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## **Request for Proposals (RFP)**

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**All Payer Claims Database (APCD)  
Development**

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# Request for Proposals

**Issuer:** Virginia Health Information (“VHI”), 102 N. 5th Street, Richmond, Virginia 23219, Attention: John Oliver, Procurement Project Lead.

**It is mandatory that proposals be RECEIVED by 5:00 pm Eastern Standard Time on April 29, 2013.**

No proposals will be accepted after this date and time. Proposals should be submitted in electronic format, by electronic-mail, using Portable Document Format (PDF), at the following address:

[JOliver@impactmakers.org](mailto:JOliver@impactmakers.org).

**Questions:** All questions about the functional requirements of the system, or the RFP process should be submitted by electronic mail to John Oliver, Procurement Project Lead, at [JOliver@impactmakers.org](mailto:JOliver@impactmakers.org). Please include the specific page number and paragraph with questions to assist VHI in providing a timely response. VHI will respond to questions by sharing new information with all prospective subcontractors. As set forth in the Request for Proposals (“RFP”) document, all questions should be submitted by 5:00 pm, April 22, 2013.

**Term of Subcontract:** The initial term of the Subcontract shall be twenty-four (24) months, subject to early termination as set forth in the Terms and Conditions attached or upon the termination or non-renewal of the Contract Regarding Health Care Data Reporting between the Commissioner of Health, Virginia Department of Health and Virginia Health Information (the “Prime Contract”).

**Pricing and Subcontract Compatibility:** Offerors must provide a fixed price for VHI that will cover the requirements for the scope of work as set forth in the RFP document that takes into consideration the following:

1. Note any specific exclusions or requirements of your approach that may cause VHI to incur costs outside of the offeror’s fixed price offer.
2. Document pricing based on a twenty-four (24) month project, with annual costs broken down as follows:

Activity	Annual Cost Year 1	Annual Cost Year 2	Total Cost
Data Capture			
Data Processing			
Data Distribution			
Total			

Additionally, list any recommended enhancements or modifications to the functional requirements of the All Payer Claims Database System, as is outlined for offerors in the RFP, that may streamline the project timeline or costs based on the offeror’s approach. Indicate how these recommended changes will impact project cost, risk, time and complexity.

**Offeror's General Obligations:** All offerors will be asked as part of this process to indicate their ability to work in alignment, and ultimately conform, with VHI's standard terms and conditions, some of which are set forth in Section V of the RFP document, VHI's information security practices, and VHI's obligations and responsibilities to the Virginia Department of Health and other entities as set forth in the following, which are attached to the RFP document and are incorporated by reference to the RFP:

1. **Attachment 1:** Chapter 693 APCD 4-9-12;
2. **Attachment 2:** Virginia All Payer Claims Database Data Submission and Use Agreement ("DSUA") and the following exhibits to the DSUA;
  - a. **Exhibit 1:** Data Submission Manual;
  - b. **Exhibit 2:** Business Associate Agreement and attached Security Standards;
  - c. **Exhibit 3:** Data Subscriber Agreement;
  - d. **Exhibit 4:** Permitted Uses of Actual Reimbursement Data; and
3. **Attachment 3:** Virginia Department of Health and Virginia Health Information Contract Regarding APCD Health Care Data Reporting, §§ 1.1.62-1.83 (the "Prime Contract").

**Offers:** Offers, complying with the terms set forth herein and in the RFP, are considered to be irrevocable for a period of not less than ninety (90) days following the date upon VHI's receipt of the offer and accompanying proposal, and may not be withdrawn, except with the express written permission of VHI. All pricing submitted with the offer and proposal will be considered to be firm and fixed except as may be permitted by the Subcontract.

**OFFEROR'S CERTIFICATION:**

**In compliance with this RFP and to all the conditions imposed therein and hereby incorporated by reference, the undersigned offers and agrees to furnish the services in accordance with the attached signed proposal.**

Name and Address of Offeror:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

By: \_\_\_\_\_

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

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

Telephone: ( ) \_\_\_\_\_

Facsimile: ( ) \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

**\*\*Please attach this cover sheet/signed certification statement to the front of your proposal at the time of submission.**

