

**ARKANSAS DEPARTMENT OF HUMAN SERVICES**  
**REVISED PERFORMANCE BASED CONTRACTING**

Contractor shall comply with the following performance-based standards which will be part of the Contract.

- I. Contractor's failure to comply with Contract obligations, any applicable State and federal laws, regulations, and policies in performance of the Contract services shall be deemed insufficient and unacceptable performance.
- II. During the term of the contract, the State will complete sufficient performance evaluation(s) to determine if the Contractor's performance is acceptable. The State's determination of "Acceptable Performance" as defined herein shall be final and controlling. In the event a Performance Standard is not met, the Contractor will have the opportunity to defend, respond to, or cure the insufficiency to the satisfaction of the State.
- III. Failure to meet the minimum Performance Standards as specified may result in the assessment of damages as set forth below. At the State's sole discretion, the State may waive damages if it determines there were extenuating factors beyond the Contractor's control that hindered the performance of services if it is in the best interest of the State. Contractor shall follow the State's instruction regarding payment of any compensation due to the State for the assessment of damages. The damages are not exclusive and shall in no way exclude or limit any remedies available at law or in equity.
- 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 Contractor input so as to establish standards that are reasonably achievable.
- V. The contract program deliverables and performance indicators to be performed by the Contractor are:

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<u>Applicable for All Below Service Criteria</u>		
<ol style="list-style-type: none"> <li>1. Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</li> <li>2. Penalties will be calculated from the total payment for the month in which the deficiency took place and assessed in a future months' payment to Contractor.</li> <li>3. Upon DHS request, an acceptable Corrective Action Plan (CAP) shall be submitted for DHS approval within ten (10) business days of the request.</li> <li>4. DHS reserves the right to impose additional penalties to those stated below, including without limitation: Withholding payment on future invoices until the Contractor is in full compliance; Maintaining a below standard Vendor Performance Report (VPR) in the vendor file for the Contractor; and Terminating the contract.</li> </ol>		
<b>Pre-Payment (Sections 2.4.2)</b>		
Compliance	<p>Prior authorizations shall be completed in accordance with guidelines and applicable CMS Rules, Transparency Act of 2025 (A.C.A 23-99-101 et seq.), including the Final Interoperability and Prior Authorization Rules (CMS-0057-F), and the Medicaid Fairness Act (Ark. Code Ann. 20-77-1701 et seq.)</p>	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for continuous, repetitive, or persisting noncompliance.</p>
Review Timeliness	<p>All prior authorization reviews shall be completed within seven (7) calendar days of receipt of request.</p> <p>Any request deemed urgent by DHS shall be completed within seventy-two (72) hours of receipt of request.</p>	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for continuous, repetitive, or persisting noncompliance.</p>
Qualified Personnel	<p>Reviews shall be completed by qualified individuals meeting minimum qualifications and timeframes.</p>	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be</p>

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		assessed per incident of Insufficient Performance for continuous, repetitive, or persisting noncompliance.
Determinations	Written determination of prior authorizations shall be provided within three (3) calendar days of assignment.	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for continuous, repetitive, or persisting noncompliance.</p>
Data Entry	Information for each approved prior authorization request is entered into the MMIS portal or Contractor's portal including all required information on the same business day in which the decision is made. If the decision was made after close of the business day, data must be entered the next business day.	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for continuous, repetitive, or persisting noncompliance.</p>
Documentation and Records	<p>All required documents and records are completed in accordance with applicable Medicaid manual.</p> <p>All required documents and records must be included in the beneficiary's file.</p>	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for continuous, repetitive, or persisting noncompliance.</p>
Consultations	Provide consultations as needed by DHS within agreed upon timeframe.	A \$1,000 penalty will be assessed per incident of Insufficient Performance.

