

**SEALED BID**  
**REQUEST FOR PROPOSALS**

**AGENCY OF HUMAN SERVICES**

**Bid Title:**

**EVALUATION OF “GLOBAL COMMITMENT TO HEALTH” WAIVER**

**RFP Issued: March 17, 2008**

**Proposals Due: April 28, 2008**

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## SECTION 1: INTRODUCTION

This document is a request by the Vermont Agency of Human Services (AHS) for proposals from qualified entities to conduct an evaluation of the “Global Commitment to Health” Waiver. An award anticipated to range between \$100,000 and \$200,000 is available for a two-year period beginning June 30, 2008. The evaluation will answer four fundamental questions:

1. To what degree did the demonstration achieve its purposes, aims, objectives, goals, and quantified performance targets?
2. What lessons were learned as a result of the demonstration? What would the state recommend to other states which may be interested in implementing a similar demonstration?
3. In what ways, and to what extent, were outcomes for enrollees, providers, and payers changed as a result of the demonstration?
4. Did the reallocation of resources in the demonstration generate greater “value” for the state’s program expenditures?

While many of the above questions cannot be answered until the end of the demonstration period, the evaluation plan includes on-going information on the incremental progress of the demonstration. The State intends to use the results of the evaluation to inform its future policy decisions with respect to the evolution of its healthcare system and policy planning efforts.

RFP guidelines are outlined in Section Two, statement of work to be performed is discussed in Section Three, structure of the proposal is discussed in Section Four, the AHS responsibilities are outlined in Section Five, and the process for evaluating and selecting among submitted proposals is discussed in Section Six.

### 1.1 General Information

On September 30, 2005, the Vermont Legislature, through its Joint Fiscal Committee, granted conditional approval for the State to begin implementation of the Global Commitment to Health Demonstration Program. The Legislature gave full approval for participation on the waiver on December 13, 2005. The Global Commitment to Health is a Demonstration Initiative operated under the Section 1115(a) waiver and now encompasses all of Vermont’s Medicaid programs with the exception of the Long Term Care Waiver, the State Children’s Health Insurance Program and the Disproportionate Hospital Payments. The goals of the waiver are the following:

- Increase access to care
- Contain cost of care
- Enhance quality of care

In October 1, 2005, the Centers for Medicare and Medicaid Services (CMS) approved Vermont’s *Global Commitment to Health* Section 1115 Medicaid Waiver Demonstration (here-to-fore referred to as the *Global Commitment to Health*). The *Global Commitment* is administered by the Office of Vermont Health Access (OVHA) which serves as the public Managed Care Organization (Public MCO) for all enrollees under the *Global Commitment to Health*, with the exception of those covered under the Long Term Care Waiver, the State Children’s Health Insurance Program, and the

Disproportionate Share Hospital Payments. The federally approved waiver and corresponding changes in Vermont state statute changed the administrative structures of State government so as to designate OVHA as the country's only statewide "public" Managed Care Organization. OVHA has intergovernmental agreements with various AHS Departments to provide programs and services to the Medicaid population. AHS, as the single state agency, provides oversight of OVHA in that capacity.

## **1.2 Medicaid in Vermont**

The Medicaid program in Vermont provides medical assistance to approximately 146,000 clients, representing public health insurance programs for nearly one-in-four Vermonters. About 95,000 persons participate in traditional Medicaid programs. In addition, the *Global Commitment to Health* includes the Community Rehabilitation and Treatment (CRT) program, and the Vermont Health Access Plan (VHAP) (Medicaid managed care for adults) and VHAP-Pharmacy/Vscript (prescription benefit) programs. The CRT program provides services for about 3,600 Vermonters with serious mental health illnesses. There are about 36,000 persons enrolled in VHAP and VHAP-Pharmacy/VScript. Most enrollees in VHAP participate in the Temporary Assistance to Needy Families program or in the Aged, Blind & Disabled program. The majority of traditional Medicaid members are children and families. The *Global Commitment* evaluation is limited to the Medicaid portion of the program, but an understanding of the entire *Global Commitment to Health* will be required in order to perform accurate reviews.

Other information regarding the MCO can be found at the OVHA website:

<http://www.ovha.state.vt.us/>

### **1.2.1 Summary of Medicaid Operations**

#### **1.2.1.1 General**

The budget neutrality ceiling agreed to in the terms and conditions of the 1115 waiver for the Vermont Medicaid program budget is \$4.7 billion over the course of the five-year waiver. Approximately 60% of this money comes from the federal sources and approximately 40% comes from the state's general fund. OVHA has over 100 employees in its Williston, Vermont, location.

Under the *Global Commitment to Health*, the State of Vermont is adopting a health care financing and delivery model that addresses the complex and varying needs of its beneficiaries and which can be modified quickly in response to changing demographic and economic circumstances. To operate this model, OVHA is adopting several approaches, including directly administering programs, and adopting intergovernmental agreements with AHS and its departments and divisions that either provide direct services to the Medicaid population or contract with community based service providers throughout the state.

#### **1.2.1.2 Eligibility**

All individuals eligible for the State of Vermont's public insurance programs (Medicaid and VHAP), excluding those enrolled solely in the Vermont Long-Term Care (LTC) Waiver, are enrolled in the *Global Commitment to Health* Waiver. Eligibility and enrollment are therefore synonymous for the

purpose of this RFP. There are approximately 150,000 beneficiaries served each year.

OVHA shall also be responsible for assisting the Economic Services Division (ESD) with the collection of information necessary for determination of eligibility for individuals who may not be eligible for the public insurance programs. Initial eligibility determination for these individuals may be delegated to other departments within AHS [e.g., Department of Disabilities, Aging and Independent Living (DAIL), Department of Health (VDH), and Department for Children and Families (DCF)].

OVHA shall not discriminate, or use any policy or practice that has the effect of discriminating, against any individual's eligibility to enroll on the basis of race, color, religion, disability, sexual orientation or national origin. OVHA, the delegated AHS departments and providers will accept and serve all individuals eligible for, and enrolled in, the *Global Commitment to Health Waiver*.

#### 1.2.1.3 Services

The *Global Commitment to Health Waiver* includes a comprehensive health care services benefit package. The covered services will include all services that AHS requires be made available through its public insurance programs to enrollees in the *Global Commitment to Health Waiver* including all State of Vermont plan services in the following categories:

- Acute health care services
- Preventative health services
- Behavioral health services, including substance abuse treatment
- Specialized mental health services for adults and children as defined by state statute
- Developmental services as defined by state statute
- Pharmacy services
- School-based services as defined by Individual Educational Plans (IEPs)

The monthly capitation amount paid by AHS to OVHA, as the public MCO includes payment for all Medicaid services provided to enrollees in the *Global Commitment to Health Waiver*.

#### 1.2.1.4 Service Delivery

The State contracts with the public Managed Care Organization, OVHA, to provide care for clients at an established premium rate. The public MCO operates through intergovernmental agreements with AHS Departments, Divisions and community partners, and contracts with vendors for the provision of care and operation and administration of the program. Medical services are provided using Fee-for-Service and Primary Care Case Management models. The Primary Care Case Management program is known as ***Primary Care Plus***. Primary care physicians participating in ***Primary Care Plus*** receive a monthly case management fee in addition to their regular reimbursement. The MCO contracts with a network administrator who manages the provider contracts, an enrollment broker, a pharmacy benefit manager, and a disease management contractor.

## **SECTION 2: RFP GUIDELINES**

### **2.1 ADMINISTRATION OF RFP**

#### **2.1.1 Issuing Agency**

This request for Proposals is being issued by the State of Vermont, Agency of Human Services.

#### **2.1.2 Point of Contact**

All questions regarding this RFP should be submitted or directed to:

David Murphey, Senior Policy Analyst  
Agency of Human Services  
103 South Main Street  
Waterbury, VT 05671-0203  
Telephone: (802) 241-2238  
Fax: (802) 241-4461  
E-mail: david.murphey@ahs.state.vt.us

The AHS is the primary point of contact for all bidders from the date of release of the RFP until the contract is fully executed and signed. Any attempt by a bidder to contact any State employees regarding this procurement, other than under those conditions identified in Subsection 2.3.1, may cause rejection of a bid submitted by that party.

#### **2.1.3 Reference Documents**

In addition to the Request for Proposal for the Evaluation of “Global Commitment to Health,” numerous reference documents have been assembled for review. These reference document materials are available through the following web site: <http://ovha.vermont.gov/global-commitment-to-health>

The following reference materials pertain to the State of Vermont *Global Commitment to Health* program agreements and administration:

- AHS – OVHA Intergovernmental Agreement October 2006 (amended 6/20/07)
- CMS has published a technical assistance guide for states that are evaluating demonstration projects: [www.cms.hhs.gov/MedicaidSCHIPQualPrac/Downloads/evaldemo2.pdf](http://www.cms.hhs.gov/MedicaidSCHIPQualPrac/Downloads/evaldemo2.pdf)

All possible effort has been made to ensure that the reference materials are complete and current. However, the State of Vermont does not warrant that the information is, indeed, complete or current at the time of the viewing. The requirements specified in this RFP shall take precedence over any conflicting reference documentation materials.