## Contents

I.	Background Information .....	5
A.	Virginia Health Information (VHI) Background .....	5
B.	All Payer Claims Database (APCD) Background .....	5
C.	Purpose of the RFP.....	5
D.	Timeline and Procedures for RFP .....	6
E.	Attached Documents .....	7
II.	Evaluation Criteria.....	8
III.	Description and Diagram of Database Workflow .....	9
A.	Requirements for Data Security.....	10
i.	Guidelines .....	10
ii.	Description.....	10
iii.	Specific Functional Requirements.....	10
B.	Requirements for Data Capture.....	11
i.	Guidelines .....	11
ii.	Description.....	11
iii.	Specific Functional Requirements.....	11
C.	Requirements for Data Processing .....	11
i.	Guidelines .....	11
ii.	Description.....	12
iii.	Specific Functional Requirements.....	12
D.	Requirements for Data Distribution .....	13
i.	Guidelines .....	13
ii.	Description.....	13
iii.	Specific Functional Requirements.....	13
IV.	Subcontractor Instructions .....	14
A.	Data Security.....	14
B.	Data Capture .....	14
C.	Data Processing.....	14
D.	Data Distribution.....	15
E.	Team Composition and Demonstrated Experience .....	15
F.	Recommended Enhancements .....	15

V. Terms and Conditions ..... 16

- A. Payment. .... 16
- B. Termination..... 16
- C. Effect of Termination and Transition..... 17
- D. Assignment or Subcontract..... 17
- E. Changes..... 17
- F. Disputes and Choice of Law. .... 18

## **I. Background Information**

### **A. Virginia Health Information (VHI) Background**

VHI is a nonprofit organization that creates health information for businesses, consumers, government entities, health insurance companies, and healthcare providers. VHI collects, analyzes and distributes healthcare data under contract to the Virginia Department of Health to support Virginia healthcare data reporting requirements. Information collected includes all hospital discharge data, financial and operational data from hospitals, nursing facilities, surgical centers, certificate of need data, allowed amounts from health insurance companies, HMO cost and quality information and outpatient surgery data. VHI publishes reports and consumer guides on health insurance, hospitals, HMOs, nursing facilities, physicians and other topics at [www.vhi.org](http://www.vhi.org).

### **B. All Payer Claims Database (APCD) Background**

APCDs are being established across the US to effectively measure the performance of healthcare systems. APCDs include paid claims from institutional encounters (hospital, surgery centers, etc.), medical professional services (such as doctor visits and imaging), pharmacy, and other services. APCDs provide the ability to understand how, where and how much healthcare is delivered and how much is spent. In 2012 the Virginia General Assembly enacted legislation to create an APCD. Virginia's APCD is a voluntary program with specific requirements of participating data submitters and certain restrictions on how the de-identified data may be used. Virginia's APCD is created under the authority of the Virginia Department of Health. The program will be operated by VHI as a collaborative effort with healthcare stakeholders who provide input from the Virginia APCD Advisory Committee. Thirty months of initial funding is provided by certain members of the Virginia Association of Health Plans, the Virginia Hospital and Healthcare Association and VHI. VHI has the responsibility to develop long term sustainability plans in collaboration with the Department of Health and other healthcare stakeholders to continue to operate the APCD after the initial thirty month period.

### **C. Purpose of the RFP**

VHI seeks assistance from a subcontractor to create and operate an infrastructure to collect, aggregate, edit and create a de-identified database for analysis, and provide analytical tools and reports from claims data in support of Virginia's All Payer Claims Database. The subcontractor will work with VHI and in collaboration with the APCD Advisory Committee to build consensus and support for information developed under the contract.

Health insurance companies and other authorized organizations will submit APCD data from services provided to privately insured individuals and individuals covered under self-funded group health plans in the Commonwealth. Nine organizations have signed Data Submission and Use Agreements and will participate. Confirmed organizations that will submit data include Aetna, Amerigroup, Anthem Blue Cross and Blue Shield of Virginia, Carefirst, Cigna, Kaiser Permanente, Optima Health, United HealthCare and Virginia Premier. Some of these plans will include managed care services provided to Medicaid and Medicare recipients. As a voluntary program, each of the above companies acting as a Third Party Administrator for employers must request permission to include the employer's claims in their submission. VHI will obtain Medicare data from the Centers for Medicare and Medicaid Services. The Department of Medical Assistance Services will provide Medicaid data. VHI will also work to obtain other government program data including TRICARE.

Estimates of Virginia Enrollees		
Payer Type	Source	Estimate
Medicare	CMS Medicare enrollment for Virginia in July 2010	Part A &/or B = 1,127,426 Part A & B = 1,032,525
Medicaid	DMAS as of March, 2013	Medicaid monthly enrollment = 883,077 CHIP (FAMIS) monthly enrollment = 115,756
TRICARE		Information not available at the time of RFP release.
Private Commercially insured and Self-insured Companies utilizing a Third Party Administrator for administrative Services Only	APCD legislative requirements	Participating data submitters are estimated to represent at least 75 percent of privately insured individuals and individuals covered under self-funded group health plans in the Commonwealth. A firm estimate is not available at the time of RFP release.
Not adjusted for variations time of estimate or growth that may occur during contract period.		