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<b>RETROSPECTIVE REVIEWS (SECTION 2.4.3)</b>		
Timeliness	Retrospective Reviews shall be completed within sixty (60) calendar days of the start of each calendar quarter.	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for continuous, repetitive, or persisting noncompliance.</p>
Compliance	<p>Retrospective Reviews for emergency room visits complete in accordance with §1867 of the Social Security Act (Prudent Lay Person standard).</p> <p>Retrospective Reviews for Provider Preventable Conditions and Hospital Acquired Conditions complete in accordance with Section 2702 of the Patient Protection and Affordable Care Act of 2010 and subsequently issued regulations.</p> <p>Retrospective Reviews for Behavioral Health Services complete in accordance with 42 CFR Subchapter F, Part 475.</p>	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for continuous, repetitive, or persisting noncompliance.</p>
Qualified Personnel	Reviews completed by qualified individuals meeting minimum qualifications and	A \$1,000 penalty will be assessed per incident of Insufficient Performance.

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	timeframes.	<p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for continuous, repetitive, or persisting noncompliance.</p>
Recoupment	<p>Review provider and patient records for compliance with program requirements and conformity with professionally recognized standards of health care.</p> <p>Audit medical records for validation against paid claims and adherence to policies.</p> <p>Initiate recoupment activities based on audit results. Recoupment activities shall not be initiated until appeal timeframe has lapsed or until appeal rights are exhausted, if an appeal is filed.</p>	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for continuous, repetitive, or persisting noncompliance.</p>
Quarterly Report	<p>Provide a comprehensive quarterly report of results completed within agreed upon timeframe, format, and content.</p> <p>At minimum, Contractor shall hold one meeting with DHS to discuss the results report prior to the end of each quarter. Additional meetings shall be held at DHS request.</p>	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for continuous, repetitive, or persisting noncompliance.</p>
Random Sampling	Random samples of paid claims completed for each review type in accordance with the review sample size and frequency requirements.	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 penalty may be assessed per incident of</p>

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		<p>Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for continuous, repetitive, or persisting noncompliance.</p>
Desk Reviews	<p>Annual and random clinical quality reviews of client chart documentation complete within thirty (30) calendar days of receipt of provider records unless otherwise approved by DHS.</p>	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for continuous, repetitive, or persisting noncompliance.</p>
<b>ADDITIONAL TYPES OF WORK (Section 2.4.4)</b>		
Consultations	<p>Consultations provided as needed by DHS within agreed upon timeframe.</p>	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for continuous, repetitive, or persisting noncompliance.</p>
Medical Team Reviews	<p>A. Review records in accordance with relevant United States Social Security Administration (SSA) guidelines and determine if individual has a severe disability for each case assignment.</p> <p>B. Complete review within one (1) calendar week</p>	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for continuous, repetitive, or</p>

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	<p>of receipt of case assignment.</p> <p>C. Provide required forms outlining determinations to DHS completed, accurate, and in timely manner.</p>	<p>persisting noncompliance.</p>
<p>Referrals for Independent Assessments</p>	<p>A. Collaborate with DHS to establish screening criteria for Provider-Led Arkansas Shared Savings Entity (PASSE) eligibility.</p> <p>B. Refer eligible beneficiaries for Independent Assessment (IA).</p> <p>C. IA psychiatric acute admissions Certification of Need (CON) shall be processed within forty-eight (48) hours.</p>	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for continuous, repetitive, or persisting noncompliance.</p>
<p>Medicaid Spend-Down</p>	<p>Care Coordination Medicaid Spend-Down:</p> <p>A. Contact individuals to complete Person-Centered Service Plan (PCSP) within fifteen (15) business days of receipt of BH IA identification.</p> <p>B. Conduct initial services assessment for each beneficiary within thirty (30) days of Tier determination.</p> <p>C. Provide care coordination to identified beneficiaries including case management and coordinate services between care settings.</p> <p>D. Comply with Conflict Free Case Management rules pursuant to 42 CFR § 440.169.</p> <p>Person Centered Service Plan Medicaid Spend-Down:</p> <p>A. Create, monitor, and update</p>	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for continuous, repetitive, or persisting noncompliance.</p>

