

NOTICE

This Exploratory Project Solicitation is being released to Data Analytics Expertise Pre-Qualified Contractors as a result of Open Market RFP #0A1199 Supplement Two.

This Exploratory Project Solicitation is limited to those Contractors Pre-Qualified by the State under Contract 0A1199 Supplement Two

Audit, Compliance, & Regulation
or
Life Sciences & Public Health
or
Risk Management (Insurance & Claims Management)

An alphabetical listing of Pre-Qualified Contractors to participate in this opportunity follows:

3M Health Information Systems	Health Monitoring Systems, Inc.	Optum
Accenture	Hewlett Packard Enterprise	Persistent Systems Inc.
ASR Analytics, LLC	Indus Corporation	Pulselight LLC
Battelle	Information Control Company LLC (ICC)	Revenue Solutions Inc
Carahsoft Technology Corp.	JJR Solutions LLC	SAS Institute
CGI Technologies	KSM Consulting	Sense Corp.
Civis Analytics	Logic Soft Inc.	SGS Testcom
Cognosante, LLC	Mathematica	Super H LLC
Competitive Analytics	McKinsey & Company	Sutherland Government Solutions
CrossCHX	Nationwide Children's Hospital	Tech Zavy
Deloitte Consulting, LLP	Nationwide Children's Research Institute	Teradata Government Systems
Elite Analytics	Navigator Management Partners LLC	The Ohio State University
Health Integrity LLC	Opera Solutions	

ONLY those Pre-Qualified Contractors in either of the Domains: Audit, Compliance, & Regulation, or Life Sciences & Public Health, or Risk Management (Insurance & Claims Management) are eligible to submit proposal responses AND to submit inquiries. The State does not intend to respond to inquiries or to accept proposals submitted by organizations not Pre-Qualified in one or more of the Data Analytics Expertise Domains listed above.

REQUEST FOR EXPLORATORY PROJECT SOLICITATION PROPOSALS

Pre-Qualified Contractors under Contract 0A1199 Supplement 2

Audit, Compliance, & Regulation
or
Life Sciences & Public Health
or
Risk Management (Insurance & Claims Management)

Exploratory Project Solicitation Number: DABWC-18-EP-002

Reference RFP Number: 0A1199

Date Issued: January 26, 2018

The Ohio Department of Bureau of Workers Compensation is requesting proposals for:

WORKERS COMPENSATION – MANAGED CARE ORGANIZATION IMPACT STUDY

Inquiry Period Begins: January 26, 2018

Inquiry Period Ends: February 9, 2018 at 8:00 AM

Opening Date and Time: February 16, 2018 at 2:00 P.M.

Pre-Qualified Contractor Intent to Bid or Abstain from submitting a proposal response Statement (required of all Contractors Pre-Qualified under the Expertise Domain(s) pertinent to this Solicitation.

February 2, 2018

This Exploratory Project Solicitation is limited to those Contractors Pre-Qualified by the State under Contract 0A1199 Supplement Two Audit, Compliance, & Regulation, or Life Sciences & Public Health, or Risk Management (Insurance & Claims Management) Expertise Domain

Introduction and Background

See attachment(s): Attachment 1, Statement of Work and Requirements

Administrative

All administrative instructions regarding this Data Analytics Exploratory Project Work Solicitation are below.

All Pre-Qualified Contractors submitting an Exploratory Project Solicitation Proposal must be pre-qualified under Contract 0A1199, Supplement 2, in either of: Audit, Compliance, & Regulation, or Life Sciences, & Public Health, or Risk Management (Insurance & Claims Management). This Solicitation is incorporated into and governed by RFP 0A1199 Supplement Two.

Due Dates. All Exploratory Project Solicitations are due by the **Proposal Due Date** in the table below as a single PDF emailed to the Project Representative. Any proposals received after the required time and date specified for receipt shall be considered late and non-responsive. Any late proposal will not be evaluated for award.

Schedule of Events. All times are Eastern Time (ET).

Event	Date
1. Exploratory Project Solicitation Distribution to Pre-Qualified Contractors	January 26, 2018
2. Inquiry Period Begins	January 26, 2018
3. Pre-Qualified Contractor Intent to Bid or Abstain from submitting a proposal response Statement (required of all Contractors Pre-Qualified under the Expertise Domain(s) pertinent to this Solicitation.	February 2, 2018
4. Inquiry Period Ends	February 9, 2018 8:00 a.m.
5. Proposal Due Date	February 16, 2018 2:00 p.m. ET
6. Target Date for Review of Proposals	February 26, 2018
7. Interviews of Candidates, if needed	March 6, 2018
8. Anticipated decision and selection of Contractor	March 9, 2018
9. Anticipated Work Commencement Date	Week of March 19, 2018

Proposal Inquiries. Pre-Qualified Contractors may make inquiries regarding this Exploratory Project Solicitation at any time during the inquiry period specified within the schedule events, which is detailed within this section. The State may not respond to any improperly formatted inquiries. The State will try to respond to all inquiries within 24 hours, excluding weekends and State holidays. The State will not respond to any inquiries received after 8:00 am on the inquiry period end date.

To make an inquiry, Pre-Qualified Contractors must use the process outlined below.

- Access the State Procurement Web site at <http://procure.ohio.gov/>
- Select "Doc/Bid/Schedule #" as the Type.
- Enter the Exploratory Project Solicitation number found on the first page of this Exploratory Project Work Solicitation
- On the document information page, click the "Submit Inquiry" button.
- On the document inquiry page, complete the required "Personal Information" section by providing:
 - First and last name of the prospective Pre-Qualified Contractor's representative who is responsible for the inquiry;
 - Name of the prospective Pre-Qualified Contractor;
 - Representative's business phone number, and

- Representative’s e-mail address.
- Type the inquiry in the space provided, including:
 - A reference to the relevant part of this Exploratory Project Work Solicitation;
 - The heading for the provision under question, and
 - The page number of the Exploratory Project Work Solicitation where the provision can be found.
 - Click the “Submit” button.

A Pre-Qualified Contractor submitting an inquiry will receive an immediate acknowledgement that the State has received the inquiry in the form of an e-mail acknowledging receipt. The Pre-Qualified Contractor will not receive a personalized response to the question nor notification when the State has answered the question.

Pre-Qualified Contractor may view inquiries and responses on the State’s Procurement Web site by clicking the “View Q & A” button on the document information page.

All questions must be submitted by the Due Date (“Inquiry Period Ends”) in the table detailed within this section. Questions submitted after this time will not receive a response from the state.

Evaluation Factors for Award.

Pre-Qualified Contractor Criteria						Accept or Reject
The Pre-Qualified Contractor, as the prime Contractor, is Contracted under RFP 0A1199, Supplement 2						Accept or Reject
Supplement 2, Data Analytics Expertise Domain(s) Eligible to Participate in this Exploratory Project Work Solicitation						
Life Sciences & Public Health ----- Eligible to Respond	Waste, Fraud & Abuse	Risk Management (Insurance & Claims Management) ----- Eligible to Respond	Cyber/Security	Environment & Natural Resources	Workforce	Public Safety / Security
Crime, Corrections & Recidivism	Education	Government Process Automation / Decision Making	Audit, Compliance & Regulation ----- Eligible to Respond	Commerce & Industry	Transportation	Utilities
Pre-Qualified Contractor Evaluation Factors						Weighting % of Overall Score
Pre-Qualified Contractor’s Proposed Approach, Analytical Methods and Tools and Demonstrated Understanding of the Exploratory Project Solicitation, its Analysis Dimensions and Anticipated Outcomes						40%
Pre-Qualified Contractor Proposed Team in performing the work (experience with similar projects, data analytics tools, methods and techniques)						30%
Pre-Qualified Contractor’s proposed cost, as a firm fixed price not to exceed.						30%
Total						100%

Guidelines for Proposal Preparation

Pre-Qualified Contractor Intention to Bid or Abstain from Bidding. The State requires a definitive and unambiguous Statement as to their intention to bid, or to abstain from bidding – in which case a brief business justification or rationale must be provided to the State. Such indication must be provided via email to the State Procurement Representative contained herein. Pre-Qualified Contractors who fail to bid on opportunities within Expertise Domains in which they are contracted under Contract 0A1199 on a repeated basis without providing such rationale to the State may, at the State’s discretion, be eliminated from consideration in participating in future Exploratory Projects. Intention to bid or abstain from bidding should be directed to [Rick Stoner - BWC Procurement Contracts Administrator](#). Contractors are to note that the State requires either of: 1) a written indication of its intention to bid or 2) a written indication to abstain from bidding with a brief business rationale. Should Pre-Qualified Contractors not provide this indication to the State on a repeated basis for solicitations in which they are Pre-Qualified Contractors, the State may eliminate the Pre-Qualified Contractor from participating in future solicitations or cancel the Contractor’s contract in its entirety.