#### D. Timeline and Procedures for RFP

Respondents to the RFP are asked to follow the timeline below for submitting questions (about this document or VHI's functional requirements), as well as for submitting their RFP responses. VHI's point of contact for this procurement activity will be:

**John Oliver**  
Procurement Project Lead  
[JOliver@impactmakers.org](mailto:JOliver@impactmakers.org)

All questions about the functional requirements of the system, or the RFP process should be submitted by electronic mail. Please include the specific page number and paragraph with questions to assist VHI in providing a timely response. VHI will respond to questions by sharing new information with all prospective subcontractors.

#### *RFP Timeline*

Event	Start Date	End Date
Publication of RFP	March 29, 2013	-
Question and Answer Period	March 29, 2013	April 22, 2013
Subcontractor RFP Response Submission Deadline	April 29, 2013	-

Deadline for submission of responses and pricing for the APCD Development is **5:00 pm Eastern Standard Time on April 29<sup>th</sup>, 2013**. No proposals will be accepted after this date and time.

Proposals should be submitted in electronic format, by e-mail, using Portable Document Format (PDF).

## **E. Attached Documents**

All prospective subcontractors will be asked as part of this process to indicate their ability to work in alignment with VHI standard terms and conditions and information security practices. The following documents are attached to facilitate understanding of VHI standards and information security practices:

1. **Attachment 1:** Chapter 693 APCD 4-9-12;
2. **Attachment 2:** Virginia All Payer Claims Database Data Submission and Use Agreement (“DSUA”) and the following exhibits to the DSUA;
  - a. **Exhibit 1:** Data Submission Manual;
  - b. **Exhibit 2:** Business Associate Agreement and attached Security Standards;
  - c. **Exhibit 3:** Data Subscriber Agreement;
  - d. **Exhibit 4:** Permitted Uses of Actual Reimbursement Data; and
3. **Attachment 3:** Virginia Department of Health and Virginia Health Information Contract Regarding APCD Health Care Data Reporting, §§ 1.1.62-1.83 (the “Prime Contract”).



## II. Evaluation Criteria

Subcontractor proposals will be evaluated by a team of subject matter experts and stakeholders from VHI based on the following criteria and weighting:

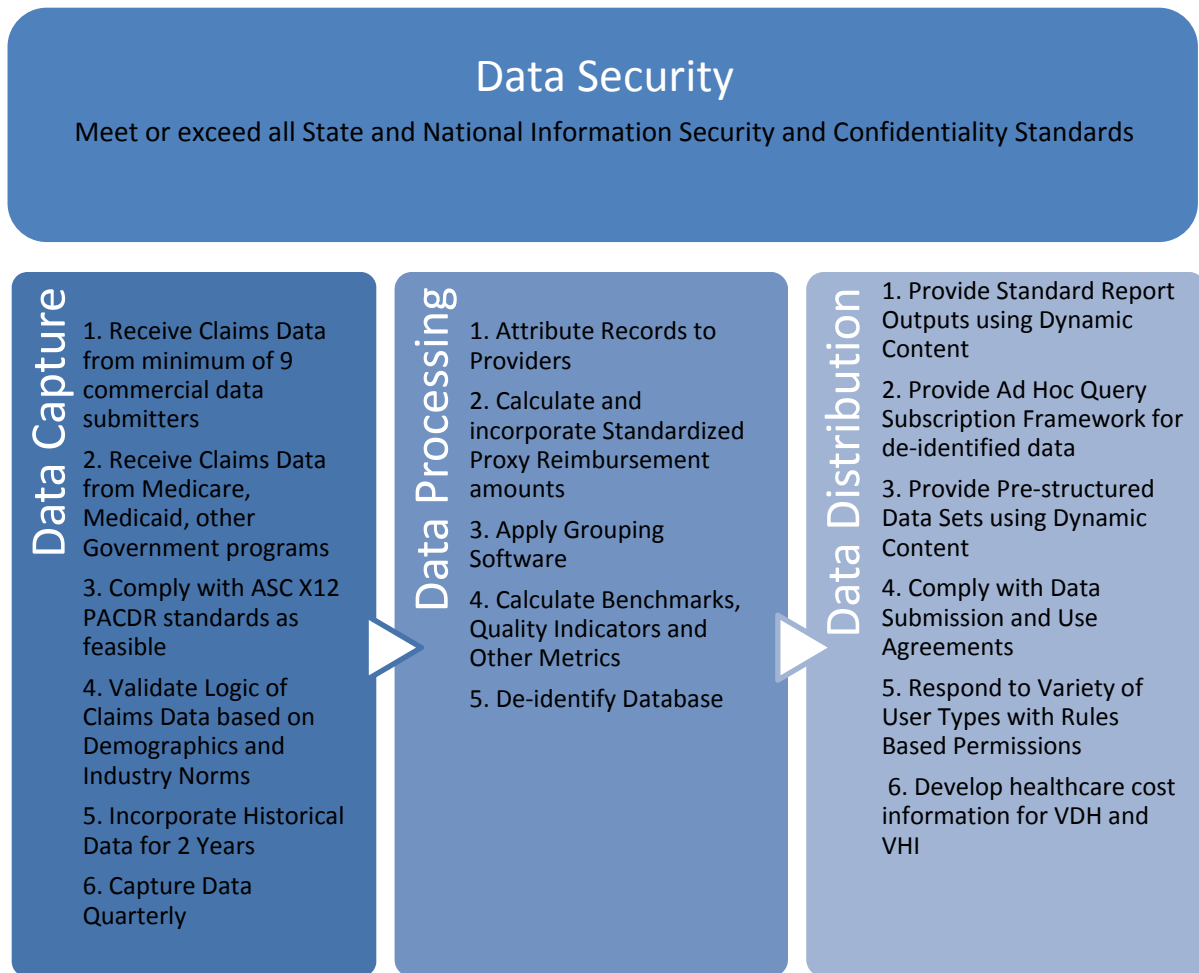
<b>Criteria</b>	<b>Weighting</b>
<b>Data Security</b>	<b>20%</b>
Demonstrated Understanding of Security Requirements and Methodologies	-
<b>Implementation Plan for Database Workflow (Data Capture, Processing, Distribution)</b>	<b>30%</b>
Project Plan, Timeline, Milestones, Deliverables and Sequential Plan Reviews	-
Quality of Overall Technical Approach & Solution	-
Strength of techniques described for processing data, specifically related to de-identification of data, ICD-9 - ICD-10 compatibility, attribution methodologies, assigning episodes of care and benchmarking	-
Project Test Plan and Commitment to Quality through Sequential Testing	-
<b>Team Composition and Demonstrated Experience</b>	<b>30%</b>
Project Team Members' Related Claims Database Experience	-
Examples of Subcontractor's Demonstrated Relevant Experience	-
Strength of Endorsement by Reference Customers	-
Insight into Areas of Complexity and Project Management Techniques	-
<b>Pricing and Contract Compatibility</b>	<b>20%</b>
Fixed Price Bid for Requirements in the Scope of Work	-
Cost Structure for any Recommended Elements outside of RFP Scope	-
Acceptance of all Required Contract Standards	-
<b>Total</b>	<b>100%</b>

It is important to note that VHI seeks a fixed-price contract for the APCD development. The subcontractor's fixed-price proposal should be based on the entire scope of functional requirements detailed in the RFP, for a period covering 24 months.

Additionally, a Subcontract award under this RFP will be the result of an integrated assessment of the results of the evaluation based on the Evaluation Criteria and their relative order of importance as indicated above. VHI intends to make a Best Value determination for the Subcontract award. Accordingly, VHI may award any resulting Subcontract to a potential subcontractor that has not proposed the lowest projected cost, or to a potential subcontractor that has not achieved the overall highest score. The importance of cost as an evaluation factor, however, may increase as the difference between competing subcontractors, with respect to the other Evaluation Criteria, decreases.

### III. Description and Diagram of Database Workflow

The diagram below illustrates the Database Workflow for the APCD. Data is expected to flow through three stages: Data Capture, Data Processing, and Data Distribution. There are Data Security requirements that must be integrated in each of the three stages and during transition between each stage of the Database Workflow.



Functional Requirements and Specific Technical Requirements are outlined in the following sections.

## A. Requirements for Data Security

### i. Guidelines

Meet or exceed all existing state and national standards for information security and confidentiality.

### ii. Description

The APCD requires security plans and practices to prohibit unauthorized access to any patient-specific information and any information that is prohibited from release. The proposed database solution and the selected subcontractor's business practices must illustrate standard information security plans such as: Business Impact Analysis, Contingency Planning, Continuity of Operations Plan and Disaster Recovery Plans. The proposed database solution and the selected subcontractor's business practices must also demonstrate the use of standard information security practices such as: IT systems security, physical security, logical access control, data protection, personnel security, threat management and IT asset management.

Protecting patient privacy and data security is a high priority for the APCD. The APCD needs to comply with state and federal privacy laws, including the Commonwealth of Virginia Information Technology Resource Management (ITRM) Information Technology Security Standards SEC519-00 and SEC501-07.1, HIPAA, the Social Security Act, the HITECH Act and elements of the American Recovery and Reinvestment Act as described in Attachment 2 and related Exhibits.