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	<p>PCSP for all members. Update PCSP's at least every twelve (12) months and in accordance with 42 CFR § 441.725(c).</p> <p>B. Develop PCSP within sixty (60) calendar days from date of Tier determination for members without existing plan.</p> <p>C. Create and provide quarterly PCSP report.</p> <p>Incident Reports Medicaid Spend-Down:</p> <p>A. Submit incident reports for each identified occurrence within twenty-four (24) hours of awareness.</p>	
<b>CLINICAL STAFFING (SECTION 2.4.5)</b>		
Embedded Staff	<p>A. Provide and maintain all embedded staff.</p> <p>B. Available during normal business hours and after-hours as requested.</p> <p>C. Embedded staff meets mandatory qualifications as specified in Attachment J.</p> <p>D. Embedded staff provides services as required in the scope of work.</p> <p>E. Embedded staff meet on site requirements as specified in Attachment J.</p>	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for continuous, repetitive, or persisting noncompliance.</p>
<b>APPEALS OF ADVERSE DECISIONS (SECTION 2.4.6)</b>		
Participation	<p>A. Participate in all activities related to any appeal.</p> <p>B. Provide documents and witnesses for defense of adverse decisions and litigation.</p> <p>C. Advise Providers and Beneficiaries of rights to appeal.</p>	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for</p>

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	<p>D. Notify DHS of any improper receipt of Request for Appeal on the same day received and consult proper course of action.</p> <p>E. Prepare and submit written hearing statement within fifteen (15) calendar days of receipt of notice of an appeal being filed.</p> <p>F. Upon DHS request, provide additional information or documents within five (5) business days of request.</p>	<p>continuous, repetitive, or persisting noncompliance.</p>
<p>Notification of Adverse Decisions</p>	<p>A. Notification of complete or partial denial must comply with 42 CFR § 457.732 and the Arkansas Medicaid Fairness Act, Ark. Code Ann. § 20-77-1701 <i>et seq.</i> Notification must be sent to the appropriate parties and shall:</p> <ol style="list-style-type: none"> <li>1. Contain 1) a clear and detailed explanation of the rationale for the adverse decision and 2) citations to all specific protocols, procedures, or policy manual references that were relied upon in making the adverse decision.</li> <li>2. Describe whether the benefits will continue pending appeal or reconsideration and any patient liability associated for continuation of benefits, if applicable.</li> <li>3. Include information on the right to reconsideration and appeal and adequately describe how the provider and/or beneficiary may avail</li> </ol>	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for continuous, repetitive, or persisting noncompliance.</p>

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	<p>themselves of those rights.</p> <p>B. Notification templates must be approved by DHS prior to use by the Contractor.</p> <p>C. Notification may be sent in the following methods:</p> <ol style="list-style-type: none"> <li>1. Mail;</li> <li>2. Provider message in MMIS portal; or</li> <li>3. Email (beneficiary must elect to receive email communications).</li> </ol> <p>D. All timelines resulting from notices of action shall commence counting on the next day following postmark if mailed, transmittal verification if faxed or electronic time verification sent via HIPAA-compliant electronic means.</p>	
<b>RECONSIDERATIONS (SECTION 2.4.7)</b>		
Compliance	Reconsideration requests comply with all controlling Medicaid Manual(s), applicable federal and state laws, policies, regulations, guidelines, and other criteria approved by DHS.	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for continuous, repetitive, or persisting noncompliance.</p>
Procedure	<p>A. Consult with DHS on proper course of action for reconsideration requests following improper procedures.</p> <p>B. Reconsideration determinations shall be made within timeframe specified and in accordance with the Arkansas Medicaid Policy or within guidelines set forth by DHS, state or</p>	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for continuous, repetitive, or</p>

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	<p>federal statute or rules, including the Code of Federal Regulations (CFR), Arkansas Medicaid Policy and the Medicaid Fairness Act (MFA).</p> <p>C. Notify Provider within three (3) business days of reconsideration determination.</p> <p>D. Notify DHS within twenty-four (24) hours of a PA denial, or RR or MRC/Ad Hoc adverse determination.</p> <p>E. Submit timely and accurate monthly report.</p> <p>F. Reconsideration requests processed within seven (7) calendar days of receipt from the Provider.</p>	<p>persisting noncompliance.</p>
<b>TRAINING (SECTION 2.4.8)</b>		
<p>Training and Technical Support</p>	<p>Provide training and technical support including frequency, type, content as agreed upon with DHS.</p>	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for continuous, repetitive, or persisting noncompliance.</p>
<b>REPORTING (SECTION 2.4.9)</b>		
<p>Frequency and Content</p>	<p>A. Reports submitted regularly to DHS no later than the fifteenth (15) day after the end of reporting period.</p> <p>B. Special and Ad Hoc reports submitted to DHS within two (2) business days of the request.</p> <p>C. Reports must be submitted timely, accurately, and</p>	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for</p>

