



A **xerox** Company

September 16, 2011

JoAnn Cowger
Issuing Officer
Iowa Medicaid Enterprise
100 Army Post Road
Des Moines, IA 50315

Brett Jakovac
Vice President

ACS State Healthcare, LLC
34 North Last Chance Gulch,
Suite 200
Helena, MT 59601

Brett.Jakovac@acs-inc.com
tel 406.457.9555

RE: Request for Proposal MED 012-003 Electronic Health Records Medicaid Incentive Payment Administration Tool

Dear Ms. Cowger:

ACS State Healthcare, LLC (ACS) is pleased to submit our proposal to the Iowa Department of Human Services (Agency) for the Electronic Health Records Medicaid Incentive Payment Administration Tool Request for Proposal, MED 012-003.

In our preparation of this proposal, ACS has responded to the requirements of the Request for Proposal (RFP), specifically describing how our team of professionals will accomplish the tasks requested. ACS has taken significant effort in identifying the talented team needed to perform these services and ensure the Agency is partnered with a vendor that can perform in the capacity outlined in the RFP. ACS is confident we can achieve the required deliverables in the time allotted.

Proposal Development

As required, we have submitted one (1) marked original and six (6) copies of the Technical and Cost Proposals, respectively, under sealed cover, and one (1) CD containing the Bid Proposal response. Our Cost Proposal has been submitted under sealed cover and packaged separately from the Technical Proposal. In addition, one (1) copy of the Proposal is provided with confidential information excised and marked "Public Copy," as requested in RFP Section 2.20.

ACS Background

As an experienced and trusted partner with a proven multi-state State Level Registry solution, ACS brings the Agency a history of Medicaid thought leadership, performance, and experience unmatched in both depth and breadth.

ACS State Healthcare, LLC, the bidding entity for this RFP, specializes in state healthcare program administration, offering a full spectrum of integrated healthcare systems, solutions, and services. Our corporate qualifications and experience spans four decades of change—particularly the experience we have with health information

technology (HIT), electronic health records (EHR), and provider incentive program administration—this experience positions us to offer the Agency a solution that is aligned with its objectives and requirements. We are aware of the challenges healthcare providers face in meeting complex program guidelines and in providing comprehensive, quality healthcare while faced with economic hurdles. We have learned how to work with providers to lessen administrative burdens and encourage providers to fully participate in healthcare programs for the benefit of program beneficiaries. Specifically, we have developed an EHR/State Level Registry (SLR) solution that promotes that participation. We will work side-by-side with the Agency to help achieve its goals for the Iowa SLR program—promoting access to quality, coordinated care.

In addition, ACS has a long history of working with the State of Iowa. We now have over 100 employees residing in the State supporting several contracts. In addition, our recent award for the Iowa Statewide Health Information Exchange (HIE) will provide synergies with the Iowa EHR Medicaid Incentive Payment Program, enabling access to Iowans' and providers' electronic health records at the point of care with the important goal of improving health outcomes.

Understanding the Agency's Objectives

The Agency is proud of its success as one of the first states to disburse EHR incentive payments to the Iowa providers and is now seeking a multi-state systems solution to support the administration of the EHR incentive program. From our experience in implementing and operating similar projects for other states, ACS understands the importance of Medicaid budgetary constraints and the need to deliver a solution to allow the Agency better management of fiscal services. This valuable insight has helped us design a comprehensive Web-based system, the ACS SLR, that addresses the needs and goals of both the Agency and the providers while streamlining processes and meeting the Centers for Medicare and Medicaid Services' (CMS) requirements.

Why ACS?

- ACS SLR multi-state SaaS application is currently in active production in five states
- Foundational knowledge of all aspects of Medicaid program
- More than four decades serving state governments in program administration
- Commitment to Iowa programs

We specialize in healthcare program administration for state government customers, offering a full spectrum of systems and complementary services through integrated solutions. We partner with our state customers to help solve complex healthcare issues; measure and improve program results; and identify policy and technology changes that reduce costs without compromising quality. Our comprehensive understanding of healthcare business needs shape our solutions and provide us the insight necessary to successfully support the goals of the Agency with the administration of the Medicaid Electronic Health Records Incentive Payment Program (EHR Incentive Program).