The selected subcontractor must comply and sign as appropriate the Data Submission and Use Agreement, the Business Associate Agreement, and Information Security, as presented in Attachment 2.

### iii. Specific Functional Requirements

- a. Prevent and detect unauthorized electronic use or access of data.
  - 1) Encrypt data in motion and at rest in compliance with state and federal laws and guidelines including the HITECH Act.
  - 2) Encrypt data during transmission, storage, backup and field masking.
  - 3) Secure automated transfer of data from submitters to the subcontractor.
  - 4) Enforce rule based security standards throughout database architecture, restricting access to the data at the system, database, application, and web interface levels.
  - 5) Implement technical and administrative safeguards according to HIPAA, including but not limited to: user training, user-ids, passwords, firewalls and access logs.
- b. Protect against loss of use or destruction of data and critical systems.
  - 1) Follow procedures for security of data during storage, backup, and transfer.
  - 2) Implement and maintain recovery procedures for mission-critical data, in the event of a business interruption or disaster.
- c. Prevent unauthorized physical access and use.
  - 1) Have physical security systems to protect hardware, software, storage medium and other equipment from unauthorized access or use.
  - 2) Establish and maintain documented procedures for secure receipt, management, storage, release and transmission of data.
- d. Monitor, report and resolve data security issues.
  - 1) Designate a single individual to act as the HIPAA Privacy Control Officer for this project.
  - 2) Maintain audit trails of user access to Protected Health Information (PHI). The audit trail capacity will include hardware, software and or procedural mechanisms that record and examine activity in the information system that contains or uses PHI.

- 3) Work with VHI to update confidentiality, security and back-up data plans on a periodic basis (at least once per year).

## B. Requirements for Data Capture

### i. Guidelines

- Collaborate with data submitters to follow ASC X12 PACDR standards as feasible.
- Use consistent processes for standardization, validation and aggregation of data from multiple data submitters.
- Apply a consistent methodology for quality assurance of submissions.

### ii. Description

Virginia's APCD is expected to include a minimum of 9 commercial data submitters, Medicare, Medicaid and other available government data. Data Intake will include initial test data from submitters and subsequent collection of historical 2011 and 2012 paid claims. Quarterly submissions will be added on an ongoing basis through the Data Capture process.

### iii. Specific Functional Requirements

- a. The subcontractor will work with VHI and data submitters to modify the Data Submission Manual to comply with ASC X12 PACDR standards as feasible. The current Data Submission Manual may be found in Attachment 2 – Exhibit 1.
- b. Develop methodology for testing, accepting, processing and verifying submissions of member, provider and claims data.
  - 1) Protocols for file/data submission, storage and support of data submitters.
  - 2) Methods for extracting Medicare, Medicaid and other government claims and encounter data and accommodation in the data warehouse.
  - 3) Audit of content, including accuracy by data element and record, quality and volume of submissions both within and across data submitters for current submission and over time.
  - 4) Validation process to ensure common formatting errors are identified and resolved.
  - 5) Feedback and technical assistance to data submitters on data completeness and quality, including error reports.
  - 6) Acceptance of records utilizing ICD-9-CM codes or ICD-10-CM codes.
  - 7) Remediation with data submitters if there are data deficiencies.
  - 8) Consolidated lists of resubmissions from data submitters.
  - 9) A secure web interface for data submitters for submission, verification and review.
- c. Edit, process and integrate historic claims data into the APCD for 2011 and 2012.
- d. Provide VHI access to detailed and summary results by data submitter and in aggregate of test, historical and quarterly submissions of APCD data.
- e. Provide multi-stage testing milestones and review sessions to ensure the development of data submission policies that are reliable, valid, accurate and build consensus among all stakeholders of the APCD Advisory Committee and VHI as appropriate.

## C. Requirements for Data Processing

### i. Guidelines

Make use of a robust database architecture that supports an editing process to aggregate records into an accurate and reliable dataset. Aggregate fully processed and verified data to support desired reporting outputs and data confidentiality requirements. Enhance value through additional data elements and analytical processing.

## ii. Description

After claims data is captured, the integrity and logic of the claims must be validated. Records must be de-identified in a manner that satisfies security, privacy and data use standards. Actual paid amounts, in most reports and analyses, must be replaced by Standardized Proxy Reimbursement Amounts as developed by the subcontractor in collaboration with VHI and the APCD Advisory Committee. The system must apply grouping software, and calculate quality indicators and other measures. There will be additional automated and manual methods for testing data before declaring records suitable for use. Following completion of these steps, the processed, de-identified data will be assigned a status or table association that indicates it is suitable for use.

