

**STATE OF ILLINOIS**  
**Solicitation for Care Coordination Entities**  
**For**  
**Children with Complex Medical Needs**

**Innovations Project – 2013-24-010**

The Department of Healthcare and Family Services (HFS) is soliciting Proposals from responsible Bidders to meet the State's needs for care coordination services to Children with Complex Medical Needs enrolled in HFS Medical Programs. This Solicitation is a Purchase of Care, which is exempt from the Procurement Code (30 ILCS 500/1-10(b)(3)) and Standard Procurement Rules (44 Ill. Admin. Code 1.10(d)(3)). This Solicitation, therefore, need not strictly comply with the Code and Rules (44 Ill. Admin. Code 1.2005(q)).

Public Act 96-1501 requires the Department of Healthcare and Family Services (Department) to move at least 50% of recipients eligible for comprehensive medical benefits in all programs administered by the Department to a risk-based care coordination program by January 1, 2015. For the complete details of this requirement see 305 ILCS 5/5-30. This Solicitation facilitates a goal to allow Providers to design and offer care coordination models other than traditional Health Maintenance Organizations (HMOs). The Department invites innovative Proposals to demonstrate that Providers can provide equal or better care coordination services, produce equal or better health outcomes and render equal or better savings than traditional HMOs. In the absence of such successful models, the Department will fulfill the statutory mandate through traditional HMOs.

Although this Solicitation specifies minimum requirements for the composition of a collaboration, Bidders should understand that the State is looking for the most comprehensive models that take a holistic approach to individuals served and attempt to coordinate services for all of their needs. The State encourages models that attempt to coordinate services beyond those covered by the HFS Medical Programs.

Please read the entire Solicitation package and submit your Letter of Intent and Proposal in accordance with all instructions. In this document the State of Illinois will be referred to as "State", "Agency", "Department", "HFS", "we" or "us". The person submitting a Proposal will be referred to as "Bidder", or "You". "We" is used appropriate to the context.

**NON-DISCRIMINATION POLICY** *In compliance with the State and Federal Constitutions, the Illinois Human Rights Act, the U.S. Civil Rights Act, and Section 504 of the Federal Rehabilitation Act, the State of Illinois does not discriminate in employment, contracts, or any other activity.*

## SECTION 1 – INSTRUCTIONS, DATES, AND OTHER GENERAL INFORMATION

- 1.0 PROJECT CONTACT:** If you have a question or suspect an error, please submit your question or comment to the following e-mail address with the subject line "CCMN Solicitation": [HFS.carecoord@illinois.gov](mailto:HFS.carecoord@illinois.gov)
- 1.1 Further Information:** To ensure timely answers, questions regarding this Solicitation must be submitted no later than January 8<sup>th</sup>, 2013, but should be submitted as soon as possible. Written responses to all questions submitted no later than January 8<sup>th</sup>, 2013 will be posted to the Care Coordination Innovations Project page of the Department website. In addition, Bidders must submit a Letter of Intent (LOI), including a signed Data Use Agreement, to HFS by January 15, 2013. The submission of a LOI is a mandatory requirement of this Solicitation and failure to submit may result in no consideration of your Proposal. Furthermore, HFS will provide a current, statewide data set on Children with Complex Medical Needs only to those Bidders that submit a LOI. The State may periodically post additional information about this Solicitation, particularly with regard to data and shared savings calculations. You should check the website regularly: <http://www2.illinois.gov/hfs/Pages/default.aspx>
- 1.2 PROPOSAL DUE DATE, TIME AND SUBMISSION LOCATION:** Due Date: April 1<sup>st</sup>, 2013  
Time: 2:00 p.m. (Local Time)
- DELIVER PROPOSALS TO:** Illinois Department of Healthcare and Family Services  
Attn: Michelle Maher  
201 South Grand Avenue East  
Springfield, IL 62763
- LABEL OUTSIDE OF ENVELOPE / CONTAINER:** Innovations CCMN Care Coordination Program  
[Bidder Name & Address]
- Prior to the due date, you may mail or hand-deliver Proposals, modifications, and withdrawals. We do not allow e-mail, fax, or other electronic submissions. We must physically receive submissions as specified; it is not sufficient to show you mailed or commenced delivery before the due date and time. We may not consider Proposals, modifications or withdrawals submitted after the due date and time. All times are State of Illinois local times (Central Time).
- 1.3 NUMBER OF COPIES:** You must submit one (1) signed original and fourteen (14) copies of the Proposal in a sealed container. In addition, you must submit one (1) copy of the Proposal on CD in the following format: Microsoft Word and/or Excel. If you are requesting confidential treatment, you must make that request in the form and manner specified in Section 1.6, Public Records and Requests for Confidential Treatment. Proposals must be no longer than 200 pages, one-sided, on 8.5" by 11" size paper (spreadsheets may be on larger size paper), with one (1) inch margins, Times New Roman font, and no smaller than eleven (11) point font. Within the 200-page limit, responses to questions in Sections 3.2 and 3.3 must not be longer than 100 pages and responses to all required forms in Section 3.6 and attachments must not be longer than 100 pages. If you request exempt treatment, you must submit one (1) additional hard copy and one (1) electronic copy on CD in Microsoft Word and/or Excel of the Proposal with exempt information deleted and clearly labeled as a "Redacted Copy".
- 1.4 PUBLIC CONTRACTS NUMBER:** (775 ILCS 5/2-105) If you do not have a Department of Human Rights' (DHR) Public Contracts Number or have not submitted a completed application to DHR for one before opening we may not be able to consider your Proposal. Please contact DHR at 312-814-2431 or visit <http://www.state.il.us/dhr/index.htm> for forms and details.
- 1.5 AWARD:** We will post a notice on the Department website to notify potential awardees of an award. We may accept or reject your Proposal as submitted, or may require Contract negotiations. If negotiations do not result in an acceptable agreement, we may reject your Proposal and begin negotiations with another Bidder. There is no predetermined number of awardees. All State contracts have certain certifications and requirements that potential awardees must agree to comply with in order to execute a Contract with the Department. In addition, Contracts may have terms specified by federal regulations. All Contracts are subject to approval by Federal CMS for available federal matching funds. The final number of awards will be based on factors including the number of innovative Proposals, geographic coverage of Proposals and the State's ability to administer the programs. See Section 2 for an overview of how we will evaluate Proposals. The Department reserves the right to modify any requirement outlined in the Solicitation at any time during this Solicitation process through Contract Execution.
- 1.6 PUBLIC RECORDS AND REQUESTS FOR CONFIDENTIAL TREATMENT:** Proposals become the property of the State and these and late submissions will not be returned. Your Proposal will be open to the public under the Illinois Freedom of Information Act (FOIA) (5 ILCS 140) and other applicable laws and rules, unless you request in your Proposal that we treat certain information as exempt. We will not honor requests to exempt entire Proposals. You must show the specific grounds in FOIA or other law or rule that support exempt treatment. Regardless, we will disclose the successful Bidder's name, and the substance of the Proposal. If you request exempt treatment, you must submit one (1) additional hard copy and one (1) electronic copy on CD in Microsoft Word and/or Excel of the Proposal with exempt information deleted and clearly labeled as a "Redacted Copy". This redacted copy must tell the general nature of the material removed and shall retain as much of the Proposal as possible. You will be responsible for any costs or damages associated with our defending your request for exempt treatment. You agree the State may copy the Proposal to facilitate evaluation, or to respond to requests for public records. You warrant that such copying will not violate the rights of any third party.

- 1.7 **DEFINITIONS.** Whenever used in this Solicitation including schedules, appendices, exhibits, and attachments to this Solicitation, the following terms will have the meanings defined below. Any objections or questions regarding the definitions shall be raised with the Department during the Solicitation process.
- 1.7.1 **Affordable Care Act:** The health insurance reform legislation President Obama signed into law on March 23, 2010, Public Law 111-148, as amended through May 1, 2010 by Public Law 111-152. <http://docs.house.gov/energycommerce/ppacacon.pdf>
  - 1.7.2 **Americans with Disabilities Act:** The ADA (42 U.S.C. §§ 12101 et seq.) prohibits discrimination on the basis of disability in employment, State and local government, public accommodations, commercial facilities, transportation, and telecommunications.
  - 1.7.3 **Behavioral Health:** This term refers to mental health and substance abuse Covered Services.
  - 1.7.4 **Bidder:** The CCE submitting a Proposal under this Solicitation.
  - 1.7.5 **Care Coordination Entity (CCE):** A CCE is a collaboration of providers and community agencies, governed by a lead entity, which receives a care coordination payment with a portion of the payment at risk for meeting quality outcome targets, in order to provide care coordination services for its Enrollees.
  - 1.7.6 **Centers for Medicare & Medicaid Services (Federal CMS or CMS):** The agency within DHHS that is responsible for the administration of the Medicare program and, in partnership with the states, administers Medicaid, the State Children's Health Insurance Program (CHIP), and the Health Insurance Portability and Accountability Act (HIPAA).
  - 1.7.7 **Children with Complex Medical Needs:** Clients eligible for the services provided by a CCE as identified by the Department through the use of the 3M™ Clinical Risk Grouping Software (CRG) as Status 6.1 and above or through a clinical screening tool (not yet developed) for those who do not have sufficient claims data in order to be identified through the CRG software, subject to all other eligibility and enrollment requirements outlined in this Solicitation as further detailed in Section 3.1.3.
  - 1.7.8 **Client:** Any individual receiving benefits under HFS Medical Programs.
  - 1.7.9 **Code:** The Illinois Procurement Code, 30 ILCS 500/1-5 et seq. Unofficial versions of the Code and Standard Procurement Rules (44 Ill. Adm. Code 1) may be viewed at <http://www.purchase.state.il.us/>.
  - 1.7.10 **Contract:** The Contract entered into between the Department and the awardee to provide the services requested by this Solicitation.
  - 1.7.11 **Contractor:** A CCE that has executed a Contract with the State to provide the services requested by this Solicitation.
  - 1.7.12 **Covered Services:** Benefits and services provided to Children with Complex Medical Needs as defined under the Illinois State Plan, HCBS Waivers, or Illinois statute and administrative rules.
  - 1.7.13 **Enrollee:** A Child with Complex Medical Needs who is enrolled in a CCE.
  - 1.7.14 **Enrollment Period:** The twelve (12) month period beginning on the effective date of enrollment of an Enrollee.
  - 1.7.15 **Execution:** The point at which all the parties have signed the Contract between the Contractor and the Department.
  - 1.7.16 **Fee-For-Service:** The method of billing under which a Provider charges for each encounter or service rendered.
  - 1.7.17 **Health Insurance Portability and Accountability Act (HIPAA):** Also known as the Kennedy-Kassebaum Bill, the Kassebaum-Kennedy Bill, K2, or Public Law 104-191 and all amendments thereto, the federal law that makes a number of changes that have the goal of allowing persons to qualify immediately for comparable health insurance coverage when they change their employment relationships. Title II, Subtitle F, of HIPAA provides DHHS with the authority to mandate the use of standards for electronic exchange of health care data; to specify what medical and administrative code sets should be used within those standards; to require the use of national identification systems for health care patients, providers, payers (or plans), and employers (or sponsors); and to specify the types of measures required to protect the security and privacy of personally identifiable health care information.
  - 1.7.18 **Health Maintenance Organization (HMO):** A health maintenance organization as defined in the Health Maintenance Organization Act (215 ILCS 125/1-1 et seq.).
  - 1.7.19 **Healthcare Effectiveness Data and Information Set (HEDIS®):** The Healthcare Effectiveness Data and Information Set established by the National Committee for Quality Assurance (NCQA).
  - 1.7.20 **HFS:** The Illinois Department of Healthcare and Family Services and any successor agency. In this Solicitation, HFS is also referred to as "Department".
  - 1.7.21 **Home and Community-Based Services (HCBS) Waivers:** Waivers under Section 1915(c) of the Social Security Act that allow Illinois to cover home and community services and provide programs that are designed to meet the unique needs of populations that may include: the elderly, individuals with disabilities, Human Immunodeficiency Virus, brain injury, or developmental disabilities who qualify for the level of care provided in an institution but who, with special services, may remain in their homes and communities.
  - 1.7.22 **ILCS:** Illinois Compiled Statutes. An unofficial version of the ILCS can be viewed at <http://www.ilga.gov/legislation/ilcs/ilcs.asp>.

