

ARKANSAS DEPARTMENT OF HUMAN SERVICES
PERFORMANCE BASED CONTRACTING

Pursuant to Ark. Code Ann. 19-11-1010 et. seq., the selected contractor shall comply with performance based standards. Following are the performance based standards that will be a part of the contract and with which the contractor must comply for acceptable performance to occur under the contract.

- I. The contractor must comply with all statutes, regulations, codes, ordinances, and licensure or certification requirements applicable to the contractor or to the contractor's agents and employees and to the subject matter of the contract. Failure to comply shall be deemed unacceptable performance.

- II. Except as otherwise required by law, the contractor agrees to hold the contracting Division/Office harmless and to indemnify the contracting Division/Office for any additional costs of alternatively accomplishing the goals of the contract, as well as any liability, including liability for costs or fees, which the contracting Division/Office may sustain as a result of the contractor's performance or lack of performance.

- III. During the term of the contract, the division/office will complete sufficient performance evaluation(s) to determine if the contractor's performance is acceptable.

- IV. The State **shall** have the right to modify, add, or delete Performance Standards throughout the term of the contract, should the State determine it is in its best interest to do so. Any changes or additions to performance standards will be made in good faith following acceptable industry standards, and may include the input of the vendor so as to establish standards that are reasonably achievable

- V. The contract program deliverables and performance indicators to be performed by the contractor are:

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<p>Program Deliverable A.</p> <p>The Contractor shall perform pre-admission screenings (PAS) for applications and residential reviews (RR) for change of condition requests received from nursing facilities and the Arkansas Department of Human Services (DHS) Division of Provider Services and Quality Assurance (DPSQA), Office of Long-Term Care (OLTC) for completeness and conduct any research necessary to determine and identify those individuals with indications of mental illness or mental retardation or a related condition as set out in 42 CFR § 435.1009. If the application or change of condition paperwork reveals or indicates one or more of these conditions, the contractor shall determine if and when a Level II Pre-Admission Screening Resident Review (PASRR) assessment was completed and contact Office of Long Term Care (OLTC) to determine if the contractor shall complete a Level II PASRR assessment, if one has not been completed. If a Level II PASR assessment has been previously completed, Contractor shall contact DPSQA to determine if another Level II PASRR is required. The contractor shall identify those individuals not requiring a Level II Pre-Admission Screening and Resident Review (PASRR) assessment and shall identify the basis for its decision that a Level II is not required (e.g. dementia, severely ill, etc.) The contractor shall notify DPSQA if the individual does not meet nursing facility criteria before proceeding with the Level II PASRR assessment.</p> <p>Performance Indicator:</p> <ol style="list-style-type: none"> 1. The contractor shall send a monthly report to OLTC including without limitation the information listed below for the preceding month: <ol style="list-style-type: none"> a. The number of PASRR evaluations completed during the month, by category: PAS/MI, PAS/MR, PAS/DUAL, RR/MI, RR/MR, RR/Dual. 	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and acceptable performance standards at all times throughout the contract term as determined by DPSQA.</p> <p>Acceptable performance shall be achieved with submission of the completed monthly report by the second (2nd) workday of the following month.</p> <p>A fail rate greater than one percent (1%) of the total reviewed forms within one (1) quarter shall constitute grounds for the State to request that the Contractor implement improved instruments and/or methodology or both. The State reserves the right to accept or reject any or all instruments and methodologies.</p>	<p>Acceptable performance of all provisions and performance indicators in this contract shall be determined in the sole discretion of the Division of Provider Services and Quality Assurance (DPSQA). In addition to other remedies identified herein, one or more of the following remedies may be imposed for unacceptable performance of a provision or performance indicator:</p> <p>1st Incident: Contractor will be required to submit and implement a corrective action plan (CAP) acceptable to DHS within ten (10) business days of the request. Payment may be delayed pending satisfactory implementation of the plan.</p> <p>2nd Incident: A twenty percent (20%) penalty will be assessed in the following months' payment to the vendor for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The twenty percent (20%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>3rd Incident: DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, a below standard Vendor Performance Report (VPR) maintained in Vendor's file, and contract termination.</p>

