Department of Administration
Purchasing Division
2019 Washington Street East
Post Office Box 50130
Charleston, WV 25305-0130

State of West Virginia
Master Agreement

Order Date: 12-21-2023

CORRECT ORDER NUMBER MUST APPEAR ON ALL PACKAGES, INVOICES, AND SHIPPING PAPERS. QUESTIONS CONCERNING THIS ORDER SHOULD BE DIRECTED TO THE DEPARTMENT CONTACT.

Order Number:	CMA 0511 2662 BMS2400000003 1
Document Name:	FEA SUPPORT TO SELF-DIRECTION MEMBERSP
Document Description:	FEA SUPPORT TO SELF-DIRECTION MEMBERS
Procurement Type:	Central Master Agreement
Buyer Name:	
Telephone:	
Email:	
Shipping Method:	Best Way
Free on Board:	FOB Dest, Freight Prepaid

Procurement Folder: 1187213
Reason for Modification:

Effective Start Date: 2024-01-02
Effective End Date: 2025-01-01

VENDOR

Vendor Customer Code: VS0000009556
Palco, Inc.
17300 Chenal Pkwy

Little Rock AR 72223-5876
US
Vendor Contact Phone: 501-404-3571 **Extension:**

Discount Details:

	Discount Allowed	Discount Percentage	Discount Days
#1	No	0.0000	0
#2	No		
#3	No		
#4	No		

DEPARTMENT CONTACT

Requestor Name: Kelly (Jimmy) Dowden
Requestor Phone: (304) 356-4861
Requestor Email: jimmy.k.dowden@wv.gov

24
FILE LOCATION

INVOICE TO

PROCUREMENT OFFICER: 304-352-4286
HEALTH AND HUMAN RESOURCES

BUREAU FOR MEDICAL SERVICES

350 CAPITOL ST, RM 251

CHARLESTON WV 25301-3709

US

SHIP TO

PROCUREMENT OFFICER: 304-352-4286
HEALTH AND HUMAN RESOURCES

BUREAU FOR MEDICAL SERVICES

350 CAPITOL ST, RM 251

CHARLESTON WV 25301-3709

US

1-5-24 GC

Total Order Amount: Open End

Purchasing Division's File Copy

CH 12/21/23

PURCHASING DIVISION AUTHORIZATION
DATE: 1/5/24
ELECTRONIC SIGNATURE ON FILE

ATTORNEY GENERAL APPROVAL AS TO FORM
DATE:
ELECTRONIC SIGNATURE ON FILE

1/1/2024

ENCUMBRANCE CERTIFICATION
DATE: 1-12-24
ELECTRONIC SIGNATURE ON FILE

Extended Description:

THE VENDOR, PALCO, INC., AGREES TO ENTER WITH THE AGENCY, DEPARTMENT OF HEALTH AND HUMAN RESOURCES (DHHR), BUREAU FOR MEDICAL SERVICES (BMS), INTO AN OPEN-END CONTRACT TO PROVIDE FISCAL/EMPLOYER AGENT (F/EA) SUPPORT TO MEDICAID HOME AND COMMUNITY-BASED SERVICES (HCBS) MEMBERS WHO CHOOSE TO RECEIVE SELF-DIRECTED HCBS USING THE AGENCY'S PERSONAL OPTIONS MODEL PER THE TERMS AND CONDITIONS, SPECIFICATIONS, BID REQUIREMENTS, ADDENDUM 1 ISSUED 04/18/2023, ADDENDUM 2 ISSUED 05/02/2023, ADDENDUM 3 ISSUED 05/25/2023, ADDENDUM 4 ISSUED 05/26/2023, AND THE VENDOR'S PROPOSAL DATED 06/05/2023, INCORPORATED HEREIN BY REFERENCE, AND MADE A PART OF HEREOF.

Line	Commodity Code	Manufacturer	Model No	Unit	Unit Price
1	80000000				0.000000
	Service From	**Service To**		**Service Contract Amount**	
	2024-01-02	2024-04-01		0.00	

Commodity Line Description: Start-Up Costs (3 Months)

Extended Description:
Start-Up Costs (3 Months)

Enter Total Start-Up Costs

Line	Commodity Code	Manufacturer	Model No	Unit	Unit Price
2	80000000				0.000000
	Service From	**Service To**		**Service Contract Amount**	
	2024-04-02	2025-01-01		0.00	

Commodity Line Description: Fiscal Agent Support BY 1 (9 Months)

Extended Description:
Fiscal Agent Support Base Year One (9 Months)

Cost Per Member: $70.00

Line	Commodity Code	Manufacturer	Model No	Unit	Unit Price
3	80000000				0.000000
	Service From	**Service To**		**Service Contract Amount**	
	2024-04-02	2025-01-01		0.00	

Commodity Line Description: Fiscal Agency Supp for ADW Comm Trans Svc BY1-(9 Months)

Extended Description:
Fiscal Agency Support for ADW Community Transition Services-Base Year 1-(9 Months)

Cost Per Member: $70.00

Line	Commodity Code	Manufacturer	Model No	Unit	Unit Price
4	80000000				0.000000
	Service From	**Service To**		**Service Contract Amount**	
	2024-04-02	2025-01-01		0.00	

Commodity Line Description: Fiscal Mgnt Svc for TBI Comm Trans Svc BY1-(9 Months)

Extended Description:
Fiscal Management Services for TBI Community Transition Services-Base Year 1-(9 Months)

Cost Per Member: $70.00

Line	Commodity Code	Manufacturer	Model No	Unit	Unit Price
5	80000000				0.000000
	Service From	Service To		Service Contract Amount	
	2024-04-02	2025-01-01		0.00	

Commodity Line Description: Ad Hoc Reporting-Base Year 1 (9 Months)

Extended Description:
Ad Hoc Reporting-Base Year 1 (9 Months)

Cost Per Hour: $100.00

Line	Commodity Code	Manufacturer	Model No	Unit	Unit Price
6	80000000				0.000000
	Service From	Service To		Service Contract Amount	
	2024-04-02	2025-01-01		0.00	

Commodity Line Description: Additional Services-Base Year 1 (9 Months)

Extended Description:
Additional Services-Base Year 1 (9 Months)

Cost Per Hour: $100.00

Line	Commodity Code	Manufacturer	Model No	Unit	Unit Price
7	80000000				0.000000
	Service From	Service To		Service Contract Amount	
	2024-04-02	2025-01-01		0.00	

Commodity Line Description: Opt Svc-Resource Consulting (Waivers/TMH)-BY 1 (9 Mo)

Extended Description:
Optional Service-Resource Consulting (Waivers/TMH)-Base Year 1 (9 Months)