The ACS SLR solution supports the Agency in meeting requirements outlined in the Iowa RFP for a contractor to assist in the development and implementation of the IA EHR Medicaid Incentive Payment Program. The ACS SLR solution provides the Agency with the processes and appropriate interfaces with the CMS Registration and Attestation System (formerly known as the NLR) to support issuing and tracking of provider payments. We also bring our experience to benefit the Agency through economies of scale and by working with other states that have adopted or will adopt our solution.

The ACS Iowa SLR solution meets all RFP requirements for the Iowa EHR Incentive Program including:

- Provide a Web portal for provider attestation
- Provide EHR program administration tools and services
- Provide reports as required, including online administrative reports
- Receive EHR incentive payment information from MMIS
- Interface to the CMS Registration and Attestation System (formerly known as the National Level Repository)
- Provide requested data extracts for the Agency's data warehouse
- Provide application support for the life of the contract
- Provide project implementation planning materials for the Agency's approval no later than 15 days following execution of the contract
- Provide all available updates to the software as they are released, as well as provide any updates required to meet attestation needs for future stages of meaningful use as defined by the federal government
- Confirm, at all times, adequate security and operational standards to protect all information and must at all times meet with Agency approval
- Confirm, at all times, the solution meets MITA standards for SOA and interoperability
- Provide necessary monthly reports

Key Features of the ACS SLR Solution

ACS leverages our multi-state SLR for the EHR Incentive Program Administration Tool solution to bring the best outcome at the best value for the Agency.

Following ACS presents a description of a system for meeting the needs of the Agency as described in the RFP.

To support the new requirements for Adopt, Implement, Upgrade (AIU); Meaningful Use (MU); and incentive payments offered by the American Recovery and Reinvestment Act (ARRA) HITECH Act, ACS has developed a Web-based solution known as the ACS SLR for the EHR Incentive Program Administration Tool project.

The Iowa SLR system we describe is ACS' Software as a Service (SaaS) solution that meets CMS and Iowa DHS requirements. The ACS SLR provides the Agency with the processes and appropriate interfaces with the NLR, otherwise known as CMS' Medicaid EHR Incentive Program Registration and Attestation System, to support the issuance and tracking of provider payments. ACS' solution also provides significant economic benefit through its multi-state solution, allowing the State to leverage a system whose development and maintenance expense is shared across multiple states, not fully absorbed by Iowa.

Additionally, ACS will work with the Agency to brand the solution to be consistent with Agency communication and marketing efforts. In the interim and for the purposes of this RFP response, our solution name is the Iowa SLR for the EHR Medicaid Incentive Payment Program Administration Tool project.

The key features and components of the ACS Iowa SLR:

- Secure provider log-in
- Self-service review and edit of providers' demographic information
- Role-based screens for providers and Agency staff
- Facilitation of providers' AIU or MU attestation
- Submission of completed forms to IME (Iowa Medicaid Enterprise) entities
- Messaging to providers from IME entities
- Payment history log
- Initiation portal for providers' appeals
- Online help and a user manual
- Routing and approving provider registration information
- Inactivation of eligibility upon removal from program
- Review and approval of attestation information by IME users
- Payment calculation
- Initiation of the payment cycle
- Management of appeals
- Review and reporting of quality metrics

The ACS Iowa SLR interacts with CMS' Medicaid EHR Incentive Program Registration and Attestation System and other State systems to deliver a comprehensive solution. We are confident that our solution meets and exceeds the needs of the program.

Strengths

The Agency benefits from a proven SLR solution that promotes provider participation and lessens administrative burdens to assist program members. ACS offers extensive experience supporting public healthcare programs to help Iowa capitalize on this opportunity.

ACS' multi-state solution for the SLR is operational, it is providing successful results for our existing SLR clients, and it is a true turn-key solution for Iowa. ACS is unique among other healthcare service vendors because of the approach we have taken to the Medicaid market. We have become a population health management company—one that is focused not only on the costs to administer healthcare, but also on how to improve the quality of care provided to Medicaid clients while lowering the cost of that care. Our extensive EHR and HIE offerings are proof of our thought leadership in this new exciting phase of health management. With a project team rich and deep with Medicaid, EHR, HIE, and SLR experience, we provide the right technology, skill base, and approach to make the Iowa SLR project successful.