### **2.2 PROCUREMENT PROCESS**

### **2.2.1 Legal Basis**

The procurement process for this RFP will be conducted in accordance with the federal regulations contained in 45 CFR 74, and applicable procurement policies and procedures established by the State.

### **2.2.2 RFP Issuance and Amendments**

The State reserves the right to amend the RFP at any time prior to the proposal due date by issuing written addenda. Answers to questions will be considered an addendum to the RFP.

### **2.2.3 Procurement Protest**

Any party who contends to be adversely affected by the RFP or the rules of procurement must file a written notice of protest with the State within five (5) business days of the mailing of the State's responses to bidders' questions. A decision shall be rendered by the Secretary of the Agency of Human Services (or designee) by the end of the 10th business day from receipt of this notice under normal and usual conditions.

### **2.2.4 Proposal Amendments and Rules for Withdrawal**

Bidders are allowed to make amendments to their proposals if the change is submitted by the proposal due date following the conditions outlined in Subsection 4.1. The submission should be clearly labeled as "Amendment to Proposal". The State will not accept any amendments, revisions, or alterations to proposals after the proposal due date.

Prior to the proposal due date, a submitted proposal may be withdrawn by submitting a written request to the AHS for its withdrawal that is signed by the bidder's authorized agent.

### **2.2.5 Acceptance of Proposals**

The State will accept receipt of all proposals properly submitted. After receipt of proposals, the State reserves the right to sign a contract, without negotiation, based on the terms, conditions, and premises of the RFP and the proposal of the selected bidder. Proposals must be responsive to all requirements in the RFP in order to be considered for contract award. The proposal and its conditions must remain valid for six (6) months from the date of proposal submission.

The State reserves the right to waive minor irregularities in proposals, providing such action is in the best interest of the state. Such waiver shall in no way modify the RFP requirements or excuse the bidder from full compliance with RFP specifications and other contract requirements if the bidder is awarded the contract.

The State also reserves the right to request proposal clarification or correction, reject any or all proposals received, or cancel the RFP, according to the best interest of the State.

### **2.2.6 Contract Award Notice**

Unsuccessful bidders will be notified by mail upon the completion of contract negotiation with the successful bidder.

## **2.3 RULES OF PROCUREMENT**

The rules in the following subsections have been established to facilitate procurement.

### **2.3.1 Restrictions on Communications With State Staff**

From the issue date of this RFP until a Contractor is selected and the selection is announced, bidders are not allowed to communicate with any State staff, or the MCO contractors, regarding this procurement, except:

- AHS Point of Contact person named in Subsection 2.1.2,
- State staff during the Bidders Conference.

The State shall reserve the right to reject the proposal if this provision is violated.

### **2.3.2 Cost of Preparing Proposals**

All costs incurred by the bidders during the preparation of their proposals and for other procurement-related activities will be the sole responsibility of the bidders. The State will not reimburse the bidders for any such costs.

### **2.3.3 Vermont Tax ID Number**

A Vermont business account tax number is required for the Contractors if the Contractor is a corporation or if the Contractor, under whatever form of business, has employees who are subject to Federal income tax withholding and who perform their services within the State of Vermont. Contracts cannot be executed without a Vermont Tax ID. Bidders are not required to have a Vermont Tax ID at the time proposals are submitted.

### **2.3.4 Disposition of Proposals & Proprietary Material**

The successful proposal may be incorporated into the resulting contract and will be a matter of public record.

All material submitted by bidders becomes the property of the State of Vermont, which is under no obligation to return any material submitted by a bidder in response to this RFP. The State shall have the right to use all systems concepts, or adaptations of those ideas, contained in any proposal, and this right will not be affected by selection or rejection of the proposal.

### **2.3.5 Freedom of Information and Privacy Act**

Bidders should be aware that all materials associated with the procurement are subject to the terms of the Freedom of Information Act and Vermont's Access to Public Records laws, the Privacy Act, and all rules, regulations, and interpretations of these Acts, including those from the offices of the Attorney General of the United States, Health and Human Services, Centers for Medicare and Medicaid Services, and the State of Vermont.

By submission of a proposal, the bidder agrees that the federal Privacy Act of 1974 (Public Law 93-380), and the regulations and general instructions issued pursuant thereto, are applicable to this contract, and to all subcontracts hereunder.

If the proposal includes material which is considered by the bidder to be proprietary and confidential under Vermont law (**1 VSA, Chapter 5, § 316 - 320**), the bidder shall clearly designate, in the transmittal letter, the material as such, explaining why such material should be considered confidential. The bidder must identify each page or section of the proposal that it believes is proprietary and confidential with sufficient grounds to justify each exemption from release, including the prospective harm to the competitive position of the bidder if the identified material were to be released.

### **2.3.6 Use of Subcontractors**

The prime Contractor will be responsible for all the work to be performed under this contract. Bidders must identify proposed subcontractors in their proposals. At minimum, the identification shall include name address and scope of work to be performed by such subcontractors and the estimated percentage of the total work effort included in each subcontract without reference to price.

### **2.3.7 Utilization of Small Business, Minority, and Woman-Owned Concerns**

The State of Vermont and the Agency of Human Services attempt to ensure that a fair portion of the purchases and contracts for supplies and services for the government is placed with small business concerns. By the submission of a proposal, the bidder agrees to make reasonable efforts to subcontract with small business, minority, and woman-owned concerns, consistent with the efficient performance of this contract.

## **2.4 Procurement Activities**

### 2.4.1 Procurement Schedule

The following timetable lists the key activities within the procurement process:

RFP Issued	March 17, 2008
Submission of Letter of Intent to Bid	April 2, 2008, 4:00 PM EDT
Closing date for submission of written questions	April 2, 2008, 4:00 PM EDT
Bidders Conference to review written questions	April 9, 2008, 2 PM – 3 PM EDT
Responses to written questions posted	April 14, 2008
Closing Date for receipt of proposals	April 28, 2008, 4:00 PM EDT
Public Bid Opening	May 1, 2008 at 10:00 AM EDT
Proposal Evaluation Process	May 1 – May 30, 2008
Oral Presentations, If Required	May 27 – 30, 2008
Process of Contract Review and Approvals	June 1 – 15, 2008
Notify Apparently Successful Bidder	June 16, 2008
Final Contract Completion	June 16, 2008
Notify Unsuccessful Bidders	June 20, 2008
Contract Begin Date	June 30, 2008

### 2.4.2 Letter of Intent to Bid

AHS will accept bids only from vendors who submit a Letter of Intent to Bid on the AHS Evaluation of *Global Commitment to Health Waiver* RFP. Letters should include the Bid Title and Project Manager's name. Only those prospective bidders who have submitted a letter of intent will receive subsequent mailings related to the RFP.

**Letters of Intent to Bid must be received on April 2, 2008 by 4:00 P.M. EDT.**

Vendors should retain any form of confirmation that the letter was delivered prior to April 2, 2008 at 4:00 P.M. EDT. The method of delivery is at the discretion of the bidder and is at the bidders risk as to timeliness and compliance.

Letters of Intent to Bid shall be:

**Mailed to:**

David Murphey  
GC Evaluation RFP  
Agency of Human Services  
103 South Main Street  
Waterbury, VT 05671-0203

**Delivered to:**

David Murphey  
GC Evaluation RFP  
Agency of Human Services  
103 South Main Street  
Waterbury, VT 05671-0203  
Secretary's Office, Building 5 North

### 2.4.3 Bidders Conference

An optional bidders conference will be held in the following location:

AHS Secretary’s Conference Room  
Agency of Human Services  
103 South Main Street  
Waterbury, Vermont.

Each prospective bidder may bring up to three (3) representatives to the conference. Prospective bidders may participate via telephone in the conference. Interested parties should notify the AHS point of contact person no later than April 2 regarding attendance or participation via phone.

Prospective bidders will have an opportunity to receive answers to written questions submitted no later than April 2, and to ask additional questions with regard to this RFP at the bidder’s conference. The State reserves the right to defer immediate answers on any question not submitted in advance in writing and/or to decline questions. Answers to questions that were received in writing or discussed in the bidders’ conference will be posted on the AHS web site by **April 14<sup>th</sup>**.

### 2.4.4 Submission of Proposals

AHS will only accept proposals from vendors who submit a Letter of Intent to Bid on the AHS Evaluation of “Global Commitment to Health” Waiver RFP.

**Proposals must be received on April 28, 2008 by 4:00 P.M. EDT.**

No exceptions will be made for late proposals. Proposals submitted after the deadline will be returned to the bidder. The method of delivery is at the discretion of the bidder and is at the bidder's risk, with respect to timeliness and compliance.

**NO FAXED PROPOSALS WILL BE ACCEPTED.** Proposals shall be mailed or delivered, as follows:

**Mailed to:**  
David Murphey  
GC Evaluation RFP  
Agency of Human Services  
103 South Main Street  
Waterbury, VT 05671-0203

**Delivered to:**  
David Murphey  
GC Evaluation RFP  
Agency of Human Services  
103 South Main Street  
Waterbury, VT 05671-0203  
Secretary’s Office, Building 5 North

AHS reserves the right to accept or reject any or all bids. AHS will not entertain proposals from an

organization that performs other functions with respect to Medicaid covered individuals where performance of the organization's functions with Medicaid individuals would conflict with the Quality Review functions. All proposals become the property of the State of Vermont and will be a matter of public record after a contract has been awarded.