Proposal Submittal. Each Pre-Qualified Contractor must electronically submit via email a complete and signed copy of its Exploratory Project Solicitation proposal as a single PDF. **The Exploratory Project Solicitation Number DABWC-18-EP-002 should be included in the title of the email.** The Pre-Qualified Contractor’s response shall clearly demonstrate how their proposed solution meets the requirements outlined in this Exploratory Project Solicitation. Each proposal must be organized in the same format as described below. Any material deviation from the format outlined below may result in a rejection of the non-conforming proposal. Each proposal must contain an identifiable tab sheet preceding each section of the proposal. The proposal shall be good for a minimum of 45 days.

Proposals MUST be submitted to the Agency Project Representative no later than the date and time listed in the Schedule of Events:

Rick Stoner
Rickey.S.1@bwc.state.oh.us

Proposal Content. Pre-Qualified Contractors are requested to limit their proposal to not more than fifty (50) pages in its entirety.

- Cover Letter
- Pre-Qualified Contractor Proposal in Response to Attachment 1 the Statement of Work
- Cost Summary – (See Statement of Work Section 3)
- Proof of Insurance
- Acceptance of the Security Supplement

Cover Letter. The cover letter must be in the form of a standard business letter and must be signed by an individual authorized to legally bind the Pre-Qualified Contractor. The letter must have the following:

- a. The Pre-Qualified Contractor’s principal place of business;
- b. A list of the people who prepared the Proposal, including their titles and email addresses;
- c. A list of Subcontractors proposed for this project; and
- d. An acknowledgement of the Limitation of Liability.

Pre-Qualified Contractor Proposal in Response to Attachment 1 the Statement of Work and Requirements. The Pre-Qualified Contractor and proposed Subcontractors must describe in detail how the proposed solution meets the Work and requirements described in this Exploratory Project Solicitation. The Pre-Qualified Contractor may not simply state that the proposed services will meet or exceed the specified requirements. Instead, the Pre-Qualified Contractor must provide a written narrative that shows that the Pre-Qualified Contractor understands the requirements of this Exploratory Project Solicitation and demonstrates how the Pre-Qualified Contractor’s proposed services meets those requirements. Pre-Qualified Contractors, as part of their proposal in response to Attachment 1, must include the following elements:

1. An overall **Analytical Approach** inclusive of analytical methods, tools and technologies, and expected outcomes;
2. A comprehensive **Project Workplan** inclusive of all State required milestones, activities and deliverables with anticipated delivery dates;
3. A **Staffing Plan** inclusive of all Pre-Qualified Contractor staff, Pre-Qualified Contractor staff locations (e.g., State premise or Pre-Qualified Contractor premise) and requirements for State personnel involvement for the duration of the project, by each phase of the project, regardless of implementation methodology that includes all requirements elaboration, design, development, system and acceptance testing and production deployment work elements;
4. **Proposed Pre-Qualified Contractor team** inclusive of 1-2 page biographical resumes for all team members that will be on State premise, or interact with State personnel as applicable to perform and complete the work.

Cost Summary. This Exploratory Project Solicitation includes a Cost Summary table. Pre-Qualified Contractors must complete the Cost Summary table and may not reformat the State's Cost Summary table. Pre-Qualified Contractors may re-order (but not renumber) the deliverables as to align with their approach and project plan for performing the Exploratory Project Solicitation proposal as they see fit with an indication of the general scheduled due date for each Deliverable.

Cost Element	Deliverable Title	Scheduled Due Date	Cost
Milestone 1.	Confirmation of State and, if applicable Contractor Provided Datasets	MM/DD/YYYY	
Milestone 2.	Ingestion/Staging of Data on Target Analytical Platform	MM/DD/YYYY	\$
Deliverable 1.	Quantitative and qualitative report: Impacts that MCOs have had on the Ohio Workers' compensation system	MM/DD/YYYY	\$
Deliverable 2.	Report identifying the strength and weakness of the current MCO environment, with recommendations on opportunities to further enhance the system	MM/DD/YYYY	\$
Deliverable 3.	Assessment of the current MCO performance measurement protocol	MM/DD/YYYY	\$
Deliverable 4.	Assessment of the current MCO payment and incentive methodology	MM/DD/YYYY	\$
Deliverable 5.	Comparative analysis of BWC's current approach to procurement of medical management services	MM/DD/YYYY	\$
Final Deliverable / Milestone	Executive Presentation of a Summary of the aforementioned deliverables to be conducted at a date and time mutually convenient to the State and Pre-Qualified Contractor	MM/DD/YYYY	\$
Due Date and Total Not to Exceed Firm Fixed Price		09/10/2018	\$

For invoicing and payment information, refer to Attachment Two: Special Provisions Applicable to Exploratory Projects, Submittal of Exploratory Project Deliverables of RFP 0A1199. The State's acceptance of Exploratory Project deliverables is conditioned on the deliverable fully conforming to the Exploratory Project Solicitation and all applicable Exploratory Project Specifications.

Proof of Insurance. The Pre-Qualified Contractor must provide the certificate of insurance as required in section: Supplemental Terms and Conditions Relevant to this Solicitation. The policy may be written on an occurrence or claims made basis.

Proprietary Information. All proposals and other material submitted will become the property of the State and may be returned only at the State's option. Proprietary information should not be included in a proposal or supporting materials because the State will have the right to use any materials or ideas submitted in any proposal without compensation to the Pre-Qualified Contractor. Additionally, all proposals will be open to the public after the contract has been awarded. The State may reject any proposal if the Pre-Qualified Contractor takes exception to the terms and conditions of this Exploratory Project Solicitation.

Evaluation of Proposals

This Exploratory Project Solicitation asks for proposals from Pre-Qualified Contractors. While each criterion represents only a part of the total basis for a decision to award the contract to a Pre-Qualified Contractor, a failure by a Pre-Qualified Contractor to make a required submission or meet a requirement will normally result in a rejection of that Pre-Qualified Contractor's proposal. The value assigned to each criterion is only a value used to determine which proposal is the most advantageous to the State in relation to the other proposals that the State received. It is not a basis for determining the importance of meeting any requirement to participate in the Exploratory Project Solicitation process.

The evaluation process may consist of up to three distinct phases:

1. The Project representative's initial review of all proposals for defects;
2. The evaluation committee's evaluation of the proposals; and
3. Interviews (optional).

Initial Review. The Project representative normally will reject any incomplete or incorrectly formatted Exploratory Project Solicitation proposal, though the representative may elect to waive any defects or allow a Pre-Qualified Contractor to submit a correction. If a late proposal is rejected, the procurement representative will not open or evaluate the late proposals. The procurement representative will forward all timely, complete, and properly formatted proposals to an evaluation committee, which the procurement representative will chair.