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	include content as specified in the scope of work and request.	continuous, repetitive, or persisting noncompliance.
Reports and Record Retention	Retain all data, reports, and records for ten (10) years after final payment is made.	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for continuous, repetitive, or persisting noncompliance.</p>
<b>QUALITY IMPROVEMENT (SECTION 2.4.10)</b>		
Notifications	<p>A. Notifications comply with applicable Arkansas Medicaid manuals, state and federal law, including Final Interoperability and Prior Authorization Rules (CMS-0057-F) and include all required content.</p> <p>B. Notices shall be sent to beneficiaries within three (3) business days from the date of a determination.</p> <p>C. Notice of adverse decisions provided within five (5) business days.</p> <p>D. Notices to providers related to medical and dental necessity of services provided within ten (10) business days.</p> <p>E. Notices to DHS Fiscal Agent including data submissions have an error rate of no more than five percent (5%).</p>	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for continuous, repetitive, or persisting noncompliance.</p>

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<b>STANDARD PROCESSES AND REQUIREMENTS RELATED TO ALL REVIEW TYPES (SECTION 2.4.11)</b>		
Performance	<ul style="list-style-type: none"> <li>A. Perform related functions and processes in compliance with applicable laws, policies, regulations, and guidelines.</li> <li>B. Use DHS-approved forms and letters for all correspondence and notifications.</li> <li>C. Adhere to required timeframes.</li> <li>D. Notify DHS within five (5) business days of Contractor identifying a provider that does not meet established standards of care.</li> <li>E. Provide educational material and references to Providers upon DHS request and identification of non-standard care findings.</li> </ul>	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for continuous, repetitive, or persisting noncompliance.</p>
<b>EXTERNAL PROCESS (SECTION 2.4.12)</b>		
MMIS/InterChange and Change Requests	<ul style="list-style-type: none"> <li>A. Process assigned workflow queue.</li> <li>B. Process assignments initiated outside of MMIS/InterChange.</li> <li>C. Submit and process change requests in agreed upon format using agreed upon process.</li> <li>D. Send written acknowledgement of change requests by close of business on the next business day after receipt of the request.</li> </ul>	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for continuous, repetitive, or persisting noncompliance.</p>
<b>CONTACT/CORRESPONDENCE AND COMPLAINT RESOLUTION (SECTION 2.4.13)</b>		
Correspondence	<ul style="list-style-type: none"> <li>A. Respond to inquiries and complaints as required in the scope of</li> </ul>	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p>

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	<p>work.</p> <p>B. Provide timely and accurate monthly report.</p>	<p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for continuous, repetitive, or persisting noncompliance.</p>
Complaint Resolution	<p>A. Reply in writing within five (5) calendar days of receipt of complaints.</p> <p>B. Complaints received during normal business hours shall be acknowledged on the same business day as received.</p> <p>C. Complaints received after business hours shall be acknowledged by the end of the following business day.</p> <p>D. Acknowledge complaints within one (1) business day.</p> <p>E. Track, document, and maintain all complaints as required in the scope of work.</p>	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for continuous, repetitive, or persisting noncompliance.</p>
<b>QUALITY ASSURANCE AND PERFORMANCE IMPROVEMENT (SECTION 2.4.14)</b>		
Quality Assurance/Performance Improvement (QAPI) Program	<p>A. Establish, implement, and maintain QAPI processes as required in the scope of work.</p> <p>B. Identify areas of improvement and provide recommendations.</p> <p>C. Measure performance, implement interventions and improvement processes.</p>	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for continuous, repetitive, or persisting noncompliance.</p>