### **2.4.5 Public Bid Opening**

A public bid opening will be held on **May 1, 2008 at 10:00 A.M.** EDT in the AHS Secretary's conference room. At this opening, the name, address, and the amount of the bid for each proposal will be read. No additional information will be provided at this opening.

Bidders interested in attending the public bid opening should contact the AHS Point of Contact person.

## **SECTION 3: STATEMENT OF WORK TO BE PERFORMED**

### **3.1 Evaluation**

Section 1115 Medicaid waivers are intended to be research and demonstration programs that are evaluated to provide federal and state policymakers with information on the impact of changes implemented through waivers. One of the Terms and Conditions of the Global Commitment Waiver requires the State to conduct an evaluation of the demonstration. AHS developed the initial evaluation plan and will work with the selected vendor to provide ongoing oversight, analysis, and monitoring of the evaluation.

#### **3.1.1 Deliverables**

All written deliverables must be provided in hard copy and electronic format. AHS shall retain ownership of all contract deliverables, and unlimited rights to use, disclose, or duplicate all deliverables.

The Contractor will be required, over the two-year award period, to:

- **3.1.1a** Conduct an outcome evaluation of the *Global Commitment to Health Waiver*. The evaluation will measure the impact of the waiver on Medicaid enrollees' access, cost, and quality of care. More rigorous evaluation methods will be given priority, with a preference for those that provide a sound basis for drawing casual inferences. Quasi-experimental methods may provide a strong basis for inferences about the effects of the waiver, although true experiments provide the strongest basis for causal inferences. Feasibility of proposed methods, anticipation of problems in implementing the proposed design, well-conceived strategies to overcome design and implementation obstacles, and a detailed plan of analysis will be critical elements of a successful application. AHS will work with the selected vendor to further define the scope and/or focus of the evaluation.
- **3.1.1b** Conduct a process evaluation of the *Global Commitment to Health Waiver*. The process evaluation will document the implementation of waiver activities and include information on lessons learned. The applicant should focus on strategies that have significant

impact on waiver outcomes. Potential bidders are referred to the AHS document, *Global Commitment to Health: Revised Evaluation Plan* (March 30, 2007).

- **3.1.1c** Meet regularly with AHS, monthly or as often as AHS requires, to discuss process, progress, barriers, and any other related issues proposed by AHS or the Contractor related to evaluation activities. If agreed upon in advance by AHS, specific meetings may take place via telephone or video-conferencing.
- **3.1.1d** Provide three semi-annual progress reports (i.e., two in Year 1, one in Year 2) detailing workplan accomplishments, any barriers to progress encountered, and any modifications to the original workplan covering all project activities, including detailed description of the project design, data, and methods.
- **3.1.1e** Provide a final report presenting findings, and a thorough discussion of the implications of the project findings for public managed care organizations.
- **3.1.1f** Provide a dissemination plan for study findings, including a literature review that synthesizes previous research on 1115 Waivers, and a manuscript, suitable for publication in a professional journal, that summarizes the study's findings in non-technical language.

## **SECTION 4: PROPOSAL**

An amount ranging between \$100,000 and \$200,000 over two years has been appropriated for this contract; however, some additional funds may be available if determined necessary by the State to achieve the goals of this Request for Proposals.

### **4.1 General Submission Requirements**

The bidder must provide five (5) hard copies of the proposal and 1 CD with electronic version of the proposal in a sealed package marked "AHS *Global Commitment* Evaluation RFP". Proposals in hardcopy shall be on 8½ by 11 inch paper with margins of at least ¾ inch, and font sizes must be 11 point or greater. One full set of the hardcopy proposal should be clearly marked "original". The proposal marked "original" should include the required signed documents in section 4.2.1. **NO FAXED PROPOSALS WILL BE ACCEPTED.**

### **4.2 Proposal Organization & Requirements**

Proposals shall be organized and numbered according to the following sequence:

- Section 1: Original Signed Documents
- Section 2: Table of Contents
- Section 3: Executive Summary
- Section 4: Corporate Background and Experience – includes Staffing and Subcontractors
- Section 5: References
- Section 7: Work Plan
- Section 8: Cost Proposal

#### 4.2.1 Required Signed Documents – Transmittal Letter

The bidder must provide a ‘Transmittal Letter’ signed in ink by an official of the bidding organization authorized to bind the organization to the provisions of the RFP and proposal. The Transmittal Letter must include the following:

- Statement of the willingness and assurance of readiness to provide the services defined in the RFP.
- Statement that the bidding organization agrees to all terms contained in the RFP.
- A statement of Affirmative Action that the bidder does not discriminate in its employment practices with regard to race, color, religion, age (except as provided by law), sex, sexual orientation, marital status, political affiliation, national origin, or handicap and complies with all applicable provisions of Public Law 101-336, Americans with Disabilities Act.
- Statement that the bidder will provide its own personal computers for this project, ensure the security of portable devices and data, assure that any media used or data transferred to the State will be virus-protected, and will make every reasonable effort to ensure media or data files will be virus-free. The bidder also states agreement to securely delete all data contained in individual records at the conclusion of the contract.
- Identification of the person who will serve as primary contact for the State's issuing officer, and that person's address, telephone number and fax number.
- Bidders must include a statement certifying that the price was arrived at without any conflict of interest.

The bidder must provide a ‘Bidder Information Sheet’ containing the following information:

- Name of company or individual
- Mailing address
- Street address (for FEDEX or other mail service)
- Company Federal ID Number (or if an individual, social security number)
- Vermont Department of Taxes Business Account Number (if currently holding one)
- Bid Amount
- Name and title of person who would sign the contract
- Name and title of the company contact person (if different)
- For each key person:
  - Direct telephone number
  - Fax number
  - Email address

#### 4.2.2 Proposal Table of Contents

The proposal table of contents should properly identify each section and its contents. Paginate each section and subsection.

### 4.2.3 Executive Summary

The executive summary should provide an overview of the proposing organization and a general description of the approach to meet the requirements of the RFP.

### 4.2.4 Corporate Background and Experience

Qualifications of the successful applicant should include:

- Understanding of 1115 Research and Demonstration Waivers and their use as a strategy to increase access, contain cost, and enhance quality for Medicaid enrollees
- Understanding of the current state of the literature regarding the evaluation of 1115 Research and Demonstration Waivers
- Experience conducting formative and summative evaluation of this size and scope.
- Knowledge of inferential and descriptive statistics
- Understanding of qualitative and quantitative research design and methods
- Experience with data collection
- Knowledge in data analysis and interpretation
- Experience with report writing

The organization must show that it has the resources and expertise to carry out the tasks requested. All bidders must have, at a minimum, staff-level personnel with a variety of health-care-systems expertise and have experience in evaluation of broad-based medical services through multi-modal research methods. The bidder must also have significant experience in research methodology and statistical analytical methods.

Bids shall include the following:

1. Suitable evidence that the bidding entity has sufficient organizational and financial resources to provide the services offered. The bidder must include a copy of the most recent audited financial statement.
2. Suitable evidence that the bidder has experience working with state Medicaid offices on evaluation projects.
3. A detailed description of the bidder's experience in working with Medicaid recipients, providers, and data sources, and the bidder's knowledge of Medicaid program requirements.
4. Suitable evidence of a general understanding of the health care system in Vermont and the health needs of the enrollee population.
5. A description of the bidder's background and experience in using measures of cost, quality, and access to evaluate health care systems.
6. A description of the bidder's specific training or skills in research methodology and statistical analysis. The bidder should describe its methodologies for conducting mixed-methods evaluations, including surveys, focused studies, document reviews, data abstraction,

statistical analysis, and fiscal analyses.

7. A listing and description of all projects that involved similar activities. Project descriptions must include the client name; contact person and phone number, duration of the project, dollar amount, a description of the scope of services provided and a description of project components that are similar to the services defined in this RFP.

#### **4.2.5 Proposed Staffing**

The bidder must identify all staff that will be assigned to the project, describe the role of each staff member in completion of this project, and provide a brief description of each person's experience in performing similar services. If a person has not yet been hired, a detailed position description should be submitted. Identified staff positions should be consistent with those listed in the budget. The Project Director must have at least 2 years experience in the development and implementation of health care systems evaluations.

This section should also include:

- Resumes of key staff members (or job descriptions for those positions that are not filled)
- Lead staff member for each subsection in Section 3.

#### **4.2.6 Proposed Subcontractors**

The bidder must identify all subcontractors that it intends to use in fulfilling the requirements of this project. The role of subcontractor(s) should be clearly defined and relevant experience should be included.

#### **4.2.7 References**

Proposals must include at least three (3) business references that demonstrate the bidder's prior experience in the areas for which services are being offered. Each reference shall include the name, address and phone number of the client organization and of the responsible project manager at the client organization, and description of the project or work performed.

### 4.3 Scope of Work

The bidder must describe its ability and approach to provide the requested services by responding to each evaluation component.

1. Identify/Engage Stakeholders

Applicants must describe their strategies for identifying, recruiting, and retaining appropriate control and comparison groups, including a discussion of anticipated challenges and how they will be addressed. The successful applicant will demonstrate its ability to establish and maintain a collaborative, responsive, and mutually satisfactory relationship with the participants while adhering to standards of scientific rigor in implementing the evaluation.