Experience. ACS is a leading vendor of HIT with more than eight years' experience developing HIT solutions and implementing SLRs, EHRs, and HIEs. We currently operate HIEs in Alabama (Together for Quality), Wyoming (The Total Health Record), Hawaii Pediatric EHR for Medicaid, Missouri (MO HealthNet), and Kentucky Health Information Exchange (KHIE). We have successfully implemented our SLR solution in Alaska, Alabama, Mississippi, Missouri, and New Mexico. We will implement SLRs for Colorado and Montana later in the fourth quarter of 2011. We will implement a customized version of the ACS SLR in California in the fourth quarter of 2011 as well. We provide operational assistance in Missouri and New Mexico and provide direct program support through our dedicated SLR product team to all clients.

ACS provides high value and low risk for Iowa:

- Multi-state SLR solution
- Experience leveraged from similar SLR projects
- Turn-key implementation minimizes project start-up activities
- Budget predictability with CMS future enhancements

As a trusted healthcare technology partner to state Medicaid programs across the country for 41 years, ACS has the experience needed to execute the Iowa SLR solution project on time and without disruption to normal agency day-to-day activities. Our comprehensive Web-based system handles the documentation, tracking, and attestation of providers' Meaningful Use of EHR—the administrative tasks that can bog down vital programs. Moreover, we are positioned to implement quickly and initiate operations seamlessly, which means less risk to the Agency.

A Complete Solution. The Iowa SLR solution proposed by ACS is a complete package including the administrative tools and services necessary to manage the provider

incentive program in compliance with the Medicare and Medicaid EHR Incentive Program Final Rule.

While the Agency maintains complete authority over the incentive program, we handle the business administration and technical program management. This means less disruption to daily workflow and less involvement of Agency staff to get the job done. With Medicaid operational experience spanning 37 states, we can assure the Agency that we supply and support the required services. Our major responsibilities during the operational phase include:

- SLR State Dashboard
- Application Support
- Reporting
- Reconsideration and Appeals

Implementation. With ACS' national leadership in Health Information Exchange and the multi-state SLR application, we offer the Agency the benefit of proven project management; an innovative, product-based approach to turn-key system deployment; and the ability to hit the ground running on the vitally important Iowa Medicaid EHR Incentive Payment Program.

Staffing. ACS has successfully implemented EHR Provider Incentive Program solutions in five states (and will implement two more in the fourth quarter 2011) and has operated hundreds of large-scale government healthcare projects over the years. Through this experience, ACS has gained a comprehensive understanding of the organizational structure and workflow required to successfully run an EHR Medicaid Incentive Payment Program. We offer the Agency an organizational structure and workflow that are appropriate for a program of this size and scope, and have proven successful in numerous other similar projects.

Best Value. In the ever-changing environment of healthcare reform, states have more data-intensive requirements defined by the federal government that they must meet to receive their share of available funding. ACS leverages its multi-state SLR solution for the Iowa EHR Medicaid Incentive Payment Program, incorporating robust functionality and future enhancements with a pricing model that offers low risk and the best value for the Iowa Medicaid Enterprise.

We have the tools, the technology, the processes, and the people to assist state government clients in their implementation and administration of these programs. Now, state governments and ACS are partnering to take the next step and implement the provider incentive program. We are not just beginning to learn how to do this. We have already developed the system and associated processes and successfully implemented and are operating the very same SLR system proposed for this project.

Conclusion

ACS is an organization structured to provide quality systems and responsive administrative services. Our state healthcare clients rely on our innovation and dedication to this market, especially in the face of healthcare reform. Our ability to respond to federal and state initiatives is exemplified in our SLR offering that was designed and developed with the support of Medicaid programs sharing similar technical functionality, implementation, and services to those required by Iowa DHS. This experience highlights our confidence and excitement in committing to our response.

Our point of contact for this RFP is Bob Chouinard, Vice President, Government Health Solutions.