- 1.7.23 **Illinois Client Enrollment Broker (ICEB):** The entity contracted by the Department to conduct enrollment activities for Potential Enrollees, including providing impartial education on health care delivery choices, providing enrollment materials, assisting with the selection of a PCP, CCE, and MCOs and processing requests to change these entities. The following link is to the ICEB website: <http://illinoisceb.com/>.
- 1.7.24 **Illinois Health Connect (IHC):** The State's Primary Care Case Management Program, Illinois Health Connect, is a statewide mandatory program where Clients must choose or are assigned to a PCP as their medical home. This program operates through a State Plan Amendment pursuant to 42 CFR Section 438. The following link is to the IHC website: <http://www.illinoishealthconnect.com/>
- 1.7.25 **Managed Care Community Network (MCCN):** A MCCN (305 ILCS 5/5-11(b)) is an entity, other than a Health Maintenance Organization, that is owned, operated, or governed by providers of health care services within Illinois and that provides or arranges primary, secondary and tertiary managed health care services under contract with the Department exclusively to persons participating in programs administered by the Department.
- 1.7.26 **Managed Care Organization (MCO):** A HMO or MCCN as defined herein that is under contract with the Department.
- 1.7.27 **Marketing:** Any written or oral communication from a CCE or its representative that can reasonably be interpreted as intended to influence a Child with Complex Medical Needs to enroll, not enroll, or to disenroll from a CCE.
- 1.7.28 **Marketing Materials:** Materials produced in any medium, by or on behalf of the Contractor that can reasonably be interpreted as intended to market to Potential Enrollees. Marketing Materials includes written materials and oral presentations.
- 1.7.29 **Medicaid:** The program under Title XIX of the Social Security Act that provide medical benefits to groups of low-income people.
- 1.7.30 **Medical Programs:** The means-tested health care programs that HFS administers, including, but not limited to, the Illinois Medical Program administered under Articles V and XII of the Illinois Public Aid Code (305 ILCS 5/5-1 et seq.) and 5/12-1 et seq.); the Children's Health Insurance Program Act (215 ILCS 106/1 et seq.); the Covering All Kids Health Insurance Act (215 ILCS 170/1 et seq.); Medicaid, Title XIX of the Social Security Act (42 U.S.C. 1396 et seq.); and the Children's Health Insurance Program, Title XXI of the Social Security Act (42 U.S.C. 1937).
- 1.7.31 **National Committee for Quality Assurance (NCQA):** A private 501(c) (3) not-for-profit organization dedicated to improving health care quality and has a process for providing accreditation, certification and recognition, e.g., health plan accreditation.
- 1.7.32 **Open Enrollment:** The specific period of time each year in which Enrollees shall have the opportunity to change from one CCE to another CCE or to disenroll from their CCE.
- 1.7.33 **Person:** Any individual, corporation, proprietorship, firm, partnership, trust, association, governmental authority, vendor, or other legal entity whatsoever, whether acting in an individual, fiduciary, or other capacity.
- 1.7.34 **Potential Enrollee:** A Child with Complex Medical Needs who may be eligible for enrollment in a CCE, but is not yet an Enrollee of a CCE.
- 1.7.35 **Primary Care Provider (PCP):** A Provider, enrolled with IHC, who within the Provider's scope of practice and in accordance with State certification requirements or State licensure requirements, including pediatricians, is responsible for providing all preventive and primary care services to his or her assigned Enrollees in the CCE.
- 1.7.36 **Proposal:** A Bidder's response to the Solicitation, consisting of the technical Proposal and all required forms and certifications, as detailed in Section 2.2. All required forms and certifications must be completed, signed, and returned by the Bidder.
- 1.7.37 **Provider:** A Person enrolled with the Department to provide Covered Services to a Client.
- 1.7.38 **Quality Measure:** A quantifiable measure to assess how well a CCE carries out a specific function or process, as further explained in Section 3.1.4.5 and Attachments B and C.
- 1.7.39 **Solicitation:** This document plus any additional documents and clarifying questions and answers the State may publish.
- 1.7.40 **State:** The State of Illinois, as represented through any agency, department, board, or commission.
- 1.7.41 **State Plan:** The Illinois State Plan filed with the Centers for Medicare & Medicaid Services, in compliance with Title XIX and Title XXI of the Social Security Act.
- 1.7.42 **Target Population:** The sub-population with a particular diagnosis that a CCE chooses to target in its care coordination model.
- 1.7.43 **Third Party Administrator:** An organization providing health insurance or care coordination administrative functions without bearing risk, properly licensed by the State of Illinois.

1.8 **ACRONYMS.** Whenever used in this Solicitation including schedules, appendices, exhibits, and attachments to this Solicitation, the following acronyms will have the meanings identified below.

- 1.8.1 ACA: Affordable Care Act
- 1.8.2 CAHMI: The Child and Adolescent Health Measurement Initiative
- 1.8.3 CART: Computer Aided Real-time Translation
- 1.8.4 CCE: Care Coordination Entity
- 1.8.5 CFR: Code of Federal Regulation
- 1.8.6 DHHS: The United States Department of Health and Human Services
- 1.8.7 DHR: Department of Human Rights
- 1.8.8 DSCC: Division of Specialized Care for Children
- 1.8.9 EHR: Electronic Health Record
- 1.8.10 FCM: Family Case Management Program
- 1.8.11 Federal CMS: Centers for Medicare & Medicaid Services
- 1.8.12 FFS: Fee-for-Service
- 1.8.13 FOIA: Freedom of Information Act
- 1.8.14 HCBS Waivers: Home and Community-Based Services Waivers
- 1.8.15 HEDIS: Healthcare Effectiveness Data and Information Set
- 1.8.16 HFS: The Illinois Department of Healthcare and Family Services
- 1.8.17 HIPAA: Health Insurance Portability and Accountability Act
- 1.8.18 HIT: Health Information Technology
- 1.8.19 HMO: Health Maintenance Organization
- 1.8.20 ICEB: Illinois Client Enrollment Broker
- 1.8.21 IHC: Illinois Health Connect
- 1.8.22 ILCS: Illinois Compiled Statutes
- 1.8.23 LOI: Letter of Intent
- 1.8.24 MCO: Managed Care Organization
- 1.8.25 MMIS: Medicaid Management Information System
- 1.8.26 NCQA: National Committee for Quality Assurance
- 1.8.27 PCP: Primary Care Provider
- 1.8.28 PMPM: Per Member Per Month
- 1.8.29 TDD: Telecommunications Device for the Deaf
- 1.8.30 TTY: Teletypewriter
- 1.8.31 WIC: Women, Infants, and Children program

## SECTION 2 – HOW WE WILL EVALUATE PROPOSALS

- 2.1 **EVALUATION CATEGORIES:** We will evaluate Proposals using the point system described below. In addition to the point system below, the State may also consider other factors in its evaluation related to the State's overall goals for care coordination Statewide.

CCE Evaluation Categories	Maximum Points
Organizational Structure	250
Care Model	
Care Coordination and Transition	250
Care Planning and Monitoring	250
Scope of Collaboration	150
Health Information Technology	100
Total	1,000

- 2.2 **Proposal Checklist:** The State will evaluate complete Proposals as described in Section 2.1. To be complete, a Proposal must include all of the following:

- 2.2.1 Submission of a Letter of Intent, including a signed Data Use Agreement, to HFS in accordance with Section 3.1.2.2, Letter of Intent, and Attachment D, of the Solicitation, by January 15, 2013;
- 2.2.2 Complete answers, including completion of applicable Attachments, to all of the questions contained in Section 3.2, Proposal, Contents, of this Solicitation;
- 2.2.3 Selection of financial model(s) and complete answers to the questions with respect to the model(s) in Section 3.3, Financial Model, of this Solicitation;
- 2.2.4 Signed Proposal, completed and signed Taxpayer Identification Number form and Disclosures and Conflicts of Interest form included in Section 3.6, Required Forms, of this Solicitation;
- 2.2.5 Submission of the original Proposal and the required copies, as specified in Sections 1.2, Proposal Due Date, Time and Submission Location and 1.3, Number of Copies, of this Solicitation.

## SECTION 3 – SPECIFICATIONS / QUALIFICATIONS / STATEMENT OF WORK

### 3.1 DEPARTMENT'S NEED FOR SUPPLIES / SERVICES

**3.1.1 Overview.** The State is seeking the services of one or more qualified, experienced and financially sound Care Coordination Entity(ies) (CCE) that serve Children with Complex Medical Needs to enter into a Contract for the Innovations Project. There is no predetermined number of awards; the decision to award a Contract(s) will depend upon the models proposed, including geographical distribution. The initial term of the Contract will be three years, with options to renew the Contract. The State will review programs after the second year of the initial term to evaluate the project overall and which CCEs are the highest performing and most cost-effective, in order to determine how to further invest resources. This Solicitation is a component of the Innovations Project. Through the Innovations Project the State seeks a redesigned health care delivery system that is more patient-centered with a focus on improved health outcomes, enhanced patient access, and patient safety. To achieve these goals, the State seeks entities to coordinate care across the spectrum of the healthcare system with a particular emphasis on managing transitions between levels of care and coordination between physical and Behavioral Health. In this Innovations Project Solicitation for Children with Complex Medical Needs, the State is seeking Proposals from CCEs that engage community partners in promoting coordinated quality care across Provider and community settings, offer new risk-based funding incentives and flexibilities, and measure delivery system effectiveness and efficiency.

**3.1.1.1** The intent of this Solicitation is to test community interest and capacity to provide alternative models of coordinating care (i.e. not through traditional HMOs) for Children with Complex Medical Needs, organized by CCEs, while complying with Illinois Public Act 096-1501, aligning with Affordable Care Act (ACA) initiatives, and building on interagency collaborations.

**3.1.1.1.1** Illinois Public Act 096-1501 (215 ILCS 106/23) requires 50 percent of medical assistance Clients to be in risk-based care coordination programs by January 1, 2015 (Please follow the following link for the full legislative text: [http://www2.illinois.gov/hfs/PublicInvolvement/cc/Documents/096\\_1501cc.pdf](http://www2.illinois.gov/hfs/PublicInvolvement/cc/Documents/096_1501cc.pdf)).

**3.1.1.1.2** Section 2703 of the ACA creates a new State Plan option to provide coordinated care through a health home for Clients who qualify for health homes with two or more chronic conditions and provides a temporary 90 percent Medicaid matching rate for applicable services. (Please follow the following link for the Federal CMS State Medicaid Director's letter: <http://www.cms.gov/smdl/downloads/SMD10024.pdf>).

**3.1.2 Organizational Structure – Collaborators.** The CCE must develop and implement a care coordination model that meets the guidelines outlined in this Solicitation.