Committee Review of the Proposals. The evaluation committee will evaluate and numerically score each proposal that the procurement representative has forwarded to it. The evaluation will result in a point total being calculated for each proposal. Those Pre-Qualified Contractors submitting the highest-rated proposals may be scheduled for the next phase. The number of proposals forwarded to the next phase will be within the evaluation committee's discretion, but regardless of the number of proposals selected for the next phase, they will always be the highest rated proposals from this phase. At any time during this phase, the State may ask a Pre-Qualified Contractors to correct, revise, or clarify any portions of its proposal. The State will document all major decisions in writing and make these a part of the file along with the evaluation results for each proposal considered. Once the technical merits of a proposal are considered, the costs of that proposal will be considered. But the State may also consider costs before evaluating the technical merits of the proposals by doing an initial review of costs to determine if any proposals should be rejected because of excessive cost. And the State may reconsider the excessiveness of any proposal's cost at any time in the evaluation process.

Clarifications and Corrections. During the evaluation process, the State may request clarifications from any Pre-Qualified Contractor under active consideration. It also may give any Pre-Qualified Contractor the opportunity to correct defects in its proposal. But the State will allow corrections only if they do not result in an unfair advantage for the Pre-Qualified Contractor and it is in the State's best interest.

Interviews. The State may require top-ranking candidates to interview with the State. Such interviews provide the State an opportunity to test and probe the professionalism, qualifications, skills and work knowledge of the top-ranking proposals. The interviews will be scheduled at the discretion of the State and will be held at a pre-identified State Facility. At its own expense, the Pre-Qualified Contractor must make its proposed team available on-site within five working days following the State's notification.

Changing Candidates. The major criterion on which the State bases the award of the contract is the quality of the Pre-Qualified Contractor's candidate(s). Changing personnel after the award may be a basis for termination of the contract.

Rejection of proposals. The State may reject any proposal that is not in the required format, does not address all the requirements of this Exploratory Project Solicitation, or that the State believes is excessive in price or otherwise

not in its interest to consider or to accept. The State will reject any proposals from Pre-Qualified Contractors who are not Contracted under Contract 0A1199, Supplement 2 in the specific Data Analytics Expertise Domain for this request. In addition, the State may cancel this Exploratory Project Solicitation, reject all the proposals, and seek to do the work through a new Exploratory Project Solicitation or other means.

Work Award Process. It is the State's intention to award work under the scope of this Exploratory Project Solicitation and as based on the Exploratory Project Solicitation Schedule of Events schedule, so long as the State determines that doing so is in the State's best interests and the State has not otherwise changed the award date. After the State makes its decision under this Exploratory Project Solicitation, the agency representative will usually notify Pre-Qualified Contractors. Pre-Qualified Contractors may also access award information from the State Procurement website.

Supplemental Terms and Conditions Relevant to this Solicitation.

Insurance Requirements. The Pre-Qualified Contractor must provide the following insurance coverage at its own expense throughout the term of the work resulting from this Exploratory Project Solicitation. Pre-Qualified Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Pre-Qualified Contractor, its agents, representatives, or employees. Pre-Qualified Contractor shall procure and maintain for the duration of the contract insurance for claims arising out of their professional services and including, but not limited to loss, damage, theft or other misuse of data, infringement of intellectual property, invasion of privacy and breach of data.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. Commercial General Liability (CGL): written on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit. Defense costs shall be outside the policy limit.
2. Automobile Liability: covering Code 1 (any auto), or if Pre-Qualified Contractor has no owned autos, Code 8 (hired) and 9 (non-owned), with a limit no less than \$1,000,000 per accident for bodily injury and property damage.
3. Workers' Compensation insurance as required by the State of Ohio, or the state in which the work will be performed, with Statutory Limits, and Employer's Liability Insurance with a limit of no less than \$1,000,000 per accident for bodily injury or disease. If Pre-Qualified Contractor is a sole proprietor, partnership or has no statutory requirement for workers' compensation, Pre-Qualified Contractor must provide a letter stating that it is exempt and agreeing to hold Entity harmless from loss or liability for such.
4. Technology Professional Liability (Errors and Omissions) Insurance appropriate to the Pre-Qualified Contractor's profession, with limits not less than \$2,000,000 per occurrence or claim, \$2,000,000 aggregate. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Pre-Qualified Contractor in this agreement and shall cover all applicable Pre-Qualified Contractor personnel or subcontractors who perform professional services related to this agreement.
5. Cyber liability (first and third party) with limits not less than \$5,000,000 per claim, \$10,000,000 aggregate. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Pre-Qualified Contractor in this agreement and shall include, but not be limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The coverage shall provide for breach response costs as well as regulatory fines and penalties and credit monitoring expenses with limits sufficient to respond to these obligations.

The Insurance obligations under this agreement shall be the minimum Insurance coverage requirements and/or limits shown in this agreement. Any insurance proceeds in excess of or broader than the minimum required coverage and/or minimum required limits, which are applicable to a given loss, shall be available to the State of

Ohio. No representation is made that the minimum Insurance requirements of this agreement are sufficient to cover the obligations of the Pre-Qualified Contractor under this agreement.

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status. Except for Workers' Compensation and Professional Liability insurance, the State of Ohio, its officers, officials and employees are to be covered as additional insureds with respect to liability arising out of work or operations performed by or on behalf of the Pre-Qualified Contractor including materials, parts, or equipment furnished in connection with such work or operations. Coverage can be provided in the form of an endorsement to the Pre-Qualified Contractor's insurance.

Primary Coverage. For any claims related to this contract, the Pre-Qualified Contractor's insurance coverage shall be primary insurance. Any insurance or self-insurance maintained by the State of Ohio, its officers, officials and employees shall be excess of the Pre-Qualified Contractor's insurance and shall not contribute with it.

Umbrella or Excess Insurance Policies. Umbrella or excess commercial liability policies may be used in combination with primary policies to satisfy the limit requirements above. Such Umbrella or excess commercial liability policies shall apply without any gaps in the limits of coverage and be at least as broad as and follow the form of the underlying primary coverage required above.

Notice of Cancellation. Pre-Qualified Contractor shall provide State of Ohio with 30 days written notice of cancellation or material change to any insurance policy required above, except for non-payment cancellation. Material change shall be defined as any change to the insurance limits, terms or conditions that would limit or alter the State's available recovery under any of the policies required above. A lapse in any required insurance coverage during this Agreement shall be a breach of this Agreement.

Waiver of Subrogation. Pre-Qualified Contractor hereby grants to State of Ohio a waiver of any right to subrogation which any insurer of said Pre-Qualified Contractor may acquire against the State of Ohio by virtue of the payment of any loss under such insurance. Pre-Qualified Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the State of Ohio has received a waiver of subrogation endorsement from the insurer.

Deductibles and Self-Insured Retentions. Deductibles and self-insured retentions must be declared to and approved by the State. The State may require the Pre-Qualified Contractor to provide proof of ability to pay losses and related investigations, claims administration and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the deductible or self-insured retention may be satisfied by either the named insured or the State.

Claims Made Policies. If any of the required policies provide coverage on a claims-made basis:

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Pre-Qualified Contractor must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work. The Discovery Period must be active during the Extended Reporting Period.

Verification of Coverage. Pre-Qualified Contractor shall furnish the State of Ohio with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the State of Ohio before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Pre-Qualified Contractor's obligation to provide them. The State of Ohio reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Subcontractors. Pre-Qualified Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Pre-Qualified Contractor shall ensure that State of Ohio is an additional insured on insurance required from subcontractors.