## iii. Specific Functional Requirements

- a. Provide mechanisms for the de-identification of data, and for verification of whether claims data is de-identified prior to data availability in a manner that is compliant with HIPAA requirements.
  - 1) Satisfy HIPAA privacy rules for all de-identified data.
  - 2) Utilize the "expert determination method" of de-identification by qualified personnel as described in the guidance document published by the HHS Office for Civil Rights on November 26, 2012.
  - 3) Ensure the de-identified records contain a pointer back to identifying data for the purposes of data analysis including provider verification and data correction.
- b. Provide interoperability between ICD-9 and ICD-10 data without the loss of claims information from records. This specifically includes use of DRG and episode of care grouper versions appropriate for either ICD-9 or ICD-10.
- c. Develop methods to identify individual members across records and datasets over time.
  - 1) Maintain secure, accurate, updated, unduplicated member and claim files.
  - 2) Add geocoding components including latitude and longitude to claims and member eligibility files.
- d. Develop methods to identify healthcare providers and provider group practices across all data submitters and maintain a provider and provider group practice file.
  - 1) Maintain secure, accurate, updated, unduplicated provider and provider group practice files.
  - 2) Add geocoding components including latitude and longitude to provider files.
- e. Develop and apply APCD Advisory Committee-approved methods for valid, reliable and accurate attribution of services. The subcontractor will work to develop best practices in attribution methods with the understanding of the complexity of the task. The methods should address the potential for attribution using attribution of episodes to multiple physicians, attribution by specialty, specific services actually provided and measured, and distinguish as appropriate between attribution for acute conditions and chronic conditions.
- f. Develop and apply APCD Advisory Committee-approved methods for substituting a Standardized Proxy Reimbursement Amount to replace actual payment information.
- g. Aggregate claims and apply episode of care grouping technology that organizes claims into a set of clinically coherent episodes.
- h. Provide risk adjustment and/or illness burden software tools for analytic datasets.
- i. Implement benchmark methodologies for comparing care by geographic region, demographic, provider, health plan and other variables.
- j. Provide multi-stage testing milestones and review sessions to ensure the development of data processes that are reliable, valid and accurate and build consensus among all stakeholders of the APCD Advisory Committee and VHI as appropriate.

## D. Requirements for Data Distribution

### i. Guidelines

Deliver standardized reports, online access to data for subscribers and datasets based on legislative mandates and stakeholder needs.

### ii. Description

Query and output processes must allow customers of the APCD to utilize de-identified information in compliance with the Data Submission and Use Agreement. Methods of distribution will include standard reports, subscriptions to online, ad hoc (user defined) query tools, and pre-structured datasets that may have qualities both of a report and a subscription activity. Access to data will be governed by a rules-based permission hierarchy. All access and use of data will be in accordance with the terms of an approved and signed Data Subscriber Agreement and in formats approved by VHI and the Data Advisory Committee.

### iii. Specific Functional Requirements

- a. Provide Reports for the Virginia Department of Health. Work with VHI to produce de-identified reports and public health oversight reports for the Virginia Department of Health. Reports will include, but not be limited to, reports on (i) injuries; (ii) chronic diseases; (iii) health conditions of pregnant women, infants, and children; and (iv) geographic and demographic information for use in community health assessment, prevention education, and public health improvement, formatted to allow comparison with reports produced by other nationwide data programs. Such reports shall also include reports that permit the design and evaluation of alternative delivery and payment models.
- b. Provide Reports for Healthcare Purchasers. Work with VHI to produce reports for use by healthcare purchasers including employers and consumers (“healthcare purchasers”), in such format and including such content as VHI will determine after consultation with the APCD Advisory Committee and stakeholders.
- c. Provide Other De-Identified Reports. Work with VHI to produce de-identified reports, which may include searchable subsets of the de-identified dataset or access to datasets or databases prepared by VHI. Subsets of de-identified data may contain information derived solely from the de-identified dataset for use by the Virginia Department of Health, providers, third parties, healthcare purchasers, and the general public, in such format and including such content as VHI will determine after consultation with the APCD Advisory Committee.
- d. Provide Covered Entity Reports. Work with VHI to produce covered entity reports for use by data supplier or another data supplying entity that is a covered entity in carrying out its healthcare operations.
- e. Develop reports using actual reimbursement information as detailed in Attachment 2, Exhibit 4, Permitted Uses of Actual Reimbursement Data.
- f. Ensure a consistent look, feel, architecture and user interface to all system agents and stakeholders.
- g. Optimize system speed in order to provide responsiveness for system users in a web-enabled architecture.
- h. Provide standard report outputs and pre-structured datasets using dynamic content management tools.
- i. Provide multi-stage testing milestones and review sessions to ensure the development of data outputs that are reliable, valid and accurate and build consensus among all stakeholders of the APCD Advisory Committee and VHI as appropriate.