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<ul style="list-style-type: none"> b. The number of pending PASRR evaluations, by category. c. The current timeliness status (how closely the State is meeting the federal annual average seven (7) to Nine (9) workday PASRR evaluation requirements) by category and overall. d. The number of substantiated dementia cases for the month. e. The applicant's names and total number of prior authorizations requested and their outcomes (approved or denied). f. The number of medical only cases researched. g. The current convalescent care cases with resident name, current location, and convalescent care onset and end dates. h. A list of residents determined under the month's PASRR evaluations to require specialized services, including the resident's current location. i. A list of applicants determined, after PASRR evaluation, inappropriate for nursing facility placement, with their last known location. j. Total number of applications and change of conditions pending completeness. k. Total number of completed applications requiring a Level II PASRR: <ul style="list-style-type: none"> 1) Total number of Level II PASRR completed prior to admission; 2) Total Number completed after admission (unless it was a 		

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<p>Hospital Exempt Discharge (HED) or Convalescent Care (CC);</p> <p>3) Total number recommended for specialized services;</p> <p>4) Total number recommended community placement as follows Residential Care Facility (RCF), Assisted Living Facility (ALF), Human Development Center (HDC);</p> <p>5) Recommended nursing facility (NF) placement;</p> <p>6) Denied by OLTC for not meeting medical eligibility but denial overturned by the DHS Division of Aging Adult and Behavioral Health Services (DAABHS).</p> <p>I. The total number of change of conditions completed that required a Resident Review (RR) redetermination.</p> <p>m. The total number of applications and change of conditions that do not require a Level II PASRR and explanation of why they did not require one.</p> <p>n. The total number of Level II PASRR's not completed due to not meeting medical eligibility.</p> <p>o. The Contractor and OLTC shall compare pending PASRR evaluation lists a minimum of three (3) times per week and include results in monthly reporting.</p> <p>2. By July tenth (10th) of each year, the Contractor shall provide the DHS/OLTC with a cumulative final Pre-Admission Screening summary report for the contract and State fiscal year following the same format as the monthly reports.</p>		

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<p>Program Deliverable B.</p> <p>The Contractor shall determine the appropriate PAS and RR assessment type based on the individual's diagnosis (see Section 2.5 in Bid number 710-18-1013 for assessment types), and complete a face-to-face Level II PASRR assessment on individuals determined to comply with the definitions of Mental Illness, Mental Retardation or Related Condition and determine appropriate placement and whether or not specialized services shall be required. The assessment shall be completed within seven to nine (7-9) working days. NOTE: In the initial stage the contractor shall complete and send the required paperwork to DPSQA within seven (7) workdays allowing DPSQA to review the paperwork on the eighth (8th) workday.</p> <p>In most cases, recent histories and physicals meeting the requirements of current federal regulations shall be available on individuals requiring PAS Level II and Resident Review (RR) assessments. If determined necessary by DPSQA, the Contractor shall contact the attending physician, hospital physicians, nursing facilities or others to obtain the necessary history and physical. In some cases, as determined necessary by DPSQA, the Contractor shall arrange for a history and physical in order to meet federal regulations.</p> <p>In a very small number of cases a more extensive psychiatric evaluation of an individual shall be necessary. The Contractor shall be expected to arrange such evaluations as determined necessary by DPSQA. Costs to DHS for these extended evaluations must be approved in writing by DAABHS and the OLTC PASRR Coordinator prior to the evaluation.</p> <p>Performance Indicator:</p> <p>The contractor shall complete the Level II PASRR assessment, a service determination, and notify DPSQA, the nursing facility and the applicant's family of the decision.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and acceptable performance standards at all times throughout the contract term as determined by DPSQA.</p> <p>Acceptable performance shall be achieved with the submission of the completed Level II PASRR and service determination within seven to nine (7- 9) workdays of receipt of relevant documentation including without limitation nursing facility application or change of condition request or both.</p>	<p>Acceptable performance of all provisions and performance indicators in this contract shall be determined in the sole discretion of DPSQA. In addition to other remedies identified herein, one or more of the following remedies may be imposed for unacceptable performance of a provision or performance indicator:</p> <p>1st Incident: Contractor will be required to submit and implement a CAP acceptable to DHS within ten (10) business days of the request. Payment may be delayed pending satisfactory implementation of the plan.</p> <p>2nd Incident: A twenty percent (20%) penalty will be assessed in the following months' payment to the vendor for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The twenty percent (20%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>3rd Incident: DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, a below standard Vendor Performance Report (VPR) maintained in Vendor's file, and contract termination.</p>