Cost Per Member: $95.00

Line	Commodity Code	Manufacturer	Model No	Unit	Unit Price
8	80000000				0.000000
	Service From	Service To		Service Contract Amount	
	2024-04-02	2025-01-01		0.00	

Commodity Line Description: Opt Svc-Pers Care Fiscal Agent Support -BY 1 (9 Mo)

Extended Description:
Optional Service-Personal Care Fiscal Agent Support -Base Year 1 (9 Mo)

Cost Per Member: $70.00

Line	Commodity Code	Manufacturer	Model No	Unit	Unit Price
9	80000000				0.000000
	Service From	Service To		Service Contract Amount	
	2024-04-02	2025-01-01		0.00	

Commodity Line Description: Opt Svc-PC Resource Consulting -BY 1 (9 Mo)

Extended Description:
Optional Service-Personal Care Resource Consulting-Base Year 1 (9 Mo)

Cost Per Member: $95.00

GENERAL TERMS AND CONDITIONS:

1. CONTRACTUAL AGREEMENT: Issuance of an Award Document signed by the Purchasing Division Director, or his designee, and approved as to form by the Attorney General's office constitutes acceptance by the State of this Contract made by and between the State of West Virginia and the Vendor. Vendor's signature on its bid, or on the Contract if the Contract is not the result of a bid solicitation, signifies Vendor's agreement to be bound by and accept the terms and conditions contained in this Contract.

2. DEFINITIONS: As used in this Solicitation/Contract, the following terms shall have the meanings attributed to them below. Additional definitions may be found in the specifications included with this Solicitation/Contract.

2.1. "Agency" or **"Agencies"** means the agency, board, commission, or other entity of the State of West Virginia that is identified on the first page of the Solicitation or any other public entity seeking to procure goods or services under this Contract.

2.2. "Bid" or **"Proposal"** means the vendors submitted response to this solicitation.

2.3. "Contract" means the binding agreement that is entered into between the State and the Vendor to provide the goods or services requested in the Solicitation.

2.4. "Director" means the Director of the West Virginia Department of Administration, Purchasing Division.

2.5. "Purchasing Division" means the West Virginia Department of Administration, Purchasing Division.

2.6. "Award Document" means the document signed by the Agency and the Purchasing Division, and approved as to form by the Attorney General, that identifies the Vendor as the contract holder.

2.7. "Solicitation" means the official notice of an opportunity to supply the State with goods or services that is published by the Purchasing Division.

2.8. "State" means the State of West Virginia and/or any of its agencies, commissions, boards, etc. as context requires.

2.9. "Vendor" or **"Vendors"** means any entity submitting a bid in response to the Solicitation, the entity that has been selected as the lowest responsible bidder, or the entity that has been awarded the Contract as context requires.

3. CONTRACT TERM; RENEWAL; EXTENSION: The term of this Contract shall be determined in accordance with the category that has been identified as applicable to this Contract below:

☑ **Term Contract**

Initial Contract Term: The Initial Contract Term will be for a period of one (1) year. The Initial Contract Term becomes effective on the effective start date listed on the first page of this Contract, identified as the State of West Virginia contract cover page containing the signatures of the Purchasing Division, Attorney General, and Encumbrance clerk (or another page identified as ______________________), and the Initial Contract Term ends on the effective end date also shown on the first page of this Contract.

Renewal Term: This Contract may be renewed upon the mutual written consent of the Agency, and the Vendor, with approval of the Purchasing Division and the Attorney General's office (Attorney General approval is as to form only). Any request for renewal should be delivered to the Agency and then submitted to the Purchasing Division thirty (30) days prior to the expiration date of the initial contract term or appropriate renewal term. A Contract renewal shall be in accordance with the terms and conditions of the original contract. Unless otherwise specified below, renewal of this Contract is limited to five (5) successive one (1) year periods or multiple renewal periods of less than one year, provided that the multiple renewal periods do not exceed the total number of months available in all renewal years combined. Automatic renewal of this Contract is prohibited. Renewals must be approved by the Vendor, Agency, Purchasing Division and Attorney General's office (Attorney General approval is as to form only)

> ☐ **Alternate Renewal Term** – This contract may be renewed for ______________ successive __________ year periods or shorter periods provided that they do not exceed the total number of months contained in all available renewals. Automatic renewal of this Contract is prohibited. Renewals must be approved by the Vendor, Agency, Purchasing Division and Attorney General's office (Attorney General approval is as to form only)

Delivery Order Limitations: In the event that this contract permits delivery orders, a delivery order may only be issued during the time this Contract is in effect. Any delivery order issued within one year of the expiration of this Contract shall be effective for one year from the date the delivery order is issued. No delivery order may be extended beyond one year after this Contract has expired.

☐ **Fixed Period Contract:** This Contract becomes effective upon Vendor's receipt of the notice to proceed and must be completed within ______________________ days.

☐ **Fixed Period Contract with Renewals:** This Contract becomes effective upon Vendor's receipt of the notice to proceed and part of the Contract more fully described in the attached specifications must be completed within ________________ days. Upon completion of the work covered by the preceding sentence, the vendor agrees that:

☐ the contract will continue for ________________ years;

☐ the contract may be renewed for ________________ successive __________ year periods or shorter periods provided that they do not exceed the total number of months contained in all available renewals. Automatic renewal of this Contract is prohibited. Renewals must be approved by the Vendor, Agency, Purchasing Division and Attorney General's Office (Attorney General approval is as to form only).

☐ **One-Time Purchase:** The term of this Contract shall run from the issuance of the Award Document until all of the goods contracted for have been delivered, but in no event will this Contract extend for more than one fiscal year.

☐ **Construction/Project Oversight:** This Contract becomes effective on the effective start date listed on the first page of this Contract, identified as the State of West Virginia contract cover page containing the signatures of the Purchasing Division, Attorney General, and Encumbrance clerk (or another page identified as ________________________________), and continues until the project for which the vendor is providing oversight is complete.

☐ **Other:** Contract Term specified in ______________________

4. AUTHORITY TO PROCEED: Vendor is authorized to begin performance of this contract on the date of encumbrance listed on the front page of the Award Document unless either the box for "Fixed Period Contract" or "Fixed Period Contract with Renewals" has been checked in Section 3 above. If either "Fixed Period Contract" or "Fixed Period Contract with Renewals" has been checked, Vendor must not begin work until it receives a separate notice to proceed from the State. The notice to proceed will then be incorporated into the Contract via change order to memorialize the official date that work commenced.

5. QUANTITIES: The quantities required under this Contract shall be determined in accordance with the category that has been identified as applicable to this Contract below.