Bob Chouinard
Vice President
Government Healthcare Solutions
ACS, A Xerox Company
1462 Fox Hollow Pl
Castle Rock, CO 80104
p: (720) 379-5151
m: (720) 234-7529
bob.chouinard@acs-inc.com

Enclosed attachments: Following this transmittal letter, ACS State Healthcare, LLC respectfully submits the requested Bid Proposal Security in the form of a bid bond with our proposal. We are committed to finalizing a contract within the timeframe specified. While ACS agrees with these general requirements, we reserve the right to discuss further clarification of the proposed forfeiture of the Bid Bond given any circumstances caused by delays of the State or its representatives, which may result in the deferred execution of the agreement.

We again thank the State of Iowa for its consideration and the opportunity to submit our proposed solution in response to the RFP issued by the Iowa Department of Human Services for the Electronic Health Records Medicaid Incentive Payment Administration Tool project.

Sincerely,



Brett Jakovac

Attachment: Bid Bond

AIA[®] Document A310[™] – 2010

Bid Bond

CONTRACTOR:

(Name, legal status and address)

ACS STATE HEALTHCARE, LLC
9040 Roswell Road, Suite 700
Atlanta, GA 30350

SURETY:

(Name, legal status and principal place of business)

WESTCHESTER FIRE INSURANCE COMPANY
436 Walnut Street, WA10H
Philadelphia, PA 19106

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

OWNER:

(Name, legal status and address)

IOWA DEPARTMENT OF HUMAN SERVICES
Iowa Medicaid Enterprise, 100 Army Post Road
Des Moines, IA 50315

BOND AMOUNT: Five Thousand and 00/100
(\$ 5,000.00)

PROJECT:

(Name, location or address, and Project number, if any)

Electronic Health Records Medicaid Incentive Payment Administration Tool
MED-012-003

Project Number, if any:

The Contractor and Surety are bound to the Owner in the amount set forth above, for the payment of which the Contractor and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, as provided herein. The conditions of this Bond are such that if the Owner accepts the bid of the Contractor within the time specified in the bid documents, or within such time period as may be agreed to by the Owner and Contractor, and the Contractor either (1) enters into a contract with the Owner in accordance with the terms of such bid, and gives such bond or bonds as may be specified in the bidding or Contract Documents, with a surety admitted in the jurisdiction of the Project and otherwise acceptable to the Owner, for the faithful performance of such Contract and for the prompt payment of labor and material furnished in the prosecution thereof; or (2) pays to the Owner the difference, not to exceed the amount of this Bond, between the amount specified in said bid and such larger amount for which the Owner may in good faith contract with another party to perform the work covered by said bid, then this obligation shall be null and void, otherwise to remain in full force and effect. The Surety hereby waives any notice of an agreement between the Owner and Contractor to extend the time in which the Owner may accept the bid. Waiver of notice by the Surety shall not apply to any extension exceeding sixty (60) days in the aggregate beyond the time for acceptance of bids specified in the bid documents, and the Owner and Contractor shall obtain the Surety's consent for an extension beyond sixty (60) days.

If this Bond is issued in connection with a subcontractor's bid to a Contractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.

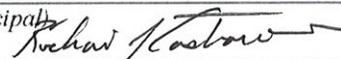
When this Bond has been furnished to comply with a statutory or other legal requirement in the location of the Project, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

Signed and sealed this 12th day of September, 2011


(Witness)

Elaine Borgogni

ACS STATE HEALTHCARE, LLC

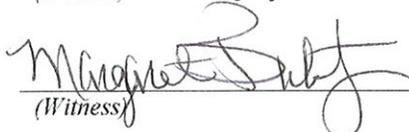

(Principal) *(Seal)*

(Title) Richard J. Castranova, Vice President

WESTCHESTER FIRE INSURANCE COMPANY

(Surety)  *(Seal)*

(Title) Lisa Ward, Attorney in Fact


(Witness)

Margaret Buboltz

Power of Attorney

WESTCHESTER FIRE INSURANCE COMPANY

Know all men by these presents: That WESTCHESTER FIRE INSURANCE COMPANY, a corporation of the Commonwealth of Pennsylvania pursuant to the following Resolution, adopted by the Board of Directors of the said Company on December 11, 2006, to wit:

"RESOLVED, that the following authorizations relate to the execution, for and on behalf of the Company, of bonds, undertakings, recognizances, contracts and other written commitments of the Company entered into the ordinary course of business (each a "Written Commitment"):