## IV. Subcontractor Instructions

Please tailor your proposals to address the instructions below. VHI will be using responses to these specific instructions, and your demonstrated understanding of the Specific Functional Requirements for the APCD, as a framework for evaluating and scoring prospective subcontractors.

### A. Data Security

1. Prevent and detect unauthorized use and access
  - a) Describe how your firm will ensure security of information throughout the project.
  - b) Explain your firm's approach to encryption of data for this project. Please cite examples of the methods used to ensure compliance with HIPAA, the HITECH Act and other information security standards.
2. Protect against loss or destruction of data and systems
  - a) Describe what backup and recovery procedures will your firm use for the project.
3. Prevent unauthorized physical access and use
  - a) Describe the physical security systems your firm will use to protect hardware, software and equipment, as well as procedures for security of data.
4. Monitor, report and resolve security issues
  - a) Outline the staffing, audit methodologies and issue resolution process your firm will use for any security issues.

### B. Data Capture

1. Explain how would you collaborate with VHI and data submitters to align the Data Submission Manual with ASC X12 PACDR Standards and submit data accordingly.
2. Describe your firm's specific methodology for testing, accepting, processing and verifying submissions of member, provider and claims data.
3. Outline the project plan and methodology for capturing, editing and processing historic claims data for 2011 and 2012 and quarterly data thereafter.

### C. Data Processing

1. Describe the process your firm will use for de-identifying claims data and ensuring identifying information is prevented from being distributed.
2. Outline the methods your firm will use to ensure interoperability between ICD-9 and ICD-10 data including use of Groupers and other methods of categorizing records to the appropriate version of ICD.
3. Describe the techniques your firm will use for processing data in accordance with the requirements outlined in the RFP, including:
  - a) Identifying individual members across records and datasets over time
  - b) Identifying healthcare providers and practices as part of a provider and provider practice file
  - c) Developing and applying APCD Advisory Committee-approved methods for attribution of services
  - d) Developing and applying APCD Advisory Committee-approved methods for substituting Standardized Proxy Reimbursement Amounts for actual payment information
  - e) Aggregating claims data into coherent episodes
  - f) Providing risk adjustment and illness burden software tools

4. Outline the benchmarking methodologies that your firm employ to compare care by geography, demographic, provider, health plan and other variables.
5. Describe the multi-stage testing milestones your firm will utilize during the project.

#### **D. Data Distribution**

1. Describe the functionality and structure of an online query system that would allow subscribers accessing de-identified data to develop reports described in section III, D. iii. a-d of this RFP.
2. Explain your firm's proposed system for delivering a consistent user interface to internal and external stakeholders.
3. Describe the systems and software that your firm will use for development and delivery of reports for end users that accommodate multiple user profiles and report types.
4. Outline the steps that your firm will take to optimize system responsiveness for end users.
5. Describe your firm's multi-stage testing process for the user interface and reports.

#### **E. Team Composition and Demonstrated Experience**

1. List the specific team members that will be committed to this project, at all levels of project staffing and at each stage of the project lifecycle.
  - a) Summarize the direct experience of these specific staff members with the development of Claims Database systems that capture claims data from multiple sources.
2. Give an example of two recent projects that best represent your firm's ability to manage the development, data aggregation, analytics, and overall functional requirements of this project.
  - a) List names, email addresses and phone numbers for reference customers that can offer insight into your firm's delivery on the projects listed above.
3. Include an additional reference from a former customer who no longer contracts with your organization for business reasons.
4. Based on your experience, discuss, in detail, what you consider to be the three most complex steps in developing an APCD system and its related infrastructure, as described in the functional requirements for the APCD.
  - a) For each of these three important steps, describe what technique has your firm used on previous projects to strengthen project outcomes.

#### **F. Recommended Enhancements**

List any recommended enhancements or modifications to the functional requirements of the APCD System, as it was outlined for you in the RFP, that may streamline the project timeline or costs based on your approach. Indicate how these recommended changes would impact project cost, risk, time and complexity.



## V. Terms and Conditions

Additionally, upon award of the Subcontract, Subcontractor shall be subject to the Subcontract's terms and conditions, which shall include, but not be limited to the following, provisions:

### A. Payment.

Subcontractor shall submit invoices to VHI quarterly, no later than the 10th day of the quarter for services performed for the preceding quarter. The invoice amount shall be properly pro-rated according to the awarded price and term. Payment for all services will be made on a quarterly basis within thirty (30) days of VHI's receipt.