Special Risks or Circumstances. State of Ohio reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

Limitation of Liability. Neither party will be liable for any indirect, incidental, or consequential loss or damage of the other party, including but not limited to lost profits, even if the parties have been advised, knew, or should have known of the possibility of such damages. Additionally, neither party will be liable to the other for direct or other damages in excess of two times or \$5,000,000 whichever is greater of the Not-To-Exceed Fixed Price of this Contract. The limitations in this paragraph do not apply to any obligation of the Pre-Qualified Contractor to indemnify the State against claims made against it or for damages to the State caused by the Pre-Qualified Contractor's negligence or other tortious conduct.

Background Check. All Pre-Qualified Contractor employees, subcontractors, and Replacement Personnel working on this Project must have a criminal background check performed prior to employment. The Pre-Qualified Contractor must provide the results of employee, subcontractor, and Replacement Personnel background checks in a manner that allows the Pre-Qualified Contractor to take appropriate action if the background is unacceptable to the State while maintaining the employee, subcontractor's, or Replacement Personnel's confidentiality. Any employee, subcontractor, or Replacement Personnel with a background check that is unacceptable to the State will be immediately removed from consideration.

Attachment 1:

Table of Contents

1.	Exploratory Project Background and Overview	12
1.1.	Background and Introduction	12
1.2.	Project Overview:	13
1.3.	Scope of Work	13
1.4.	Deliverables and Reports	15
1.5.	State Team & Responsibilities	15
1.6.	Pre-Qualified Contractor Responsibilities	16
1.7.	Initial Project Duration and Approach	16
2.	Analysis Dimensions, Project Datasets and Taxonomies	17
2.1.	Anticipated Outcomes	17
2.2.	State Provided Datasets	17
2.3.	Pre-Qualified Contractor Provided (Non-State) Datasets	18
2.4.	Project Data Privacy and Handling Requirements	18
3.	Additional Information	20
4.	Security Supplement	21

1. Exploratory Project Background and Overview

1.1. Background and Introduction

The objectives of this task are to evaluate the impact of the existing state of Workers' Compensation Managed Care Organization (MCO) administration in Ohio and to benchmark current MCO systems to other states with respect to MCO general administration, service provision, regulatory requirements, quality control, and dispute resolution.

The project and its associated analysis methodology must involve:

- A review of historical and current Ohio Bureau of Workers' Compensation (BWC)-sponsored MCO administration programs,
- Leveraging of information assimilated from BWC internal and external studies of MCO performance,
- Research and reporting of relevant industry sources for key performance indicators (KPI), and
- Interviews with BWC, MCO, injured workers', employers, and other relevant process constituents as to inform the analysis (e.g., better understand the current operating environment).

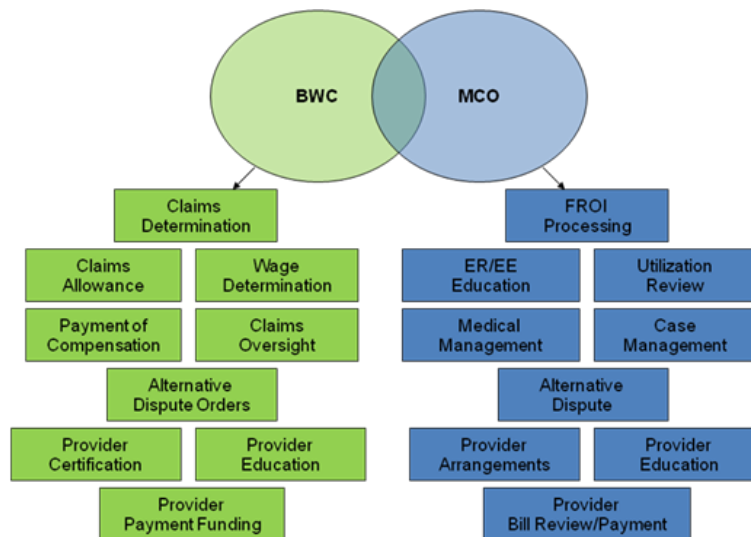
Measurement of MCO effectiveness in Ohio is appropriate at a high level, and must be considered within the context of other BWC-administered medical, claims and safety programs, BWC's oversight and policy-making functions, and with an understanding of considerable enhancements in the Health Partnership Program (HPP) since its inception. Given some distinguishing features of Ohio's program, it is understood that the selected Pre-Qualified Contractor may have to operate under some assumptions to facilitate comparisons to other jurisdictions and the insurance carrier community.

The HPP and Qualified Health Plan (QHP) programs introduced managed care into the workers' compensation system. The medical management of compensable workers' compensation claims was contracted to Managed Care Organizations (MCOs). Determination of compensability and the payment of indemnity benefits stayed within the Bureau of Workers' Compensation (BWC). The MCOs were further charged with employer and injured worker education regarding the new system, making the work place safer, setting up transitional/early return-to-work programs, as well as claim reporting procedures in the event of an injury. They also process *First Report of an Injury, Occupational Disease or Death* (FROI) applications. Finally, MCOs process medical bills and make provider payments.

HPP covers all private state-fund employers as well as public employers, both state and local. HPP went into effect March 1, 1997, requiring certified MCOs to begin medically managing all injuries that occurred on March 1, 1997 or later (Phase 1). Beginning September 1, 1997, the MCOs took over medical management of all claims with dates of injury between October 20, 1993 and February 28, 1997 (Phase 2). MCOs assumed responsibility for medically managing the remainder of claims, those with dates of injury prior to October 20, 1993 (Phase 3), on December 15, 1997. The current number of MCOs as of August 2017 is 14. This is down from the initial number of 57 when HPP was initiated in 1997.

BWC monitors MCO managed care performance. For example, it measures the effectiveness of the MCOs' return-to-work efforts using the Measurement of Disability (MoD) metric. BWC also measures MCO FROI timing, FROI data accuracy, bill timing and bill data accuracy. Further, it publishes most of these measures in an annual *MCO Report Card*, available on www.bwc.ohio.com.

The graphic below is a conceptual illustration the various areas of responsibility of BWC and the MCOs.



1.2. Project Overview:

Under the direction of the Bureau of Workers compensation (BWC), a Contractor that is pre-qualified as a Data Analytics expert in Audit, Compliance, & Regulation, or Life Sciences & Public Health, or Risk Management (Insurance & Claims Management) per DAS Document/BID # 0A1199, Supplement 2 is sought to conduct an exploratory applied analytic project to develop novel interventions to analyze, optimize and propose potential alterations to the MCO program within the State.

The analytic work should be specific to Ohio’s population and should result in ideas for actionable adjustments or optimizations of the MCO that will increase the efficacy of care provided by the MCO that results in workers reentering the workforce following an event/incident that results in interaction with BWC or the MCO. The successful Pre-Qualified Contractor for this project must present an innovative, achievable, and coherent project plan utilizing qualified data scientists, project managers, as well as clinical, social or behavioral science subject matter experts. After completion of this first phase of the project, a subsequent Exploratory Project Solicitation may be issued to implement and track progress on interventions identified by the first phase of the project.

1.3. Scope of Work

The Pre-Qualified Contractor will design, implement and be responsible for the overall project management of the Exploratory Project as contracted under Contract 0A1199 to assemble data, perform analysis, and prepare and present findings to BWC stakeholders as follows:

In general, quantify the impact MCOs have had on:

- medical management of claims;
- return to work;
- claim costs;
- duration, etc.