2. Establish Evaluation Design

3. Process evaluation and outcome evaluation components will be required to address the evaluation questions effectively. Outcome evaluation questions should be focused on access, cost, and quality of care before and after waiver implementation. Potential bidders are referred to the AHS document, *Global Commitment to Health: Revised Evaluation Plan* (March 30, 2007).

4. Determine Research Methods

A methodology that clearly identifies the hypotheses to be tested and how the proposed methodology will maximize the ability to test these hypotheses should be included. A description of quantitative and qualitative data collection and analysis methods, the tools to be used, and the applicant's expertise in these techniques should also be included.

5. Identify Valid/Reliable Data

Applicants must include a table or diagram linking evaluation questions, data elements, data sources, data collection strategies, and analytical techniques.

6. Collect Data

Procedures for collecting, managing, storing, and transmitting data, including data to be collected from comparison/control group subjects should be discussed. Applicants should identify the software and data verification procedures that will be used in this regard. In developing a procedure to collect data, the applicant must adhere to the following requirements:

- *Informed Consent Procedures.* Applicants must describe the procedures to be used to obtain informed consent from all families from whom the evaluator will collect data. Sample informed consent forms should be included.
- *Institutional Review Board Clearance.* Applicants must provide evidence of receipt of at least provisional institutional review board clearance for data collection activities.

7. Analyze and Interpret Data

The applicant must document both qualitative and quantitative approaches to data analysis. Depending on the type of data and the question, this might include the application of statistical methods.

8. Disseminate Findings

The applicant must describe a plan, including a timeline, to disseminate the study's findings that include, in addition to the required semi-annual progress reports and the final report, the following deliverables:

- A literature review that synthesizes previous research on 1115 Waivers

- A manuscript, suitable for publication in a professional journal, that summarizes the study's findings in non-technical language.
9. Applicants should develop a budget to show:
- a. Personnel
  - b. Administrative costs
  - c. Travel
  - d. Other

### **Communications and Meetings**

The Contractor shall:

- A. Meet regularly, with AHS, monthly, or as often as AHS requests, to discuss process, progress, barriers, and any other related issues proposed by AHS or the Contractor related to evaluation activities. If agreed upon in advance by AHS, specific meetings may take place via telephone or video-conferencing.
- B. Designate appropriate staff to meet with AHS staff.
- C. Provide the agenda for and facilitate meetings with AHS staff.
- D. Take notes during meetings and distribute these notes to AHS staff.
- E. If requested by AHS, following the submission of the annual report or other deliverable to AHS, provide an oral presentation to AHS or the MCO regarding its review and any recommendations.
- F. If requested by AHS, assist AHS in responding to any questions from the Center for Medicare and Medicaid Services, the MCO, or other stakeholder, about any final report or other deliverable.

### **4.3.1 Responses to Section 3.1**

The bidder must provide a complete response to the description of the scope of work and statement of deliverables as stated in the Section 3.1: Evaluation.

### **4.3.2 Work Plan & Implementation Timeline**

Applicants must submit a work plan narrative that presents a detailed description of the purpose, goals, objectives, strategies, design, and management of the proposed plan. The program narrative must address the following selection criteria:

- (1) Statement of the problem,
- (2) Goals and objectives,
- (3) Project design, and
- (4) Management and organizational capability.

The connections between and among each of these sections should be clearly delineated. For example, the goals and objectives should derive directly from the problems to be addressed. Similarly, the project design section should clearly explain how the plans structure and activities will accomplish the goals and objectives identified in the previous section. In addition to the narrative description of the project design, applicants must also submit a timeline or milestone chart that indicates major tasks in the proposed design, assigns responsibility for each major task, and plots completion of these tasks by month or quarter for the 2 years of the evaluation. A sample timeline appears in Section 4.5.

The work plan must be responsive to the requirements set out in Section 3 and must include proposed time periods and staff hours for each major task associated with the evaluation. The bidder shall provide an implementation timeline with a description and listing of tasks and subtasks to be performed in order to meet the requirements of the RFP. The implementation timeline should be presented in the form of a timeline or Gantt chart, identifying the timeframe for commencement and completion of each task.

## **4.4 Cost Proposal**

The cost proposal must be responsive to the requirements set out in Section 3. Cost proposals must include an estimate of the personnel and operating costs for each subsection. Personnel estimates should include staff hours for each subsection. Cost proposals must itemize the services set out in the work plan, and a total.

Cost proposal will include:

- Annual Cost Estimate for year 1 – June 30, 2008 through June 29, 2009
- Annual Cost Estimate for year 2 – June 30, 2009 through June 29, 2010
- Explanations & Assumptions for each of the cost estimates

The cost proposal must clearly describe and identify the estimated costs of performing all services under this contract, according to the scope of work described in the RFP. The proposal budgets should follow general format of the cost estimate form included in this RFP. Cost proposals must describe all assumptions made in deriving the total costs under the contract. The explanations and assumptions should be clear and should explain how the individual costs in a line item were determined. The following descriptions should serve as a guide in developing a cost proposal.

### **4.4.1 Personnel**

The proposal should include all the staff that will be directly involved in the day to day operation of the project. Include the number of staff for each position and the total full time equivalent (FTE). Personnel costs should be calculated to include fringe and tax costs. Any assumptions used to determine personnel costs should be described. The number and type of staff should be the same as described in section 4.7 under Staffing.

### **4.4.2 Administrative Costs**

#### Telephone & Communications

The bidder is responsible for all communications costs.

#### Other Direct Costs

Any other items that the bidder identifies as a cost in meeting the scope of work should be itemized.

#### Overall Organization Administrative Costs

Indirect and direct administrative costs must be separated. Direct expenses should be itemized. Indirect expenses should be accompanied by an explanation as to how the figure was set.

**4.4.3 Example of Cost Form** (column headings for illustrative purposes only):

<b>Category</b>	<b># Staff</b>	<b># FTE's</b>	<b>Item 3.1.1a</b>	<b>Item 3.1.1b</b>	<b>Item 3.1.1c</b>	<b>Etc.</b>	<b>Total</b>
<b>Personnel:</b>							
Total Personnel Costs							
<b>Administrative/Other Costs:</b>							
Rent							
Telephone							
Travel							
Consultants							
Other Direct Costs							
<b>Total Administrative/Other Costs:</b>							
<b>Total Direct and Indirect Cost</b>							
<b>Total Cost</b>							

#### 4.4.4 Products & Services Ineligible for Profit

All of the following product and service categories, whether purchased, leased and/or used by the contractor [and subcontract(s)], in conjunction with this RFP shall not include any profit for the Contractor [and subcontractor(s)].

- a. Postage - for US Postal rates utilized to mail documents to providers, beneficiaries, the AHS, etc.
- b. Parcel Services and Common Carriers
- c. Personal Computers (PCs), Monitors, Printers, Related Equipment and Software – refers to all direct costs for the installation and monthly charges for data lines; and the purchase, lease, installation, and maintenance of equipment, located at (or for use at) the contractor's, State, user and provider sites. Also included in this category is the direct purchase and maintenance costs incurred on State-provided equipment used by the contractor to receive and process data.
- d. Printing – including the purchase of paper, envelopes, editing, distribution, use of a printing facility, etc.
- e. Telephone Toll Charges and Telecommunications – for only the actual telephone utility charges paid for by the contractor. Each toll charge must be directly supported by a billing from the telephone utility.
- f. Facilities – includes, but is not limited to, rental for office space, facilities improvement, etc.
- g. Audits
- h. Taxes – all Federal and State.
- i. Office Furniture and Equipment – copiers, fax machines, etc.
- j. Insurance – including, but not limited to, worker's compensation, unemployment, automotive, liability, crime, health, etc.
- k. Travel – in-state or out-of-state.



## **SECTION 5: Agency of Human Services Responsibilities**

### **5.1 State Project Manager**

The state will identify a person to act as the State Project Manager prior to the contract taking effect.

### **5.2 Payment**

The Contractor will be paid on a price not to exceed basis. The State will make full payment to the Contractor within thirty (30) days of receipt of a properly completed invoice for services. Failure to meet timelines or to deliver the required products will result in withholding of payment due until such product or products are delivered. Final payment will be made after all required work is completed. Services shall be billed monthly.

The contractor shall submit monthly itemized invoices to the state detailing:

- Personnel costs, including direct labor and fringe benefits; and
- Operating costs, including travel and office expenses.

A completed invoice includes an identification of the number of hours worked by each position for each component within the scope of work, and cost of authorized administrative expenses.

The State will reimburse the Contractor minus 10% retainage on each invoice subject to receipt of all deliverables.

Reimbursement of travel expenses shall follow the reimbursement rates specified in the Vermont State Employees' Association Non-management contract.

### **5.3 Term of the Contract**

The Contract is expected to commence on June 30, 2008 or upon the date of execution by all parties and shall end on June 29, 2010. The contract may subsequently be renewed for a period or periods totaling up to two years by mutual agreement.