☐ **Open End Contract:** Quantities listed in this Solicitation/Award Document are approximations only, based on estimates supplied by the Agency. It is understood and agreed that the Contract shall cover the quantities actually ordered for delivery during the term of the Contract, whether more or less than the quantities shown.

☑ **Service:** The scope of the service to be provided will be more clearly defined in the specifications included herewith.

☐ **Combined Service and Goods:** The scope of the service and deliverable goods to be provided will be more clearly defined in the specifications included herewith.

☐ **One-Time Purchase:** This Contract is for the purchase of a set quantity of goods that are identified in the specifications included herewith. Once those items have been delivered, no additional goods may be procured under this Contract without an appropriate change order approved by the Vendor, Agency, Purchasing Division, and Attorney General's office.

☐ **Construction:** This Contract is for construction activity more fully defined in the specifications.

6. EMERGENCY PURCHASES: The Purchasing Division Director may authorize the Agency to purchase goods or services in the open market that Vendor would otherwise provide under this Contract if those goods or services are for immediate or expedited delivery in an emergency. Emergencies shall include, but are not limited to, delays in transportation or an unanticipated increase in the volume of work. An emergency purchase in the open market, approved by the Purchasing Division Director, shall not constitute of breach of this Contract and shall not entitle the Vendor to any form of compensation or damages. This provision does not excuse the State from fulfilling its obligations under a One-Time Purchase contract.

7. REQUIRED DOCUMENTS: All of the items checked in this section must be provided to the Purchasing Division by the Vendor as specified:

☐ **LICENSE(S) / CERTIFICATIONS / PERMITS:** In addition to anything required under the Section of the General Terms and Conditions entitled Licensing, the apparent successful Vendor shall furnish proof of the following licenses, certifications, and/or permits upon request and in a form acceptable to the State. The request may be prior to or after contract award at the State's sole discretion.

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The apparent successful Vendor shall also furnish proof of any additional licenses or certifications contained in the specifications regardless of whether or not that requirement is listed above.

8. INSURANCE: The apparent successful Vendor shall furnish proof of the insurance identified by a checkmark below prior to Contract award. The insurance coverages identified below must be maintained throughout the life of this contract. Thirty (30) days prior to the expiration of the insurance policies, Vendor shall provide the Agency with proof that the insurance mandated herein has been continued. Vendor must also provide Agency with immediate notice of any changes in its insurance policies, including but not limited to, policy cancelation, policy reduction, or change in insurers. The apparent successful Vendor shall also furnish proof of any additional insurance requirements contained in the specifications prior to Contract award regardless of whether that insurance requirement is listed in this section.

Vendor must maintain:

☑ **Commercial General Liability Insurance** in at least an amount of: $1,000,000.00 per occurrence.

☑ **Automobile Liability Insurance** in at least an amount of: $1,000,000.00 per occurrence.

☑ **Professional/Malpractice/Errors and Omission Insurance** in at least an amount of: $1,000,000.00 per occurrence. Notwithstanding the forgoing, Vendor's are not required to list the State as an additional insured for this type of policy.

☐ **Commercial Crime and Third Party Fidelity Insurance** in an amount of: ________________ per occurrence.

☑ **Cyber Liability Insurance** in an amount of: $1,000,000.00 per occurrence.

☐ **Builders Risk Insurance** in an amount equal to 100% of the amount of the Contract.

☐ **Pollution Insurance** in an amount of: ________________ per occurrence.

☐ **Aircraft Liability** in an amount of: ________________ per occurrence.

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9. WORKERS' COMPENSATION INSURANCE: Vendor shall comply with laws relating to workers compensation, shall maintain workers' compensation insurance when required, and shall furnish proof of workers' compensation insurance upon request.

10. VENUE: All legal actions for damages brought by Vendor against the State shall be brought in the West Virginia Claims Commission. Other causes of action must be brought in the West Virginia court authorized by statute to exercise jurisdiction over it.

11. LIQUIDATED DAMAGES: This clause shall in no way be considered exclusive and shall not limit the State or Agency's right to pursue any other available remedy. Vendor shall pay liquidated damages in the amount specified below or as described in the specifications:

☐ ______________________ for ______________________________.

☐ Liquidated Damages Contained in the Specifications.

☑ Liquidated Damages Are Not Included in this Contract.

12. ACCEPTANCE: Vendor's signature on its bid, or on the certification and signature page, constitutes an offer to the State that cannot be unilaterally withdrawn, signifies that the product or service proposed by vendor meets the mandatory requirements contained in the Solicitation for that product or service, unless otherwise indicated, and signifies acceptance of the terms and conditions contained in the Solicitation unless otherwise indicated.

13. PRICING: The pricing set forth herein is firm for the life of the Contract, unless specified elsewhere within this Solicitation/Contract by the State. A Vendor's inclusion of price adjustment provisions in its bid, without an express authorization from the State in the Solicitation to do so, may result in bid disqualification. Notwithstanding the foregoing, Vendor must extend any publicly advertised sale price to the State and invoice at the lower of the contract price or the publicly advertised sale price.

14. PAYMENT IN ARREARS: Payments for goods/services will be made in arrears only upon receipt of a proper invoice, detailing the goods/services provided or receipt of the goods/services, whichever is later. Notwithstanding the foregoing, payments for software maintenance, licenses, or subscriptions may be paid annually in advance.

15. PAYMENT METHODS: Vendor must accept payment by electronic funds transfer and P-Card. (The State of West Virginia's Purchasing Card program, administered under contract by a banking institution, processes payment for goods and services through state designated credit cards.)

16. TAXES: The Vendor shall pay any applicable sales, use, personal property or any other taxes arising out of this Contract and the transactions contemplated thereby. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.

17. ADDITIONAL FEES: Vendor is not permitted to charge additional fees or assess additional charges that were not either expressly provided for in the solicitation published by the State of West Virginia, included in the Contract, or included in the unit price or lump sum bid amount that Vendor is required by the solicitation to provide. Including such fees or charges as notes to the solicitation may result in rejection of vendor's bid. Requesting such fees or charges be paid after the contract has been awarded may result in cancellation of the contract.

18. FUNDING: This Contract shall continue for the term stated herein, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise made available, this Contract becomes void and of no effect beginning on July 1 of the fiscal year for which funding has not been appropriated or otherwise made available. If that occurs, the State may notify the Vendor that an alternative source of funding has been obtained and thereby avoid the automatic termination. Non-appropriation or non-funding shall not be considered an event of default.

19. CANCELLATION: The Purchasing Division Director reserves the right to cancel this Contract immediately upon written notice to the vendor if the materials or workmanship supplied do not conform to the specifications contained in the Contract. The Purchasing Division Director may also cancel any purchase or Contract upon 30 days written notice to the Vendor in accordance with West Virginia Code of State Rules § 148-1-5.2.b.