**3.1.2.1 CCE.** A CCE is a collaboration of providers and community agencies, governed by a lead entity, which receives a care coordination payment with a portion of the payment at risk for meeting quality outcome targets, in order to provide care coordination services for its Enrollees. The collaboration must include, at a minimum, participation from Primary Care Providers (PCPs), a hospital, pediatric specialist Providers, Behavioral Health Providers, and dental Providers. Under this arrangement, Covered Services are still reimbursed via Fee-For-Service (FFS). The State is looking for the most comprehensive models that take a holistic approach to individuals served and attempts to coordinate services for all of their needs. To become a CCE, a group of providers may create a new corporate entity as a lead entity or designate one of the participating organizations as a lead entity in order to Contract with the State. A CCE may subcontract with a Managed Care Organization (MCO) or a Third Party Administrator (TPA) for back office functions, such as information technology systems support. MCOs may not bear any financial risk for the CCEs. In addition, a CCE must meet the requirements for health homes in Section 2703 of the ACA.

**3.1.2.1.1 Lead Entity.** A lead entity agrees to serve as the legal entity responsible for executing the CCE Contract with the Department. A lead entity may be a Medicaid-enrolled Provider, a non-Medicaid enrolled provider, or a local governmental non-Medicaid authority, but it cannot be a MCO. A lead entity is not restricted to not-for-profit entities.

**3.1.2.2 Letter of Intent (LOI).** The Department is requiring Letters of Intent (LOIs) from those entities that are anticipating – or seriously considering – submitting a Proposal for providing services under this component of the Innovations Project. While submitting a LOI does not commit an entity to actually submit a Proposal, the Department will not accept Proposals from nor provide data to entities that have not submitted a LOI. In order to be considered for an award and to receive data, please complete and submit a LOI using the template in Attachment D and a signed Data Use Agreement (Attachment D-Section C) by January 15, 2013. In the LOI, a Bidder may request data for a current file of Children with Complex Medical Needs that the Department will provide to prospective Bidders for assistance in responding to the Solicitation. The Department will identify Children with Complex Medical Needs through the 3M™ Clinical Risk Grouping Software (CRG) and will provide a dataset to those that request one through the submission of a LOI and signed Data Use Agreement. The dataset will include geographic information as well as a broad array of utilization measures.

- 3.1.3 Populations.** Clients eligible for care coordination services under this component of the Innovations Project include Children with Complex Medical Needs identified by the Department through the use of the 3M CRG software as Status 6.1 and above, or those that may be identified through a clinical screening tool. The Department reserves the right to amend its method for identifying Children with Complex Medical Needs. See Attachment A for the Calendar Year (CY) 2010 number of Children with Complex Medical Needs by county.
- 3.1.3.1 CRG.** For the purpose of identifying Children with Complex Medical Needs, the Department acquired the 3M™ CRG software. The CRG software uses data from MMIS claims, including age, sex, diagnosis, procedures, pharmaceuticals, site of service, and date of service to assign each Client to a single CRG group. CRGs are aggregated in succession of health statuses from Status 1 (Healthy) through Status 9 (Catastrophic), with Clients in the lower statuses identified as having fewer health care needs. Each Status is further adjusted for severity of illness. For example, Status 6 (Significant Chronic Disease in Multiple Organ Systems) includes 6 levels of increasing severity of illness from 6.1 through 6.6. For the purposes of this Solicitation, Children with Complex Medical Needs include those Clients assigned to Status 6.1 through Status 9.6. Children with Complex Medical Needs, as identified through the CRG software, tend to have chronic conditions affecting multiple organ systems.
- 3.1.3.2 Clinical Screening Tool.** The State may develop a clinical screening tool to be used by Providers to identify for enrollment in a CCE Children with Complex Medical Needs who do not have sufficient claims history in order to be identified through the CRG software. Should the State develop a screening tool to identify Children with Complex Medical Needs, the State may place a limit on the number of Children with Complex Medical Needs enrolled through a clinical screening tool.
- 3.1.3.3 Age.** Clients will be eligible to enroll in a CCE through age 18 and may receive CCE services through age 21 as long as the Client continues to maintain eligibility for Medical Programs and to meet all other requirements for Children with Complex Medical Needs.
- 3.1.3.4 Excluded Populations.** Clients excluded from participation in the Innovations Project include: 1) Clients enrolled in the Medically Fragile Technology Dependent waiver; 2) Clients receiving private duty nursing; 3) Clients with high third party liability coverage; 3) Clients residing in institutions including pediatric skilled nursing facilities; 4) Clients enrolled in the DSCC Core Program; and 5) DCFS foster children. The Department reserves the right to add or subtract populations from this list of exclusions with notice to the Contractor.
- 3.1.3.5 Target Population.** A CCE may target for outreach Children with Complex Medical Needs who have a particular diagnosis (Target Population). However, a CCE may not discriminate on the basis of health status overall or within the Target Population. Enrollment cannot be limited to the Target Population. The Department reserves the right to assign any Child with Complex Medical Needs to a CCE regardless of a CCE's Target Population.
- 3.1.3.6 Enrollment.** Initial participation in a CCE is voluntary. However, an Enrollee will be locked-in to his or her selected CCE for 12-months after the effective date of enrollment. Enrollees will have the opportunity to drop out of or change a CCE with cause at any time consistent with 42 C.F.R. 438.56, without cause during the 90 days following enrollment, and during an Open Enrollment Period held at least every 12 months.
- 3.1.3.6.1 Continuous Eligibility.** Once identified as eligible through the CRG software, an Enrollee will be afforded three years of continuous eligibility in a CCE, at which time the Department will re-determine CCE eligibility. If the State develops a clinical screening tool, for those Clients determined eligible through the clinical screening tool, the Department reserves the right to re-determine eligibility for enrollment in a CCE using CRG software at least six months after enrollment in a CCE.
- 3.1.3.6.2 Enrollment Minimums.** In Cook and the collar counties of DuPage, Kane, Kankakee, Lake and Will, a CCE must serve a minimum of 500 Children with Complex Medical Needs. In all other regions of the State, a CCE must serve a minimum of 200 Children with Complex Medical Needs.
- 3.1.3.6.2.1** Only Children with Complex Medical Needs may enroll in a CCE. Clients who do not meet the criteria for Children with Complex Medical Needs, including the siblings of Enrollees, may not enroll in a CCE.
- 3.1.3.6.2.2** A CCE may propose to phase-in enrollment, but must reach the minimum requirement of serving either 500 or 200 Children with Complex Medical Needs within a reasonable period of time as determined by the State.

- 3.1.3.6.3 **Restrictions.** Enrollees in a CCE must also be enrolled in IHC, and must not be in a MCO. Enrollees may only be enrolled in one CCE at a time.
- 3.1.3.6.4 **PCP Selection.** An Enrollee must select a PCP in IHC within his or her CCE, but will not be locked-in to a PCP. Enrollees may switch PCPs within the CCE once per month. This includes individuals choosing to enroll in a CCE, who today are not mandated to choose IHC.
- 3.1.3.6.5 **Illinois Client Enrollment Broker (ICEB).** The ICEB will handle enrollment of the Potential Enrollee into a CCE. CCEs must refer a Potential Enrollee to the ICEB for eligibility determination and enrollment. The ICEB will also conduct outreach to Potential Enrollees.
- 3.1.3.6.6 **Disenrollment.** The Department determines the cause for disenrollment consistent with 42 C.F.R. 438.56. The ICEB will handle disenrollment.

**3.1.4 Care Coordination Model.** The role of care coordination is to facilitate the delivery of appropriate health care and other non-clinical services, and care transitions among Providers, and among Providers and community agencies. Care coordination services must include facilitating care between hospitals and PCPs, and among hospitals, PCPs, pediatric specialist Providers, Behavioral Health Providers, dental Providers, and referral for Early Intervention services. Proposals must include a description of how the CCE will coordinate specialty dental services, transportation to Providers, with HCBS case managers, durable medical equipment, if needed, and make referrals for ancillary social services needed by the child or the child's family (e.g. Early/Head Start, Home visiting, WIC, FCM). Proposals must include a description of how the Bidder's model is sensitive to the culture and needs of Children with Complex Medical Needs. See below for further requirements of a Proposal and also see Section 3.2.

**3.1.4.1 Medical Home/PCP Requirements.** A Proposal submitted by a CCE must demonstrate an adequate medical home network. PCPs may be enrolled in more than one CCE. Any CCE must have a network of medical homes that are also enrolled as PCPs in IHC. There will be a contractual limit on the number of Children with Complex Medical Needs assigned to a medical home. PCPs participating in a CCE will continue to receive IHC care management fees for CCE Enrollees.

**3.1.4.2 Access Standards:** CCE collaborations must at least meet the provider access standards required in IHC. See the Attachment to the Primary Care Provider Agreement for IHC: <http://www.illinoishealthconnect.com/files/downloads/PCPApplicationAndAgreementgrps.pdf>

**3.1.4.3 Care Management.** All Enrollees must have an assigned care coordinator who leads coordination efforts among a care team that includes Providers and coordinates referrals for health and, if needed, social services. All Enrollees must have a care plan that is developed and monitored by the care coordinator and the care team.

**3.1.4.4 Health Homes.** A CCE must meet the requirements for Health Homes in Section 2703 of the ACA. CCEs will be required to track and report health home populations to HFS. The State is in the process of developing a methodology and frequency for CCEs to report health home populations and will provide this information as soon as it is available.

**3.1.4.5 Quality Measures.** The State will track and monitor performance of the CCE using prescribed HEDIS®, HEDIS®-like, and other Quality Measures. See Attachment B and Section 3.2.2.3.10.

**3.1.4.5.1 Pay-for-Performance:** The State will institute a pay-for-performance structure as outlined in Section 3.4 Payment Terms and Conditions. The Quality Measures targeted to be used as pay-for-performance measures are listed in Attachments B and C.

**3.1.4.6 Marketing and Outreach.** CCEs may conduct Marketing activities consistent with Federal regulations found at 42 C.F.R. Section 438.104. Subject to the Department's prior approval, CCEs may market by mail, mass media, advertising, and community-oriented Marketing directed at Potential Enrollees.

**3.1.4.6.1** Providers participating in a CCE may inform their patients of the CCE opportunities available to them, including the services provided by the CCE of which the Provider is a member. However, pursuant to Section 3.1.3.6.5, Potential Enrollees will be referred to the ICEB for enrollment.

**3.1.5 Health Information Technology.** Proposals must include a description of electronic capabilities and planned use of HIT in coordinating care. Every Proposal must include some electronic functionality. If CCEs do not have the ability to exchange electronic health information, CCEs must at a minimum utilize the Illinois Health Information Exchange (IHIE): <http://www2.illinois.gov/gov/HIE/Pages/default.aspx#tabitem1>

3.1.5.1 To support care coordination activities, a CCE must have or develop electronic capabilities no later than 12 months after Contract Execution to support the sharing of care coordination information among all collaborators within the CCE.

### 3.1.6 Financial Models.

#### 3.1.6.1 CCE Reimbursement.

3.1.6.1.1 Illinois Public Act 096-1501 requires that 50 percent of medical assistance Clients be enrolled in risk-based care coordination programs by January 1, 2015. A CCE may propose reimbursement from one or both of two risk-based options, where full payment is based on meeting specified Quality Measures:

3.1.6.1.1.1 **Care Coordination Fee:** A CCE choosing this reimbursement option will be reimbursed a blended administrative Per Member Per Month (PMPM) fee for all Children with Complex Medical Needs. See Section 3.1.4.5.1 Pay-for-Performance and Section 3.4 Payment Terms and Conditions for more details.

3.1.6.1.1.2 **Shared Savings:** A CCE choosing this reimbursement option may be eligible to receive shared savings payments. Shared savings calculations will compare the projected cost of care with care coordination to baselines developed by the State and Federal CMS. The Department is working with Federal CMS to develop a shared savings reimbursement structure including pay-for-performance measures and targets that CCEs must meet to be eligible to earn shared savings. The Department will share this information as soon as it is available.

3.1.6.1.2 Regardless of the reimbursement method proposed for care coordination services, Covered Services will remain under a FFS payment structure and PCPs will continue to receive the IHC care management fee.