### **5.4 Data Available to Contractor**

Once work has commenced on the contract, AHS will make the following resources available to the Contractor:

- Claims data related to services delivered to Medicaid enrollees.
- Other data sources deemed necessary for the analysis by AHS and the Contractor. .  
Potential bidders are referred to the AHS document, *Global Commitment to Health: Revised Evaluation Plan* (March 30, 2007).

## **SECTION 6: PROPOSAL EVALUATION AND SELECTION**

### **6.1 Contract Award**

A contract award will be made to the bidder whose proposal is determined to be in the best interests of the State, taking into account price and other factors. One or more contracts may be awarded as a result of proposals submitted in response to this RFP. The State reserves the right to award contracts for individual deliverables if that is advantageous to the State. The State reserves the right to reject any and all proposals submitted in response to the RFP.

### **6.2 Evaluation Overview**

An evaluation team comprised of representatives from AHS will be charged with evaluating proposals. Proposals will be evaluated and weighted using the criteria in section 6.3.

The State's evaluation team will evaluate the experience, corporate resources and qualifications of the bidder (and any subcontractors). The State's evaluation team will determine the extent to which the bidder has the capabilities and financial resources to undertake the workload generated by this RFP. As necessary, references will be checked. Documents and reports submitted by the bidder will be assessed on their quality and relevance to their response.

The State reserves the right to contact any or all bidders to request a site visit, clarification and/or additional information at any point in the process. The state may conduct interviews with one or more bidders. In such an event, bidders may be required to travel to Waterbury, VT, at their own expense to participate in an on-site interview.

During the evaluation process, bidders may be contacted for the purpose of obtaining clarification of their response. However, no clarification will be sought if a bidder completely fails to address a feature contained in the RFP document. If the failure was in response to mandatory feature, the bidder may be disqualified.

Upon completion of the evaluation process, the AHS may select one or more bidders with which to negotiate a contract, based on the evaluation findings and other criteria deemed relevant for ensuring that the decision made is in the best interest of the State. In the event the State is successful in negotiating with the bidder(s), the State will issue a notice of award. In the event the State is not successful in negotiating a contract with a selected bidder, the State reserves that option of negotiating with another bidder.

### **6.3 Evaluation Criteria**

After determining whether proposals received meet minimum specified requirements (see below, section 6.3.1), The State will conduct a comprehensive, fair, and impartial rating of proposals received in response to this RFP. The rating will use the following criteria:

- Evaluation of Organizational Capacity, Qualifications, Knowledge, and Experience (30 points)
- Evaluation of Proposed Approach (35 points)

- Evaluation of Cost Proposal (25 points)
- Evaluation of References (10 points)

### **6.3.1 Evaluation of Minimum Requirements**

The purpose of this step is to determine whether each proposal is sufficiently responsive to the RFP to permit a complete evaluation of the organization and its experience. Proposals must comply with the instructions and requirements contained in the RFP. Failure to comply with the requirements shall deem the proposal non-responsive and subject to rejection without further consideration. The State reserves the right to waive minor irregularities. The State reserves the right to reject any and all proposals.

- a. The proposal must have been received as provided in Section 4.1 in the number and types of copies specified.
- b. The proposal must follow the format as provided in Section 4.2.
- c. The proposal must contain sections as provided in Section 4.2.
- d. The proposal must include a price proposal as outlined in Section 4.4.
- e. The proposal must respond to Section 3 with specific information as provided in Section 4.3.
- f. Attachment A (see Appendix 1) must be accepted.

### **6.3.2 Evaluation of the Organizational Capacity, Qualifications, Knowledge, and Experience**

The State will evaluate the experience and qualifications of the bidder and any subcontractors. The State will determine the extent to which the bidder has the capabilities and financial resources to undertake the workload generated by this contract. The State will evaluate the bidder's knowledge and experience, specifically with reference to the evaluation of Medicaid Waiver Demonstrations. Documents and reports submitted by the bidder will be assessed on their quality and relevance to their response.

### **6.3.3 Evaluation of Proposed Approach**

The State will evaluate the proposed approach and timeframes specified in each bidder's response. Evaluation will include review of the Executive Summary, Scope of Work, and Work Plan.

### **6.3.4 Evaluation of Cost Proposal**

Each bidder's cost proposal will be reviewed and evaluated. All proposed costs will be examined to determine the extent to which they will meet the requirements of the RFP and objectives of the State. The State will evaluate cost proposal assumptions and calculations to determine whether the estimated costs appear reasonable. Any proposal element and its associated cost that is incomplete or for which there is significant inconsistency or inaccuracy may be rejected by the State.

### **6.3.5 Evaluation of References**

References submitted by the bidder will be used to help determine the bidder's capacity to competently perform the evaluation activities as described in the proposal.

### **6.4 Proposal Selection**

The Secretary of the Agency of Human Services (or her designee) will make the final selection of the Contractor. The selected contractor will be requested to enter into negotiation with the State on detailed work plans, deliverables and time tables. Other bidders will be notified of the selection and of their status. If negotiations do not result in a signed contract, the State will make another selection. If all proposals are rejected, bidders will be notified. Proposals made by bidders will not be made available to other bidders until after a contract is completed and filed with the appropriate state agency.

Appendix 1: State of Vermont Customary Contract for Services

**STATE OF VERMONT  
CONTRACT FOR SERVICES**

**Page 1 of  
Contract #**

1. **Parties.** This is a contract for personal services between **(Insert Department Name)** (hereafter called "State"), and **(Insert name of contractor)**, with a principal place of business in **(Address of Contractor)** (hereafter called "Contractor"). Contractor's form of business organization is a (type of business - e.g. LLC, PC, Inc., Individual, etc.). The Contractor's local address is (Insert alternative local address the Contractor) Contractor is (or is not) required by law to have a Business Account Number from the Vermont Department of Taxes. The Account Number is: \_\_\_\_\_
  
2. **Subject Matter.** The subject matter of this contract is personal services generally on the subject of management. Detailed services to be provided by the Contractor are described in Attachment A.
  
3. **Maximum Amount.** In consideration of the services to be performed by Contractor, the State agrees to pay Contractor, in accordance with the payment provisions specified in Attachment B, a sum not to exceed **\$(Insert maximum limiting amount of the contract).**
  
4. **Contract Term.** The period of Contractor's performance shall begin on (Insert beginning effective Date) and end on (Insert expiration Date).
  
5. **Prior Approvals.** If approval by the Attorney General's Office or the Secretary of Administration is required, (under current law, bulletins, and interpretations), neither this contract nor any amendment to it is binding until it has been approved by either or both such persons.  
  
Approval by the Attorney General's Office **is** required.  
  
Approval by the Secretary of Administration **(is/or is not)** required.
  
6. **Amendment.** No changes, modifications, or amendments in the terms and conditions of this contract shall be effective unless reduced to writing, numbered and signed by the duly authorized representative of the State and Contractor.
  
7. **Cancellation.** This contract may be cancelled by either party by giving written notice at least **(insert number of days)** days in advance.
  
8. **Attachments.** This contract consists of **(insert # pages, including attachments)** \_\_ pages including the following attachments, which are incorporated herein:  
Attachment A - Specifications of Work to be Performed  
Attachment B - Payment Provisions  
Attachment C - "Customary State Contract provisions"  
Attachment E - Business Associate Agreement  
Attachment F - "AHS Customary Contract Provisions"

**STATE OF VERMONT  
CONTRACT FOR SERVICES**

The order of precedence of documents shall be as follows:

- 1). This document
- 2). Attachment D (if any)
- 3). Attachment C
- 4). Attachment A
- 5). Attachment B
- 6). Attachment E
- 7). Attachment F
- 8). Other Attachments (if any)

WE THE UNDERSIGNED PARTIES AGREE TO BE BOUND BY THIS CONTRACT.

BY THE STATE OF VERMONT:

BY THE CONTRACTOR:

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Name:

Title: \_\_\_\_\_

Fed. ID/SS#:

Agency/Dept.: Human Services

Title:

Phone:

e-mail:

Alternative Contact: (if any)

**STATE OF VERMONT  
CONTRACT FOR SERVICES**

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**ATTACHMENT A  
SPECIFICATIONS OF WORK TO BE PERFORMED**

**ATTACHMENT B**

**PAYMENT PROVISIONS**

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...

The maximum dollar amount payable under this agreement is not intended to guarantee any amount of payment under this contract. The Contractor will be paid at the billable rates for services actually performed, up to the maximum allowable amount.

