



**REQUEST FOR QUALIFICATIONS # 31865-00631
 AMENDMENT # 2
 FOR DEVELOPMENT OF REIMBURSEMENT RATE
 STRUCTURE FOR NURSING FACILITIES, DSH
 AUDITING SERVICES, CPE CALCULATION, AND
 FACILITY APPRAISALS IN TENNESSEE**

DATE: 10/31/2022

RFQ # 31865-00631 IS AMENDED AS FOLLOWS:

1. This RFQ Schedule of Events updates and confirms scheduled RFQ dates. Any event, time, or date containing revised or new text is highlighted.

EVENT		TIME (Central Time Zone)	DATE (all dates are State business days)
1.	RFQ Issued		September 12, 2022
2.	Disability Accommodation Request Deadline	2:00 p.m.	September 15, 2022
3.	Pre-Response Conference	1:00 p.m.	September 22, 2022
4.	Notice of Intent to Respond Deadline	2:00 p.m.	September 26, 2022
5.	Written "Questions & Comments" Deadline	2:00 p.m.	October 10, 2022
6.	State response to written "Questions & Comments"		October 31, 2022
7.	RFQ Technical Response Deadline	2:00 p.m.	November 21, 2022
8.	State Notice of Qualified Respondent(s) Released		December 12, 2022
9.	RFQ Cost Proposal Deadline (ONLY for Qualified Respondents)		December 15, 2023
10.	RFQ Negotiations (if applicable)		December 16-19, 2022
11.	State Notice of Intent to Award Released and RFQ Files Open for Public Inspection		December 29, 2022
12.	End of Open File Period		January 5, 2023
13.	State sends contract to Contractor for signature		January 10, 2023
14.	Contractor Signature Deadline	2:00 p.m.	January 24, 2023

2. State responses to questions and comments in the table below amend and clarify this RFQ.

Any restatement of RFQ text in the Question/Comment column shall NOT be construed as a change in the actual wording of the RFQ document.

RFQ SECTION	PAGE #	QUESTION / COMMENT	STATE RESPONSE
		<p>1. [REDACTED] has significant experience conducting appraisals for state Medicaid-reimbursed nursing facilities; however, we do not have experience with designing and/or maintaining a reimbursement rate structure, auditing the State's DSH payments or calculating the State's CPE amount. We are interested in performing the facility appraisals and are wondering if we are allowed to partner with another firm who has experience in those other areas. If so, we have a firm in mind that we have worked with in the past.</p>	<p>See Section 3.4.6. of the RFQ. A respondent may partner with whomever they choose to meet the scope of service, however, neither party may submit to the RFQ as both a Prime on one proposal and a Subcontractor on another proposal. Additionally, any subcontractor must be eligible to do business with the State of Tennessee</p>
		<p>2. Facility appraisals:</p> <ul style="list-style-type: none"> a. During the Public Health Emergency period, should a facility limit visitation, are appraisals available to be completed virtually? If not, what expectations does the Department of Finance and Administration have for completion of the assessments b. Will the previously completed assessment/valuation reports be available? c. Will Tennessee provide prior appraisals for the Subject Properties prior to the new inspections? d. Is the moveable equipment Fair Market Value still set at \$7,500 per bed or will we need to determined? If we need to determine the FMV, will fixed asset records be available? (need to verify if any moveable equipment will need to be considered) 	<ul style="list-style-type: none"> A. In person appraisals were temporarily stopped at the beginning of the PHE, but have been resumed for some time now. B. These can be made available to the winning Contractor. C. These can be made available to the winning Contractor. D. This figure has not changed and is set in state rule.
		<p>3. DSH Audit Services:</p> <ul style="list-style-type: none"> a. Please provide count of hospitals participating in DSH Medicaid program b. Will State of TN be providing MMIS Medicaid Fee-for-Service (FFS) claims data? If not, where will be data obtained from? c. Is Managed Care Medicaid claims data provided by the state? If 	<ul style="list-style-type: none"> A. There were most recently 100 hospitals. B. Yes C. Yes D. The hospitals also provide data directly to the DSH auditor in file formats as specified by the DSH auditor.