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<p>Program Deliverable C.</p> <p>In emergency medical situations the State may authorize nursing facility placement of a PAS applicant prior to the completion of the Level II assessment. These authorizations are based on the applicant's need for skilled nursing care at a level less than that provided in the acute care facility. In most cases these individuals are ready for release from an acute care medical or psychiatric facility.</p> <p>The Contractor shall receive these requests, research them with particular emphasis on psychiatric history, social history, propensity for violence to self or others, and medical need. The Contractor shall forward this information to OLTC and OLTC shall transmit a written emergency placement approval or denial to the Contractor. The Contractor shall transmit a written determination to the requesting facility and any necessary collateral.</p> <p>Performance Indicator:</p> <p>Contractor shall follow the procedure for emergency placement authorizations as specified above throughout the contract term.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and acceptable performance standards at all times throughout the contract term as determined by DPSQA.</p>	<p>Acceptable performance of all provisions and performance indicators in this contract shall be determined in the sole discretion of DPSQA. In addition to other remedies identified herein, one or more of the following remedies may be imposed for unacceptable performance of a provision or performance indicator:</p> <p>1st Incident: Contractor will be required to submit and implement a corrective action plan (CAP) acceptable to DHS within ten (10) business days of the request. Payment may be delayed pending satisfactory implementation of the plan.</p> <p>2nd Incident: A twenty percent (20%) penalty will be assessed in the following months' payment to the vendor for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The twenty percent (20%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>3rd Incident: DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, a below standard Vendor Performance Report (VPR) maintained in Vendor's file, and contract termination.</p>
<p>Program Deliverable D.</p> <p>The contractor's PASSR assessors must meet the following requirements for professional experience and credentials:</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance</p>	<p>Acceptable performance of all provisions and performance indicators in this contract shall be determined in the sole</p>

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<ol style="list-style-type: none"> 1. Psychiatrists – Licensed to practice in Arkansas and meet requirements for board certification. 2. Psychologists – Licensed to practice by the Arkansas State Board of Examiners in Psychology. 3. Psychological Examiners – Licensed to practice by the Arkansas State Board of Examiners in Psychology and have experience in geriatric assessment or functional and psychological assessment of people with mental illness, mental retardation or conditions related to mental retardation. 4. Social Workers – Licensed to practice in Arkansas and have experience in performing diagnostic assessments. In order to conduct pre-admission screening and residential review/mental illness (PASRR/MI) and PASRR/DUAL assessments, the social worker must have, at minimum, a Master’s degree in Social Work. 5. Registered Nurses – Licensed to practice in Arkansas and have experience in performing diagnostic assessments. 6. Physicians – Licensed to practice medicine in Arkansas. Medical specialists must also hold any applicable certification or accreditation. 7. Licensed Professional Counselors – Licensed to practice in Arkansas and have experience in performing diagnostic assessments 8. Qualified Mental Retardation Professional (QMRP) – A professional as defined under 42CFR §483.430 and who has at least one (1) year of experience working directly with persons with mental retardation or other developmental disabilities and has one of the following: 	<p>with all service criteria and acceptable performance standards at all times throughout the contract term as determined by DPSQA.</p> <p>Contractor must have all staff positions required by DPSQA and with the required qualifications on or before the effective date of the contract.</p> <p>A position shall not be vacant for more than forty-five (45) consecutive working days. The required work schedule shall be maintained with qualified back-up staff until the vacant position is filled.</p>	<p>discretion of DPSQA. In addition to other remedies identified herein, one or more of the following remedies may be imposed for unacceptable performance of a provision or performance indicator:</p> <p>1st Incident: Contractor will be required to submit and implement a CAP acceptable to DHS within ten (10) business days of the request. Payment may be delayed pending satisfactory implementation of the plan.</p> <p>2nd Incident: A twenty percent (20%) penalty will be assessed in the following months’ payment to the vendor for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The twenty percent (20%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>3rd Incident: DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, a below standard Vendor Performance Report (VPR) maintained in Vendor’s file, and contract termination.</p>

