained by North Dakota and that any insurance, self-insurance or self-retention maintained by North Dakota will be excess of the Vendor's insurance and will not contribute with it;
 - e) cross-liability/severability of interest coverage for all policies and endorsements.
- 6) The legal defense provided to North Dakota under the policy and any endorsements must be free of any conflicts of interest, even if retention of separate legal counsel for North Dakota is necessary.
- 7) Vendor will furnish a certificate of insurance and, if requested, a copy of the insurance policy and all its endorsements, including the additional insured

Attachment D - Service Contract Template

endorsement, to the undersigned State representative prior to commencement of this agreement.

- 8) Failure to provide insurance as required in this section is a material breach of contract entitling State to terminate this contract at any time effective upon delivery of notice to the Vendor.

XII. ACCESS TO BOOKS AND RECORDS

DHS, federal government, and their duly authorized representatives will have access to the books, documents, papers, and records of the Vendor which are pertinent to the services provided under this agreement for the purpose of making an IV&V, examination, or making excerpts and transcripts. This documentation will be available for a period of three (3) years from the date of submission of the final expenditures report.

XIII. NOTICE

Any notice required or permitted to be given pursuant to this agreement may be personally served on either party by the party giving such notice, or may be served by certified mail, return receipt requested, addressed to the executive office of the party upon whom service is made.

XIV. INTEGRATION, MERGER, AND MODIFICATION

This Contract constitutes the entire agreement between the parties. There are no understandings, agreements, or representations, oral or written, not specified within this Contract. This contract may not be modified, supplemented or amended, in any manner, except by written agreement signed by both parties.

This contract may not be modified, supplemented or amended, in any manner, except by written agreement signed by both parties.

XV. CONFLICT IN DOCUMENTS

Notwithstanding anything herein to the contrary, in the event of any inconsistency or conflict among the documents making up this Contract, the documents must control in this order of precedence: First – the terms of this Contract, as may be amended; Second - the State's Request for Proposal number ___ dated _____, ____, 200__; and Third - the CONTRACTOR's Proposal.

XVI. COLLATERAL CONTRACTS

Where there exists any inconsistency between this agreement and other provisions of collateral contractual agreements which are made a part of this agreement by reference or otherwise, the provisions of this agreement will control.

XVII. APPLICABLE LAW

This agreement will be governed by and construed in accordance with the laws of the State of North Dakota.

XVIII. ASSIGNMENT

Neither Party will assign this agreement and rights without the written approval of the other Party. Such approval will not be unreasonably withheld. This agreement will be equally binding on the respective Parties, their successors and assigns.

XIX. CONFIDENTIAL INFORMATION

The Vendor agrees not to use or disclose any information it receives from the State under this agreement that is confidential or exempt from mandatory public disclosure except as necessary to carry out the purposes of this agreement or as authorized in advance by the State. DHS agrees not to disclose any information it receives from the Vendor which the Vendor has previously identified as confidential and which the State determines in its sole discretion is protected from mandatory public disclosure under a specific exception to the North Dakota open records law, North Dakota Century Code §

Attachment D - Service Contract Template

44-04-18. The duty of the State and the Vendor to maintain confidentiality of information under this section continues beyond the term of this agreement, including any extensions or renewals.

XX. OWNERSHIP OF WORK PRODUCT

All work product, equipment or materials created or purchased under this agreement belong to the State and must be delivered to State at State's request upon termination of this agreement. Vendor agrees that all materials prepared under this agreement are "works for hire" within the meaning of copyright laws of the United States and assigns to the State all rights and interests Vendor may have in the materials it prepares under this agreement, including any right to derivative use of the material. Vendor will execute all necessary documents to enable the State to protect its rights under this section. Use of work product or materials for purposes other than the scope of this agreement must be approved in writing by the State.

XXI. COMPLIANCE WITH PUBLIC RECORDS LAWS

Vendor understands that, except for disclosures prohibited in Section XIX, the Vendor must disclose to the public upon request any records it receives from Vendor. Vendor further understands that any records which are obtained or generated by the Vendor under this agreement, except for records that are confidential under Section XIX, may, under certain circumstances, be open to the public upon request under the North Dakota open records law. Vendor agrees to contact the State immediately upon receiving a request for information under the open records law and to comply with the State's instructions on how to respond to the request.