RFQ SECTION	PAGE #	QUESTION / COMMENT	STATE RESPONSE
		<p>not, what is the source of this type of data?</p> <p>d. what is the source and format of the claims data provided by the hospitals?</p> <p>e. How much time do the hospitals generally require for the adjusted DSH survey review and approval process (if applicable)?</p>	<p>E. Each DSH audit cycle takes approximately 12 months to complete.</p>
		<p>4. Other Questions</p> <p>a. What response times are expected from the contractor for any provider questions related to scope of work?</p> <p>b. Can this engagement be performed remotely, or would you prefer a portion of the work to be done onsite?</p>	<p>A. The state expects responses within one business day.</p> <p>B. This can be performed remotely.</p>
		<p>5. The Reference Questionnaire instructions in the RFQ state we can choose if we want our references to either submit hardcopy references in a sealed, signed envelope or if we want them to email directly to the State. The instructions at the top of the Reference Questionnaire that the reference point of contact would receive only includes the instructions to submit a hardcopy questionnaire in a sealed, signed envelope.</p> <p>Can the State clarify if only hardcopy is an option? If not, can the State modify the instructions at the top of the Reference Questionnaire to include email submission instructions as well?</p>	<p>Please see item 3 below</p>
		<p>6. The RFQ contract "Payment Terms and Conditions" section C.3.d requires a Per Facility Appraisal Rate "\$ per Facility" amount to be provided. Within the Tennessee Administrative Code, there is a required mandatory reappraisal process where all providers will receive a new appraisal value, and requirements to perform an appraisal for new providers or for providers that qualify for and request a voluntary reappraisal. Given that some 'economies of scale' can be obtained during a more large-scale appraisal</p>	<p>Please see adjustment made in #4 found below this table.</p>

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		effort like the mandatory reappraisal process, would TennCare consider allowing for two separate "\$ per Facility" values to be included in proposal responses? (One value related to appraisals performed under a mandatory reappraisal period, and another value for appraisals performed for new providers or voluntary facility reappraisals?)	
		7. If the Q/A is delayed for any reason, would the State consider extending the proposal deadline to allow for at least seven business days between release answers to questions and the proposal submission date?	The State will adjust the schedule as necessary.
		8. Should we include trade secret / confidential information in our proposal, are bidders permitted to also submit a redacted version of the proposal that the State can use to respond to Tennessee Public Records Act requests?	The State does not accept redacted proposals. Please refer to RFQ Section 4.5 Disclosure of Response Contents.
		9. Please clarify the method by which a bidder should claim portions of their proposal as confidential.	See response to Question 8
		10. We understand that the bidder is to reproduce RFQ Attachment A, B and C as a guide to organize their response. Will the State permit the bidder to reproduce the RFQ Attachment A, B and C in Microsoft Word?	Yes, provided that <u>no</u> changes to any RFQ attachment are made by the respondent.
		11. Are bidders permitted to reproduce RFQ Attachment E (Reference Questionnaire) in Microsoft Word?	See response to Question 10.
		12. Should the reference choose to submit the Reference Questionnaire via email, will the Solicitation Coordinator (Mike Bentheimer) confirm receipt upon request?	Yes
		13. Will the State be open to receive proposal containers on November 7, 2022? If so, what are the hours of operation?	The office will be open 7am CT until 4:30pm CT on regular business days not including State and Federal Holidays.
		14. Besides the DSH audits, does the State have agreed upon procedures acceptable for the audit tasks?	The State does not currently have any procedures in place.

RFQ SECTION	PAGE #	QUESTION / COMMENT	STATE RESPONSE
Attached F RFQ # 31865-00631 Pro Forma Contract	28 - 86	15. Regarding the State's Pro Forma Contract and Business Associate Agreement, would the State consider markups during negotiations which will allow a reasonable opportunity to cure breaches prior to the State being able to immediately terminate for cause?	The State will not consider revisions to Pro Forma Contract Attachment D, <i>Business Associate Agreement</i> during contract negotiations. Section D.6 Termination for Cause language has been updated in #5 below.
A. SCOPE; A.4 Permanent Record of Nursing Facility Information	33	16. Regarding provision A.4 in the pro forma, there is a requirement to maintain a "permanent record" of information for each nursing facility. Our standard workpaper policy requires that we maintain for seven (7) years. Could the State clarify and confirm what their document retention requirement period would be or if a vendor turning over records/documents related to this requirement at engagement completion satisfies the request?	The Contractor turning over records to the state at the end of the engagement would satisfy this requirement.
A. SCOPE; A13	35	17. Regarding the comprehensive appraisals for each Medicaid-participating nursing facility, could the State confirm how many nursing facilities would be in scope?	Approximately 290
D. MANDATORY TERMS AND CONDITIONS; D.11 Records	46	18. The State's pro forma contract under provision D.11 Records requires that all "The financial statements shall be prepared in accordance with generally accepted accounting principles." Would the state be amenable to accepting minor clarifying changes to allow the Contractor to maintain their contract financial records according to GAAP?	The State would consider minor revisions to Pro Forma Contract Section D.11 during contract negotiations in accordance with RFQ Section 5.6.6.
D. MANDATORY TERMS AND CONDITIONS; D.32 Insurance	49	19. Would the State be amenable to accepting changes to the standard D.32 Insurance requirements during negotiations that still maintain the coverage amounts specified by the State in the pro forma? Similar changes have been successfully negotiated with Tennessee agencies in the past and we do not believe this would impact the competitive nature of the RFP and contractor selection process.	Per RFQ section 5.6.6. the State may entertain limited negotiations provided that any changes are not substantive in nature and do not affect the competitive nature of the procurement. The State has the sole determination on what constitutes a substantive change.