STATE OF VERMONT

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CONTRACT FOR SERVICES

ATTACHMENT C  
CUSTOMARY STATE CONTRACT PROVISIONS

1. **Entire Agreement.** This contract represents the entire agreement between the parties on the subject matter. All prior agreements, representations, statements, negotiations, and understandings shall have no effect.
2. **Applicable Law.** This contract will be governed by the laws of the State of Vermont.
3. **Appropriations.** If this contract extends into more than one fiscal year of the State (July 1 to June 30), and if appropriations are insufficient to support this contract, the State may cancel at the end of the fiscal year, or otherwise upon the expiration of existing appropriations authority.
4. **No Employee Benefits for Contractors.** The contractor understands that the State will not provide any individual retirement benefits, group life insurance, group health and dental insurance, vacation or sick leave, workers' compensation or other benefits or services available to State employees, nor will the State withhold any state or federal taxes except as required under applicable tax laws, which shall be determined in advance of execution of the contract. The contractor understands that all tax returns required by the Internal Revenue Code and the State of Vermont, including but not limited to income, withholding, sales and use, and rooms and meals, must be filed by the contractor, and information as to contract income will be provided by the State of Vermont to the Internal Revenue Service and the Vermont Department of Taxes.
5. **Independence, Liability.** The contractor will act in an independent capacity and not as officers or employees of the State. The Contractor shall indemnify, defend, and hold harmless the State and its officers and employees from liability and any claims, suits, judgments, and damages arising as a result of the contractor's acts and/or omissions in the performance of this contract. The contractor shall notify its insurance company and the State within 10 days of receiving any claim for damages, notice of claims, pre-claims, or service of judgments or claims, for any act or omissions in the performance of this contract.
6. **Insurance.** Before commencing work on this contract the contractor must provide certificates of insurance to show that the following minimum coverage is in effect. The contractor must notify the State no more than 10 days after receiving cancellation notice of any required insurance policy. It is the responsibility of the contractor to maintain current certificates of insurance on file with the State through the term of the contract. Failure to maintain the required insurance shall constitute a material breach of this contract.

**Workers' Compensation:** With respect to all operations performed, the contractor shall carry workers' compensation insurance in accordance with the laws of the State of Vermont.

**General Liability and Property Damage:** With respect to all operations performed under the contract, the contractor shall carry general liability insurance having all major divisions of coverage including, but not limited to:

Premises - Operations  
Products and Completed Operations  
Personal Injury Liability  
Contractual Liability

The policy shall be on an occurrence form and limits shall not be less than:

\$1,000,000 Per Occurrence  
 \$1,000,000 General Aggregate  
 \$1,000,000 Products/Completed Operations Aggregate  
 \$ 50,000 Fire/Legal Liability

**Automotive Liability:** The contractor shall carry automotive liability insurance covering all motor vehicles, including hired and non-owned coverage, used in connection with the contract. Limits of coverage shall not be less than: \$1,000,000 combined single limit.

**Professional Liability:** Before commencing work on this contract and throughout the term of this contract, the contractor shall procure and maintain professional liability insurance for any and all services performed under this contract, with minimum coverage of \$ \_\_\_\_\_ per occurrence.

No warranty is made that the coverage and limits listed herein are adequate to cover and protect the interests of the contractor for the contractor's operations. These are solely minimums that have been established to protect the interests of the State.

7. **Reliance by the State on Representations:** All payments by the State under this contract will be made in reliance upon the accuracy of all prior representations by the contractor, including but not limited to bills, invoices, progress reports and other proofs of work.
8. **Records Available for Audit.** The contractor will maintain all books, documents, payroll, papers, accounting records and other evidence pertaining to costs incurred under this agreement and make them available at reasonable times during the period of the contract and for three years thereafter for inspection by any authorized representatives of the State or Federal Government. If any litigation, claim, or audit is started before the expiration of the three year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved. The State, by any authorized representative, shall have the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed under this contract.
9. **Fair Employment Practices and Americans with Disabilities Act:** Contractor agrees to comply with the requirement of Title 21 V.S.A. Chapter 5, Subchapter 6, relating to fair employment practices, to the full extent applicable. Contractor shall also ensure, to the full extent required by the Americans with Disabilities Act of 1990, that qualified individuals with disabilities receive equitable access to the services, programs, and activities provided by the contractor under this contract. Contractor further agrees to include this provision in all subcontracts.
10. **Set Off:** The State may set off any sums which the contractor owes the State against any sums due the contractor under this contract; provided, however, that any set off of amounts due the State of Vermont as taxes shall be in accordance with the procedures more specifically provided hereinafter.
11. **Taxes Due to the State:**
  - a. Contractor understands and acknowledges responsibility, if applicable, for compliance with State tax laws, including income tax withholding for employees performing services within the State, payment of use tax on property used within the State, corporate and/or personal income tax on income earned within the State.
  - b. Contractor certifies under the pains and penalties of perjury that, as of the date the contract is signed, the

contractor is in good standing with respect to, or in full compliance with, a plan to pay any and all taxes due the State of Vermont.

c. Contractor understands that final payment under this contract may be withheld if the Commissioner of Taxes determines that the contractor is not in good standing with respect to or in full compliance with a plan to pay any and all taxes due to the State of Vermont.

d. Contractor also understands the State may set off taxes (and related penalties, interest and fees) due to the State of Vermont, but only if the contractor has failed to make an appeal within the time allowed by law, or an appeal has been taken and finally determined and the contractor has no further legal recourse to contest the amounts due.

### CONTRACT FOR SERVICES

12. **Child Support.** (Applicable if the contractor is a natural person, not a corporation or partnership.) Contractor states that, as of the date the contract is signed, he/she:
- a. is not under any obligation to pay child support; or
  - b. is under such an obligation and is in good standing with respect to that obligation; or
  - c. has agreed to a payment plan with the Vermont Office of Child Support and is in full compliance with that plan.

Contractor makes this statement with regard to support owed to any and all children residing in Vermont. In addition, if the Contractor is a resident of Vermont, contractor makes this statement with regard to support owed to any and all children residing in any other state or territory of the United States.

13. **Subcontractors.** Contractor shall not assign or subcontract the performance of this agreement or any portion thereof to any other contractor without the prior written approval of the State. Contractor also agrees to include in all subcontract agreements a tax certification in accordance with paragraph 11 above.

Notwithstanding the foregoing, the State agrees that the contractor may assign this contract, including all of the contractor's rights and obligations hereunder, to any successor in interest to the contractor arising out of the sale of or reorganization of the contractor.

14. **No Gifts or Gratuities.** Contractor shall not give title or possession of any thing of substantial value (including property, currency, travel and/or education programs) to any officer or employee of the State during the term of this contract.
15. **Copies.** All written reports prepared under this contract will be printed using both sides of the paper.
16. **Certification Regarding Debarment.** Contractor certifies under pains and penalties of perjury that, as of the date that this contract is signed, neither contractor nor contractor's principals (officers, directors, owners, or partners) are presently debarred, suspended, proposed for debarment, declared ineligible or excluded from participation in federal programs or programs supported in whole or in part by federal funds.

**STATE OF VERMONT  
CONTRACT FOR SERVICES**

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**Attachment E**

**BUSINESS ASSOCIATE agreement**

**THIS BUSINESS ASSOCIATE AGREEMENT (“AGREEMENT”) IS ENTERED INTO BY AND BETWEEN THE STATE OF VERMONT AGENCY OF HUMAN SERVICES OPERATING BY AND THROUGH ITS DEPARTMENT, OFFICE, OR DIVISION OF (\_\_\_\_\_)INSERT DEPARTMENT, OFFICE, OR DIVISION) (“COVERED ENTITY”) AND (\_\_\_\_\_)INSERT NAME OF THE CONTRACTOR) (“BUSINESS ASSOCIATE”) AS OF (\_\_\_\_\_)INSERT DATE) (“EFFECTIVE DATE”). THIS AGREEMENT SUPPLEMENTS AND IS MADE A PART OF THE CONTRACT TO WHICH IT IS AN ATTACHMENT.**

Covered Entity and Business Associate enter into this Agreement to comply with standards promulgated under the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) including the Standards for the Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164 (“Privacy Rule”) and the Security Standards at 45 CFR Parts 160 and 164 (“Security Rule”).

The parties agree as follows:

- 1. Definitions.** All capitalized terms in this Agreement have the meanings identified in this Agreement, 45 CFR Part 160, or 45 CFR Part 164.

The term “Services” includes all work performed by the Business Associate for or on behalf of Covered Entity that requires the use and/or disclosure of protected health information to perform a business associate function described in 45 CFR 160.103 under the definition of Business Associate.

The term “Individual” includes a person who qualifies as a personal representative in accordance with 45 CFR 164.502(g). All references to “PHI” mean Protected Health Information. All references to “Electronic PHI” mean Electronic Protected Health Information.

- 2. Permitted and Required Uses/Disclosures of PHI.**

2.1 Except as limited in this Agreement, Business Associate may use or disclose PHI to perform Services provided that any use or disclosure would not violate the minimum necessary policies and procedures of Covered Entity. Business Associate shall not use or disclose PHI in any manner that would constitute a violation of the Privacy Rule if used or disclosed by Covered Entity in that manner. Business Associate may not use or disclose PHI other than as permitted or required by this Agreement or as Required by Law.

2.2 Business Associate may make PHI available to its employees who need access to perform Services provided that Business Associate makes such employees aware of the use and disclosure restrictions in this Agreement and binds them to comply with such restrictions. Business Associate may only disclose PHI for the purposes authorized by this Agreement: (a) to its agents (including subcontractors) in accordance with Sections 6 and 14 or (b) as otherwise permitted by Section 3.