XXII. ATTORNEY FEES

In the event a lawsuit is instituted by the State to obtain performance due to any kind under this agreement, and the State is the prevailing party, State will, except when prohibited by N.D.C.C. § 28-26-04, pay the State's reasonable attorney fees and costs in connection with the lawsuit.

XXIII. ALTERNATIVE DISPUTE RESOLUTION – JURY TRIAL

DHS does not agree to any form of binding arbitration, mediation, or other forms of mandatory alternative dispute resolution. The parties have the right to enforce their rights and remedies in judicial proceedings. DHS does not waive any right to a jury trial.

VENDOR

By _____ DATE

(TITLE)

Vendor's Federal Identification Number

STATE OF NORTH DAKOTA
NORTH DAKOTA DEPARTMENT OF HUMAN SERVICES

By _____ DATE
CAROL K. OLSON
EXECUTIVE DIRECTOR

By _____ DATE
JENNIFER WITHAM, DIRECTOR
INFORMATION TECHNOLOGY SERVICES

By _____ DATE
KRISTA L. ANDREWS
CONTRACT OFFICER

Attachment E - Certification Of HIPAA Compliance

REGARDING HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 COMPLIANCE

This certification is required for compliance with the requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

The undersigned Vendor certifies and agrees as to abide by the following:

1. **Protected Health Information.** For purposes of this Certification, Protected Health Information will have the same meaning as the term “protected health information” in 45 C.F.R. § 164.501, limited to the information created or received by the Vendor from or on behalf of DHS.
2. **Limits on Use and Disclosure of Protected Health Information.** The Vendor will not use or disclose Protected Health Information other than as permitted by this Contract or by federal and state law. The Vendor will use appropriate safeguards to prevent the use or disclosure of Protected Health Information for any purpose not in conformity with this Contract and federal and state law. The Vendor will not divulge, disclose, or communicate Protected Health Information to any third party for any purpose not in conformity with this contract without prior written approval from DHS. The Vendor will report to DHS, within ten (10) business days of discovery, any use or disclosure of Protected Health Information not provided for in this Contract of which the Vendor is aware. A violation of this paragraph will be a material violation of this Contract.
3. **Use and Disclosure of Information for Management, Administration, and Legal Responsibilities.** The Vendor is permitted to use and disclose Protected Health Information received from DHS for the proper management and administration of the Vendor or to carry out the legal responsibilities of the Vendor, in accordance with 45 C.F.R. 164.504(e)(4). Such disclosure is only permissible where required by law, or where the Vendor obtains reasonable assurances from the person to whom the Protected Health Information is disclosed that: (1) the Protected Health Information will be held confidentially, (2) the Protected Health Information will be used or further disclosed only as required by law or for the purposes for which it was disclosed to the person, and (3) the person notifies the Vendor of any instance of which it is aware in which the confidentiality of the Protected Health Information has been breached.
4. **Disclosure to Agents.** The Vendor agrees to enter into an agreement with any agent, including a subcontractor, to whom it provides Protected Health Information received from, or created or received by the Vendor on behalf of, DHS. Such agreement will contain the same terms, conditions, and restrictions that apply to the Vendor with respect to Protected Health Information.
5. **Access to Information.** The Vendor will make Protected Health Information available in accordance with federal and state law, including providing a right of access to persons who are the subjects of the Protected Health Information.
6. **Amendment and Incorporation of Amendments.** The Vendor will make Protected Health Information available for amendment and to incorporate any amendments to the Protected Health Information in accordance with 45 C.F.R. § 164.526.
7. **Accounting for Disclosures.** The Vendor will make Protected Health Information available as required to provide an accounting of disclosures in accordance with 45 C.F.R. § 164.528. The Vendor will document all disclosures of Protected Health Information as needed for DHS to respond to a request for an accounting of disclosures in accordance with 45 C.F.R. § 164.528.
8. **Access to Books and Records.** The Vendor will make its internal practices, books, and records relating to the use and disclosure of Protected Health Information received from, or created or received by the Vendor on behalf of DHS, available to the Secretary of DHS of Health and Human Services or the Secretary’s designee for purposes of determining compliance with DHS of Health and Human Services Privacy Regulations.