RFQ SECTION	PAGE #	QUESTION / COMMENT	STATE RESPONSE
E. SPECIAL TERMS AND CONDITIONS; E.3 State Ownership of Goods	53	<p>20. The State's pro forma contract addresses Ownership of Goods (provision E.3) but does not address ownership rights of the deliverables specified under pro forma Section A. Scope (which does not include the delivery of any goods). Additionally, the pro forma does not afford Contractor's any protection for its Intellectual Property that may be used during the engagement.</p> <p>Would the State be amenable to modifying the provision to clarify that the State will obtain ownership to all deliverables under the contract and the Contractor will retain ownership to its Intellectual Property while providing the State with a broad license to use any such Contractor Intellectual Property that may be contained in any deliverables?</p>	<p>The State will consider the Contractor's proposed modifications to this provision for these purposes during post-award contract negotiations. However, per section 5.6.6. these changes cannot change the competitive nature of the procurement and the State retains the sole determination on whether changes are substantive.</p>
E. SPECIAL TERMS AND CONDITIONS; E.23 Discovery and Litigation Hold Requirements.	63	<p>21. Regarding provision E.23, there is a broad requirement to assist in litigation support at no additional cost to the State.</p> <p>Based on previous experiences, could the State quantify what the total level of effort would be in assisting that State with potential litigations?</p>	<p>To this point, there has not been a need for litigation support on this scope of services, but the requirement is here because there could be.</p> <p>Although there is not currently any pending litigation that would impact this contract, the State cannot predict the exact amount of future litigation in which it will have involvement. But the State can give assurances that it makes a reasonable effort to ensure its vendors are not unnecessarily overburdened administratively with requests relating to pending litigation. However, if such litigation arises relating to the underlying services of a vendor's agreement with the State, the State will need the requisite contractual safeguards in place to ensure the vendor provides proper assistance.</p>
Attachment D HIPAA Business Associate Agreement	73	<p>22. Regarding RFP Attachment D, HIPAA Business Associate Agreement (BAA). The pro forma contract currently addresses protection of State confidential information and the BAA contains a different definition and differing</p>	<p>The State will not accept any redlines to the Business Associate Agreement.</p>

RFQ SECTION	PAGE #	QUESTION / COMMENT	STATE RESPONSE
		<p>standards for such protection. We understand the purpose of a BAA is for protecting Protected Health Information (PHI).</p> <p>Would the State consider removing the definition and references to "Confidential Information" in the BAA to avoid conflicting terms and standards between the two contract documents?</p>	
Attachment D HIPAA Business Associate Agreement; 2.15 Privacy Compliance Review Upon Request	78	23. Regarding provision 2.15 of the Business Associate Agreement, would the State consider limiting certain disclosure of internal practices, books, records, etc. and so as to only allow the U.S. Department of Health and Human Services (or their designee) to obtain such documents?	The State will not accept any redlines to the Business Associate Agreement.

3. **Delete RFQ Attachment E in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):**

ATTACHMENT E

REFERENCE QUESTIONNAIRE

The standard reference questionnaire provided on the following pages of this attachment MUST be completed by all individuals offering a reference for the Respondent.

The Respondent will be solely responsible for obtaining completed reference questionnaires as detailed below. Provide references from individuals who are not current State employees of the procuring State Agency for projects similar to the goods or services sought under this RFQ and which represent:

- two (2) contracts Respondent currently services that are similar in size and scope to the services required by this RFQ; and
- three (3) completed contracts that are similar in size and scope to the services required by this RFQ.

References from at least three (3) different individuals are required to satisfy the requirements above, e.g., an individual may provide a reference about a completed project and another reference about a currently serviced account. The individual contact reference provided for each contract or project shall not be a current State employee of the procuring State agency. Procuring State agencies that accept references from another State agency shall document, in writing, a plan to ensure that no contact is made between the procuring State agency and a referring State agency. The standard reference questionnaire, should be used and completed, and is provided on the next page of this RFQ Attachment E.

In order to obtain and submit the completed reference questionnaires following one of the two processes below.

Written:

- (a) Add the Respondent's name to the standard reference questionnaire at RFQ Attachment E and make a copy for each reference.
- (b) Send a reference questionnaire and new, standard #10 envelope to each reference.
- (c) Instruct the reference to:
 - (i) complete the reference questionnaire;
 - (ii) sign and date the completed reference questionnaire;
 - (iii) seal the completed, signed, and dated reference questionnaire within the envelope provided;
 - (iv) sign his or her name in ink across the sealed portion of the envelope; and
 - (v) return the sealed envelope directly to the Respondent (the Respondent may wish to give each reference a deadline, such that the Respondent will be able to collect all required references in time to include them within the sealed Technical Response).
- (d) Do NOT open the sealed references upon receipt.
- (e) Enclose all sealed reference envelopes within a larger, labeled envelope for inclusion in the Technical Response as required.