3.1.6.1.3 The Proposal must be at least cost neutral over three years – costs must be reduced by at least as much as the care coordination fees received over three years. The State will monitor cost neutrality throughout the Contract period and reserves the right to terminate the Contract before the end of the initial term if the Contract is not cost neutral. The baselines set by the State will be the basis for the cost neutrality analysis.

3.1.6.1.4 A CCE may use revenue from its reimbursement to directly pay for a non-Covered Service.

3.1.6.1.5 All financial models are subject to federal approval before finalization of a Contract.

3.1.6.1.6 The 90 percent federal match available under Section 2703 of the ACA for qualified Enrollees and services will not affect reimbursement for a CCE operating as a health home. The eight quarters of 90 percent federal match applies to State reimbursement only. CCE fees proposed must be sustainable and cost neutral regardless of the federal match rate the State may receive.

3.2 **Proposal Contents.** This Section will serve as the opportunity for the Bidder, by responding to the questions below, to convey its vision and structure for serving as a CCE under the Innovations Project. The State designed this Solicitation to allow a potential Bidder to demonstrate its understanding of operating a CCE and its ability to design, implement and operate such a program. The State understands that there can be varied approaches to such programs. Therefore, the State has outlined minimal care coordination requirements for CCEs, but has not fully prescribed in this Solicitation how such a system should be designed or operated. Instead, this Section of the Solicitation asks numerous questions of each Bidder in order to elicit innovative strategies and to better enable the State to evaluate the true understanding and abilities of a Bidder. The following section requires complete responses that address each question and provide any experience the Bidder has had in said area. Please include the question number and restate the question in your response and answer questions in numerical order. Please include an introduction, as a cover letter, to your responses to the following questions and include:

- The number of Children with Complex Medical Needs that you expect to serve over each of the initial three years;
- A description of the population you intend to target for outreach (Target Population), if any;
- The expected enrollment estimate for your Target Population;
- The geographical areas you propose to serve (Specify by county or zip codes);
- The name and pertinent contact information of the lead entity's primary contact; and
- Any other relevant information.

#### 3.2.1 Organizational Structure

3.2.1.1 Please provide the name of the Care Coordination Entity (CCE).

3.2.1.2 Who are the collaborators (must minimally include PCPs, a hospital, pediatric specialist Providers, dental Providers, and Behavioral Health Providers) that form the CCE? Please submit articles of incorporation and by-laws. Using the format found in Attachment E, list each collaborator and its relationship with the CCE. The Department has the right to request agreements, contracts, letters of intent, etc. List separately Providers and other entities agreeing to work with the collaboration.

3.2.1.2.1 Who is the lead entity that would be contracting with the State?

3.2.1.3 Describe the governance structure of the CCE, such as policies and mechanisms in place to share information and ensure compliance with the care coordination model described in your Proposal. Please attach the CCE's relevant articles of incorporation or by-laws that outline the governance structure as Attachment G.

3.2.1.4 Give the background of the key leaders of your collaboration, the experience each has coordinating care for Children with Complex Medical Needs, the role each will play, and the vision each bring to your Proposal.

3.2.1.5 Provide a comprehensive statement of your proposed three-year staffing plan to demonstrate adequate support of your care coordination model. Distinguish between existing staff and new staff and list a percentage full-time equivalent dedicated to this project for all staff. Include organizational charts and detailed job descriptions for key staff.

3.2.1.6 Explain how your analysis of claims data leads you to believe the scope of your CCE collaboration is sufficient to effectively coordinate the care of and ensure access to care for Children with Complex Medical Needs. In discussing the scope of CCE collaborators, indicate how the number and mix of collaborators match the utilization patterns of Children with Complex Medical Needs.

3.2.1.7 Provide as Attachment H a detailed three-year budget that includes:

3.2.1.7.1 Revenue sources (projected care coordination revenue and other revenue sources); and

3.2.1.7.2 Costs (operations, staffing, HIT, performance incentive payments, estimates of reimbursement distribution among collaborators, and other costs).

3.2.1.8 Provide as Attachment I a detailed draft implementation work plan with a projected start date and an estimated timetable to begin enrollment. Note: As implementation requires a significant amount of work on behalf of the Department, we cannot guarantee proposed start dates. Include at least the following elements:

3.2.1.8.1 Projected dates for hiring staff, by position;

3.2.1.8.2 Projected dates for finalizing legal documents;

3.2.1.8.3 Projected dates of finalizing collaborator participation;

3.2.1.8.4 Projected dates (including important milestones) for implementation of electronic communication;

3.2.1.8.5 Projected dates of staff training;

3.2.1.8.6 Projected dates of development, Department approval, and public release of Marketing Materials; and

3.2.1.8.7 Enrollment including when you expect to meet the minimum enrollment requirement for Children with Complex Medical Needs and a phase-in plan, if applicable.

3.2.1.9 Describe additional resources available to the CCE to assist in implementation or operation of your care coordination model (funds committed by collaborators, Federal Innovations grants, private grants, etc.).

3.2.1.10 Describe your plan for consumer input into the operations and management of the program.

## 3.2.2 Care Model

### 3.2.2.1 Care Coordination and Transition

3.2.2.1.1 Provide your definition of care coordination and your approach to care coordination. Provide a detailed description of your care coordination model, how it assures access to all necessary care, improves access to

specialty care, and meets the needs of Children with Complex Medical Needs and your Target Population, if applicable. Include in your description:

- 3.2.2.1.1.1 Services; and
- 3.2.2.1.1.2 How you will address and monitor transitions of care, including:
  - 3.2.2.1.1.2.1 Appropriate follow-up from:
    - 3.2.2.1.1.2.1.1 Inpatient to Outpatient (PCPs, Behavioral Health Providers, pediatric specialist Providers, dental Providers);
    - 3.2.2.1.1.2.1.2 PCP to Behavioral Health Providers, pediatric specialist Providers, dental Providers and vice versa; and
    - 3.2.2.1.1.2.1.3 Outpatient (PCPs, pediatric specialist Providers, Behavioral Health Providers, dental Providers) to Inpatient; and
  - 3.2.2.1.1.2.2 Referral for:
    - 3.2.2.1.1.2.2.1 Early Intervention Services.
- 3.2.2.1.2 Specifically describe your plan to coordinate:
  - 3.2.2.1.2.1 With state and community-based social services available to Children with Complex Medical Needs (e.g. Early/Head Start, Home visiting, WIC, FCM);
  - 3.2.2.1.2.2 Specialty dental care and, if needed, treatment in the operating room for severe cases;
  - 3.2.2.1.2.3 Transportation to services;
  - 3.2.2.1.2.4 With existing HCBS Waiver case management services including care plan development and implementation; and
  - 3.2.2.1.2.5 Durable medical equipment.
- 3.2.2.1.3 Describe your approach to medication management and monitoring prescription drug usage including selected standards, models, and algorithms.
- 3.2.2.1.4 Describe your plan to engage Children with Complex Medical Needs, the Target Population, if applicable, and their families and/or caregiver in their care and the care coordination process.
- 3.2.2.1.5 Describe your plans to educate Enrollees and their families and/or caregiver on their specific health conditions and available social supports. Please submit sample materials.
- 3.2.2.1.6 Describe strategies you will employ to promote wellness and encourage access to and utilization of preventive care.
- 3.2.2.1.7 Describe your approach to discharge planning and ensuring Enrollees receive appropriate follow-up services.
- 3.2.2.1.8 Describe how your model of care will decrease hospital readmission rates.
- 3.2.2.1.9 Describe the process for emergency department data utilization review, identification of Enrollees with high utilization, and the strategies to address high emergency department utilization that you will implement.
- 3.2.2.1.10 Describe the process for identifying Behavioral Health issues among primary care patients and ensuring the delivery of appropriate Behavioral Health care.
- 3.2.2.1.11 Describe how you will maintain a profile for each Enrollee that includes:
  - 3.2.2.1.11.1 Demographics;

- 3.2.2.1.11.2 PCP;
  - 3.2.2.1.11.3 Results of risk assessment, if applicable;
  - 3.2.2.1.11.4 Care management assignment; and
  - 3.2.2.1.11.5 Submit a sample Enrollee profile as Attachment J.
- 3.2.2.1.12 As a CCE must operate as a health home and serve Clients eligible under Section 2703 of the ACA, please describe:
- 3.2.2.1.12.1 How you meet the definition of a health home;
  - 3.2.2.1.12.2 The process for identifying Children with Complex Medical Needs with chronic conditions that meet the qualifications defined in Section 2703 of the ACA;
  - 3.2.2.1.12.3 How you will provide the following required health home services:
    - 3.2.2.1.12.3.1 Comprehensive Care Management;
    - 3.2.2.1.12.3.2 Comprehensive Transitional Care, including appropriate follow-up, from inpatient to other settings;
    - 3.2.2.1.12.3.3 Care Coordination and health promotion;
    - 3.2.2.1.12.3.4 Individual and family support, which includes authorized representatives;
    - 3.2.2.1.12.3.5 Referral to community and social support services (e.g. homelessness assistance and housing counseling), if relevant;
    - 3.2.2.1.12.3.6 Use of HIT to link services, as feasible and appropriate; and
  - 3.2.2.1.12.4 The use of HIT to link services, as feasible and appropriate.

### **3.2.2.2 Care Planning and Monitoring**

- 3.2.2.2.1 Describe how you will determine and develop a care team structure that meets the individual needs of Enrollees. Describe who will lead the care team and how communication will occur among the care team, between the care team and Providers, with other social supports, and with the Enrollee and the family and/or caregiver.
- 3.2.2.2.2 Outline your proposed care coordinator to Enrollee ratios, including how ratios may differ based on risk-level and on the needs of the Enrollees they are assigned.
- 3.2.2.2.3 Describe your qualifications, including educational and training requirements for care coordinators and how those requirements differ based on the needs and risk-level of the Enrollee.
- 3.2.2.2.4 Describe the roles, responsibilities, and duties of care coordinators.
- 3.2.2.2.5 Describe the training programs care coordinators may receive regarding cultural competency.
- 3.2.2.2.6 Describe your approach to person-centered Enrollee care plan development and monitoring, including:
  - 3.2.2.2.6.1 How the needs, goals, and preferences of Enrollees and their family or caregivers are identified and addressed;
  - 3.2.2.2.6.2 Who develops, completes, and monitors the Enrollee care plan, the process for collaboration with the care team, Providers, and the Enrollee and their family and/or caregiver, when appropriate; and

- 3.2.2.2.6.3 Your approach to risk stratification assessment, if applicable, how it relates to care plan development including who completes the risk stratification assessment, and how it relates to a proposed enrollment phase-in.
- 3.2.2.2.7 Provide a sample Enrollee care plan as Attachment K.
- 3.2.2.2.8 Describe how the Enrollee care plan will be made available to Providers and Enrollees.
- 3.2.2.2.9 Describe your strategies to enhance Enrollee compliance with Enrollee care plans.
- 3.2.2.2.10 Many of the Enrollees may already be enrolled in IHC and may have an Enrollee care plan with the Enrollee's PCP. Describe how you will incorporate these existing Enrollee care plans into the development of new Enrollee care plans.