Specifically, the Pre-Qualified Contractor will focus the Project on the following analysis vectors:

1. Identify areas of missed opportunities when comparing Ohio's MCO environment with other payer environments.

2. Identify areas of potential efficiencies in areas where the MCOs and BWC's duties intersect and interact.
3. Identify opportunities for resetting the strategic administrative focus of MCOs in managing Ohio workers' compensation claims.
4. Evaluate the current return-to-work outcome measures and comparison of measures across industry and similar jurisdictions, including:
 - What are the industry best practices for measuring case management?
 - What are the industry best practices for return-to-work standards? Including an analysis of: State specific data vs. national data; and consideration of co-morbidities.
 - Does the current Ohio Health Partnership Program (HPP) system effectively measure return-to-work outcomes?
5. Evaluate and as appropriate provide recommendations on current and potential future methodologies for reimbursing MCOs for services, including penalties/disincentives and bonus/incentives components.
6. Evaluate and as appropriate provide recommendations on current MCO performance measurements identifying:
 - potential changes in current weights;
 - potential elimination of current measures;
 - potential new measures and weights.
7. Evaluate and as appropriate recommend changes to current MCO report card and MCO Open Enrollment processes as to accurately reflect the overall operating environment, MCO performance and outcome weights and measures, and penalties/disincentives and bonus/incentives components.
8. Evaluate and as appropriate identify best practice approaches to MCO contract negotiations, along with any strategic transition or adjustment recommendations that may be necessary or prudent.

Potential statistical techniques to be used for this project include but are not limited to:

- Nonlinear complex multivariate simulations
- Nonparametric regression
- Analysis of homogeneity of variance, covariance, multivariate cluster/outlier analyses
- Artificial Intelligence
- Cognitive Computing
- Data Mining, Neural Networks
- Micro and Macro Trending, Outlier Analysis
- Machine Learning & Deep Learning
- Geospatial Technology, Analytics and Modelling

Datasets available for analysis will be provided by the State of Ohio as allowed by applicable state and federal law. Whenever possible, individual level data will be provided to assist in building the risk profile. Section 2 lists datasets containing information on Ohio residents that have been identified as potentially related to Workers Compensation in Ohio. Additional datasets sourced outside of state government and other datasets identified within the state enterprise may be used if agreed upon by the State and Pre-Qualified Contractor. Additionally, Pre-Qualified Contractors may

augment the State’s data with national (multi-state) datasets that are either in public domain or proprietary to the Pre-Qualified Contractor.

1.4. Deliverables and Reports

1. Quantitative and qualitative report(s) reflecting the positive or negative impacts that MCOs have had on the Ohio Workers’ compensation system. The report(s) must stipulate and include:
 - ▶ gross savings;
 - ▶ gross costs;
 - ▶ net savings; and
 - ▶ satisfaction of injured workers and employers.
2. Report(s) identifying the strength and weakness of the current MCO setup, with recommendations on opportunities to further enhance the system.
3. Assessment of the current MCO performance measurement protocol including:
 - ▶ the assessment of the current performance measurement tool (MoD);
 - ▶ identifying areas of improvement opportunities; and
 - ▶ setting forth appropriate recommendations for changes to the current protocols.
4. Assessment of the current MCO payment and incentive methodology including:
 - ▶ the comparison of Ohio’s approach to industry standards;
 - ▶ identifying areas of improvement opportunities; and
 - ▶ providing of appropriate recommendations and strategy to achieve implementation of recommendations to current methodology.
5. Comparative analysis of BWC’s current approach to procurement of medical management services.
6. Briefing to BWC identified stakeholders on the findings of the project.

1.5. State Team & Responsibilities

The State of Ohio will be responsible for ensuring that all subject matter experts (SMEs), datasets, and any relevant previous work done to date are made available to the Pre-Qualified Contractor in a timely fashion. Specifically, the State will provide timely access to etiology SMEs (policy, intervention), relevant etiological documentation (to the extent that it exists), data SMEs, and data quality SMEs. In addition, the State will provide experts to help guide the analysis and troubleshoot any problems as the project progresses to ensure a successful outcome.

The State will provide State resources to the Project as follows:

State Organization(s)	Resource(s)	Participation Level
Ohio Bureau of Workers Compensation	MCO Policy Staff	Consultative, at least 5 hours per week (or more upon mutual agreement).
	Informatics Expert	Full Time, for the duration of the project.
	Dataset Subject Matter Expert(s)	At least one (1) SME per dataset, prioritized situational access as required by Pre-Qualified Contractor.
	MCO Program and Actuarial Expertise	At least one (1) Expert per dataset, prioritized situational access as required by Pre-Qualified Contractor (data

State Organization(s)	Resource(s)	Participation Level
		sourcing, quality, interpretation, normalization and correlation) advisory services.
Ohio Department of Administrative Services, Office of Information Technology (“DAS/OIT”)	State Data Analytics Platform Expertise (multiple situational part-time roles)	Data Access, Handling, Storage, Security/Privacy Experts as required.
	State Data Analytics Platform Expertise (multiple situational part-time roles)	Data Access, Handling, Storage, Security/Privacy Experts as required.

1.6. Pre-Qualified Contractor Responsibilities

The Pre-Qualified Contractor will conduct all analyses using State provided analytics platforms and (if necessary) Pre-Qualified Contractor hardware and software, create any necessary visualizations, and regularly update State staff on progress through weekly reports and participation in meetings. In addition to the deliverables shown in the table below, upon completion of the project, a written report and presentation for agency leadership and any relevant stakeholders outlining the risk profile, findings of the analysis, and recommendations for interventions (including policy, systems, and operating and incentive model changes) to more optimally manage the BWC MCO specific to Ohio is required. The State would also take any recommendations under advisement to improve State data systems.

Deliverable Title	
<i>Deliverable 1.</i>	Quantitative and qualitative report: Impacts that MCOs have had on the Ohio Workers’ Compensation system
<i>Deliverable 2.</i>	Report identifying the strength and weakness of the current MCO environment, with recommendations on opportunities to further enhance the system
<i>Deliverable 3.</i>	Assessment of the current MCO performance measurement protocol
<i>Deliverable 4.</i>	Assessment of the current MCO payment and incentive methodology
<i>Deliverable 5.</i>	Comparative analysis of BWC’s current approach to procurement of medical management services

1.7. Initial Project Duration and Approach

The State seeks an initial project that is time-boxed, and of fixed scope and price inclusive of the Scope of Work and State Identified Analysis Dimensions. Should the State determine that additional analysis, analysis dimensions, data or other factors be deemed advantageous to the State, the State may seek additional competitively sourced Exploratory Project(s) to explore different facets, dimensions or scope(s) of work.

2. Analysis Dimensions, Project Datasets and Taxonomies

2.1. Anticipated Outcomes

1. Quantitative and qualitative **improvements to the overall MCO model in Ohio** inclusive of increased savings; reduced costs; and satisfaction of injured workers and employers arising from a prompt and safe re-matriculation of workers back into the workforce/workplace.
2. Recommendations to the State on opportunities to further **enhance the workers compensation system** (in general), the HPP system (specifically) and the MCO organization (specifically) as well as a change model to minimize unintended consequences to the MCO organization and maximize the results to the State, workers and employers.
3. **Optimization** (or if necessary replacement) **of the current MCO performance measurement tool** (MoD) that provides focus on implementation and optimization of identified improvement opportunities; and BWC accepted changes to the current protocols.
4. A comprehensive **assessment of the current MCO payment and incentive methodology** including: the comparison of Ohio’s approach to industry standards; identifying areas of improvement opportunities; and providing of appropriate recommendations and strategy to achieve implementation of recommendations to the current methodology.
5. Analysis, and to the extent possible, recommendations for the **optimization of BWC’s current approach to procurement of medical management services**.