Email:

- (a) Add the Respondent's name to the standard reference questionnaire at RFQ Attachment E and make a copy for each reference.
- (b) E-mail a reference questionnaire to each reference.
- (c) Instruct the reference to:
 - (i) complete the reference questionnaire;
 - (ii) sign and date the completed reference questionnaire;
 - (iii) E-mail the reference directly to the Solicitation Coordinator by the RFQ Technical Response Deadline with the Subject line of the e-mail as "[Respondent's Name] Reference for RFQ # **31865-00631**".

NOTES:

- The State will not accept late references or references submitted by any means other than the two which are described above, and each reference questionnaire submitted must be completed as required.
- The State will not review more than the number of required references indicated above.
- While the State will base its reference check on the contents of the reference e-mails or sealed reference envelopes included in the Technical Response package, the State reserves the right to confirm and clarify information detailed in the completed reference questionnaires, and may consider clarification responses in the evaluation of references.
- The State is under no obligation to clarify any reference information.

RFQ # 31865-00631 REFERENCE QUESTIONNAIRE

RESPONDENT NAME: **RESPONDENT NAME (completed by respondent before reference is requested)**

The "respondent name" specified above, intends to submit a response to the State of Tennessee in response to the Request for Qualifications (RFQ) indicated. As a part of such response, the respondent must include a number of completed and sealed reference questionnaires (using this form).

Each individual responding to this reference questionnaire is asked to follow these instructions:

- complete this questionnaire (either using the form provided or an exact duplicate of this document);
- sign and date the completed questionnaire and follow either process outlined below;

Physical:

- seal the completed, signed, and dated questionnaire in a new standard #10 envelope;

- sign in ink across the sealed portion of the envelope; and
- return the sealed envelope containing the completed questionnaire directly to the reference subject.

E-Mail:

- e-mail the completed questionnaire to:
Mike Bentheimer; mike.bentheimer@tn.gov

(1) What is the name of the individual, company, organization, or entity responding to this reference questionnaire?

(2) Please provide the following information about the individual completing this reference questionnaire on behalf of the above-named individual, company, organization, or entity.

NAME:	
TITLE:	
TELEPHONE #	
E-MAIL ADDRESS:	

(3) What goods or services do/did the vendor provide to your company or organization?

(4) If the goods or services that the vendor provided to your company or organization are completed, were the goods or services completed in compliance with the terms of the contract, on time, and within budget? If not, please explain.

(5) If the vendor is still providing goods or services to your company or organization, are these goods or services being provided in compliance with the terms of the contract, on time, and within budget? If not, please explain.

(6) How satisfied are you with the vendor's ability to perform based on your expectations and according to the contractual arrangements?

REFERENCE SIGNATURE:

(by the individual completing this request for reference information)

(must be the same as the signature across the envelope seal)

DATE:

4. Delete Proforma section C.3. in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

C.3. Payment Methodology. The Contractor shall be compensated based on the payment methodology for goods or services authorized by the State in a total amount as set forth in Section C.1.

a. The Contractor’s compensation shall be contingent upon the satisfactory provision of goods or services as set forth in Section A.

b. The Contractor shall be compensated based upon the following payment methodology:

Services	Amount (Blended Rate for All Hourly Services)
All services related to Development of Reimbursement Rate Structure for Nursing Facilities, DSH Auditing Services, Professional Support, CPE Calculation in Tennessee, and Additional Depreciation Calculation Tasks (See ProForma Section(s) A.3, A.6, A.8, A.9, A.10, A.23)	\$ Per Hour
Per Facility Appraisal Rate (See Proforma Section(s) A.13-A.21)	\$ Per Facility
Per New Facility and Reappraisal (See Proforma Section A.13)	\$ Per Facility
Special Projects, Consultation, and Support (See ProForma Section A.7., A.24)	\$ Per Hour

5. Delete Proforma section D.6. in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

D.6. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract, or if the Contractor materially violates any terms of this Contract (“Breach Condition”), the State shall provide written notice to Contractor specifying the Breach Condition. If within thirty (30) days of notice, the Contractor has not cured the Breach Condition, the State may terminate the Contract and withhold payments in excess of compensation for completed services or provided goods. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor and the State may seek other remedies allowed at law or in equity for breach of this Contract.

6. **RFQ Amendment Effective Date.** The revisions set forth herein shall be effective upon release. All other terms and conditions of this RFQ not expressly amended herein shall remain in full force and effect.