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<ol style="list-style-type: none"> 1. A doctor of medicine or osteopathy, 2. A registered nurse, and/or 3. An individual who holds at least a bachelor's degree in a professional category specified in paragraph 42CFR §483.430 (b)(5). <p>Performance Indicator:</p> <p>The contractor shall maintain the appropriate number of employees with the specified qualifications required to perform all deliverables set forth in the contract as determined by DPSQA/OLTC.</p>		
<p>Program Deliverable E.</p> <p>The Contractor shall maintain a toll-free telephone number that may be used by individuals falling under the purview of PASRR and their legal guardians, legal representatives and families to obtain information regarding the Pre-Admission Screening (PAS) process. The toll-free number must be included in all correspondence with these individuals and/or their representatives.</p> <p>The Contractor shall maintain a facsimile machine, scanner and email address for the receipt of PAS packets.</p> <p>Performance Indicator:</p> <p>Contractor's toll-free number, facsimile machine, scanner and e-mail address must be operational on or before the contract start date and must be maintained at all times throughout the contract term.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and acceptable performance standards at all times throughout the contract term as determined by DPSQA.</p>	<p>Acceptable performance of all provisions and performance indicators in this contract shall be determined in the sole discretion of DPSQA. In addition to other remedies identified herein, one or more of the following remedies may be imposed for unacceptable performance of a provision or performance indicator:</p> <p>1st Incident: Contractor will be required to submit and implement a corrective action plan (CAP) acceptable to DHS within ten (10) business days of the request. Payment may be delayed pending satisfactory implementation of the plan.</p> <p>2nd Incident: A twenty percent (20%) penalty will be assessed in the following months' payment to the vendor for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The twenty percent (20%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p>

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
		<p>3rd Incident: DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, a below standard Vendor Performance Report (VPR) maintained in Vendor's file, and contract termination.</p>
<p>Program Deliverable F.</p> <p>The contractor shall design, develop, and maintain in its Little Rock office a computerized management information and tracking system for each assessment program type; the system may be the same if each type of assessment can be tracked separately. The computerized management information system shall be compatible at all times with the hardware and software used by DHS. The contractor shall provide all software and hardware required by DHS necessary to connect the system to DPSQA, if required.</p> <p>Performance Indicator:</p> <p>The computerized management information system specified in Section 2.5(E)2) of Invitation to Bid number 710-18-1013 shall track information including without limitation the following: historical data, tracking of assessments in progress, completed assessments, service determination summaries, emergency placement authorizations, tracking of residents, resident statistical data including without limitation: age, diagnosis, current convalescent cares with review dates, and current convalescent cares with review dates assessments not completed due to individual not meeting medical eligibility. The system must also generate weekly, monthly and annual reports as required by DPSQA.</p>	<p>Acceptable performance shall be achieved when the contractor's management information system produces reports and data in a format acceptable to DPSQA within two (2) workdays of request. The reports shall be accurate and contain detail to meet the request. The information system shall interact with other DHS programs and meet all requirements of DPSQA.</p>	<p>Acceptable performance of all provisions and performance indicators in this contract shall be determined in the sole discretion of DPSQA. In addition to other remedies identified herein, one or more of the following remedies may be imposed for unacceptable performance of a provision or performance indicator:</p> <p>1st Incident: Contractor will be required to submit and implement a CAP acceptable to DHS within ten (10) business days of the request. Payment may be delayed pending satisfactory implementation of the plan.</p> <p>2nd Incident: A ten percent (10%) penalty will be assessed in the following months' payment to the vendor for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The ten percent (10%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>3rd Incident: DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices</p>

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
		until Vendor is in full compliance, a below standard Vendor Performance Report (VPR) maintained in Vendor's file, and contract termination.
<p>Program Deliverable G.</p> <p>The contractor shall establish and maintain an open and closed filing system within its Little Rock office for PASRR records.</p> <p>Performance Indicator</p> <p>Records shall be filed and readily available to the Centers for Medicare and Medicaid Services (CMS), DHS, DPSQA, Division of Disability Services (DDS), and DAABHS.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and acceptable performance standards at all times throughout the contract term as determined by DPSQ.</p> <p>Contractor must complete and file the PASRR records and the records must be retained in a retrievable format for a minimum of 5 (five) years. Records shall be available for DHS review within one (1) hour of request when the contractor brings the records to DHS or immediate review if the DHS goes to the contractor's office to review the record.</p>	<p>Acceptable performance of all provisions and performance indicators in this contract shall be determined in the sole discretion of DPSQA. In addition to other remedies identified herein, one or more of the following remedies may be imposed for unacceptable performance of a provision or performance indicator:</p> <p>1st Incident: Contractor will be required to submit and implement a CAP acceptable to DHS within ten (10) business days of the request. Payment may be delayed pending satisfactory implementation of the plan.</p> <p>2nd Incident: A ten percent (10%) penalty will be assessed in the following months' payment to the vendor for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The ten percent (10%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>3rd Incident: DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, a below standard Vendor Performance Report (VPR) maintained in Vendor's file, and contract termination.</p>