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	D. Report QAPI activities.	
<b>DATA MAINTENANCE (SECTION 2.4.15)</b>		
Data Errors and Corrections	<p>Update MMIS/InterChange with any corrections within one (1) business day.</p> <p>Notify requesting Provider and Fiscal Agent of any corrections within two (2) business days.</p>	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for continuous, repetitive, or persisting noncompliance.</p>
Data Security and Breaches	<p>All data stored is secure and complies with state and federal laws.</p> <p>Notify DHS immediately of any compliance violations or breach, incident, issue, complaint, sanction, or occurrence related to Protected Health Information (PHI), Personal Identifying Information (PII), HIPAA transactions and code sets, or similar matters.</p>	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for continuous, repetitive, or persisting noncompliance.</p>
Data Retention and Disposal	Data retention and disposal complies with applicable Arkansas Record Retention Policy, HIPAA as well as applicable state and federal laws.	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for continuous, repetitive, or persisting noncompliance.</p>
Data Transmission	All data contained in the database is transferred to DHS in the DHS preapproved format.	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 per incident penalty</p>

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	Maintain, revise, and update data transmission system in accordance with HIPAA and mandatory security standards.	<p>may be assessed for repeat incidents of Insufficient Performance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for continuous, repetitive, or persisting noncompliance.</p>
<b>FORMS (SECTION 2.4.16)</b>		
Pre-Approval	Request DHS approval for standard forms and correspondence including any changes thereof.	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for continuous, repetitive, or persisting noncompliance.</p>
<b>OFFICE SPACE AND EQUIPMENT (SECTION 2.5)</b>		
Space and Equipment	<p>Physically located in the State of Arkansas.</p> <p>Maintain sufficient office space and equipment necessary to fulfill requirements.</p>	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for continuous, repetitive, or persisting noncompliance.</p>
Availability	<p>Available 8:00 a.m. – 5:00 p.m. Central Time, Monday – Friday except State Holidays unless otherwise approved by DHS.</p> <p>Maintain automated method of receiving messages and information outside of normal business hours.</p>	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for</p>

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		continuous, repetitive, or persisting noncompliance.
<b>PRIVACY AND SECURITY (SECTION 2.7)</b>		
Compliance	<p>Maintain System Security Privacy Plan (SSPP).</p> <p>Adhere to the most stringent, up to date Federal ARC-AMPE, (applicable overlay), standards.</p> <p>Utilize ARC-AMPE template and follow the monthly Plan of Action and Milestones (POAM) process.</p>	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for continuous, repetitive, or persisting noncompliance.</p>
<b>DISASTER RECOVERY/BUSINESS CONTINUITY &amp; CONTENGENCY PLAN (SECTION 2.9)</b>		
Disaster Recovery/Business Continuity and Contingency Plan	<p>Provided to DHS for approval prior to the deadline.</p> <p>DR/BCCP includes all content required in the scope of work.</p>	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for continuous, repetitive, or persisting noncompliance.</p>
Adherence to the Disaster Recovery/Business Continuity and Contingency Plan	Comply with all requirements of the plan's provisions in the event of a disaster.	<p>A \$1,000 penalty will be assessed per incident of Insufficient Performance.</p> <p>A \$3,000 penalty may be assessed per incident of Insufficient Performance for repeat noncompliance.</p> <p>Up to \$10,000 penalty may be assessed per incident of Insufficient Performance for continuous, repetitive, or persisting noncompliance.</p>

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<p><b>Mandated Reporting</b></p>	<p>1. Pursuant to Ark. Code Ann. §12-18-402 (b)(10) and Ark. Code Ann. §§ 12-12-1708(a)(1)(AA), Contractor and all of its employees, agents, and all Subcontractors and Subcontractor's employees and agents shall immediately make a report to the Child Abuse Hotline or the Adult Maltreatment Hotline (based on type of maltreatment) if Contractor or any of its employees, agents, or Subcontractors' employees and agents, while performing duties under this contract, have reasonable cause to suspect that:</p> <ul style="list-style-type: none"> <li>a. A child has been subjected to child maltreatment;</li> <li>b. A child died as a result of child maltreatment;</li> <li>c. A child died suddenly and unexpectedly; or</li> <li>d. Observe a child being subjected to conditions or circumstances that would reasonably result in child maltreatment. or</li> <li>e. An endangered person or an impaired person has been subjected to conditions or circumstances that constitute adult maltreatment or long-term care facility resident maltreatment.</li> </ul> <p>2. A privilege or contract shall not prevent a person from reporting</p>	<p>For each failure to report, DHS may impose:</p> <ul style="list-style-type: none"> <li>1 Up to a ten percent (10%) penalty will be assessed in a future months' payment to the Contractor for each failure to report. The penalty will be calculated from the total payment for the identified month the deficiency took place.</li> <li>2 DHS may elect to calculate penalties/damages differently per occurrence.</li> </ul>