2.2. State Provided Datasets

The State, upon commencement of the Project, will provide the Pre-Qualified Contractor with access to the following datasets in a machine-readable form, with corresponding data taxonomies, record/column descriptions and other information pertinent to ingestion, analysis and use of this data for the Project:

Database Name/Description	Years of Data Available	Number of Rows (Approximate per year)	Number of Columns (Variables)	Database Size (range in GB)
Ohio Bureau of Workers Compensation Datasets				
Claims History Data	22	TBD	TBD	TBD
Provider Bill Payment Data	22	TBD	TBD	TBD
Historical MCO Administrative Payment Data	20	TBD	TBD	TBD

Notes:

* - data may be preliminary for most recent year(s)

^ - approximate; varies by year

2.3. Pre-Qualified Contractor Provided (Non-State) Datasets

Should the Pre-Qualified Contractor possess or have license to additional, non-State datasets that will assist, inform, provide additional perspectives or otherwise be useful to this Exploratory Project Solicitation, the Pre-Qualified Contractor shall be permitted to utilize such data as part of the Project. At the conclusion of the Project, the Pre-Qualified Contractor must ensure that the State no longer has access to such data (unless the data is generally in the Public Domain and available to the State) and all such data is removed from State computing platforms.

The Pre-Qualified Contractor, as part of its proposal, must list such datasets, as well as provide their anticipated use and usefulness to the State in performing the Exploratory Project:

Contractor Provided, Non-State Datasets		
Dataset (Logical Name) and Source	Dataset Contents (Descriptive Details)	Dataset Source and License (if applicable)
<p><i>[Example] Data.gov Workers Compensation Claim Data</i></p> <p>https://catalog.data.gov/dataset?tags=workers-compensation)</p>	<p><i>National Workers Compensation Claim Data</i></p> <p><i>Companies Self-Insured for Workers Compensation Data</i></p> <p><i>Workers Compensation Currently Filed Deviations</i></p>	<ul style="list-style-type: none"> ▪ Data.Gov

2.4. Project Data Privacy and Handling Requirements

Due to the nature of the data contained in this Exploratory Project Solicitation, the Federal and State laws referenced in the sections below are applicable to the project.

2.4.1. Permitted Use

Project participants agree that they shall not receive, create, use or disclose State provided data except as follows:

Disclosure Restrictions. If necessary for the proper management and administration of the Data Analytics Exploratory Project Solicitation or to carry out legal responsibilities of a Project participant. State provided data may only be disclosed to another person/entity for such purposes if disclosure is required by law;

1. **Minimize Use of State provided data.** All Project participants agree that they will not request, use or release more than the minimum necessary amount of State provided data to accomplish the purpose of the use, disclosure or request.
2. **State provided data Safeguards.** All Project participants agree to use appropriate safeguards to prevent any unauthorized use or disclosure of State provided data and shall implement the appropriate administrative, physical and technical safeguards that reasonably protect the confidentiality, integrity and availability of the State provided data that they create, receive, maintain or transmit on behalf of the State under State of Ohio IT security policies, standards and bulletins, including but not limited to the Security Supplement.

2.4.2. Incident Reporting

Project participants shall report the following:

- Any use or disclosure of State provided data which is not in compliance with the terms of this agreement or applicable law of which it becomes aware; and
- Any security incident of which it becomes aware. For purposes of this agreement, “security incident” means the unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.

As soon as it is practical, following the discovery of a reportable security incident as described above, Project participants agree to convene to review the existence and nature of the incident as understood at that time. Project participants shall immediately investigate the incident and within 72 hours of discovery shall provide a written report describing the status and any results of the investigation.

Reporting and other communications made under this section must be made to the agency officer from the Ohio Department of Bureau of Workers Compensation and the Ohio Department of Administrative Services, Office of Information Security and Privacy.

Coordination. Project participants agree to coordinate with one another to determine additional, specific actions that will be required for the mitigation of the breach, which may include notification to the individuals, entities or other authorities.

Subcontractor Obligations. Project participants shall ensure that all of its contractors and agents are bound, in writing, by the same restrictions and obligations contained herein, including but not limited to the obligation to implement reasonable and appropriate safeguards to protect the information, whenever the subcontractor or agent creates, receives, maintains, or transmits State provided data on behalf of the Pre-Qualified Contractor.

Access to State provided data. Project participants shall make all State provided data and related information maintained by the source providing the data or its agents or contractors available as soon as practicable following a request for State provided data, to the extent necessary to fulfill the State’s obligations.

Ownership and Destruction of Information. The State provided data and any related information, received, maintained, or transmitted on behalf of the Agency Providing the Data is and shall remain the property of the Agency Providing the Data. Upon termination of the underlying service, the Project participants agree, at the option of the Agency Providing the Data, to return or securely destroy all State provided data created or received from or on behalf of the Agency Providing the Data following 74 FR 19006 Guidance Specifying the Technologies and Methodologies That Render PHI Unusable, Unreadable, or Indecipherable to Unauthorized Individuals. If return or destruction of all State provided data and all copies of State provided data is not feasible, Project participants agree to extend the protections of this agreement to such information for as long as it is maintained and to limit further uses and disclosures to those which make return or destruction infeasible.

3. Additional Information

Item	Embedded File(s)
MCO Studies and contracts will be provided to aid the awarded supplier in their work.	

4. Security Supplement

Security Supplement

State and Federal Data Privacy Requirements

Protection of State Data

Security Incident Reporting and Response

Safeguards

1. Overview and Scope

This Security Supplement shall apply to the handling of information disclosed to the Contractor pursuant to the WORKERS COMPENSATION – MANAGED CARE ORGANIZATION IMPACT STUDY (the “Contract”) between the State and Contractor. The terms in this Security Supplement are additive to language contained elsewhere in this Contract. In the event of a conflict for whatever reason, the highest standard in terms of data protection shall prevail.

2. State and Federal Data Privacy Requirements

Because the privacy of individuals’ personally identifiable information (PII) and State Sensitive Information, generally information that is not subject to disclosures under Ohio Public Records law, (SSI) is a key element to maintaining the public’s trust in working with the State, all systems and services shall be designed and shall function according to the following fair information practices principles. To the extent that personally identifiable information in the system is “protected health information” (PHI) under the HIPAA Privacy Rule, these principles shall be implemented in alignment with the HIPAA Privacy Rule. To the extent that there is PII in the system that is not “protected health information” under HIPAA, these principles shall still be implemented and, when applicable, aligned to other law or regulation.

The Contractor specifically agrees to comply with state and federal confidentiality and information disclosure laws, rules and regulations applicable to work associated with the Contract. Such laws may include, but are not limited to:

- United States Code 42 USC 1320d through 1320d-8 (HIPAA);
- Code of Federal Regulations, 42 CFR 431.300, 431.302, 431.305, 431.306, 435.945, 45 CFR 164.502 (e) and 164.504 (e);
- Ohio Revised Code, ORC 173.20, 173.22, 1347.01 through 1347.99, 2305.24, 2305.251, 3701.243, 3701.028, 4123.27, 4123.88, 5101.26, 5101.27, 5101.572, 5112.21, and 5111.61; and
- Corresponding Ohio Administrative Code Rules and Updates.
- Systems and Services must support and comply with the State’s security operational support model, which is aligned to NIST SP 800-53 (current, published version) moderate-level controls.
- IRS Publication 1075, Tax Information Security Guidelines for Federal, State and Local Agencies

2.1. Protection of State Data

- **Protection of State Data.** “State Data” includes all data and information created by, created for, or related to the activities of the State and any information from, to, or related to all persons that conduct business or personal activities with the State, including, but not limited to, PII and SSI. To protect State Data as described in this Contract, in addition to its other duties regarding State Data, Contractor will: Maintain in confidence any personally identifiable information (“PII”) and State Sensitive Information (“SSI”) it may obtain, maintain, process, or otherwise receive from or through the State in the course of the Contract;
- Use and permit its employees, officers, agents, and independent contractors to use any PII/SSI received from the State solely for those purposes expressly contemplated by the Contract;
- Not sell, rent, lease or disclose, or permit its employees, officers, agents, and independent contractors to sell, rent, lease, or disclose, any such PII/SSI to any third party, except as permitted under this Contract or required by applicable law, regulation, or court order;
- Take all commercially reasonable steps to (a) protect the confidentiality of PII/SSI received from the State and (b) establish and maintain physical, technical and administrative safeguards consistent with NIST SP 800-53 (current published version) moderate-level controls to prevent unauthorized access by third parties to PII/SSI received by the Contractor from the State;
- Give access to PII/SSI of the State only to those individual employees, officers, agents, and independent contractors who reasonably require access to such information in connection with the performance of Contractor’s obligations under this Contract;
- Upon request by the State, promptly destroy or return to the State in a format designated by the State all PII/SSI received from the State;

- Cooperate with reasonable attempts by the State to assess Contractor's compliance with the foregoing obligations as reasonably requested by the State from time to time. The State shall be responsible for all costs incurred by Contractor for compliance with this provision of this subsection;
- Establish and maintain data security policies and procedures designed to ensure the following:
 - Security and confidentiality of PII/SSI;
 - Protection against anticipated threats or hazards to the security or integrity of PII/SSI; and
 - Protection against the unauthorized access to, disclosure of or use of PII/SSI.