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<p>Program Deliverable H.</p> <p>The Contractor must be in compliance with the Health Insurance Portability and Accountability Act (HIPAA) of 1996 and all regulations pertaining thereto.</p> <p>Performance Indicators</p> <p>The Contractor shall implement office policy and procedures that require recipient health information to be protected in a manner that meets all HIPAA regulations.</p>	<p>The contractor shall ensure that records for Medicaid recipients are maintained with confidentiality meeting all state and federal laws including HIPAA regulations one hundred percent (100%) of the time throughout the contracted term as determined by DPSQA.</p>	<p>Acceptable performance of all provisions and performance indicators in this contract shall be determined in the sole discretion of DPSQA. In addition to other remedies identified herein, one or more of the following remedies may be imposed for unacceptable performance of a provision or performance indicator:</p> <p>1st Incident: Contractor will be required to submit and implement a CAP acceptable to DHS within ten (10) business days of the request. Payment may be delayed pending satisfactory implementation of the plan.</p> <p>2nd Incident: A twenty percent (20%) penalty will be assessed in the following months' payment to the vendor for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The twenty percent (20%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>3rd Incident: DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, a below standard Vendor Performance Report (VPR) maintained in Vendor's file, and contract termination.</p>
<p>Conflict of Interest Mitigation</p> <p>During the term of this contract, the Vendor shall comply with the terms of the DHS Organizational or Personal Conflict of Interest provisions. The Vendor shall disclose all actual, apparent, or potential</p>	<p>The Vendor must maintain one hundred percent (100%) compliance with this item at all times throughout the term of the contract.</p>	<p>The Vendor will be fined one thousand dollars (\$1,000) per day for each day past five (5) days for each actual, apparent, or potential conflict of interest it fails to disclose.</p>

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<p>conflicts of interest to the Department of Human Services (DHS) within five (5) days of having knowledge of them. The Vendor shall develop a mitigation plan as requested by DHS which must be approved and accepted by DHS. Any changes to the approved mitigation plan must be approved in advance by DHS.</p>		<p>The Vendor shall be fined ten thousand dollars (\$10,000) for the first failure to comply with the mitigation plan developed by the Vendor and approved by DHS. Each subsequent violation of the mitigation plan shall be twice the amount of the immediately preceding violation fine.</p>
<p>Transition Planning Ninety (90) days prior to the contract end date, the vendor shall submit to DHS a detailed plan for transitioning all contracted services to DHS, or to another vendor selected by DHS to provide the contracted services.</p> <p>The transition plan shall include provisions for the delivery of all proprietary data collected and/or created during the life of the contract to DHS thirty (30) days prior to the contract end date. All proprietary data collected and/or created during the final thirty (30) days of the contract, or any proprietary data not captured in the initial delivery, shall be delivered to DHS no more than fifteen (15) days following the contract end date.</p>	<p>The Vendor must maintain one hundred percent (100%) compliance with this item at all times throughout the term of the contract.</p>	<p>If the Vendor fails to meet the acceptable performance standard, DHS may issue a below standard Vendor Performance Report (VPR) maintained in the vendor file. Final payment may be withheld from the vendor until the all elements of the transition are satisfied as determined by DHS.</p>

Failure to meet the minimum Performance Standards as specified **may** result in the assessment of damages.

In the event a Performance Standard is not met, the vendor will have the opportunity to defend or respond to, or cure to the satisfaction of the State, the insufficiency. The State **may** waive damages if it determines there were extenuating factors beyond the control of the vendor that hindered the performance of services of it is in the best interest of the State. In these instances, the State **shall** have final determination of the performance acceptability.

Should any compensation be owed to the agency due to the assessment of damages, vendor **shall** follow the direction of the agency regarding the required compensation process.

ⁱ Nothing in this table is intended to set forth all obligations of the Contractor under the contract. These obligations are in addition to any others imposed by the contract and applicable law.

ⁱⁱ The damages set forth are not exclusive and shall in no way exclude or limit any remedies available at law or in equity.