Attachment E - Certification Of HIPAA Compliance

9. Termination. At the termination of this contract, the Vendor will return all Protected Health Information that the Vendor still maintains in any form, including any copies or hybrid or merged databases made by the Vendor; or with prior written approval of DHS, the Protected Health Information may be destroyed by the Vendor after its use. If the Protected Health Information is destroyed pursuant to DHS' prior written approval, the Vendor must provide a written confirmation of such destruction to DHS. If return or destruction of the Protected Health Information is determined not feasible by DHS, the Vendor agrees to protect the Protected Health Information and treat it as strictly confidential.

CERTIFICATION

The Vendor has caused this Certification to be signed and delivered by its duly authorized representative, as of the date set forth below.

Vendor Name:

Signature Date

Name and Title of Authorized Signer

Attachment F – Preliminary Weekly Status Report Template

The following headings and descriptive paragraphs define the minimum information to be provided in each weekly status report to the DHS Project Office. Additional information, such as supporting documentation (*e.g.* a short log of open issues) may be included and/or attached to the status report. Other information is also required in addition to the report itself, as noted in the Project Plan. The DHS PO may request additional information from specific teams or in response to Project situations. Finally, DHS will provide the specific format to be used upon commencement of the Project.

Variances and Contingencies

This section includes a brief description of all variances (plan estimates not met – favorable and unfavorable) and contingencies (unplanned events affecting Project schedule and budget) that occurred this period. The author must include a summary of the efforts that have been or will be taken to remediate the effects of each variance or contingency.

Completed This Period

This section will report a summary of the critical tasks, activities and milestones completed this period (planned or otherwise).

Estimated Completion Next Period

This section will provide a summary of the critical tasks, activities and milestones to be completed in the next reporting period.

Issues

This section notes the most critical issues that arose, as well as critical issues that were resolved, in this reporting period. This is ***not*** a replacement for the Issue Management process, simply a summary of the issues that most directly affect the schedule and budget for the Project.

Management Intervention Required

This section defines any specific intervention required by the DHS Program Director, stakeholders, or the Steering Committee. Again, this is ***not*** a replacement for the Issue Management process, simply a summary of expectations by the team for management intervention.

Cost Summary

A summary of the actual hours and dollar costs expended in the IV&V effort to date compared to budgeted hours and dollar costs for the same period.

Attachment G – Preliminary Monthly Management Report Template

Each vendor will provide a monthly status report to the DHS Medicaid Systems Project Office. In general, the content will be similar to that of the weekly report, with additional summary schedule and EVMS information. Additional information, such as supporting documentation (*e.g.* a short log of open issues) may be included and/or attached to the status report. Other information is also required in addition to the report itself, as noted in the Project Plan. The Project Office may request additional information from specific teams or in response to Project situations. Finally, the DHS Medicaid Systems Project Program Director will provide the specific format to be used upon commencement of the Project.

Attachment H – Sample Strategy Template

Introduction

The Introduction to the Strategy provides the reader with the objectives, scope and format of the Strategy document itself to improve the readers' comprehension of the Strategy.

Validation and Testing Strategy

The Validation and Testing Strategy section provides definition for a series of topics addressing high-level Strategy issues. All of the Strategy topics will be adapted to the specific Project mission, structure, organization and processes to provide the most effective and integrated testing effort for the Project.

Objectives and Benefits

This section documents the specific objective of the validation and testing effort, an objective such as “finding defects” as opposed to a simple “proof” of features or a demonstration of “correctness”. This section may also include a description of the expected benefits from using the specified testing approach.

Although this topic may often appear unnecessary, the presentation of this information to the entire Project team actually ensures that all Project participants understand and are working toward the same quality objectives. This in turn eliminates “surprises” to those responsible for implementation as the testing effort begins.

Roles and Responsibilities

This section describes, in clear and concise language, the definitions of the roles and responsibilities for validation and testing for each Project participant.

This section defines the general role for each Project participant in meeting the testing objectives; and the responsibilities that each participant has in achieving the success for the testing specifically and the Project in general.