### 3.2.2.3 Scope of Collaboration

- 3.2.2.3.1 Provide your minimum access standards including distance and travel times, minimum hours of operation, after hours availability, and minimum appointment standards for:
  - 3.2.2.3.1.1 PCPs;
  - 3.2.2.3.1.2 Pediatric specialist Providers;
  - 3.2.2.3.1.3 Behavioral Health Providers;
  - 3.2.2.3.1.4 Dental Providers; and
  - 3.2.2.3.1.5 Others, if applicable.
- 3.2.2.3.2 Describe your proposed Provider to Enrollee ratios, including your plan to monitor and maintain ratios, for:
  - 3.2.2.3.2.1 PCPs to Enrollees;
  - 3.2.2.3.2.2 Pediatric specialist Providers to Enrollees;
  - 3.2.2.3.2.3 Dental Providers to Enrollees;
  - 3.2.2.3.2.4 Behavioral Health Providers to Enrollees; and
  - 3.2.2.3.2.5 Others, if applicable.
- 3.2.2.3.3 Please describe your plans, if any, to co-locate physical health and dental health.
- 3.2.2.3.4 Please describe your plans, if any, to co-locate physical and Behavioral Health services.
- 3.2.2.3.5 Describe your plans to assure care is provided in the appropriate care setting including the home and community.
- 3.2.2.3.6 Describe how you will educate PCPs on their responsibilities for compliance with the Americans with Disabilities Act.
- 3.2.2.3.7 Describe methods you will employ to ensure care is provided in a culturally and linguistically appropriate manner.
  - 3.2.2.3.7.1 Describe how you will supply interpretive services for all key oral contacts and ensure that written materials can be easily understood by the various populations.
  - 3.2.2.3.7.2 Describe alternative methods of communication, which may include large print, Braille, sign language, CART reporters, or TDD/TTY for the hearing impaired, and how Enrollees will access these methods.

- 3.2.2.3.8 Describe any incentives you will allow PCPs and other Providers to use to encourage healthy behaviors and patient engagement in preventive care.
- 3.2.2.3.9 Describe your plan for monitoring quality of care provided to your Enrollees and providing ongoing feedback to affiliated Providers on their performance.
- 3.2.2.3.10 Propose at least one Quality Measure to be used as a pay-for-performance measure for each financial reimbursement method requested (See Section 3.1.6.1.1). The proposed measure(s) should be related to your proposed care coordination model, not already included in Attachment B, and best demonstrate successful care coordination. See Section 3.4 Payment Terms and Conditions for more details.

### 3.2.3 Health Information Technology (HIT)

- 3.2.3.1 Describe the current technology capacity among the collaborators at the time of Proposal submission, including:
  - 3.2.3.1.1 PCP communication capabilities to support their role in care coordination;
  - 3.2.3.1.2 Pediatric specialist Provider communication capabilities to support their role in care coordination;
  - 3.2.3.1.3 Dental Provider communication capabilities to support their role in care coordination;
  - 3.2.3.1.4 Behavioral Health Provider communication capabilities to support their role in care coordination;
  - 3.2.3.1.5 Hospital communication capabilities to support their role in care coordination; and
  - 3.2.3.1.6 Indicate which collaborating Providers have registered for Electronic Health Records Payment Incentive Program payments with either the State or federal government.
- 3.2.3.2 What is the expected HIT functionality of the collaborators 12 months after Contract Execution and how will this capacity support your care coordination model?
  - 3.2.3.2.1 Describe your connection to and support of: 1) PCPs, 2) Hospitals, 3) pediatric specialist Providers, 4) dental Providers, 5) Behavioral Health Providers, 6) Others, if applicable; and
  - 3.2.3.2.2 Describe how you will address issues of privacy and confidentiality.
- 3.2.3.3 Describe any resources you plan to provide to collaborators in the area of HIT.
- 3.2.3.4 Describe your plans to communicate with HCBS case managers and external community groups and social service organizations when necessary.
- 3.2.3.5 Describe the experience of the collaborators using data to track utilization and to monitor Quality Measures.

## 3.3 Financial Model

### 3.3.1 CCE Reimbursement<sup>1</sup>

- 3.3.1.1 Please state whether the CCE is selecting a care coordination fee, a shared savings model, or both reimbursement options. (See Section 3.1.6.1.1).
- 3.3.1.2 If proposing a Care Coordination Fee, propose an overall, blended administrative PMPM for each of the first three years of the Contract, following the template provided in Attachment F. Include a description of how you calculated and arrived at the proposed PMPM.
- 3.3.1.3 Describe any data (other than data received from the Department) that you relied upon.

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<sup>1</sup>The State developing baselines that will be used to develop cost neutrality projections and shared savings calculations. The State will provide this information as soon as it is available. Actual costs, including any care coordination fee incurred, will be compared to these prescribed baselines.

- 3.3.1.4 Describe in detail how you expect your care coordination model to result in cost neutrality – to reduce costs by at least as much as the care coordination fees you expect to receive over three years.
- 3.3.1.5 Describe how you plan to distribute the payment(s) among collaborators.
- 3.3.1.6 State the percentage of payment(s), if any, you plan to put into a reserve pool.
- 3.3.1.7 Please list all case management fees, if any, collaborators receive other than IHC fees, such as case management fees paid in HCBS Waivers. The State will not pay twice for the same care coordination services.

### 3.4 Payment Terms and Conditions<sup>2</sup>

3.4.1 **Care Coordination Fees:** Reimbursement to the CCE will be an administrative Per Member Per Month (PMPM) fee, paid monthly subject to the withhold described herein.

3.4.1.1 **Pay-for-Performance:** Following the first two full calendar quarters of operation, the State will withhold a percentage of CCE fees from each month's payment. The CCE can earn the withheld amounts as an incentive payment by meeting Quality Measure targets. There will be four Quality Measures, each with an equal portion of the incentive payment tied to it. The State has determined three of the measures based on their applicability to Children with Complex Medical Needs and these are set forth in Attachments B and C. The fourth measure will be proposed by the CCE and negotiated with the State and should be specific to the care coordination model or any proposed Target Population. This proposed measure should be utilization based so that it can be measured on a quarterly basis. Measurement and incentive payments on these Quality Measures will be done on an annual basis following a 180-day claims run out.

3.4.1.2 The incentive payment structure is described below.

3.4.1.2.1 In Year One, beginning in the third full calendar quarter of operation, the State will withhold .25 percent of CCE fees per month for each measure, for a total of 1.0 percent of fees per month. By meeting Quality Measure targets, CCEs will have the opportunity to earn incentive payments equal to .25 percent of total fees per measure for the third and fourth full calendar quarter of operation in Year One.

3.4.1.2.2 In Year Two, the State will withhold .5 percent of CCE fees per month for each measure, for a total of 2.0 percent of fees per month. By meeting Quality Measure targets, CCEs will have the opportunity to earn incentive payments equal to .5 percent of total fees per measure in Year Two.

3.4.1.2.3 In Year Three, the State will withhold .75 percent of CCE fees per month for each Quality Measure, for a total of 3.0 percent of fees per month. By meeting Quality Measure targets, CCEs will have the opportunity to earn incentive payments equal to .75 percent of total fees per measure in Year Three.

3.4.1.3 **CCE Quality Measure Targets.**

3.4.1.3.1 For each Quality Measure used as a pay-for-performance measure pursuant to Sections 3.4.1, the annual target goal will be set at a percentage above the baseline equal to 10 percent of the difference between the baseline score and 100 percent. For example, if the baseline is 50 percent, 10 percent of the difference between 50 percent and 100 percent is 5 percent, and the goal will be set at 55 percent. In subsequent measurement years, the previous year's performance will be the baseline for that measurement year unless the previous year's performance was below that year's baseline, in which case the previous highest baseline is used as the baseline for the next year.

3.4.2 **Shared Savings Reimbursement:** Shared savings will be calculated and paid on an annual basis with a reconciliation process for necessary adjustments. In order to accurately calculate actual costs and, therefore, savings, the Department must wait until all claims for the measurement year are submitted. Because Providers have 180-days from the date of service to bill the Department, the lag time between the end of the measurement year and the calculation of savings and payment of shared savings is more than six months. The Department is working with Federal CMS to develop a shared savings reimbursement structure including the maximum amount of shared savings payments a CCE may receive and a pay-for-performance structure (including quality measures and targets) associated with eligibility for earning shared savings.

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<sup>2</sup> All Payment Terms and Conditions are subject to Federal CMS review and approval.

- 3.5 **Compliance with Federal law, regulation, and policy.** CCE Contracts must be compliant with federal regulations found at 42 C.F.R. Part 438. See [http://www.access.gpo.gov/nara/cfr/waisidx\\_02/42cfr438\\_02.html](http://www.access.gpo.gov/nara/cfr/waisidx_02/42cfr438_02.html) for the federal regulations.
- 3.6 **Required Forms.** Consistent with Section 2, all Bidders must complete and submit the following forms:
- 3.6.1 Proposal to the State of Illinois (Signed Proposal)
  - 3.6.2 Taxpayer Identification Number
  - 3.6.3 Disclosures and Conflicts of Interest

PROPOSAL TO STATE OF ILLINOIS (Signed Proposal)

Project Title: Innovations Project Reference # 2013-24-010

The undersigned authorized representative of the identified CCE does hereby submit this Proposal to perform in full compliance with the subject Solicitation. By completing and signing this Form, the CCE is making a Proposal to the State of Illinois that the State may accept. The CCE is also certifying to compliance with the various requirements of the Solicitation and the documents contained in the Solicitation.

The CCE has marked each blank below as appropriate and has used N/A when a section is not applicable to this solicitation. The CCE understands that failure to meet all requirements is cause for disqualification.

The CCE has:

- Reviewed the Proposal Form, including the Solicitation instructions, filled in all relevant blanks, provided any requested information, and
- Signed on the space(s) provided.

Acknowledgment of Amendments

- The CCE acknowledges receipt of any and all amendments to the Solicitation and has taken those into account in making this Proposal.

Proposal Response Forms: Accompanying and as part of this Proposal you will find:

For all Proposals

- Designated number of copies
- Electronic copies
- Completed Forms:
  - Disclosures and Conflicts of Interest
  - Completed and Signed Taxpayer Identification Number form

Exceptions: In preparing the Proposal, the CCE has taken (check one)

- No Exceptions
- Exceptions to the State's language or requirements in the following sections of the Proposal:
  - Responsibility forms
  - Details of the exceptions are shown (check one)
    - in the text of each section of the Proposal
    - on a separate labeled attachment

Request for Confidential Treatment (check one)

- The CCE is not requesting confidential treatment for this Proposal.
- The CCE is seeking confidential treatment for portions of this Proposal. The CCE has supplied, as an attachment to this Proposal, a listing of the provisions identified by section number for which the CCE seeks confidential treatment along with the statutory basis under Illinois law for exempting that information from public disclosure. The CCE is including a detailed justification to support the statutory basis under Illinois law for exempting that information from public disclosure. **The CCE has supplied an additional copy of the Proposal, both hardcopy and on CD, with confidential information deleted.** In the event the designation of confidentiality of this information is challenged, the undersigned hereby agrees to provide legal counsel or other necessary assistance to defend the designation of confidentiality and agrees to hold the State harmless for any costs or damages arising out of the State agreeing to withhold the materials based on the CCE's request.

**Protests and Negotiations**

If the CCE is selected for award, the CCE understands that does not entitle the CCE to a Contract. The CCE further understands the award is conditioned on favorable resolution of successful negotiation of terms and conditions.