2.1.1. Disclosure

Disclosure to Third Parties. This Contract shall not be deemed to prohibit disclosures in the following cases:

- Required by applicable law, regulation, court order or subpoena; provided that, if the Contractor or any of its representatives are ordered or requested to disclose any information provided by the State, whether PII/SSI or otherwise, pursuant to court or administrative order, subpoena, summons, or other legal process or otherwise believes that disclosure is required by any law, ordinance, rule or regulation, Contractor will promptly notify the State in order that the State may have the opportunity to seek a protective order or take other appropriate action. Contractor will also cooperate in the State's efforts to obtain a protective order or other reasonable assurance that confidential treatment will be accorded the information provided by the State. If, in the absence of a protective order, Contractor is compelled as a matter of law to disclose the information provided by the State, Contractor may disclose to the party compelling disclosure only the part of such information as is required by law to be disclosed (in which case, prior to such disclosure, Contractor will advise and consult with the State and its counsel as to the scope of such disclosure and the nature of wording of such disclosure) and Contractor will use commercially reasonable efforts to obtain confidential treatment for the information;
- To State auditors or regulators;
- To service providers and agents of either party as permitted by law, provided that such service providers and agents are subject to binding confidentiality obligations; or
- To the professional advisors of either party, provided that such advisors are obligated to maintain the confidentiality of the information they receive.

2.2. Handling the State's Data

The Contractor must use due diligence to ensure computer and telecommunications systems and services involved in storing, using, or transmitting State Data are secure and to protect State Data from unauthorized disclosure, modification, use or destruction. To accomplish this, the Contractor must adhere to the following principles:

- Apply appropriate risk management techniques to balance the need for security measures against the sensitivity of the State Data.
- Ensure that its internal security policies, plans, and procedures address the basic security elements of confidentiality, integrity, and availability of State Data.
- Maintain plans and policies that include methods to protect against security and integrity threats and vulnerabilities, as well as detect and respond to those threats and vulnerabilities.
- Maintain appropriate identification and authentication processes for information systems and services associated with State Data.
- Maintain appropriate access control and authorization policies, plans, and procedures to protect system assets and other information resources associated with State Data.
- Implement and manage security audit logging on information systems, including computers and network devices.

2.3. Contractor Access to State Networks Systems and Data

The Contractor must maintain a robust boundary security capacity that incorporates generally recognized system hardening techniques. This includes determining which ports and services are required to support access to systems that hold State Data, limiting access to only these points, and disable all others.

To do this, the Contractor must:

- Use assets and techniques such as properly configured firewalls, a demilitarized zone for handling public traffic, host-to-host management, Internet protocol specification for source and destination, strong authentication, encryption, packet filtering, activity logging, and implementation of system security fixes and patches as they become available.
- Use two-factor authentication to limit access to systems that contain particularly sensitive State Data, such as personally identifiable information.
- Assume all State Data is both confidential and critical for State operations. The Contractor's security policies, plans, and procedure for the handling, storage, backup, access, and, if appropriate, destruction of State Data must be commensurate to this level of sensitivity unless the State instructs the Contractor otherwise in writing.
- Employ appropriate intrusion and attack prevention and detection capabilities. Those capabilities must track unauthorized access and attempts to access State Data, as well as attacks on the Contractor's infrastructure associated with the State Data. Further, the Contractor must monitor and appropriately address information from its system tools used to prevent and detect unauthorized access to and attacks on the infrastructure associated with the State Data.
- Use appropriate measures to ensure that State Data is secure before transferring control of any systems or media on which State Data is stored. The method of securing the State Data must be appropriate to the situation and may include secure overwriting, destruction, or encryption of the State Data before transfer of control. The transfer of any such system or media must be reasonably necessary for the performance of the Contractor's obligations under this Contract.
- Not allow the State Data to be loaded onto portable computing devices or portable storage components or media unless necessary to perform its obligations under this Contract. If necessary for such performance, the Contractor may permit State Data to be loaded onto portable computing devices or portable storage components or media only if adequate security measures are in place to ensure the integrity and security of the State Data. Those measures must include a policy on physical security for such devices to minimize the risks of theft and unauthorized access that includes a prohibition against viewing sensitive or confidential data in public or common areas. In addition, all state data on portable media shall be encrypted.
- Ensure that portable computing devices have anti-virus software, personal firewalls, and system password protection. In addition, the State Data must be encrypted when stored on any portable computing or storage device or media or when transmitted from them across any data network.
- Maintain an accurate inventory of all such devices and the individuals to whom they are assigned.

2.4. Portable Devices, Data Transfer and Media

Any encryption requirement identified in this Supplement means encryption that complies with National Institute of Standards Federal Information Processing Standard 140-2 as demonstrated by a valid FIPS certificate number. Any sensitive State Data transmitted over a network, or taken off site via removable media must be encrypted pursuant to the State's Data encryption standard ITS-SEC-01 Data Encryption and Cryptography.

The Contractor must have reporting requirements for lost or stolen portable computing devices authorized for use with State Data and must report any loss or theft of such devices to the State in writing as quickly as reasonably possible. The Contractor also must maintain an incident response capability for all security breaches involving State Data whether involving mobile devices or media or not. The Contractor must detail this capability in a written policy that defines procedures for how the Contractor will detect, evaluate, and respond to adverse events that may indicate a breach or attempt to attack or access State Data or the infrastructure associated with State Data.

To the extent the State requires the Contractor to adhere to specific processes or procedures in addition to those set forth above in order for the Contractor to comply with the managed services principles enumerated herein, those processes or procedures are set forth in this contract.

2.5. Limited Use; Survival of Obligations

Contractor may use PII/SSI only as expressly authorized by the Contract and for no other purpose. Contractor's limited right to use PII/SSI expires upon conclusion, non-renewal or termination of this Contract for any reason.

Contractor's obligations of confidentiality and non-disclosure survive termination or expiration for any reason of this Contract.

2.6. Disposal of PII/SSI

Upon expiration of Contractor's limited right to use PII/SSI, Contractor must return all physical embodiments to the State or destroy PII/SSI. Prior to any media previously containing PII/SSI leaving Contractor's possession, Contractor shall sanitize such media consistent with NIST 800-88, Guidelines for Media Sanitization, 2014. Upon request, the Contractor will provide, at the end of the engagement, a certificate of data deletion, including the date, time and method of data destruction.

2.7. Remedies

If Contractor or any of its representatives or agents breaches the covenants set forth in these provisions, irreparable injury may result to the State or third parties entrusting PII/SSI to the State. Therefore, the State's remedies at law may be inadequate and the State shall be entitled to seek an injunction to restrain any continuing breach. Notwithstanding any limitation on Contractor's liability, the State shall further be entitled to any other rights or remedies that it may have in law or in equity.