### B. Termination.

- i. VHI may terminate, without cause, the Subcontract in whole or in part upon thirty days written notice to Subcontractor. VHI shall terminate the subcontract by issuing the Subcontractor written notice of termination specifying the extent of termination. In the event of termination, VHI shall be liable to Subcontractor only for payment of costs incurred for materials and services rendered before the effective date of termination.
- ii. VHI may, by written notice of default, terminate the Subcontract in whole or in part if the Subcontractor fails to perform the authorized services within the time specified in the Subcontract or any extensions thereto.
- iii. VHI's right to terminate the Subcontract, pursuant to the items listed below, may be exercised if the Subcontractor does not cure such failure within ten (10) calendar days, or other time period if authorized in writing by VHI, after receipt of written notice from VHI specifying the failure.
  1. Make progress, so as to endanger performance of the Subcontract.
  2. Perform any other of its obligations under the Subcontract.
  3. Conduct its operations in the normal course of business (including inability to meet its obligations as they mature); or becomes insolvent or makes a general assignment for the benefit of creditors; or if any proceedings are commenced by or against the Subcontractor under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, or liquidation law or statute; or if a trustee, receiver, liquidator, or conservator for the Subcontractor is applied for or appointed.
  4. Notify VHI if it has a known conflict of interest with any APCD stakeholders, including, but not limited to: health plans; hospitals; the Department; and VHI.
- iv. If VHI terminates the Subcontract, in whole or in part, it may acquire, under the terms and in the manner VHI considers appropriate, supplies or services similar to those terminated.

The Subcontractor will be liable to VHI for all excess reasonable costs for those supplies or services. However, the Subcontractor shall continue the work not terminated.

If the Subcontract is terminated for default, VHI may require the Subcontractor to transfer title and deliver to VHI, as directed by VHI's Subcontract Administrator, any (1) completed or partially completed project deliverables, including but not limited to software; (2) completed or partially completed supplies and materials, plans, drawings, information, and reports; and (3) contract rights (collectively referred to as "materials" in this clause) that the Subcontractor has specifically produced, configured, or acquired for the terminated portion of the Subcontract.

- v. VHI shall pay the Subcontract price for services performed and accepted. The Subcontractor and VHI shall agree on the amount of payment for the materials delivered and accepted and for the protection and preservation of the property. Failure to agree will be a dispute under any disputes provisions of the Subcontract.

### **C. Effect of Termination and Transition.**

Upon termination of the Subcontract for any reason, Subcontractor shall return all data related to the APCD provided by VHI or any other party and any related documentation to VHI in accordance with the Subcontract and Business Associate Agreement to be executed by VHI and Subcontractor. Further, upon receipt of notice of termination, Subcontractor shall provide assistance to VHI in any efforts undertaken by VHI to transition the provision of services to a new subcontractor.

### **D. Assignment or Subcontract.**

Subcontractor shall not assign or subcontract any rights granted under the Subcontract without the prior written consent of VHI.

### **E. Changes.**

- i. VHI may at any time, by a written order, make changes within the general scope of the Subcontract in any one or more of the following: (1) drawings, design, or specifications where the supplies, materials, or services are to be furnished to VHI in accordance therewith; (2) method of shipping or packing; (3) place of delivery; and (4) description and level of services to be performed. If any such change causes an increase or decrease in the cost of, or the time required for, the performance of any part of the work under the Subcontract, an equitable adjustment shall be made in the Subcontract price or delivery schedule, or both, the Subcontract shall be modified in writing accordingly. Any claim by the Subcontractor for adjustment under the Subcontract must be asserted within thirty (30) days from the date of receipt by the Subcontractor of the change, provided, however, that VHI, if it decides that the facts justify such action, may receive and act upon any such claim asserted at any time prior to final payment under the Subcontract. Nothing in

the Subcontract shall excuse the Subcontractor from proceeding with the Subcontract as changed.

- ii. VHI's technical, or staff personnel may from time-to-time render assistance or give technical advice to, or exchange information with, the Subcontractor's personnel during the performance of the Subcontract relative to the services or items to be furnished under the Subcontract. However, such assistance, advice, statements, or exchange of information shall not constitute a waiver with respect to any of the Subcontractor's obligations or VHI's rights under the Subcontract, or constitute authority for a change in the services to be performed or items to be delivered under the Subcontract. In order for change or waiver to be valid under the Subcontract, a formal modification must be issued in writing and executed by an officer of VHI and the Subcontractor, respectively.

## **F. Disputes and Choice of Law.**

The Subcontract and its performance shall be interpreted in accordance with, and governed by, the laws of the Commonwealth of Virginia. The Virginia state courts or, if federal jurisdiction exists, the United States District Court, residing in Richmond, Virginia, shall have exclusive jurisdiction and venue over any dispute arising out of or relating to the Subcontract. The Subcontractor shall proceed diligently with performance of the Subcontract, pending resolution of any request for relief, claim, appeal, or action arising under the Subcontract.