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	<p>maltreatment when he or she is a mandated reporter and required to report under this section.</p> <p>3. An employer or supervisor of a mandated reporter shall not prohibit an employee or a volunteer from directly reporting maltreatment to the Hotline.</p> <p>4. An employer or supervisor of a mandated reporter shall not require an employee or a volunteer to obtain permission or notify any person, including an employee or a supervisor, before reporting maltreatment to the Hotline.</p> <p>5. Pursuant to Act 531 of 2019, Ark. Code Ann. §12-18-402 (b)(10) and Ark. Code Ann. §§ 12-12-1708(a)(1)(AA), Contractor and all of its employees, agents, and all Subcontractors and Subcontractor's employees and agents are mandated reporters.</p>	
<p><b>Performance Bonding</b> The Contractor <b>shall</b> be required to obtain performance bonds to protect the State's interest.</p>	<p>1. The amount of the performance bonds <b>shall</b> be one hundred percent (100%) of the annual contract price, unless the State determines that a lesser amount would be adequate for the protection of the State.</p> <p>2. The State <b>shall</b> require additional performance bond protection when a</p>	<p>Damages shall be one percent (1%) per day, calculated using the annual contract amount, for each day Vendor fails to meet the Performance Bonding Requirements specified in Service Criteria.</p> <p>In addition, Vendor's continued failure to meet Service Criteria, may result in a below standard Vendor Performance Report</p>

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	<p>contract price is increased or modified.</p> <p>3. The additional performance bond <b>must</b> be delivered to the Arkansas Department of Human Services Chief Procurement Officer within fourteen (14) calendar days of request.</p> <p>4. The contractor <b>shall</b> notify the State of any changes, modification, or renewals for the performance bond during the term of the contract. The performance bond documentation must be provided to the State with each required notice..</p>	<p>(VPR) maintained in the vendor file and contract termination.</p> <p>Failure to provide is a breach of contract and may result in immediate contract termination.</p>
<p><b>Conflict of Interest Mitigation</b> During the term of this contract, the Vendor shall comply with the terms of the DHS Organizational or Personal Conflict of Interest provisions.</p>	<ol style="list-style-type: none"> <li>1. The Vendor shall disclose all actual, apparent, or potential conflicts of interest to the Department of Human Services (DHS) within five (5) days of having knowledge of them.</li> <li>2. The Vendor shall develop a mitigation plan as requested by DHS which must be approved and accepted by DHS.</li> <li>3. Any changes to the approved mitigation plan must be approved in advance by DHS.</li> </ol>	<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. 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><b>Transition Plan</b></p> <ol style="list-style-type: none"> <li>1. All transition activity shall be included in the contract price. DHS reserves the right to request submission of a Transition Plan and/or the timely delivery of any DHS data, at any time, for any reason, during the contract term.</li> <li>2. Upon DHS request and within sixty (60) calendar days from the date of request, the Contractor shall submit for DHS approval, a detailed plan for transitioning all contracted services to DHS, or to another contractor selected by</li> </ol>	<p>The Vendor must maintain one hundred percent (100%) compliance with this item at all times throughout the term of the contract.</p>	<p>A \$10,000 penalty will be assessed per incident / per day of Insufficient Performance.</p> <p>Final payment may be withheld from the vendor until all elements of the transition are satisfied as determined by DHS.</p>