20. TIME: Time is of the essence regarding all matters of time and performance in this Contract.

21. APPLICABLE LAW: This Contract is governed by and interpreted under West Virginia law without giving effect to its choice of law principles. Any information provided in specification manuals, or any other source, verbal or written, which contradicts or violates the West Virginia Constitution, West Virginia Code, or West Virginia Code of State Rules is void and of no effect.

22. COMPLIANCE WITH LAWS: Vendor shall comply with all applicable federal, state, and local laws, regulations and ordinances. By submitting a bid, Vendor acknowledges that it has reviewed, understands, and will comply with all applicable laws, regulations, and ordinances.

> **SUBCONTRACTOR COMPLIANCE:** Vendor shall notify all subcontractors providing commodities or services related to this Contract that as subcontractors, they too are required to comply with all applicable laws, regulations, and ordinances. Notification under this provision must occur prior to the performance of any work under the contract by the subcontractor.

23. ARBITRATION: Any references made to arbitration contained in this Contract, Vendor's bid, or in any American Institute of Architects documents pertaining to this Contract are hereby deleted, void, and of no effect.

24. MODIFICATIONS: This writing is the parties' final expression of intent. Notwithstanding anything contained in this Contract to the contrary no modification of this Contract shall be binding without mutual written consent of the Agency, and the Vendor, with approval of the Purchasing Division and the Attorney General's office (Attorney General approval is as to form only). Any change to existing contracts that adds work or changes contract cost, and were not included in the original contract, must be approved by the Purchasing Division and the Attorney General's Office (as to form) prior to the implementation of the change or commencement of work affected by the change.

25. WAIVER: The failure of either party to insist upon a strict performance of any of the terms or provision of this Contract, or to exercise any option, right, or remedy herein contained, shall not be construed as a waiver or a relinquishment for the future of such term, provision, option, right, or remedy, but the same shall continue in full force and effect. Any waiver must be expressly stated in writing and signed by the waiving party.

26. SUBSEQUENT FORMS: The terms and conditions contained in this Contract shall supersede any and all subsequent terms and conditions which may appear on any form documents submitted by Vendor to the Agency or Purchasing Division such as price lists, order forms, invoices, sales agreements, or maintenance agreements, and includes internet websites or other electronic documents. Acceptance or use of Vendor's forms does not constitute acceptance of the terms and conditions contained thereon.

27. ASSIGNMENT: Neither this Contract nor any monies due, or to become due hereunder, may be assigned by the Vendor without the express written consent of the Agency, the Purchasing Division, the Attorney General's office (as to form only), and any other government agency or office that may be required to approve such assignments.

28. WARRANTY: The Vendor expressly warrants that the goods and/or services covered by this Contract will: (a) conform to the specifications, drawings, samples, or other description furnished or specified by the Agency; (b) be merchantable and fit for the purpose intended; and (c) be free from defect in material and workmanship.

29. STATE EMPLOYEES: State employees are not permitted to utilize this Contract for personal use and the Vendor is prohibited from permitting or facilitating the same.

30. PRIVACY, SECURITY, AND CONFIDENTIALITY: The Vendor agrees that it will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the Agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure is made pursuant to the Agency's policies, procedures, and rules. Vendor further agrees to comply with the Confidentiality Policies and Information Security Accountability Requirements, set forth in http://www.state.wv.us/admin/purchase/privacy/default.html.

31. YOUR SUBMISSION IS A PUBLIC DOCUMENT: Vendor's entire response to the Solicitation and the resulting Contract are public documents. As public documents, they will be disclosed to the public following the bid/proposal opening or award of the contract, as required by the competitive bidding laws of West Virginia Code §§ 5A-3-1 et seq., 5-22-1 et seq., and 5G-1-1 et seq. and the Freedom of Information Act West Virginia Code §§ 29B-1-1 et seq.

DO NOT SUBMIT MATERIAL YOU CONSIDER TO BE CONFIDENTIAL, A TRADE SECRET, OR OTHERWISE NOT SUBJECT TO PUBLIC DISCLOSURE.

Submission of any bid, proposal, or other document to the Purchasing Division constitutes your explicit consent to the subsequent public disclosure of the bid, proposal, or document. The Purchasing Division will disclose any document labeled "confidential," "proprietary," "trade secret," "private," or labeled with any other claim against public disclosure of the documents, to include any "trade secrets" as defined by West Virginia Code § 47-22-1 et seq. All submissions are subject to public disclosure without notice.

32. LICENSING: In accordance with West Virginia Code of State Rules § 148-1-6.1.e, Vendor must be licensed and in good standing in accordance with any and all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, West Virginia Insurance Commission, or any other state agency or political subdivision. Obligations related to political subdivisions may include, but are not limited to, business licensing, business and occupation taxes, inspection compliance, permitting, etc. Upon request, the Vendor must provide all necessary releases to obtain information to enable the Purchasing Division Director or the Agency to verify that the Vendor is licensed and in good standing with the above entities.

SUBCONTRACTOR COMPLIANCE: Vendor shall notify all subcontractors providing commodities or services related to this Contract that as subcontractors, they too are required to be licensed, in good standing, and up-to-date on all state and local obligations as described in this section. Obligations related to political subdivisions may include, but are not limited to, business licensing, business and occupation taxes, inspection compliance, permitting, etc. Notification under this provision must occur prior to the performance of any work under the contract by the subcontractor.

33. ANTITRUST: In submitting a bid to, signing a contract with, or accepting a Award Document from any agency of the State of West Virginia, the Vendor agrees to convey, sell, assign, or transfer to the State of West Virginia all rights, title, and interest in and to all causes of action it may now or hereafter acquire under the antitrust laws of the United States and the State of West Virginia for price fixing and/or unreasonable restraints of trade relating to the particular commodities or services purchased or acquired by the State of West Virginia. Such assignment shall be made and become effective at the time the purchasing agency tenders the initial payment to Vendor.

34. VENDOR NON-CONFLICT: Neither Vendor nor its representatives are permitted to have any interest, nor shall they acquire any interest, direct or indirect, which would compromise the performance of its services hereunder. Any such interests shall be promptly presented in detail to the Agency.

35. VENDOR RELATIONSHIP: The relationship of the Vendor to the State shall be that of an independent contractor and no principal-agent relationship or employer-employee relationship is contemplated or created by this Contract. The Vendor as an independent contractor is solely liable for the acts and omissions of its employees and agents. Vendor shall be responsible for selecting, supervising, and compensating any and all individuals employed pursuant to the terms of this Solicitation and resulting contract. Neither the Vendor, nor any employees or subcontractors of the Vendor, shall be deemed to be employees of the State for any purpose whatsoever. Vendor shall be exclusively responsible for payment of employees and contractors for all wages and salaries, taxes, withholding payments, penalties, fees, fringe benefits, professional liability insurance premiums, contributions to insurance and pension, or other deferred compensation plans, including but not limited to, Workers' Compensation and Social Security obligations, licensing fees, etc. and the filing of all necessary documents, forms, and returns pertinent to all of the foregoing.