**CCE Contact Person:** The contact person for purposes of responding to any questions the State may have is:

\_\_\_\_\_  
Printed Name Title \_\_\_\_\_

\_\_\_\_\_  
Address

Phone \_\_\_\_\_ Fax \_\_\_\_\_

E-mail \_\_\_\_\_

\_\_\_\_\_  
(CCE name and DBA)

\_\_\_\_\_  
(Signature of party authorized to bind the named CCE)

\_\_\_\_\_  
Printed Name Title \_\_\_\_\_

\_\_\_\_\_  
Address

Phone \_\_\_\_\_ Fax \_\_\_\_\_

E-mail \_\_\_\_\_

**TAXPAYER IDENTIFICATION NUMBER**

I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).
  - *If you are an individual, enter your name and SSN as it appears on your Social Security Card.*
  - *If you are a sole proprietor, enter the owner's name on the name line followed by the name of the business and the owner's SSN or EIN.*
  - *If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's name on the name line and the d/b/a on the business name line and enter the owner's SSN or EIN.*
  - *If the LLC is a corporation or partnership, enter the entity's business name and EIN and for corporations, attach IRS acceptance letter (CP261 or CP277).*
  - *For all other entities, enter the name of the entity as used to apply for the entity's EIN and the EIN.*

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

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

Taxpayer Identification Number:

Social Security Number \_\_\_\_\_

or

Employer Identification Number \_\_\_\_\_

Legal Status (check one):

- |   |   |
|---|---|
| <input type="checkbox"/> Individual   | <input type="checkbox"/> Governmental   |
| <input type="checkbox"/> Sole Proprietor  | <input type="checkbox"/> Nonresident alien  |
| <input type="checkbox"/> Partnership  | <input type="checkbox"/> Estate or trust  |
| <input type="checkbox"/> Legal Services Corporation   | <input type="checkbox"/> Pharmacy (Non-Corp.)   |
| <input type="checkbox"/> Tax-exempt   | <input type="checkbox"/> Pharmacy/Funeral Home/Cemetery (Corp.)                           |
| <input type="checkbox"/> Corporation providing or billing medical and/or health care services     | <input type="checkbox"/> Limited Liability Company (select applicable tax classification) |
| <input type="checkbox"/> Corporation NOT providing or billing medical and/or health care services | <input type="checkbox"/> D = disregarded entity   |
|   | <input type="checkbox"/> C = corporation  |
|   | <input type="checkbox"/> P = partnership  |

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

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

## DISCLOSURES AND CONFLICTS OF INTEREST

**Instructions:** The CCE shall disclose financial interests, potential conflicts of interest and contract information identified in Sections 1, 2 and 3 below as a condition of receiving an award or Contract. Failure to fully disclose shall render the Contract, bid, Proposal, subcontract, or relationship voidable if the Department deems it in the best interest of the State of Illinois.

- There are six sections to this form and each must be completed to meet full disclosure requirements.
- Note: The requested disclosures are a continuing obligation and must be promptly supplemented for accuracy throughout the process and throughout the term of the resultant Contract if the bid/offer is awarded. For multi-year Contracts CCEs must submit these disclosures on an annual basis.

A publicly traded entity may submit its 10K disclosure in satisfaction of the disclosure requirements set forth in Section 1 below. HOWEVER, if a CCE submits a 10K, it must still complete Sections 2, 3, 4, 5 and 6 and submit the disclosure form.

If the CCE is a wholly owned subsidiary of a parent organization, separate disclosures must be made by the CCE and the parent. For purposes of this form, a parent organization is any entity that owns 100% of the CCE.

This disclosure information is submitted on behalf of (show official name of CCE, and if applicable, D/B/A and parent):

Name of CCE: \_\_\_\_\_

D/B/A (if used): \_\_\_\_\_

Name of any Parent Organization: \_\_\_\_\_

### Section 1: Disclosure of Financial Interest in the CCE. *(All CCEs must complete this section)*

*The CCE must complete subsection (a), (b) or (c) below. Please read the following subsections and complete the information requested.*

- a. If CCE is a Publicly traded corporation subject to SEC reporting requirements
- i. The CCE shall submit its 10K disclosure (include proxy if referenced in 10k) in satisfaction of the financial and conflict of interest disclosure requirements. The SEC 20f or 40f, supplemented with the names of those owning in excess of 5% and up to the ownership percentages disclosed in those submissions, may be accepted as being substantially equivalent to 10K.
- Check here if submitting a 10k , 20f , or 40f .
- OR
- b. If the CCE is a privately held corporation with more than 400 shareholders
- i. These CCEs may submit the information identified in 17 CFR 229.401 and list the names of any person or entity holding any ownership share in excess of 5% in satisfaction of the financial and conflict of interest disclosure requirements.
- OR
- c. If CCE is an individual, sole proprietorship, partnership, tax-exempt or any other entity not qualified to use subsections (A) or (B), complete (i) and (ii) below as appropriate.
- i. For each individual having any of the following financial interests in the CCE (or its parent), please mark each that apply and show the applicable name and address. Use a separate form for each individual.
1. Do you have an ownership share of greater than 5% of the offering entity or parent entity?  
 Yes  No
  2. Do you have an ownership share of less than 5%, but which has a value greater than \$106,447.20?  
 Yes  No
  3. Do you receive more than \$106,447.20 of the offering entity's or parent entity's distributive income? (Note: Distributive income is, for these purposes, any type of distribution of profits. An annual salary is not distributive income.)  
 Yes  No

4. Do you receive greater than 5% of the offering entity's or parent entity's total distributive income, but which is less than \$106,447.20?

Yes  No

5. If you responded yes to any of questions 1 – 4 above, please provide either the percentage or dollar amount of your ownership or distributive share of income: \_\_\_\_\_. For partnerships with more than 50 partners, the percentage share of ownership of each individual identified above may be shown in the following ranges (dollar value fields must also be completed when applicable):

0.5% or less \_\_\_\_\_ >0.5 to 1.0% \_\_\_\_\_ >1.0 to 2.0% \_\_\_\_\_ >2.0 to 3.0 % \_\_\_\_\_ > 3.0 to 4.0% \_\_\_\_\_ %  
>4.0 to 5.0% \_\_\_\_\_ and in additional 1% increments as appropriate \_\_\_\_\_ %

6. If you responded yes to any of the questions 1-4 above, please check the appropriate type of ownership/distributable income share:

Sole Proprietorship  Stock  Partnership  Other (explain) \_\_\_\_\_

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

Address: \_\_\_\_\_

ii. In relation to individuals identified above, indicate whether any of the following potential conflict of interest relationships apply. If "Yes," please describe each situation (label with appropriate letter) using the space at the end of this Section (attach additional pages as necessary). If no individual has been identified above, mark not applicable (N/A) here \_\_\_\_\_.

1. State employment, currently or in the previous 3 years, including contractual employment of services directly with the individuals identified in Section 1 in their individual capacity unrelated to the CCE's Contract. Yes  No

2. State employment of spouse, father, mother, son, or daughter, including contractual employment for services in the previous 2 years. Yes  No

3. Elective status; the holding of elective office of the State of Illinois, the government of the United States, any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois currently or in the previous 3 years. Yes  No

4. Relationship to anyone holding elective office currently or in the previous 2 years; spouse, father, mother, son, or daughter. Yes  No

5. Appointive office; the holding of any appointive government office of the State of Illinois, the United States of America, or any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois, which office entitles the holder to compensation in excess of expenses incurred in the discharge of that office currently or in the previous 3 years. Yes  No

6. Relationship to anyone holding appointive office currently or in the previous 2 years; spouse, father, mother, son, or daughter. Yes  No

7. Employment, currently or in the previous 3 years, as or by any registered lobbyist of the State government. Yes  No

8. Relationship to anyone who is or was a registered lobbyist in the previous 2 years; spouse, father, mother, son, or daughter. Yes  No

9. Compensated employment, currently or in the previous 3 years, by any registered election or re-election committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections. Yes  No

10. Relationship to anyone; spouse, father, mother, son, or daughter; who is or was a compensated employee in the last 2 years of any registered election or reelection committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections. Yes  No

**Section 2: Conflicts of Interest (All CCEs must complete this section)**

- a. Prohibition. It is unlawful for any person holding an elective office in this State, holding a seat in the General Assembly, or appointed to or employed in any of the offices or agencies of State government and who receives compensation for such employment in excess of 60% of the salary of the Governor of the State of Illinois [\$106,447.20], or who is an officer or employee of the Capital Development Board or the Illinois Toll Highway Authority, or who is the spouse or minor child of any such person to have or acquire any contract, or any direct pecuniary interest in any contract therein, whether for stationery, printing, paper, or any services, materials, or supplies, that will be wholly or partially satisfied by the payment of funds appropriated by the General Assembly of the State of Illinois or in any contract of the Capital Development Board or the Illinois Toll Highway Authority.
- b. Interests. It is unlawful for any firm, partnership, association, or corporation, in which any person listed in subsection (a) is entitled to receive (i) more than 7 1/2% of the total distributable income or (ii) an amount in excess of the salary of the Governor (\$177,412.00), to have or acquire any such contract or direct pecuniary interest therein.
- c. Combined interests. It is unlawful for any firm, partnership, association, or corporation, in which any person listed in subsection (a) together with his or her spouse or minor children is entitled to receive (i) more than 15%, in the aggregate, of the total distributable income or (ii) an amount in excess of 2 times the salary of the Governor [\$354,824.00], to have or acquire any such contract or direct pecuniary interest therein.

Check One:  No Conflicts Of Interest  
 Potential Conflict of Interest (If checked, name each conflicted individual, the nature of the conflict, and the name of the State agency that is associated directly or indirectly with the conflicted individual.)

**Section 3: Debarment/Legal Proceeding Disclosure (All CCEs must complete this section).**

Each of the persons identified in Sections 1, 2 and 3 must each identify any of the following that occurred within the previous 10 years:

Debarment from contracting with any governmental entity	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Professional licensure discipline	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Bankruptcies	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Adverse civil judgments and administrative findings	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Criminal felony convictions	Yes <input type="checkbox"/>	No <input type="checkbox"/>

If any of the above is checked yes, please identify with descriptive information the nature of the debarment and legal proceeding. The State reserves the right to request more information, should the information need further clarification.

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**Section 4: Disclosure of Business Operations with Iran (All CCEs must complete this section).**

Each Proposal submitted by a CCE shall include a disclosure of whether or not the bidder, offeror, or proposing entity, or any of its corporate parents or subsidiaries, within the 24 months before submission of the bid, offer, or proposal had business operations that involved contracts with or provision of supplies or services to the Government of Iran, companies in which the Government of Iran has any direct or indirect equity share, consortiums or projects commissioned by the Government of Iran and:

- a. more than 10% of the company's revenues produced in or assets located in Iran involve oil-related activities or mineral-extraction activities; less than 75% of the company's revenues produced in or assets located in Iran involve contracts with or provision of oil-related or mineral – extraction products or services to the Government of Iran or a project or consortium created exclusively by that Government; and the company has failed to take substantial action;  
or
- b. the company has, on or after August 5, 1996, made an investment of \$20 million or more, or any combination of investments of at least \$10 million each that in the aggregate equals or exceeds \$20 million in any 12- month period that directly or significantly contributes to the enhancement of Iran's ability to develop petroleum resources of Iran.

A Proposal that does not include this disclosure shall not be considered responsive. We may consider this disclosure when evaluating the Proposal or awarding the Contract.

You must check one of the following items and if item 2 is checked you must also make the necessary disclosure:

- There are no business operations that must be disclosed to comply with the above cited law.
- The following business operations are disclosed to comply with the above cited law:

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**Section 5: Current and Pending Contracts (All CCEs must complete this section).**

Does the CCE have any contracts pending contracts, bids, proposals or other ongoing procurement relationships with units of State of Illinois government? Yes  No

If yes, please identify each contract, pending contract, bid, proposal and other ongoing procurement relationship it has with units of State of Illinois government by showing agency name and other descriptive information such as bid number, project title, purchase order number or contract reference number.

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**Section 6: Representative Lobbyist/Other Agent (All CCEs must complete this section).**

Is the CCE represented by or employing a lobbyist required to register under the Lobbyist Registration Act or other agent who is not identified under Sections 1 and 2 and who has communicated, is communicating, or may communicate with any State officer or employee concerning the bid, offer or Contract? Yes  No

If yes, please identify each agent / lobbyist, including name and address.

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Costs/Fees/Compensation/Reimbursements related to assistance to obtain Contract (describe):

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CCE certifies that none of these costs will be billed to the State in the event of Contract award. CCE must file this information with the Secretary of State.

