

**To:** Governor's Office

**From:** DHS/Division of Medical Services

**Date:** September 29, 2016

**Re: Contract for Review -** Minimal Essential Coverage (MEC)- Total projected cost is \$4,300,000.00

**Overview:**

The state is required to provide 1095B Forms to everyone receiving Minimal Essential Coverage (MEC) for the most current tax year plus the previous three years beginning in 2015. This information will help individuals demonstrate they had coverage. For the Department of Medical Services (DMS), this information will be provided via Form 1095-B

**Performance Measurement:** Based on the attached performance measures.

**Method of Procurement:** Special

**Length of Contract:** 20 months until June 30, 2018.

**Contract Cost:** \$ 4,300,000.00 ; 75% federal (Medical Assistance Program) and 25% State.

**Vendor:** Deloitte Consulting, LLP

**Agency Contact Information:**

**Name:** Misty Bowen-Eubanks

**Phone:** 501-320-6327

**Email:** misty.boweneubanks@dhs.arkansas.gov

**Recommendation:**

Approve

Deny

Request More Information

Discuss

# MEMO

Contract# 4600038911  
Solicitation for Review Form

To: DFA IGS, DIS, Governor's Office

From: 0710 Department of Human Services Division of Medical Services

Date: 08/22/2016

Re: Solicitation for Review - Minimal Essential Coverage

**Overview:**

The state is required to provide 1095B Forms to everyone receiving Minimal Essential Coverage (MEC) for the most current tax year plus the previous three (3) tax years beginning in 2015. This information will help individuals demonstrate they had coverage. For the Department of Medical Services (DMS), this information will be provided via Form 1095-B.

Length of Contract: 20 months

Initial Contract Term: 20 months

Optional Renewals: none

Anticipated Total Projected Cost: \$ 4,300,000.00

Funding Breakdown (if applicable)

Funding: 75% Federal & 25% State

NOTE to Division: Send Pre-Solicitation Memo and Supporting Documents to DHS.CSS.Review.Team@arkansas.gov for Review and Comment, before requisition is entered into the AASIS system

**Office of Procurement Contact Information:**

Name: Misty Bowen-Eubanks

Phone: (501) 320-6327

Email: Misty.Bowen-Eubanks@dhs.arkansas.gov

**Office of Procurement Approval issued in AASIS**

**Agency CIO Signature (for IT requests of \$100,000 or greater only):**

Contains IT Yes   
No

Jeff Dean

Digitally signed by Jeff Dean  
DN: dc=nel, dc=arkgov, dc=dhhs, ou=DHHS  
Organizations, ou=Office of Systems & Technology,  
cn=Jeff Dean, email=Jeff.Dean@dhs.arkansas.gov  
Date: 2016.08.22 17:19:22 -05'00'

**Division Contact Information and Signature:**

Name: Dawn Stehle

Phone: 501-683-0173

Email: Dawn.Stehle@dhs.arkansas.gov

Division Approval: Dawn Stehle

Digitally signed by Dawn Stehle  
Date: 2016.09.08 14:20:13  
-05'00'

Signature of Agency Director is only required for requests with a total projected cost greater than \$1,000,000. Agency Director Signature issued in AASIS.

**Project Description** View Form

Under the Affordable Care Act, state governments are given shared responsibility to reform and improve the availability, quality and affordability of health insurance coverage in the United States. Starting in 2014, the individual shared responsibility provision calls for each individual to have qualifying health care coverage (known as minimum essential coverage) for each month, qualify for an exemption, or make a payment when filing his or her federal income tax return.

Display Purchase Req. 1000759034



Display Purchase Req. 1000759034

Document Overview On Personal Setting

Req to OA 1000759034

Tasks Release Strategy Total Projected Cost

Attachment For 1000759034

Icon	Title	Creator Name	Created ...
	Deloitte Special Procurement Review	WARREN N JENSEN	09/29/2016
	Governor's Office review is complete	DAVID L BELL	09/28/2016
	Fwd Deloitte Special Procurement	WARREN N JENSEN	09/14/2016
	Special procurement DHS-DM5 upda	WARREN N JENSEN	
	1095-B Minimum Coverage-3	WARREN N JENSEN	09/09/2016

1095-B Minimum Coverage-3

**Governor's Office review is complete; approved**

Governor's Office review is complete; approved:  
09/28/2016, DLB.

david.bell@governor.arkansas.gov  
(501) 683-6422

Plant	Pgr	Requisi...	Track...	Agree...
Reference P	4	KBLEE	KBLEE3	
Reference P	4		WJENSEN	

Item Texts

- Matera Master Text
- Notes to Buyer
- 

SRCP.SERVICE MEDICAL SERVICES

Continuous-tex...