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<p>DHS to provide the contracted services. The Contractor shall not implement the plan until it has received DHS's written approval of the plan. The Contractor shall take all reasonable action to provide a minimally disruptive turnover.</p> <p>3. The plan must include, but is not limited to, the following:</p> <ul style="list-style-type: none"> <li>a. Contractor's proposed approach to the transition,</li> <li>b. Complete and updated system and user documentation,</li> <li>c. List of Contractor's tasks, subtasks, and schedule for all transition activities,</li> <li>d. Contractor's organizational chart and staffing matrix, for all staff responsible for transition activities including title, telephone number, and email address,</li> <li>e. Operational tasks and procedures necessary to support ongoing operations during transition,</li> <li>f. A detailed description of the services required by the new Contractor to complete the transition, and</li> <li>g. A detailed description of the transfer of proprietary data. DHS must pre-approve the format and delivery method of all proprietary data and the plan must include at minimum, the following: <ul style="list-style-type: none"> <li>i. Provisions for the delivery of all proprietary data collected and/or created during the life of the contract to DHS thirty (30) calendar days prior to the contract end date.</li> <li>ii. All proprietary data collected and/or created during the final thirty (30) business days of the contract, or any proprietary data not captured in the initial delivery, shall be</li> </ul> </li> </ul>		

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<p>delivered to DHS no more than fifteen (15) business days following the contract end date.</p> <p>iii. DHS reserves the right to request re-submission of any proprietary information deemed unacceptable after the Contractor's initial transfer.</p> <p>4. Contractor must work in good faith and cooperate with any new contractor and the State during a transition period. The incumbent Contractor must participate in any transitional meetings as requested by the new contractor and/or the State. Additionally, incumbent Contractor and new contractor shall coordinate and cooperate in the transition of services as follows:</p> <p>a. 120 days from contract end date, incumbent Contractor shall facilitate virtual "shoulder to shoulder" observation of all aspects of the day- to-day contractual operations by new contractor for thirty (30) days;</p> <p>b. Ninety (90) days from contract end date, new contractor shall assume primary contractual responsibilities and facilitate incumbent Contractor's virtual "shoulder to shoulder" support for thirty (30) days.</p> <p>c. Thirty (30) days from the contract end date, incumbent Contractor shall remain available for questions and technical assistance for new contractor and the State on an as-needed basis.</p> <p>5. Deliverable Acceptance Process: If DHS rejects a deliverable, DHS will give the Contractor a written description of the changes that must be made to the deliverable. This cycle of submission, review, rejection, revision, and resubmission shall be repeated until DHS accepts</p>		

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<p>the deliverable. The Contractor shall be liable for all costs associated with additional work related to deliverables rejected by DHS.</p> <p>6. Ten (10) business days after the completed transition, Contractor must provide DHS with a Transition Results Report documenting the results of each step of the Transition Plan. The transition shall not be considered complete until this document is approved by DHS.</p>		
<p><b>Arkansas Freedom of Information Act (Ark. Code Ann. § 25-19-101 et seq.):</b></p> <ol style="list-style-type: none"> <li>1. Contractor shall cooperate with DHS requests for information and documents that DHS requires to fulfil an Arkansas Freedom of Information Act (FOIA) request.</li> <li>2. Contractor shall timely provide all documents in its possession or control to DHS that match the request made by DHS.</li> </ol> <p>Contractor is subject to Arkansas FOIA law pursuant to Ark. Code Ann. §25-19-103(7)(A).</p> <ol style="list-style-type: none"> <li>3. Contractor shall timely and accurately respond to FOIA requests made directly to Contractor. See Ark. Code Ann. §25-19-101 et seq. for specific requirements.</li> <li>4. For all FOIA requests received, the Contractor shall also notify DHS of the request at <a href="mailto:DHS.FOIA@arkansas.gov">DHS.FOIA@arkansas.gov</a>.</li> </ol>	<p>Contractor shall respond to FOIA requests timely and accurately one hundred percent (100%) of the time.</p> <p>Contractor shall provide information and documents to DHS upon request in the timeframe specified in the request one hundred percent (100%) of the time. DHS shall have sole determination as to the sufficiency of Contractor's response and provision of documents.</p>	<p>For each failure to meet performance standard, DHS may impose:</p> <p>Up to a ten percent (10%) penalty will be assessed in the future months' payment to the Contractor for each failure to report. The penalty will be calculated from the total payment for the identified month the deficiency took place. DHS may elect to calculate penalties/damages differently per occurrence.</p> <p>Contractor shall be responsible for any penalties, fees, and costs imposed on DHS associated with Contractor's failure to timely and accurately provide the requested information and documents.</p>

<sup>i</sup> 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.