Vendor shall hold harmless the State, and shall provide the State and Agency with a defense against any and all claims including, but not limited to, the foregoing payments, withholdings, contributions, taxes, Social Security taxes, and employer income tax returns.

36. INDEMNIFICATION: The Vendor agrees to indemnify, defend, and hold harmless the State and the Agency, their officers, and employees from and against: (1) Any claims or losses for services rendered by any subcontractor, person, or firm performing or supplying services, materials, or supplies in connection with the performance of the Contract; (2) Any claims or losses resulting to any person or entity injured or damaged by the Vendor, its officers, employees, or subcontractors by the publication, translation, reproduction, delivery, performance, use, or disposition of any data used under the Contract in a manner not authorized by the Contract, or by Federal or State statutes or regulations; and (3) Any failure of the Vendor, its officers, employees, or subcontractors to observe State and Federal laws including, but not limited to, labor and wage and hour laws.

37. NO DEBT CERTIFICATION: In accordance with West Virginia Code §§ 5A-3-10a and 5-22-1(i), the State is prohibited from awarding a contract to any bidder that owes a debt to the State or a political subdivision of the State. By submitting a bid, or entering into a contract with the State, Vendor is affirming that (1) for construction contracts, the Vendor is not in default on any monetary obligation owed to the state or a political subdivision of the state, and (2) for all other contracts, neither the Vendor nor any related party owe a debt as defined above, and neither the Vendor nor any related party are in employer default as defined in the statute cited above unless the debt or employer default is permitted under the statute.

38. CONFLICT OF INTEREST: Vendor, its officers or members or employees, shall not presently have or acquire an interest, direct or indirect, which would conflict with or compromise the performance of its obligations hereunder. Vendor shall periodically inquire of its officers, members and employees to ensure that a conflict of interest does not arise. Any conflict of interest discovered shall be promptly presented in detail to the Agency.

39. REPORTS: Vendor shall provide the Agency and/or the Purchasing Division with the following reports identified by a checked box below:

☑ Such reports as the Agency and/or the Purchasing Division may request. Requested reports may include, but are not limited to, quantities purchased, agencies utilizing the contract, total contract expenditures by agency, etc.

☐ Quarterly reports detailing the total quantity of purchases in units and dollars, along with a listing of purchases by agency. Quarterly reports should be delivered to the Purchasing Division via email at purchasing.division@wv.gov.

40. BACKGROUND CHECK: In accordance with W. Va. Code § 15-2D-3, the State reserves the right to prohibit a service provider's employees from accessing sensitive or critical information or to be present at the Capitol complex based upon results addressed from a criminal background check. Service providers should contact the West Virginia Division of Protective Services by phone at (304) 558-9911 for more information.

41. PREFERENCE FOR USE OF DOMESTIC STEEL PRODUCTS: Except when authorized by the Director of the Purchasing Division pursuant to W. Va. Code § 5A-3-56, no contractor may use or supply steel products for a State Contract Project other than those steel products made in the United States. A contractor who uses steel products in violation of this section may be subject to civil penalties pursuant to W. Va. Code § 5A-3-56. As used in this section:

a. "State Contract Project" means any erection or construction of, or any addition to, alteration of or other improvement to any building or structure, including, but not limited to, roads or highways, or the installation of any heating or cooling or ventilating plants or other equipment, or the supply of and materials for such projects, pursuant to a contract with the State of West Virginia for which bids were solicited on or after June 6, 2001.

b. "Steel Products" means products rolled, formed, shaped, drawn, extruded, forged, cast, fabricated or otherwise similarly processed, or processed by a combination of two or more or such operations, from steel made by the open heath, basic oxygen, electric furnace, Bessemer or other steel making process.

c. The Purchasing Division Director may, in writing, authorize the use of foreign steel products if:

   1. The cost for each contract item used does not exceed one tenth of one percent (.1%) of the total contract cost or two thousand five hundred dollars ($2,500.00), whichever is greater. For the purposes of this section, the cost is the value of the steel product as delivered to the project; or

   2. The Director of the Purchasing Division determines that specified steel materials are not produced in the United States in sufficient quantity or otherwise are not reasonably available to meet contract requirements.

42. PREFERENCE FOR USE OF DOMESTIC ALUMINUM, GLASS, AND STEEL: In Accordance with W. Va. Code § 5-19-1 et seq., and W. Va. CSR § 148-10-1 et seq., for every contract or subcontract, subject to the limitations contained herein, for the construction, reconstruction, alteration, repair, improvement or maintenance of public works or for the purchase of any item of machinery or equipment to be used at sites of public works, only domestic aluminum, glass or steel products shall be supplied unless the spending officer determines, in writing, after the receipt of offers or bids, (1) that the cost of domestic aluminum, glass or steel products is unreasonable or inconsistent with the public interest of the State of West Virginia, (2) that domestic aluminum, glass or steel products are not produced in sufficient quantities to meet the contract requirements, or (3) the available domestic aluminum, glass, or steel do not meet the contract specifications. This provision only applies to public works contracts awarded in an amount more than fifty thousand dollars ($50,000) or public works contracts that require more than ten thousand pounds of steel products.

The cost of domestic aluminum, glass, or steel products may be unreasonable if the cost is more than twenty percent (20%) of the bid or offered price for foreign made aluminum, glass, or steel products. If the domestic aluminum, glass or steel products to be supplied or produced in a "substantial labor surplus area", as defined by the United States Department of Labor, the cost of domestic aluminum, glass, or steel products may be unreasonable if the cost is more than thirty percent (30%) of the bid or offered price for foreign made aluminum, glass, or steel products. This preference shall be applied to an item of machinery or equipment, as indicated above, when the item is a single unit of equipment or machinery manufactured primarily of aluminum, glass or steel, is part of a public works contract and has the sole purpose or of being a permanent part of a single public works project. This provision does not apply to equipment or machinery purchased by a spending unit for use by that spending unit and not as part of a single public works project.

All bids and offers including domestic aluminum, glass or steel products that exceed bid or offer prices including foreign aluminum, glass or steel products after application of the preferences provided in this provision may be reduced to a price equal to or lower than the lowest bid or offer price for foreign aluminum, glass or steel products plus the applicable preference. If the reduced bid or offer prices are made in writing and supersede the prior bid or offer prices, all bids or offers, including the reduced bid or offer prices, will be reevaluated in accordance with this rule.