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Purchasing Document Approval Status Report

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Purchasing Document Approval Status Report

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Item	Item Description	Quantity	Unit	Unit Price	Total Price	Approval Status	Approval Date	Approval User	Approval Role	Approval Level	Approval Comment
10	MILKSHAKE YEL	1000	EA	0.0000	0.0000	APPROV	05/04/2014	...	...	...	...
40	MILKSHAKE YEL	1000	EA	0.0000	0.0000	APPROV	05/04/2014	...	...	...	...
40	MILKSHAKE YEL	1000	EA	0.0000	0.0000	APPROV	05/04/2014	...	...	...	...
40	MILKSHAKE YEL	1000	EA	0.0000	0.0000	APPROV	05/04/2014	...	...	...	...



# STATE OF ARKANSAS

## PROFESSIONAL CONSULTANT SERVICES CONTRACT

<b>CONTRACT #</b>	4600038911	<b>FEDERAL I.D. #</b>	06-1454513
<b>VENDOR #</b>	100182053	<b>MINORITY VENDOR</b>	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>

**1. PROCUREMENT:**

Check ONE appropriate box below for the method of procurement for this contract:

- |   |  |  |   |
|---|--|--|---|
| <input type="checkbox"/> ABA Criteria                     | <input type="checkbox"/> Request for Proposal  | <input type="checkbox"/> Competitive Bid                                       | <input type="checkbox"/> Request for Qualifications |
| <input type="checkbox"/> Intergovernmental                | <input type="checkbox"/> Emergency   | <input type="checkbox"/> Invitation for Bid                                    | <input type="checkbox"/> Cooperative Contract       |
| <input type="checkbox"/> Small Order                      | <input type="checkbox"/> Sole Source by Justification<br><small>(Justification must be attached)</small> | <input type="checkbox"/> Sole Source by intent to Award<br>or Statute #: _____ |   |
| <input type="checkbox"/> Sole Source by Law - Act # _____ |  |  |   |
| <input type="checkbox"/> Exempt By Law                    | <input checked="" type="checkbox"/> Special Procurement  |  |   |

**2. TERM DATES:**

The term of this agreement shall begin on 11/18/2016 and shall end on 06/30/2018.  
(mm/dd/yyyy) (mm/dd/yyyy)

**3. CONTRACTING PARTIES:**

State of Arkansas is hereinafter referred to as the agency and contractor is herein after referred to as the Vendor.

<b>AGENCY NUMBER &amp; NAME</b>	0710-DHS	Division of Medical Services	<input type="checkbox"/> Service Bureau
<b>VENDOR NAME</b>	Deloitte Consulting, LLP		
<b>VENDOR ADDRESS</b>	4022 Sells Drive, Hermitage, TN 37076-2903		
<b>TRACKING # 1</b>		<b>TRACKING # 2</b>	

**4A. TOTAL PROJECTED CONTRACT COST:**

Total Projected Cost of entire project if all available extensions of this contract are completed (up to the date anticipated and stated in Section 13)	\$ 4,294,255.00
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**4B. CALCULATIONS OF COMPENSATION:**

For work to be accomplished under this agreement, the Vendor agrees to provide the personnel at the rates scheduled for each level of consulting personnel as listed herein. Calculations of compensation and reimbursable expenses shall only be listed in this section. If additional space is required, a continuation sheet may be used as an attachment.

LEVEL OF PERSONNEL	NUMBER	COMPENSATION RATE	TOTAL FOR LEVEL
See Attachment 4		See Attachment 3	\$ 2,328,285.71
			\$ 0.00
			\$ 0.00

Total compensation exclusive of expense reimbursement \$ 2,328,285.71

REIMBURSABLE EXPENSES ITEM (Specify)	ESTIMATED RATE OF REIMB.	TOTAL
n/a		\$ 0.00
		\$ 0.00
		\$ 0.00

Total reimbursable expenses \$ 0.00

Total compensation inclusive of expense reimbursement \$ 2,328,285.71

**STATE OF ARKANSAS  
PROFESSIONAL CONSULTANT SERVICES CONTRACT**

Contract # : 4600038911

**5. SOURCE OF FUNDS:**

Complete appropriate box(es) below to total 100% of the funding in this contract. You may use an attachment if needed.