**This Disclosure is signed and made under penalty of perjury.**

This information is submitted on behalf of: \_\_\_\_\_  
(CCE/Subcontractor Name)

Name of Authorized Representative: \_\_\_\_\_

Title of Authorized Representative: \_\_\_\_\_

Signature of Authorized Representative: \_\_\_\_\_

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



The following Attachments B and C relate to Quality Measures. The Department will use the Quality Measures listed in Attachment B to monitor performance. Four of the Quality Measures in Attachment B are targeted to be used as pay-for-performance measures, where full payment is based on meeting targets associated with these measures, and are indicated in the P4P Year column. Attachment C provides further information on the Quality Measures targeted to be used as pay-for-performance.

**Attachment B<sup>1/</sup>  
Quality Measures**

	Category	Performance Measure	Specification Source	Proposed P4P Measures
1	<b>BMI/weight counseling</b>	Weight assessment and counseling for nutrition and physical activity for children/adolescents <b>(Includes BMI assessment)</b>	HEDIS®	
2	<b>Immunizations</b>			
		1) Childhood Immunization Status - Combos 2-10	HEDIS®	
		2) Adolescent Immunization Status	HEDIS®	
		3) Care Coordination - Influenza Immunization Rate	State	
3	<b>Prevention and Screenings</b>			
		1) Childhood Lead Screening 1 test prior to 2 yrs old	HEDIS®	
		2) Chlamydia Screening in Women age groups 16 - 20, 21 - 24 & Total (CHIPRA age 16-20 only)	HEDIS®	
4	<b>Diabetes Care<sup>2/</sup></b>	Annual pediatric hemoglobin A1C testing; 5 - 17 years of age	NCQA	
5	<b>Behavioral Health<sup>2/</sup></b>			
		1) Follow-Up After Hospitalization for Mental Illness-7 days	HEDIS®	
		2) Follow-Up After Hospitalization for Mental Illness-30 days	HEDIS®	
		3) Behavioral Health Risk Assessment and Follow-up	State	
		4) Follow up with any Provider within 30 days after an Initial Behavioral Health diagnosis	State	
4	<b>Access to Care / Primary Care Provider</b>			
		1) Children and Adolescents' access to Primary Care Providers	HEDIS®	

	Category	Performance Measure	Specification Source	Proposed P4P Measures
	2)	Enrollees who had an ambulatory or preventive care visit with Enrollee's assigned PCP.	State	
5	Dental			
	1)	Total Enrollees who received dental treatment services	CMS	
	2)	Total Enrollees who received preventive dental services	CMS	
6	HEDIS® Utilization Measures (Well Child/Well Care Visits)			
	1)	Well Child Visits during first 15 months of life: 0, 1, 2, 3, 4, 5 & 6 or more visits	HEDIS®	
	2)	Well Child Visits in the Third, Fourth, Fifth, and Sixth years of life	HEDIS®	
	3)	Adolescent Well Care Visits	HEDIS®	
7	Ambulatory Care			
	1)	ED visits per 1,000 Enrollees	HEDIS®	Years 1, 2, 3
	2)	Ambulatory Care Follow-Up with a Provider within 14 Days of Emergency Department (ED) Visit	State	
	3)	Ambulatory Care Follow-Up with assigned PCP within 14 Days of Inpatient Discharge	State	Years 1, 2, 3
8	Developmental Screenings	Developmental screening in the first three years of life (1 prior to 12 mths, 1 prior to 24 mths & 1 prior to 36 mths)	CAHMI & NCQA	
9	Inpatient			
	1)	Inpatient Hospital 30-Day Readmission Rate	State	
	2)	Inpatient Utilization - General Hospital Inpatient Admits per 1,000 Enrollees	HEDIS®	Years 1, 2, 3
10	Vision	Vision Screening - 3 - 6 year olds	NON-HEDIS®	
11	Respiratory Conditions <sup>2/</sup>			
	1)	Appropriate testing for children with pharyngitis	HEDIS®	
	2)	Appropriate treatment for children with Upper Respiratory Infection	HEDIS®	
12	Other - Misc			

	Category	Performance Measure	Specification Source	Proposed P4P Measures
	1)	Medication Review of all Enrollees Taking More than Five Prescription Medications	State	
	2)	Annual Monitoring for Enrollees on Persistent Medications	HEDIS®	
	3)	CAHPS® 4.0 (child version including <b>Medicaid and children with chronic conditions</b> and supplemental items)	HEDIS®	
	4)	Proposed Measure	TBD	Years 1, 2, 3

1/ The Department will continue to work with stakeholders and Federal CMS on the quality measures to be used to monitor CCE performance. The Department reserves the right to modify the measures to be used to monitor CCE performance. A measure under consideration is school attendance if it can be adequately measured.

**Attachment C\***  
**Quality Measures: Pay-for-Performance (P4P) Measures**

# Per Attach. B	Year	CCE Incentive Payment P4P Measure	CY'11 Baseline Measurement <sup>1/</sup>	Year 1 <sup>2/</sup> (Q3&4) % of Fees withheld for P4P <sup>3/</sup>	Year 2 % of Fees withheld for P4P <sup>3/</sup>	Year 3 % of Fees withheld for P4P <sup>3/</sup>
7	1, 2, 3	Ambulatory care follow-up visit with assigned PCP within 14 days of inpatient discharge	TBD	.25%	.5%	.75%
9	1, 2, 3	General Hospital Inpatient Utilization Admits per 1,000 Enrollees	TBD	.25%	.5%	.75%
7	1, 2, 3	Emergency Department visits per 1,000 Enrollees	TBD	.25%	.5%	.75%
12	1, 2, 3	Proposed Measure	TBD	.25%	.5%	.75%

1/The State will use statewide Calendar Year (CY) 2011 baseline measurements for Children with Complex Medical Needs. CY 2011 baseline measurements will be provided at a later date.

2/Beginning with the fees paid during the third quarter of Year One, CCEs are eligible for incentive payments.

3/ Percent of Fees withheld for P4P represents the amount of total CCE fees per measure that CCEs are eligible to earn as an incentive payment for meeting each quality measurement target.

\*The State, Federal CMS, and stakeholders continue to discuss the most appropriate pay-for-performance measures and the State reserves the right to change the measures listed above as well as the number of measures to be used as pay-for-performance.

## Attachment D Letter of Intent (LOI)

In order to allow for appropriate planning around this component of the Innovations Project, the Department is requiring a Letter of Intent (LOI) from each entity that anticipates or is seriously considering—submitting a Proposal for providing services under the Innovations Project. While submitting an LOI does not commit an entity to actually submit a Proposal, HFS will not accept a Proposal from nor provide data to an entity that has not submitted an LOI.

**The Department wants one LOI per entity, irrespective of the number of collaborators within the entity.** The organization and person submitting the LOI will be the Department's primary contact unless the contact information is subsequently changed. If an entity determines it is no longer interested in making a Proposal, it should withdraw its LOI.

The LOI must include the following items:

- Section A (Contact Information)
- Section B (Proposal Summary/Self-Assessment Form)
- Section C (HIPAA Data Use Agreement\*)

*\* The Department will provide what HIPAA defines as a 'limited data set'. The data will not contain directly identifiable information, but will have sufficient granularity that HIPAA protections still apply.*

The expected high-level timeline for this component of the Innovations Project is as follows:

- Last date to submit LOI – January 15, 2013
- Data sharing – As the Solicitation is published and LOI are received
- Proposals due – April 1, 2013
- Proposal evaluation – Anticipate completing proposal evaluation by May 31, 2013
- Award Announcement – Anticipate late May or early June, 2013
- Contract negotiation – Anticipate Contract negotiations occurring in June 2013
- Contract Start – July 2013 or later depending on successful completion of Contract negotiations, Contract completion and a readiness review

Please send the completed LOI to Michelle Maher at [Michelle.Maher@illinois.gov](mailto:Michelle.Maher@illinois.gov). If you have questions about the LOI submission, please contact Michelle Maher.

## Section A: Contact Information

Name of Care Coordination Entity (CCE) (working name is acceptable)

\_\_\_\_\_

### Primary Contact Information:

Name \_\_\_\_\_

Title \_\_\_\_\_

Organization \_\_\_\_\_

Address \_\_\_\_\_

Email \_\_\_\_\_

Phone \_\_\_\_\_

Other information (e.g., assistant) \_\_\_\_\_

### Primary Contact Person for Data (if different):

Name \_\_\_\_\_

Title \_\_\_\_\_

Organization \_\_\_\_\_

Address \_\_\_\_\_

Email \_\_\_\_\_

Phone \_\_\_\_\_

Other information (e.g., assistant) \_\_\_\_\_

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## Section B: Proposal Outline/Self-Assessment

The Department is not seeking exhaustive detail on any of the following—that will be the purpose of the Proposal. However, high-level answers will:

- help the State understand who is likely to submit Proposals; and
- help interested entities understand the range of issues that must be addressed in the Proposal, thus giving them a chance to prepare for the eventual submission.

This Section B is simply a list of topic areas that we assume you will address in a separate document. Sections A and C must be completed and returned along with the document in which you answer the questions below.)

1. **Intended Population.** Describe the population you expect to target in your Proposal, if any. Please be as specific as is appropriate with respect to age, geography, health status, disability status, and any other parameters that define the population you expect to target in your Proposal. Note: Enrollment may not be limited to the Target Population (See Section 3.1.3). Describe, at a high level, the plan for recruiting Potential Enrollees and how many Enrollees you think you will be able to accommodate.
2. **Primary Collaborators.** List any specifically identified collaborators who have agreed to join the potential CCE. While it may be premature to have a complete list, it should be possible to indicate thoughts on the type of provider collaborators that will be needed and give a sense of the state of development with any collaborators that have been identified. Provide sufficient information to illustrate who will be the primary collaborators and their responsibilities.
3. **Care Coordination Model.** Give an outline of your care coordination model, briefly touching on the various care coordination functions you expect to perform. What are the financial management mechanisms that you anticipate will be necessary to manage the CCE? At this point, we are not expecting a full description of your care coordination model, just a high-level summary of the major components of your expected proposal.
4. **Operating Agreements and Target Dates.** What are the main operating agreements that will have to be developed with the participating collaborators? To what extent has work started on developing these arrangements? When will the remaining work be completed?
5. **Health Information Technology.** What are the current thoughts on how clinical data will be exchanged? It will be very hard to actually coordinate care without some degree of automation in the exchange of clinical information. Few entities will have a full-blown, interoperable Electronic Health Record (EHR) system in place. In the absence of such an EHR, however, explain how the CCE will manage clinical information, both to make clinical decisions and to provide feedback to Providers.

6. **Working Capital.** Some upfront funds may be necessary to develop care coordination functions. What are the current thoughts on the sources of funding for upfront care coordination expenses?
7. **Other Information.** Please provide any other information that you think will better enable the Department to understand and meet your needs or the general needs of potential CCEs.

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**Section C: HIPAA Data Use Agreement**

Illinois Department of Healthcare and Family Services  
And

\_\_\_\_\_  
DATA USE AGREEMENT

This Data Use Agreement (the "Agreement") is effective as of \_\_\_\_\_ (the "Agreement Effective Date") by and between Illinois Department of Healthcare and Family Services ("Covered Entity"/"Department") and \_\_\_\_\_ ("Data User").