43. INTERESTED PARTY SUPPLEMENTAL DISCLOSURE: W. Va. Code § 6D-1-2 requires that for contracts with an actual or estimated value of at least $1 million, the Vendor must submit to the Agency a disclosure of interested parties prior to beginning work under this Contract. Additionally, the Vendor must submit a supplemental disclosure of interested parties reflecting any new or differing interested parties to the contract, which were not included in the original pre-work interested party disclosure, within 30 days following the completion or termination of the contract. A copy of that form is included with this solicitation or can be obtained from the WV Ethics Commission. This requirement does not apply to publicly traded companies listed on a national or international stock exchange. A more detailed definition of interested parties can be obtained from the form referenced above.

44. PROHIBITION AGAINST USED OR REFURBISHED: Unless expressly permitted in the solicitation published by the State, Vendor must provide new, unused commodities, and is prohibited from supplying used or refurbished commodities, in fulfilling its responsibilities under this Contract.

45. VOID CONTRACT CLAUSES: This Contract is subject to the provisions of West Virginia Code § 5A-3-62, which automatically voids certain contract clauses that violate State law.

46. ISRAEL BOYCOTT: Bidder understands and agrees that, pursuant to W. Va. Code § 5A-3-63, it is prohibited from engaging in a boycott of Israel during the term of this contract.

DESIGNATED CONTACT: Vendor appoints the individual identified in this Section as the Contract Administrator and the initial point of contact for matters relating to this Contract.

(Printed Name and Title) Alicia Paladino, Chief Executive Officer

(Address) 17300 Chenal Pkwy. Ste. 300 Little Rock AR 72223

(Phone Number) / (Fax Number) 501-604-9936

(Email address) alicia@palcofirst.com

CERTIFICATION AND SIGNATURE: By signing below, or submitting documentation through *wv*OASIS, I certify that: I have reviewed this Solicitation/Contract in its entirety; that I understand the requirements, terms and conditions, and other information contained herein; that this bid, offer or proposal constitutes an offer to the State that cannot be unilaterally withdrawn; that the product or service proposed meets the mandatory requirements contained in the Solicitation/Contract for that product or service, unless otherwise stated herein; that the Vendor accepts the terms and conditions contained in the Solicitation, unless otherwise stated herein; that I am submitting this bid, offer or proposal for review and consideration; that this bid or offer was made without prior understanding, agreement, or connection with any entity submitting a bid or offer for the same material, supplies, equipment or services; that this bid or offer is in all respects fair and without collusion or fraud; that this Contract is accepted or entered into without any prior understanding, agreement, or connection to any other entity that could be considered a violation of law; that I am authorized by the Vendor to execute and submit this bid, offer, or proposal, or any documents related thereto on Vendor's behalf; that I am authorized to bind the vendor in a contractual relationship; and that to the best of my knowledge, the vendor has properly registered with any State agency that may require registration.

By signing below, I further certify that I understand this Contract is subject to the provisions of West Virginia Code § 5A-3-62, which automatically voids certain contract clauses that violate State law; and that pursuant to W. Va. Code 5A-3-63, the entity entering into this contract is prohibited from engaging in a boycott against Israel.

Palco Inc

(Company)

(Signature of Authorized Representative)

Alicia Paladino, Chief Executive Officer

(Printed Name and Title of Authorized Representative) (Date)

501-604-9936

(Phone Number) (Fax Number)

alicia@palcofirst.com

(Email Address)

Technical Response

I. Project Goals and Proposed Approach

Goals and Objectives

The Vendor should describe its approach and methodology to providing the service described by meeting the goals/objectives identified below. Vendor's response should include any information about how the proposed approach is superior to the other possible approaches.

✓4.2.1.1

Efficient & Cost-Effective F/EA FMS

Thank you for the opportunity to submit this response to Solicitation CRFP 0511-BMS2300000003. We are proud to introduce Palco's efficient and cost-effective solutions to support the West Virginia Department of Health and Human Services, Bureau for Medical Services (the "Agency") in delivering Government Subagent-Fiscal/Employer Agent (F/EA) Financial Management Services (FMS) and Resource Consulting (RC) to eligible West Virginians who choose to self-direct their Home and Community Based Services (HCBS) using the Agency's Personal Options Model. We are excited for the opportunity to serve members enrolled in the West Virginia Aged and Disabled Waiver (ADW), Intellectual/Developmental Disabilities Waiver (IDDW), Traumatic Brain Injury Waiver (TBIW), and the Take Me Home (TMH) / Money Follows the Person (MFP) program.

As you read this proposal, you will find that:

- ✔ **Palco has 25 years of F/EA FMS experience.** Our footprint spans across the United States, where we process half a billion dollars in participant-directed goods and services annually.
- ✔ **Palco has 10 years of Resource Consulting experience** founded on the principles of person-centered planning and self-determination philosophies for a diverse group of individuals.
- ✔ **We focus on you.** Your goals and objectives are important to us. We listen.

- **We have the tools and infrastructure to support individuals and the program.** We offer a best-in-class Case Management Portal (CMP) technology suite with end-to-end solutions from enrollment to paycheck.
- **We meet or exceed all of the mandatory specifications required and have demonstrated in writing our ability to meet all specifications for the state of West Virginia.**

Palco, Inc. was built out of a Certified Public Accounting firm and is still 100% CPA-owned today. When you hire Palco, you can rest assured that you are supported by a company who can handle the ever-changing landscape of self-direction payroll and tax filings. Our staff wrote the book on F/EA practices for the industry while working with the nation's first Cash and Counseling self-directed program in the 1990s. Not only do we understand Internal Revenue Code §3504, IRS Rev. Proc. 2013-39, and complex Department of Labor regulations, but we have the skillset to analyze and apply these rules to your program.

When you partner with Palco, you gain a leadership team focused on the right things. Our leadership team is 100% CPA and privately owned. Our leadership ensures that you won't be competing with the agenda of a venture capitalist that many FMS vendors in the sector now have. Our focus is on meeting our clients' needs with quality. Our business practices and streamlined approach to program onboarding ensure that our system configurations will meet your needs on day one without expensive change orders and lengthy development times. We are disciplined in strictly monitoring both the local and national landscape to proactively account for changes to the service industry as well as federal, state, and local regulations. Palco will be a partner that West Virginia can count on for growing the self-directed program and bringing the highest quality approach to FMS services that stakeholders have ever seen.

Palco's approach to Resource Consultant (RC) services is committed to giving every member the personalized and custom training and education necessary to help them succeed. With a community-based team, you know that there is an RC assigned to each member. A local Palco RC can offer a connection and support to resource navigation and self-directed management that is unmatched.