Fund Source	Identify Source of Funds*	Fund	Fund Center	Amount of Funding	% of Total Contract Cost
Federal Funds	Medicaid (CFDA 93.778)	PWD8900	897	\$ 1,164,142.86	50.0
State Funds**	State General Revenue	PWD8900	897	\$ 1,164,142.85	50.0
Cash Funds					
Trust Funds					
Other Funds					
<b>TOTALS</b>				\$ 2,328,285.71	100.0

\* **MUST BE SPECIFIC** (i.e. fees, tuition, agricultural sales, bond proceeds, donations, etc.)

\*\* "State Funds" is defined as and deemed State General Revenue Dollars. If other state funds are being used such as tobacco funds, general improvement funds, etc., these should be noted. Special revenue funds from taxes or fees generated for the agencies should be shown as "Other" and the actual source of the funds should be clarified in the "Identify Source of Funds."

**6. RENDERING OF COMPENSATION:**

The method(s) of rendering compensation and/or evaluation of satisfactory achievement toward attainment of the agreement listed herein is as follows, or in attachment no. 1.2.3 to this agreement.

Payment shall be made after services are rendered and an invoice received.

**7. OBJECTIVES AND SCOPE:**

State description of services, objectives, and scope to be provided. (DO NOT USE "SEE ATTACHED")

The contractor will provide assistance to beneficiaries concerning Internal Revenue Service (IRS) Form 1095B. The contractor will utilize the mutually agreed upon process for verification to all the contractor's staff to effectively assist in resolving issues or concerns pertaining to correct address information. Contractor staff will access mailing status, make corrections and generate new IRS 1095B mailing requests.

Service Coverage Area: Statewide

**8. PERFORMANCE STANDARDS:**

List Performance standards for the term of the contract. (If necessary, use attachments)

See Attachment 1

**9. ATTACHMENTS:**

List ALL attachments to this contract by attachment number:

- 1 - Performance Based Contracting Standards
- 2 - Terms and Conditions
- 3 - Budget
- 4 - Employee/Subcontractor List
- 5 - Certification Regarding Lobbying
- 6 - Business Associate Agreement
- 7 - Disclosure Form
- 8 - Equal Employment Opportunity Policy
- 9 - Illegal Immigrant Disclosure Certification
- 10 - Special Procurement Justification/OSP Approval

**10. CERTIFICATION OF VENDOR**

A. "I, Todd Higgins Principal  
 (Vendor) (Title)

certify under penalty of perjury that, to the best of my knowledge and belief, no regular full-time or part-time employee of any State agency of the State of Arkansas will receive any personal, direct or indirect monetary benefits which would be in violation of the law as a result of the execution of this contract." Where the Vendor is a widely-held public corporation, the term 'direct or indirect monetary benefits' "shall not apply to any regular corporate dividends paid to a stockholder of said corporation who is also a State employee and who owns less than ten percent (10%) of the total outstanding stock of the contracting corporation."

B. List any other contracts or subcontracts you have with any other state government entities. (Not applicable to contracts between Arkansas state agencies) (If no contracts or subcontracts, please put "N/A" or "None")

Arkansas Department of Human Services, Division of Medical Services Contract 4600036222 - 1095B Program.

C. Are you currently engaged in any legal controversies with any state agencies or represent any clients engaged in any controversy with any Arkansas state agency? (If no controversies, please put "N/A" or "None")

None

D. The Vendor agrees to list below, or on an attachment hereto, names, addresses, and relationship of those persons who will be supplying services to the state agency at the time of the execution of the contract. If the names are not known at the time of the execution of the contract, the Vendor shall submit the names along with the other information as they become known. Such persons shall, for all purposes, be employees or independent contractors operating under the control of the Vendor (sub-contractors), and nothing herein shall be construed to create an employment relationship between the agencies and the persons listed below.

NAME	RELATIONSHIP
See Attachment 4	See Attachment 4

E. The agency shall exercise no managerial responsibilities over the Vendor or his employees. In carrying out this contract, it is expressly agreed that there is no employment relationship between the contracting parties.



11. DISCLOSURE REQUIRED BY EXECUTIVE ORDER 98-04:

Any contract or amendment to a contract executed by an agency which exceeds \$25,000 shall require the Vendor to disclose information as required under the terms of Executive Order 98-04 and the Regulations pursuant thereto. The Vendor shall also require the subcontractor to disclose the same information. The Contract and Grant Disclosure and Certification Form (Form PCS-D attachment II-10.3) shall be used for this purpose.