RECITALS

WHEREAS, Covered Entity possesses Individually Identifiable Health Information that is protected under HIPAA (as hereinafter defined) and the HIPAA Regulations (as hereinafter defined), and is permitted to use or disclose such information only in accordance with HIPAA and the HIPAA Regulations;

WHEREAS, Data User wishes to perform certain Activities (as hereinafter defined);

WHEREAS, Covered Entity wishes to disclose a Limited Data Set (as hereinafter defined) to Data User for use by Data User for performance of the Activities (as hereinafter defined);

WHEREAS, Covered Entity wishes to ensure that Data User will appropriately safeguard the Limited Data Set in accordance with HIPAA and the HIPAA Regulations; and

WHEREAS, Data User agrees to protect the privacy of the Limited Data Set in accordance with the terms and conditions of this Agreement, HIPAA and the HIPAA Regulations;

NOW THEREFORE, Covered Entity and Data User agree as follows:

1. **Definitions.** The parties agree that the following terms, when used in this Agreement, shall have the following meanings, provided that the terms set forth below shall be deemed to be modified to reflect any changes made to such terms from time to time as defined in HIPAA and the HIPAA Regulations.
  - a. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191.
  - b. "HIPAA Regulations" means the regulations promulgated under HIPAA by the United States Department of Health and Human Services, including, but not limited to, 45 C.F.R. Part 160 and 45 C.F.R. Part 164.
  - c. "Covered Entity" means a health plan (as defined by HIPAA and the HIPAA Regulations), a health care clearinghouse (as defined by HIPAA and the HIPAA Regulations), or a health care provider (as defined by HIPAA and the HIPAA Regulations) who transmits any health information in electronic form in connection with a transaction covered by the HIPAA Regulations.
  - d. "Individually Identifiable Health Information" means information that is a subset of health information, including demographic information collected from an individual, and:
    - (1) is created or received by a health care provider, health plan, employer, or health care clearinghouse; and
    - (2) relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and

- a) that identifies the individual; or
- b) with respect to which there is a reasonable basis to believe the information can be used to identify the individual.

e. "Protected Health Information" or "PHI" means Individually Identifiable Health Information that is transmitted by electronic media; maintained in any medium described in the definition of the term electronic media in the HIPAA Regulations; or transmitted or maintained in any other form or medium. Protected Health Information excludes Individually Identifiable Health Information in education records covered by the Family Educational Right and Privacy Act, as amended, 20 U.S.C. § 1232g, and records described at 20 U.S.C. § 1232g(a)(4)(B)(iv).

2. Purpose and Use of Data.

Data will be used exclusively to consider and prepare a proposal in response to the Department's Solicitation for Care Coordination Entities for Children with Complex Medical Needs (Innovations Project Phase II – 2013-24-010). The right to use the data will terminate as of the later of the Solicitation submission date as stated in the Solicitation or subsequently revised.

3. Obligations of Covered Entity.

a. Limited Data Set. Covered Entity agrees to disclose the following Protected Health Information to Data User: data tables describing Children with Complex Medical Needs (see Section 1.7 of the Solicitation) and the services provided to said Children with Complex Medical Needs (hereinafter referred to as the "Limited Data Set"). Such Limited Data Set shall not contain any of the following identifiers of the individual who is the subject of the Protected Health Information, or of relatives, employers or household members of the individual: names; postal address information, other than town or city, State, and zip code; telephone numbers; fax numbers; electronic mail addresses; social security numbers; medical record numbers; health plan beneficiary numbers; account numbers; certificate/license numbers; vehicle identifiers and serial numbers, including license plate numbers; device identifiers and serial numbers; Web Universal Resource Locators (URLs); Internet Protocol (IP) address numbers; biometric identifiers, including finger and voice prints; and full face photographic images and any comparable images.

4. Obligations of Data User.

a. Performance of Activities. Data User may use and disclose the Limited Data Set received from Covered Entity only in connection with the preparation of a Care Coordination Innovations Proposal on behalf of the Covered Entity (the "Activities"). Data User shall limit the use or receipt of the Limited Data Set to the following individuals or classes of individuals who need the Limited Data Set for the performance of the Activities:

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b. Nondisclosure Except As Provided In Agreement. Data User shall not use or further disclose the Limited Data Set except as permitted or required by this Agreement.

c. Use Or Disclosure As If Covered Entity. Data User may not use or disclose the Limited Data Set in any manner that would violate the requirements of HIPAA or the HIPAA Regulations if Data User were a Covered Entity.

d. Identification Of Individual. Data User may not use the Limited Data Set alone or in combination with other data to identify or contact any individual who is the subject of the PHI from which the Limited Data Set was created.

e. Covered Entity Approval of Disclosures Required By Law. Data User shall not, without the prior written consent of Covered Entity, disclose the Limited Data Set on the basis that such disclosure is required by law without notifying Covered Entity so that Covered Entity shall have an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, Data User shall refrain from disclosing the Limited Data Set until Covered Entity has exhausted all alternatives for relief.

f. Safeguards. Data User shall use any and all appropriate safeguards to prevent use or disclosure of the Limited Data Set other than as provided by this Agreement.

g. Data User's Agents. Data User shall not disclose the Limited Data Set to any agent or subcontractor of Data User except with the prior written consent of Covered Entity. Data User shall ensure that any agents, including subcontractors, to whom it provides the Limited Data Set agree in writing to be bound by the same restrictions and conditions that apply to Data User with respect to such Limited Data Set.

h. No identification. Data User will not join the Limited Data Set to other data sets in any way that will reveal the identity of Children with Complex Medical Needs.

i. Reporting. Data User shall report to Covered Entity within 4 hours of Data User becoming aware of any use or disclosure of the Limited Data Set in violation of this Agreement or applicable law.

5. Material Breach, Enforcement and Termination.

a. Term. This Agreement shall be effective as of the Agreement Effective Date, and shall continue until the Agreement is terminated in accordance with the provisions of Section 4.c..

b. Covered Entity's Rights of Access and Inspection. From time to time upon reasonable notice, or upon a reasonable determination by Covered Entity that Data User has breached this Agreement, Covered Entity may inspect the facilities, systems, books and records of Data User to monitor compliance with this Agreement. The fact that Covered Entity inspects, or fails to inspect, or has the right to inspect, Data User's facilities, systems and procedures does not relieve Data User of its responsibility to comply with this Agreement, nor does Covered Entity's (1) failure to detect or (2) detection of, but failure to notify Data User or require Data User's remediation of, any unsatisfactory practices constitute acceptance of such practice or a waiver of Covered Entity's enforcement or termination rights under this Agreement. The parties' respective rights and obligations under this Section 4.b. shall survive termination of the Agreement.

c. Termination. Covered Entity may terminate this Agreement:

- (1) immediately if Data User is named as a defendant in a criminal proceeding for a violation of HIPAA or the HIPAA Regulations;
- (2) immediately if a finding or stipulation that Data User has violated any standard or requirement of HIPAA, the HIPAA Regulations, or any other security or privacy laws is made in any administrative or civil proceeding in which Data User has been joined
- (3) pursuant to Sections 5.d.(3) or 6.b. of this Agreement; or
- (4) upon 30 days notice, irrespective of cause.

d. Remedies. If Covered Entity determines that Data User has breached or violated a material term of this Agreement, Covered Entity may, at its option, pursue any and all of the following remedies:

- (1) exercise any of its rights of access and inspection under Section 5.b. of this Agreement;
- (2) require Data User to pay all costs associated with the breach, including but not limited to costs associated with investigation of the breach, costs of notification to individuals affected by the breach, costs associated with mitigation and monitoring, including providing credit monitoring to the affected individuals.
- (3) take any other reasonable steps that Covered Entity, in its sole discretion, shall deem necessary to cure such breach or end such violation; and/or
- (4) terminate this Agreement immediately.

e. Knowledge of Non-Compliance. Any non-compliance by Data User with this Agreement or with HIPAA or the HIPAA Regulations automatically will be considered a breach or violation of a material term of this Agreement if Data User knew or reasonably should have known of such non-compliance and failed to immediately take reasonable steps to cure the non-compliance.

f. Reporting to United States Department of Health and Human Services. If Covered Entity's efforts to cure any breach or end any violation are unsuccessful, and if termination of this Agreement is not feasible, Covered Entity shall report Data User's breach or violation to the Secretary of the United States Department of Health and Human Services, and Data User agrees that it shall not have or make any claim(s), whether at law, in equity, or under this Agreement, against Covered Entity with respect to such report(s).

g. Return or Destruction of Records. Upon termination of this Agreement for any reason, Data User shall return or destroy, as specified by Covered Entity, the Limited Data Set that Data User still maintains in any form, and shall retain no copies of such Limited Data Set. If Covered Entity, in its sole discretion, requires that Data User destroy the Limited Data Set, Data User shall certify to the Covered Entity that the Limited Data Set has been destroyed. If return or destruction is not feasible, Data User shall inform Covered Entity of the reason it is not feasible and shall continue to extend the protections of this Agreement to such Limited Data Set and limit further use and disclosure of such Limited Data Set to those purposes that make the return or destruction of such Limited Data Set infeasible.

h. Injunctions. Covered Entity and Data User agree that any violation of the provisions of this Agreement may cause irreparable harm to Covered Entity. Accordingly, in addition to any other remedies available to Covered Entity at law, in equity, or under this Agreement,

in the event of any violation by Data User of any of the provisions of this Agreement, or any explicit threat thereof, Covered Entity shall be entitled to an injunction or other decree of specific performance with respect to such violation or explicit threat thereof, without any bond or other security being required and without the necessity of demonstrating actual damages. The parties' respective rights and obligations under this Section 5.h. shall survive termination of the Agreement.

i. Indemnification. Data User shall indemnify, hold harmless and defend Covered Entity from and against any and all claims, losses, liabilities, costs and other expenses resulting from, or relating to, the acts or omissions of Data User in connection with the representations, duties and obligations of Data User under this Agreement. The parties' respective rights and obligations under this Section 5.i. shall survive termination of the Agreement.

6. Miscellaneous Terms.

a. State Law. Nothing in this Agreement shall be construed to require Data User to use or disclose the Limited Data Set without a written authorization from an individual who is a subject of the PHI from which the Limited Data Set was created, or written authorization from any other person, where such authorization would be required under state law for such use or disclosure.

b. Amendment. Covered Entity and Data User agree that amendment of this Agreement may be required to ensure that Covered Entity and Data User comply with changes in state and federal laws and regulations relating to the privacy, security, and confidentiality of PHI or the Limited Data Set. Covered Entity may terminate this Agreement upon 30 days written notice in the event that Data User does not promptly enter into an amendment that Covered Entity, in its sole discretion, deems sufficient to ensure that Covered Entity will be able to comply with such laws and regulations.

c. No Third Party Beneficiaries. Nothing express or implied in this Agreement is intended or shall be deemed to confer upon any person other than Covered Entity and Data User, and their respective successors and assigns, any rights, obligations, remedies or liabilities. Any assignment of this Data Use Agreement by contractor/Data User to an assignee or successor is void without HFS' prior written consent.

d. Ambiguities. The parties agree that any ambiguity in this Agreement shall be resolved in favor of a meaning that complies and is consistent with applicable law protecting the privacy, security and confidentiality of PHI and the Limited Data Set, including, but not limited to, HIPAA and the HIPAA Regulations.

e. Primacy. To the extent that any provisions of this Agreement conflict with the provisions of any other agreement or understanding between the parties, this Agreement shall control with respect to the subject matter of this Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the Agreement Effective Date.

*IL Department of Healthcare and Family Services*

\_\_\_\_\_  
Name of Covered Entity

\_\_\_\_\_  
Name of Data User

\_\_\_\_\_  
Signature of Authorized Representative

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Signature of Authorized Representative

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Name of Authorized Representative

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Name of Authorized Representative

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Title of Authorized Representative

\_\_\_\_\_  
Title of Authorized Representative



**Attachment F**  
**CCE – Care Coordination Fee Template**

Proposed Per Member Per Month Fees (PMPMs)	Children with Complex Medical Needs
Year 1	
Year 2	
Year 3	

\*You must propose one blended care coordination fee regardless of the Target Population you intend to target for outreach.