3. **Business Activities.** Business Associate may use PHI received in its capacity as a “Business Associate” to Covered Entity if necessary for Business Associate’s proper management and administration or to carry out its legal responsibilities. Business Associate may disclose PHI received in its capacity as “Business Associate” to Covered Entity for Business Associate’s proper management and administration or to carry out its legal responsibilities if a disclosure is Required by Law or if (a) Business Associate obtains reasonable written assurances via a written contract from the person to whom the information is to be disclosed that the PHI shall remain confidential and be used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person and (b) the person promptly notifies Business Associate (who in turn will promptly notify Covered Entity) in writing of any instances of which it is aware in which the confidentiality of the PHI has been breached. Uses and disclosures of PHI for the purposes identified in this Section 3 must be of the minimum amount of PHI necessary to accomplish such purposes.
4. **Safeguards.** Business Associate shall implement and use appropriate safeguards to prevent the use or disclosure of PHI other than as provided for by this Agreement. Business Associate shall identify in writing upon request from Covered Entity all of the safeguards that it uses to prevent impermissible uses or disclosures of PHI.
5. **Reporting.** Business Associate shall report in writing to Covered Entity any use or disclosure of PHI in violation of this Agreement by Business Associate or its agents including its subcontractors. Business Associate shall provide this written report promptly after it becomes aware of such use or disclosure. Business Associate shall provide Covered Entity with the information necessary for Covered Entity to investigate the impermissible use or disclosure. Consistent with 45 CFR 164.502(j)(1) Business Associate may use PHI to report violations of law to federal and state authorities.
6. **Agreements by Third Parties.** Business Associate shall ensure that any agent (including a subcontractor) to whom it provides PHI received from Covered Entity or created or received by Business Associate on behalf of Covered Entity agrees in a written contract to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such PHI. For example, the written contract must include those restrictions and conditions set forth in Section 12. Business Associate must enter into the written contract before any use or disclosure of PHI by such agent. The written contract must identify Covered Entity as a direct and intended third party beneficiary with the right to enforce any breach of the contract concerning the use or disclosure of PHI. Business Associate shall provide a copy of the written contract to Covered Entity upon request. Business Associate may not make any disclosure of PHI to any agent without the prior written consent of Covered Entity.
7. **Access to PHI.** Business Associate shall provide access to PHI in a Designated Record Set to Covered Entity or as directed by Covered Entity to an Individual to meet the requirements under 45 CFR 164.524. Business Associate shall provide such access in the time and manner reasonably designated by Covered Entity. Business Associate shall promptly forward to Covered Entity for handling any request for access to PHI that Business Associate directly receives from an Individual.
8. **Amendment of PHI.** Business Associate shall make any amendments to PHI in a Designated Record Set that Covered Entity directs or agrees to pursuant to 45 CFR 164.526, whether at the request of

Covered Entity or an Individual. Business Associate shall make such amendments in the time and manner reasonably designated by Covered Entity. Business Associate shall promptly forward to Covered Entity for handling any request for amendment to PHI that Business Associate directly receives from an Individual.

9. **Accounting of Disclosures.** Business Associate shall document disclosures of PHI and all information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR 164.528. Business Associate shall provide such information to Covered Entity or as directed by Covered Entity to an Individual, to permit Covered Entity to respond to an accounting request. Business Associate shall provide such information in the time and manner reasonably designated by Covered Entity. Business Associate shall promptly forward to Covered Entity for handling any accounting request that Business Associate directly receives from an Individual.

### **CONTRACT FOR SERVICES**

10. **Books and Records.** Subject to the attorney-client and other applicable legal privileges, Business Associate shall make its internal practices, books, and records (including policies and procedures and PHI) relating to the use and disclosure of PHI received from Covered Entity or created or received by Business Associate on behalf of Covered Entity available to the Secretary in the time and manner designated by the Secretary. Business Associate shall make the same information available to Covered Entity (without regard to the attorney-client or other applicable legal privileges) upon Covered Entity's request in the time and manner reasonably designated by Covered Entity so that Covered Entity may determine whether Business Associate is in compliance with this Agreement.

### 11. **Termination.**

- 11.1 This Agreement commences on the Effective Date and shall remain in effect until terminated by Covered Entity or until all of the PHI provided by Covered Entity to Business Associate or created or received by Business Associate on behalf of Covered Entity is destroyed or returned to Covered Entity subject to Section 15.11.
- 11.2 If Business Associate breaches any material term of this Agreement, Covered Entity may either: (a) provide an opportunity for Business Associate to cure the breach and Covered Entity may terminate this Contract without liability or penalty if Business Associate does not cure the breach within the time specified by Covered Entity; or (b) immediately terminate this Contract without liability or penalty if Covered Entity believes that cure is not reasonably possible; or (c) if neither termination nor cure are feasible, Covered Entity shall report the breach to the Secretary. Covered Entity has the right to seek to cure any breach by Business Associate and this right, regardless of whether Covered Entity cures such breach, does not lessen any right or remedy available to Covered Entity at law, in equity, or under this Contract, nor does it lessen Business Associate's responsibility for such breach or its duty to cure such breach.

### 12. **Return/Destruction of PHI.**

- 12.1 Business Associate in connection with the expiration or termination of this Contract shall return

or destroy all PHI received from Covered Entity or created or received by Business Associate on behalf of Covered Entity pursuant to this Contract that Business Associate still maintains in any form or medium (including electronic) within thirty (30) days after such expiration or termination. Business Associate shall not retain any copies of the PHI. Business Associate shall certify in writing for Covered Entity (1) when all PHI has been returned or destroyed and (2) that Business Associate does not continue to maintain any PHI. Business Associate is to provide this certification during this thirty (30) day period.

- 12.2 Business Associate shall provide to Covered Entity notification of any conditions that Business Associate believes make the return or destruction of PHI infeasible. If Covered Entity agrees that return or destruction is infeasible, Business Associate shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible for so long as Business Associate maintains such PHI.
13. **Notice/Training.** Business Associate understands that: (a) there may be civil or criminal penalties for misuse or misappropriation of PHI and (b) violations of this Agreement may result in notification by Covered Entity to law enforcement officials and regulatory, accreditation, and licensure organizations. If requested by Covered Entity, Business Associate shall participate in information security awareness training regarding the use, confidentiality, and security of PHI.
14. **Security Rule Obligations.** The following provisions of this Section 14 apply to the extent that Business Associate creates, receives, maintains or transmits Electronic PHI on behalf of Covered Entity.
- 14.1 Business Associate shall implement and use administrative, physical, and technical safeguards that reasonably and appropriately protect the Confidentiality, Integrity and Availability of the Electronic PHI that it creates, receives, maintains or transmits on behalf of Covered Entity. Business Associate shall identify in writing upon request from Covered Entity all of the safeguards that it uses to protect such Electronic PHI.
- 14.2 Business Associate shall ensure that any agent (including a subcontractor) to whom it provides Electronic PHI agrees in a written contract to implement and use administrative, physical, and technical safeguards that reasonably and appropriately protect the Confidentiality, Integrity and Availability of the Electronic PHI. Business Associate must enter into this written contract before any use or disclosure of Electronic PHI by such agent. The written contract must identify Covered Entity as a direct and intended third party beneficiary with the right to enforce any breach of the contract concerning the use or disclosure of Electronic PHI. Business Associate shall provide a copy of the written contract to Covered Entity upon request. Business Associate may not make any disclosure of Electronic PHI to any agent without the prior written consent of Covered Entity.
- 14.3 Business Associate shall report in writing to Covered Entity any Security Incident pertaining to such Electronic PHI (whether involving Business Associate or an agent, including a subcontractor). Business Associate shall provide this written report promptly after it becomes aware of any such Security Incident. Business Associate shall provide Covered Entity with the information necessary for Covered Entity to investigate any such Security Incident.

- 14.4 Business Associate shall comply with any reasonable policies and procedures Covered Entity implements to obtain compliance under the Security Rule.

**15. Miscellaneous.**

- 15.1 In the event of any conflict or inconsistency between the terms of this Agreement and the terms of the Contract, the terms of this Agreement shall govern with respect to its subject matter. Otherwise the terms of the Contract continue in effect.
- 15.2 Any reference to “promptly” in this Agreement shall mean no more than seven (7) business days after the circumstance or event at issue has transpired. A reference in this Agreement to a section in the Privacy Rule or Security Rule means the section as in effect or as amended or renumbered.
- 15.3 Business Associate shall mitigate, to the extent practicable, any harmful effect that is known to it of a use or disclosure of PHI in violation of any provision of this Agreement.
- 15.4 Business Associate shall cooperate with Covered Entity to amend this Agreement from time to time as is necessary for Covered Entity to comply with the Privacy Rule, the Security Rule, or any other standards promulgated under HIPAA.
- 15.5 Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with the Privacy Rule, Security Rule, or any other standards promulgated under HIPAA.
- 15.6 In addition to applicable Vermont law, the parties shall rely on applicable federal law (e.g., HIPAA, the Privacy Rule and Security Rule) in construing the meaning and effect of this Agreement.
- 15.7 This Agreement may be amended or modified, and any right under this Agreement may be waived, only by a writing signed by an authorized representative of each party.
- 15.8 Nothing express or implied in this Agreement is intended to confer upon any person other than the parties hereto any rights, remedies, obligations or liabilities whatsoever. Notwithstanding the foregoing, the Covered Entity in this Agreement is the Agency of Human Services operating by and through its Department, Office, or Division of (\_\_\_\_\_Insert name of Department, Office, or Division). Covered Entity and Business Associate agree that the term “Covered Entity” as used in this Agreement also means any other Department, Division or Office of the Agency of Human Services to the extent that such other Department, Division, or Office has a relationship with Business Associate that pursuant to the Privacy or Security Rules would require entry into an agreement of this type.
- 15.9 As between Business Associate and Covered Entity, Covered Entity owns all PHI provided by Covered Entity to Business Associate or created or received by Business Associate on behalf of Covered Entity.