Incremental Implementation and Validation/Testing

This section documents the preliminary assessment of the high-level requirements, and their relative risk levels, priorities, and critical functions. This information in turn is used to establish the strategy for developing, validating and testing the Project in small, easily managed increments based on some defined criteria, usually Project or corporate risk factors.

This topic provides for the definition of design, development, validation and testing increments. This documented incremental approach provides for tight integration of all Project efforts for maximum effectiveness and cooperation between and among the various implementation and validation/ testing efforts.

Coverage Strategy

Coverage is the relationship between objects produced during a Project, and the efforts used to ensure that these objects are adequately and appropriately developed and validated. This

Attachment H – Sample Strategy Template

section of the Strategy defines the coverage strategy through which all verifiable Project objects are validated, including a description of the process required to evaluate any deviations from that coverage strategy on an on-going basis.

Verifiable objects in a software Project may include such diverse items as functional and usability requirements, use cases, business scenarios, the technical infrastructure, design specifications, software components, *et al.*

Quality Assurance

The role of any Quality Assurance (QA) effort is to ensure that the risks to any Project have been identified and effectively addressed. The Strategy will address the role QA will play specifically within the validation and testing effort, including testing training, development of standards and procedures, reviews of test deliverables, and related QA issues.

Test Management

Every testing effort must be directed toward a specific objective, and managed through the course of testing to ensure achievement of that objective. This section therefore addresses the approach used to achieve the testing objectives, and the specific monitoring activities that will be included to ensure successful completion of the testing effort(s).

These monitoring efforts may include the development of and management to the validation and testing work plan; validation and testing deliverables; a metrics program to capture and report critical testing information; *etc.*

Quality Measurements and Metrics

Effective management and control of the testing effort requires the specification for well-defined measurements and metrics within the Project.

For the validation and testing Strategy, this will include a definition of the critical metrics set required for the Project, *i.e.*, the metrics required to ensure that the overall effort remains on track and in sync with the business needs.

This definition will also include

- The source of the measurement and metric information, *e.g.* testable requirements, defect repositories, and others;
- The distribution of the metrics as information to the appropriate levels of Project management, *e.g.* defect levels, trends and distributions, results of corrective actions, and so on; and
- The frequency and manner in which the metrics will be distributed, *e.g.* reports, graphs, *etc.*, and weekly, semi-monthly, monthly, *etc.*

Quality Control Levels

Industry research has indicated that successful IT Projects have significantly more quality control levels (often referred to as “test levels”) than do less successful Projects. The Strategy will therefore address the quality control levels required and defined for a Project.

Attachment H – Sample Strategy Template

Test Environments

Testing environment requirements need to be defined for each test level; that is, what facilities, network domains, hardware and software, test data sources, *etc.*, are required to support the testing for each test level.

The Strategy will also address the establishment of one test environment for each of the major defined test levels, and the support requirements for each environment. Note that for higher test levels, *e.g.*, system, user acceptance, *et al.* test levels, the environments must be configured as much like the planned production test environment as possible.

Standards and Procedures

This section provides for formalized definitions of the validation and testing-related standards and procedures.

Testing Staff Plan

This section addresses the requirement for specific types of testing staff resources, from Test Manager through testing technician, and related support staff, as required. The staff plan must take into account the dynamic nature of testing from the early stages of the Project through rollout and transfer of testing to a maintenance, regression testing role.

Test Tools

This topic identifies and describes the tools required within a specific testing environment, *i.e.*, at each specified test level. The validation and testing tool kit can be broken down into the following categories.

Process Support Tools

The specific tools used to automate the various control processes, including Requirements Management, as well as the management of issues and defects; and the control of the versions and configurations of all Project deliverables.

Requirements Management Tools

Tools for cataloging and managing the definition of the various functional needs for the system, *e.g.* requirements for business functions, usability, performance, security, operability, inter-connectivity, and related subjects.

Testing Management and Execution Tools

Tools for identifying and controlling the scope of the testing effort, as well as for providing *ad hoc* and formal reporting of the status of any given test effort.

Attachment I – Preliminary Project Schedule

The following is a preliminary schedule for the overall Medicaid Systems Project. This schedule is subject to change based on planning efforts during the Start-Up Phase of this Project.