Contracts with another government entity such as a state agency, public education institution, federal government entity, or body of a local government are exempt from disclosure requirements.

The failure of any person or entity to disclose as required under any term of Executive Order 98-04, or the violation of any rule, regulation or policy promulgated by the Department of Finance and Administration pursuant to this Order, shall be considered a material breach of the terms of the contract, lease, purchase agreement, or grant and shall subject the party failing to disclose, or in violation, to all legal remedies available to the Agency under the provisions of existing law.

12. CANCELLATION CLAUSES

A. NON-APPROPRIATION CLAUSE PURSUANT TO §19-11-1012(11):

"In the event the State of Arkansas fails to appropriate funds or make monies available for any biennial period covered by the term of this contract for the services to be provided by the Vendor, this contract shall be terminated on the last day of the last biennial period for which funds were appropriated or monies made available for such purposes."

"This provision shall not be construed to abridge any other right of termination the agency may have."

B. CONVENIENCE CLAUSE:

In the event the State no longer needs the service or commodity specified in the contract or purchase order due to program changes, changes in laws, rules, or regulations, relocation of offices, the State may cancel the contract or purchase order by giving the vendor written notice of such cancellation 30 days prior to the date of cancellation.

13. TERMS

The term of this agreement begins on the date in SECTION 2 and will end on the date in SECTION 2, and/or as agreed to separately in writing by both parties.

This contract may be extended until 06/30/2018 (mm/dd/yyyy), in accordance with the terms stated in the Procurement, by written mutual agreement of both parties and subject to: approval of the Arkansas Department of Finance and Administration/Director of Office of State Procurement, appropriation of necessary funding, and review by any necessary state or federal authority.

Contracts will require review by Legislative Council or Joint Budget Committee prior to the approval of the Department of Finance and Administration/Director of Office of State Procurement and before the execution date if the total initial contract amount or the total projected amount is greater than or equal to \$50,000, including any amendments or possible extensions.

Any amendment which increases the dollar amount or involves major changes in the objectives and scope of the contract will require review by Legislative Council or Joint Budget Committee.

14. AUTHORITY

A. This contract shall be governed by the Laws of the State of Arkansas as interpreted by the Attorney General of the State of Arkansas and shall be in accordance with the intent of Arkansas Code Annotated §19-11-1001 et seq.

B. Any legislation that may be enacted subsequent to the date of this agreement, which may cause all or any part of the agreement to be in conflict with the laws of the State of Arkansas, will be given proper consideration if and when this contract is renewed or extended; the contract will be altered to comply with the then applicable laws.

STATE OF ARKANSAS  
PROFESSIONAL CONSULTANT SERVICES CONTRACT

Contract #: 4600038911

15. AGENCY CONTACTS FOR QUESTION(S) REGARDING THIS CONTRACT:

Contact #1 – Agency Representative submitting/tracking this contract

Mark Looney	Medical Assistant Manager
(Name)	(Title)
(501) 320-3948	Mark.Looney@dhs.arkansas.gov
(Telephone #)	(Email)

Contact #2 – Agency Representative with knowledge of this project (for general questions and responses)

Tim Taylor	M.I.M. Chief Technology Officer
(Name)	(Title)
(501) 320-6538	tim.taylor@dhs.arkansas.gov
(Telephone #)	(Email)

Contact #3 – Agency Representative Director or Critical Contact (for time sensitive questions and responses)

Dawn Stehle	Director
(Name)	(Title)
(501) 683-0173	Dawn.Stehle@dhs.arkansas.gov
(Telephone #)	(Email)

16. AGENCY SIGNATURE CERTIFIES NO OBLIGATIONS WILL BE INCURRED BY A STATE AGENCY UNLESS SUFFICIENT FUNDS ARE AVAILABLE TO PAY THE OBLIGATIONS WHEN THEY BECOME DUE.

17. SIGNATURES:

 11-7-2016  
VENDOR DATE

Todd Higgins, Principal

TITLE  
Deloitte Consulting, LLP  
4022 Seils Drive, Hermitage, TN 37076-2903

ADDRESS

Cindy Gillespie Digitally signed by Cindy Gillespie  
Date: 2016.11.03 16:16:01 -05'00'

AGENCY DIRECTOR DATE

TITLE  
Arkansas Department of Human Services  
Division of Medical Services  
S401  
PO Box 1437 Slot  
Little Rock, AR 72203-1437

ADDRESS

APPROVED: \_\_\_\_\_

DEPARTMENT OF FINANCE AND ADMINISTRATION

DATE