- 15.10 Business Associate shall abide by the terms and conditions of this Agreement with respect to all PHI it receives from Covered Entity or creates or receives on behalf of Covered Entity under this Contract even if some of that information relates to specific services for which Business Associate may not be a “Business Associate” of Covered Entity under the Privacy Rule.
- 15.11 The provisions of this Agreement that by their terms encompass continuing rights or responsibilities shall survive the expiration or termination of this Agreement. For example: (a) the provisions of this Agreement shall continue to apply if Covered Entity determines that it would be infeasible for Business Associate to return or destroy PHI as provided in Section 12.2 and (b) the obligation of Business Associate to provide an accounting of disclosures as set forth in Section 9 survives the expiration or termination of this Agreement with respect to accounting requests, if any, made after such expiration or termination.
- 15.12 This Agreement constitutes the entire agreement of the parties with respect to its subject matter, superseding all prior oral and written agreements between the parties in such respect.

**Rev 3-28-06**

### **ATTACHMENT F – AHS Customary Contract Provisions**

1. **Agency of Human Services – Field Services Directors** will share oversight with the department (or office) that is a party to the contract for provider performance using outcomes, processes, terms and conditions agreed to under this contract.
2. **2-1-1 Data Base:** The contractor will ensure that relevant descriptive information regarding its agency, programs and/or contact information is contained in Vermont’s 211 database and is accurate and up to date.
3. **Medicaid Program Contractors:**

**Inspection of Records.** Any contracts accessing payments for services through the Global Commitment to Health Waiver and Vermont Medicaid program must fulfill state and federal legal requirements to enable the Agency of Human Services (AHS), the United States Department of Health and Human Services (DHHS) and the Government Accounting Office (GAO) to :

Evaluate through inspection or other means the quality, appropriateness, and timeliness of services performed; and

Inspect and audit any financial records of such contractor or subcontractor.

**Subcontracting for Medicaid Services:** Having a subcontract does not terminate the contractor, receiving funds under Vermont’s Medicaid program, from its responsibility to ensure that all activities under this agreement are carried out. Subcontracts must specify the activities and reporting responsibilities of the contractor or subcontractor and provide for revoking delegation or imposing other sanctions if the contractor or subcontractor’s performance is inadequate. The contractor agrees to make available upon request to the Agency of Human Services; the Office of Vermont Health Access; the Department of Disabilities, Aging and Independent Living; and the Center for Medicare and Medicaid Services (CMS) all contracts and subcontracts between the contractor and service providers.

**Medicaid Notification of Termination Requirements:** Any contractor accessing payments for services under the Global Commitment to Health Waiver and Medicaid programs who terminates their practice will follow the Office of Vermont Health Access, Managed Care Organization enrollee notification requirements.

**Encounter Data:** Any contractor accessing payments for services through the Global Commitment to Health Waiver and Vermont Medicaid programs must provide encounter data to the Agency of Human Services and/or its departments and ensure that it can be linked to enrollee eligibility files maintained by the State.

4. **Non-discrimination Based on National Origin as evidenced by Limited English Proficiency.** The contractor agrees to comply with the non-discrimination requirements of Title VI of the Civil Rights Act of 1964, 42 USC Section 2000d, et seq., and with the federal guidelines promulgated pursuant to Executive Order 13166 of 2000, which require that contractors and subcontractors receiving federal funds must assure that persons with limited English proficiency can meaningfully access services. To the extent the contractor provides assistance to individuals with limited English proficiency through the use of oral or written translation or interpretive services in compliance with this requirement, such individuals cannot be required to pay for such services.
5. **Voter Registration.** When designated by the Secretary of State, the contractor agrees to become a voter registration agency as defined by 17 V.S.A. §2103 (41), and to comply with the requirements of state and federal law pertaining to such agencies.
6. **Drug Free Workplace Act.** The contractor will assure a drug-free workplace in accordance with 45 CFR

Part 76.

7. **Privacy and Security Standards.**

**Protected Health Information:** The contractor shall maintain the privacy and security of all individually identifiable health information acquired by or provided to it as a part of the performance of this contract. The contractor shall follow federal and state law relating to privacy and security of individually identifiable health information as applicable, including the Health Insurance Portability and Accountability Act (HIPPA) and its federal regulations.

**Substance Abuse Treatment Information:** The confidentiality of any alcohol and drug abuse treatment information acquired by or provided to the contractor or subcontractor shall be maintained in compliance with any applicable state or federal laws or regulations and specifically set out in 42 CFR Part 2.

**Other Confidential Consumer Information:** The contractor agrees to comply with the requirements of AHS Rule No. 96-23 concerning access to information. The contractor agrees to comply with any applicable Vermont State Statute, including but not limited to 12 VSA §1612 and any applicable Board of Health confidentiality regulations. The contractor shall ensure that all of its employees and subcontractors performing services under this agreement understand the sensitive nature of the information that they may have access to and sign an affirmation of understanding regarding the information's confidential and non-public nature.

**Social Security numbers:** The contractor agrees to comply with all applicable Vermont State Statutes to assure protection and security of personal information, including protection from identity theft as outlined in Title 9, Vermont Statutes Annotated, Ch. 62.

8. **Abuse Registry.** The contractor agrees not to employ any individual, use any volunteer, or otherwise provide reimbursement to any individual who provides care, custody, treatment, services, or supervision to children or vulnerable adults if there is a substantiation of abuse or neglect or exploitation against that individual. The contractor will check the Adult Abuse Registry in the Department of Disabilities, Aging and Independent Living. Unless the contractor holds a valid child care license or registration from the Division of Child Development, Department for Children and Families, the contractor shall also check the Central Child Abuse Registry. (See 33 V.S.A. §4919 & 33 V.S.A. §6911).
9. **Child Abuse Reporting.** Notwithstanding the provision of 33 V.S.A. §4913(a) any agent or employee of the contractor who has reasonable cause to believe that a child has been abused or neglected as defined in Chapter 49 of Title 33 V.S.A. shall report the suspected abuse or neglect to the Commissioner of the Department for Children and Families within one working day. The report shall contain the information required by 33 V.S.A. §4914.
10. **Work Product Ownership.** All data, technical information, materials gathered, originated, developed, prepared, used or obtained in the performance of the contract - including, but not limited to, all reports, surveys, plans, charts, literature, brochures, mailings, recordings (video or audio, pictures, drawings, analyses, graphic representations, software computer programs and accompanying documentation and printouts, notes and memoranda, written procedures and documents, regardless of the state of completion, which are prepared for or are a result of the services required under this contract shall be and remain the property of the State of Vermont and shall be delivered to the State of Vermont upon 30 days notice by the State. With respect to software computer programs and / or source codes developed for the State, the work shall be considered "work for hire," i.e., the State, not the contractor or subcontractor, shall have full and complete ownership of all software computer programs and/or source codes developed.
11. **Software Development.** Without exception or alternate options, it is the State's policy that any application software which is purchased to support a business, operational or service delivery, activity of state government

must include the licensing or ownership of the source code. The source code must be delivered to, and reside in, the state agency or department that supports and/or maintains the application and must be available for modification and/or maintenance by state personnel at the sole discretion and option of the State. Source code held in escrow by a third party does not meet the requirement of this policy.

12. **Intellectual Property Ownership.** All work products and items delivered or produced under this agreement will be the exclusive property of the State of Vermont. This includes, but is not limited to, software, documentation, and development materials. The contractor shall not sell or copyright a work product or item produced under this contract without explicit permission from the State. The contractor shall not make information entered in the application available for uses by any other party than the State of Vermont without prior authorization by the State.
13. **Lobbying.** No federal funds under this agreement may be used to influence or attempt to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, continuation, renewal, amendments other than federal appropriated funds.
14. **Non-discrimination.** The contractor will prohibit discrimination on the basis of age under the Age Discrimination Act of 1975, on the basis of handicap under section 504 of the Rehabilitation Act of 1973, on the basis of sex under Title IX of the Education Amendments of 1972, or on the basis of race, color or national origin under Title VI of the Civil Rights Act of 1964. No person shall on the grounds of sex (including, in the case of a woman, on the grounds that the woman is pregnant) or on the grounds of religion, be excluded from participation in, be denied the benefits of, or be subjected to discrimination, to include sexual harassment, under any program or activity supported by state and/or federal funds.
15. **Environmental Tobacco Smoke.** Public Law 103-227, also known as the Pro-children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, child care, early childhood development services, education or library services to children under the age of 18, if the services are funded by federal programs either directly or through state or local governments, by federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such Federal funds.

The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment; service providers whose sole source of applicable federal funds is Medicare or Medicaid; or facilities where Women, Infants, & Children (WIC) coupons are redeemed.

Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity.

Contractors are prohibited from promoting the use of tobacco products for all clients. Facilities supported by state and federal funds are prohibited from making tobacco products available to minors.