- (1) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized to execute any Written Commitment for and on behalf of the Company, under the seal of the Company or otherwise.
- (2) Each duly appointed attorney-in-fact of the Company is hereby authorized to execute any Written Commitment for and on behalf of the Company, under the seal of the Company or otherwise, to the extent that such action is authorized by the grant of powers provided for in such persons written appointment as such attorney-in-fact.
- (3) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized, for and on behalf of the Company, to appoint in writing any person the attorney-in-fact of the Company with full power and authority to execute, for and on behalf of the Company, under the seal of the Company or otherwise, such Written Commitments of the Company as may be specified in such written appointment, which specification may be by general type or class of Written Commitments or by specification of one or more particular Written Commitments.
- (4) Each of the Chairman, the President and Vice Presidents of the Company is hereby authorized, for and on behalf of the Company, to delegate in writing any other officer of the Company the authority to execute, for and on behalf of the Company, under the Company's seal or otherwise, such Written Commitments of the Company as are specified in such written delegation, which specification may be by general type or class of Written Commitments or by specification of one or more particular Written Commitments.
- (5) The signature of any officer or other person executing any Written Commitment or appointment or delegation pursuant to this Resolution, and the seal of the Company, may be affixed by facsimile on such Written Commitment or written appointment or delegation.

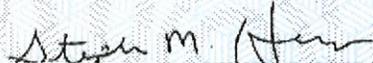
FURTHER RESOLVED, that the foregoing Resolution shall not be deemed to be an exclusive statement of the powers and authority of officers, employees and other persons to act for and on behalf of the Company, and such Resolution shall not limit or otherwise affect the exercise of any such power or authority otherwise validly granted or vested.

Does hereby nominate, constitute and appoint Donna L. Williams, Lisa Ward, Lupe Tyler, Margaret Buboltz, Michael J. Herrod, Nancy Thomas, U. Theresa Gardner, Wendy Stuckey, all of the City of HOUSTON, Texas, each individually if there be more than one named, its true and lawful attorney-in-fact, to make, execute, seal and deliver on its behalf, and as its act and deed any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof in penalties not exceeding Twenty Five million dollars & zero cents (\$25,000,000.00) and the execution of such writings in pursuance of these presents shall be as binding upon said Company, as fully and amply as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its principal office,

IN WITNESS WHEREOF, the said Stephen M. Haney, Vice-President, has hereunto subscribed his name and affixed the Corporate seal of the said WESTCHESTER FIRE INSURANCE COMPANY this 2 day of February 2011.

WESTCHESTER FIRE INSURANCE COMPANY




Stephen M. Haney, Vice President

COMMONWEALTH OF PENNSYLVANIA
COUNTY OF PHILADELPHIA ss.

On this 2 day of February, AD. 2011 before me, a Notary Public of the Commonwealth of Pennsylvania in and for the County of Philadelphia came Stephen M. Haney, Vice-President of the WESTCHESTER FIRE INSURANCE COMPANY to me personally known to be the individual and officer who executed the preceding instrument, and he acknowledged that he executed the same, and that the seal affixed to the preceding instrument is the corporate seal of said Company; that the said corporate seal and his signature were duly affixed by the authority and direction of the said corporation, and that Resolution, adopted by the Board of Directors of said Company, referred to in the preceding instrument, is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Philadelphia the day and year first above written.



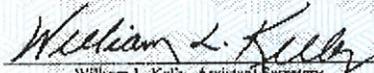
COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
KAREN E. BRANDT, Notary Public
City of Philadelphia, Phila. County
My Commission Expires September 28, 2014


Notary Public

I, the undersigned Assistant Secretary of the WESTCHESTER FIRE INSURANCE COMPANY, do hereby certify that the original POWER OF ATTORNEY, of which the foregoing is a substantially true and correct copy, is in full force and effect.

In witness whereof, I have hereunto subscribed my name as Assistant Secretary, and affixed the corporate seal of the Corporation, this 12th day of September, 2011.




William L. Kelly, Assistant Secretary

THIS POWER OF ATTORNEY MAY NOT BE USED TO EXECUTE ANY BOND WITH AN INCEPTION DATE AFTER February 02, 2013.