2.8. Prohibition on Off-Shore and Unapproved Access

The Contractor shall comply in all respects with U.S. statutes, regulations, and administrative requirements regarding its relationships with non-U.S. governmental and quasi-governmental entities including, but not limited to the export control regulations of the International Traffic in Arms Regulations ("ITAR") and the Export Administration Act ("EAA"); the anti-boycott and embargo regulations and guidelines issued under the EAA, and the regulations of the U.S. Department of the Treasury, Office of Foreign Assets Control, HIPAA Privacy Rules and other conventions as described and required in this Supplement.

Nothing in this Security Supplement modifies the provisions of the Contract pertaining to "Banning the Expenditure of Public Funds on Offshore Services." The Contractor shall not use State Data for any engagements outside of the scope of the Contract. Unless expressly consented to by the State of Ohio, using State Data to test or provide proof-of-concept for other engagements is expressly prohibited.

It is the responsibility of all individuals working at the State to understand and comply with the policy set forth in this document as it pertains to end-use export controls regarding State restricted information.

Where the Contractor is handling confidential employee or citizen data associated with Human Resources data, the Contractor will comply with data handling privacy requirements associated with HIPAA and as further defined by The United States Department of Health and Human Services Privacy Requirements and outlined in <http://www.hhs.gov/ocr/privacysummary.pdf>

2.9. Background Check of Contractor Personnel

Contractor agrees that (1) it will conduct 3rd party criminal background checks on Contractor personnel who will perform Sensitive Services (as defined below), and (2) no Ineligible Personnel will perform Sensitive Services under this Contract. "Ineligible Personnel" means any person who (a) has been convicted at any time of any criminal offense involving dishonesty, a breach of trust, or money laundering, or who has entered into a pre-trial diversion or similar program in connection with a prosecution for such offense, (b) is named by the Office of Foreign Asset Control (OFAC) as a Specially Designated National, or (c) has been convicted of a felony.

"Sensitive Services" means those services that (i) require access to Customer/Consumer Information, (ii) relate to the State's computer networks, information systems, databases or secure facilities under circumstances that would permit modifications to such systems, or (iii) involve unsupervised access to secure facilities.

Upon request, Contractor will provide written evidence that all of Contractor's personnel providing Sensitive Services have undergone a criminal background check and are eligible to provide Sensitive Services. In the event

that Contractor does not comply with the terms of this section, the State may, in its sole and absolute discretion, terminate this Contract immediately without further liability.

3. Security Incident Reporting and Response

3.1. Incident Reporting

Contractor shall report to the State the following:

- Any use or disclosure of PHI or other State Data which is not in compliance with the terms of this Contract or applicable law of which it becomes aware; and
- Any security incident of which it becomes aware. For purposes of this Contract, “security incident” means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system. Notwithstanding the foregoing, “pings”, port scans, and similar exploratory contacts, which do not result in successful access to a relevant system and pose no threat to the security or integrity of PHI or other State Data are deemed reported.

Within 24 hours of discovery of a suspected reportable security incident, Contractor shall notify the State of the existence and nature of the incident as understood at that time. Contractor shall immediately investigate the incident and within five days of discovery shall provide the State, in writing, a report describing the results of Contractor’s investigation, including:

- What data elements were involved, the extent of the data involved in the incident, and the identification of affected individuals, if applicable;
- A description of the unauthorized persons known or reasonably believed to have improperly used or disclosed State Data, or to have been responsible for the incident;
- A description of where the State Data is believed to have been improperly transmitted, sent, or utilized, if applicable;
- A description of the probable causes of the incident;
- A description of the proposed plan for preventing similar future incidents, including ongoing risk remediation plan approval; and
- Whether the Contractor believes any federal or state laws requiring notifications to individuals are triggered.

3.2. Incident Mitigation

In addition, Contractor agrees to mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of PHI or other State Data by Contractor in violation of the requirements of this Contract, and report its mitigation activity back to the agency. Contractor shall preserve evidence.

3.3. Incident Coordination and Breach Notification

Contractor will coordinate with the agency to determine additional, specific actions that will be required of the Contractor for mitigation of the incident, which may include notification to the individuals, entities or other authorities. Notifications, if any, will be made at the direction of the agency.

3.4. Incident Costs

Contractor shall bear all costs associated with an incident resulting from its breach of the Contract, this Security Supplement, or the HIPAA Privacy and Security rules, as applicable. This may include, but not be limited to, costs associated with notifying affected individuals. It also may include the cost of investigation, remediation, and assistance to individuals including services such as a standard level of identity-theft protection service that includes credit-monitoring such as AllClear ID’s standard service with credit monitoring or other comparable service available to Ohio agencies under state term schedules.

4. Safeguards

The Contractor will include the following safeguards, reporting and attestations pertaining to Contractor-managed systems containing State Data:

4.1. Boundary Defenses

The Contractor will:

- Ensure that the System network architecture separates internal systems from DMZ and extranet systems
- Require remote login access to use multi-factor authentication

4.2. Application Software Security

The Contractor will:

- Perform configuration review of operating system, application and database settings to ensure systems containing State data are aligned with NIST SP 800-53 (current published version) moderate-level controls.

4.3. System Administrator Access

The Contractor will provide the following security controls on the system containing State data:

- Inventory all administrative passwords (application, database and operating system level)
- Implement policies to change default passwords in accordance with State policies, particular following any transfer or termination of personnel (State, existing MSV or Contractor)
- Configure administrative accounts to require regular password changes
- Ensure service level accounts have cryptographically strong passwords
- Store passwords in a hashed or encrypted format
- Ensure administrative accounts are used only for administrative activities
- Implement focused auditing of administrative privileged functions
- Configure systems to log entry and alert when administrative accounts are modified
- Segregate administrator accounts based on defined roles

4.4. Account Access Privileges

The Contractor will:

- Review and disable accounts not associated with a business process
- Implement process for revoking system access
- Automatically log off users after a standard period of inactivity
- Monitor account usage to determine dormant accounts
- Monitor access attempts to deactivated accounts through audit logging
- Profile typical account usage and implement or maintain profiles to ensure that Security profiles are implemented correctly and consistently

4.5. Additional Controls and Responsibilities

Upon request, Contractor will review its Security Plan with the State. The Security Plan will contain the following:

- Detailed diagram(s) of where the State data will reside within the Contractor's environment, and the security controls protecting the data. The diagram(s) shall depict the system housing State data and its relationship to any DMZ, and any direct connections to outside entities, including the Internet. The diagram(s) shall also depict all security-related devices and subsystem and their relationships with other systems for which they provide controls.
- High-level description of the program
- Security risks and concerns
- Security roles and responsibilities

- Program and project security policies and guidelines, including the data protection plan for personal/sensitive data within the project
- Secure communications over the Internet
- Security-Identity management and access control for Contractor joiners, movers, and leavers
- Encryption mechanisms for data at rest and data in transit
- Remote access controls
- Vulnerability and threat management plan

Upon request, the Contractor will provide access to the following audit and attestation documentation to the State for review, including via webex:

- Provide details of who has been granted access to the State data
- Subject to the requirements of any third parties, provide recent SSAE SOC-1 and/or SOC-2 reports.
- Provide executive summaries from recent environment penetration tests, or an attestation that the environment is not Internet accessible.
- Provide an attestation that the environment containing State data is compliant with the NIST SP 800-53 (current published version) moderate-level controls.
- Attest that all security controls listed in section 4 of this supplement are in place.

The Contractor will meet with the State, upon the request of the State to:

- Review, Update and Conduct Security training for personnel, based on roles
- Review the adequacy of physical and environmental controls
- Verify the encryption of sensitive data at rest and in transit
- Review access control to information based on established roles and access profiles
- Review the security plan
- Update and implement incident response procedures