Each individual is supported through our live-person Customer Support Center, filled with person-centered, trained, patient and kind, multilingual Palco employees. We are committed to no wait times, first call resolutions, and subject matter expert support at the end of every interaction.

Palco regularly collaborates with our Agency partners to identify solutions that benefit all users. This is best showcased by our Case Management Portal (CMP).

Palco's cloud-native and 24/7 accessible Case Management Portal serves as the repository for all program data and operations. This modern technology platform, built in house and designed for self-direction, is the backbone of the Palco service delivery. It contains various modules for case management (records, member info), accounting (utilization, pay ledger/history, repository of pay rates and employer cost rates, exemptions, tax rates, workers' comp, budgets), billing, enrollment, time entry, and reporting.

The Portal was designed with an eye toward the user experience. We know that the key to running successful self-direction programs is providing 24/7, real-time information to members, workers, case managers, and Agency staff. Palco's CMP provides administrative transparency and immediate access to data, and the benefits are endless.

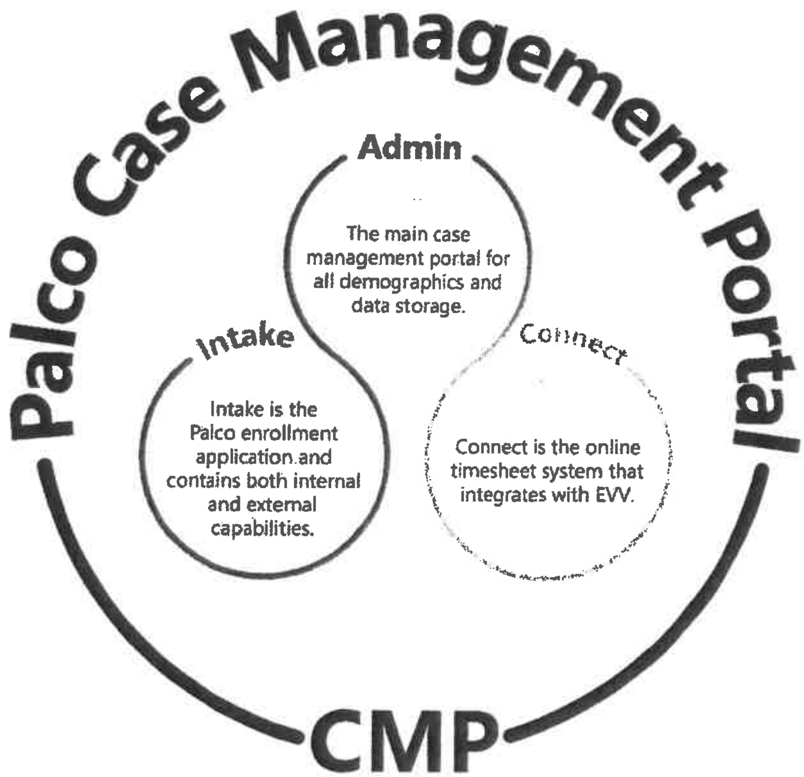
State/Agency Benefits

- Secure, 24/7 access to information at your fingertips.
- Dashboard views of trends and data.
- On-demand analysis and reporting.
- 21st Century Cures Act compliant EVV solution, built with self-direction in mind.
- Configurable modules for supporting service authorizations and billing claims management.
- Tailored access for Agency and case manager staff at all organizational levels, giving external parties access to information necessary to best support the members efficiently and successfully.
- Proven success with integration to a variety of platforms, including MMIS, Managed Care systems, and prior authorization/eligibility technologies, with the capacity for integration with future technologies, as required.
- Scalable to meet demands of any sized program.
- 100% compliance with federal and state regulations.

Member/Employer of Record, Worker, and Vendor Benefits

- Enrolling member/representative-employers and direct care support workers (DCSWs) in <u>under 3 minutes.</u>
- Online time submissions with real-time error messages that allow users to fix mistakes instantly.
- Self-service tools and tracking.
- Visibility on budget utilization for employers.
- On-demand access to paystubs and forms, such as W-2s.
- Ability to update information without having to fax or mail forms.
- Online submission of vendor payments.
- Live chat with Palco agents.

Figure 1: Palco Case Management Portal



Additional Benefits:

Workflow Management
Dynamic permission sets with workflow management capabilities for tasking and notifications.

Advanced Budgeting Tool
Custom budgeting suite with statuses, justifications, and service configurations that allows for person-centered plan development.

Payroll Processing
Enhanced and customized payroll validations built with intricacies of self-direction and Medicaid/program rules in mind.

On-Demand Reporting
24/7 cloud-based reporting provides access to data on demand with a library of standard and custom program reports.

Through our modern approach to service delivery and technology, the Palco tools ensure that individuals receiving services are not administratively burdened and can focus on what matters most – having their health needs met.

Our conceptualization and creative, skillful implementation of technology means that we always accomplish contract outcomes. In every program we work with, we have collaborated with our partners and key program stakeholders to deliver effective Resource Consultant services, F/EA, Agency with Choice FMS, or F/EA subagent services that are both efficient and cost-effective. We have provided Financial Management Services for 25 years and Support Brokerage (Resource Consultant) services for over a decade. Today, we serve diverse populations, including aging Americans and individuals with ID/DD, across nine states. Our mission is to provide the best quality services and support to our 10,000 participants/members, 24,000 workers, 2,000 vendors, and 500 Personal Care Agencies.

Our demonstrated capabilities have impacted programs to run efficiently, cost-effectively, and to collaboratively dismantle technological impediments. We are most proud of that because it takes a team to create efficiency. It stems from collaboration, communication, great planning, and people working toward a common goal. We would appreciate the opportunity to bring our experience to West Virginia and show you how we can meet program objectives together.

✓4.2.1.2, 4.2.1.3, 4.2.1.5

Policies & Procedures

Palco will provide and maintain a West Virginia-specific Organization Procedures Manual that documents all policies, procedures, and internal controls used to monitor the Subagent-F/EA FMS tasks and requirements outlined in this RFP. The manual will cover our understanding of the Subagent model and our commitment to being responsible for performing related tasks.

Our Policies and Procedures Manual is central to our service delivery to ensure services are provided in accordance with the principles and philosophy of self-direction. It includes a thorough understanding of Centers for Medicare & Medicaid Services (CMS), Internal Revenue Service (IRS), U.S. Citizenship and Immigration Services (US CIS), federal and state Department of Labor (DOL) and state and local tax requirements for Subagent F/EA FMS and domestic service workers, and West Virginia Provider Manuals, especially Chapter 600, and how Palco plans to meet those objectives. For each Subagent activity, our manual contains the following:

- **Key activities and systems** utilized to achieve Subagent-F/EA FMS deliverables.
- Associated **target objectives, risks, and related quality indicators.**
- **Performance metrics** to achieve key performance indicators.
- **Internal controls** for each activity.
- **Monitoring tasks** to measure indicators and metrics included in the Scope of Work.
- Communication plan to assure a **continual feedback loop** for quality assurance and improvement.

The manual will be submitted in a mutually agreed format to the Agency for review at least thirty (30) days prior to the project start date for review and approval. Once approved, Palco will update the manual as needed or at least annually and provide all updates to the State for review and approval. The manual will be available in electronic format for staff and Agency review at all times. All modifications will be implemented within ten (10) days.

The West Virginia F/EA FMS Policies and Procedures Manual will be updated as best practices come to light or to accommodate changes in the program, employment law, or tax codes. We understand Agency needs may change or state or federal regulations may cause adjustments within the program. We will alert the Agency in the event of any changes in these areas, offer solutions for complying with the changes, and accordingly document the solutions in our Policies and Procedures Manual. At minimum, we renew our manual annually. All personnel receive training on the F/EA FMS Policies and Procedures Manual as part of our initial onboarding protocols. The manual is available electronically for all staff to review as part of their daily activities. Please see **Appendix 1** for a sample F/EA FMS Procedures Manual used and approved by other self-directed service programs.

✓4.2.1.2.2-4.2.1.2.4

Readiness & Operational Reviews

We routinely complete Readiness Reviews in preparation for program operational start dates. If awarded this contract, Palco will welcome the opportunity to undergo a Subagent-F/EA FMS Readiness Review, and we will present the findings within thirty (30) calendar days of request. We will devote sufficient staff to the Readiness Review process, and we will make ourselves available in person or via conference call to meet with the Readiness Review Team at any time throughout the process.

Our diligence and preparedness will allow us to excel in each of the categories required in the RFP, including, but not limited to, the following:

- ✔ The ability to meet timeframes for preparing and distributing employer enrollment, worker employment, and vendor engagement packets.
- ✔ Technology necessary to meet all requirements of the RFP, including computer networks, billing systems integrated with MMIS, and prior authorization and referral tracking.
- ✔ Call center with the ability to meet the RFP terms.
- ✔ An effective and functioning website.
- ✔ A quality management system to monitor the requirements of the contract.
- ✔ Sufficient knowledge of the program and the Subagent-F/EA FMS model.
- ✔ Staffing levels are met, and staff has sufficient knowledge of Medicaid and F/EA laws, regulations, policies, and services to make enrollment, payroll, and invoice payment determinations.
- ✔ Production of training materials.
- ✔ Ability to verify Medicaid waiver eligibility, service authorizations, process enrollment requests for F/EA services, process timesheets and payroll for employees for authorized services, and accurately submit all required documentation.
- ✔ Testing of all EDI interfaces with the Department prior to implementation.

Additionally, we will participate in and welcome annual Subagent-F/EA FMS Ongoing Performance Reviews to help strengthen our operations and delivery to those we serve. If the Readiness Review or Ongoing Performance Reviews result in any findings that need corrective action, we will develop a plan to address and remedy the issues immediately, including a timeline for implementation. Any operational changes are immediately incorporated into our Policies and Procedures Manual.

✓4.2.1.2.4

Implementation & Readiness

Palco is a seasoned F/EA provider and has transitioned many programs from incumbent FMS vendors. Palco will leverage experience alongside our resources for change to execute a smooth transition. Palco will work closely with the exiting vendor to ensure data sharing is handled with integrity and to make sure communication to stakeholders is done frequently and through many channels, so they know what to expect.

On the Palco team, a designated project manager will oversee the transition with the support of the product manager and key senior leadership. Upon award, Palco will begin the necessary process to ensure registrations with the state Medicaid agency and any applicable state departments is achieved. Simultaneously, our leadership team will meet with key staff to develop and finalize the project schedule and deliverables. In addition to the schedule, Palco will develop other key resources for both internal and external benefit, including a communication plan.

We have led many implementations during our time in this industry and will build upon our existing experience to deliver a customized implementation plan for approval to Agency staff. Our mission is to minimize impact on stakeholders and stay on schedule. We emphasize collaboration and responding to Agency needs.

To ensure a successful implementation and to build the foundation for providing services to the Personal Options stakeholders, Palco's dedicated project team will be responsible for overseeing the work associated with the implementation and transition, including hiring and training local leadership and Resource Consultant staff. The Palco team includes representation from our executive team, senior leadership, operations directors, and subject matter expert team, who all have experience in previous transitions and implementations, including customer support, financial management, enrollment, and tax. We will hire West Virginia-specific staff who will help with the transition and take ownership of operational responsibilities.

During the implementation and readiness period, our Project Team schedules an introductory kick off meeting to introduce ourselves to the program and contract staff, confirm program understanding, document action items, and perform follow-ups to ensure project deliverables are met on time and as expected. Moving forward, we will schedule a series of regular requirement-gathering and communication planning sessions with pertinent staff. These meetings will be focused on:

- ✔ Developing a meeting schedule for the Implementation Phase to discuss, resolve issues, and establish procedures and protocols to support key Subagent-F/EA FMS operations, particularly:
    - Program Setup
    - Enrollment
    - Budget Configuration
    - EVV
    - Payment Validations
    - Billing and Eligibility
    - Notifications
    - System Access
    - Reports
- ✔ Establishing project management, customization of any key processes, and reporting standards.
- ✔ Engaging in a discovery process with Agency staff and stakeholders to develop policies, procedures, and references for Members/Employers of Record and Workers.
- ✔ Finalizing the implementation plan/work plan, which includes the project activities for a functional website by the agreed upon Operation Effective Date.
- ✔ Developing a training plan for Members/Employers of Record, Workers, and Customer Support Staff to be submitted to Agency staff for approval.
- ✔ Developing a plan for ensuring connectivity of all information technology systems, including MMIS and Prior Authorizations systems.
- ✔ Establishing communication protocols.
- ✔ Launching a communication plan for the individuals served by the program.
- ✔ Submitting periodic written status reports on the progress of tasks compared to the approved Implementation Plan.

Palco will develop the agenda for these meetings. At the conclusion of the planning meetings, Palco's project management lead will prepare and distribute meeting minutes and assign and follow-up on applicable action items.

Palco has developed an initial draft Implementation Plan for Agency staff to review. See **Figure 2**. We understand that there will need to be modifications made and are only providing a targeted execution timeline which will be modified with an agreed upon timeline. The full implementation plan along with a high-level Gantt Chart project schedule can be found in **Appendix 2**.

Figure 2: Implementation Plan

PALCO

Implementation Plan Details

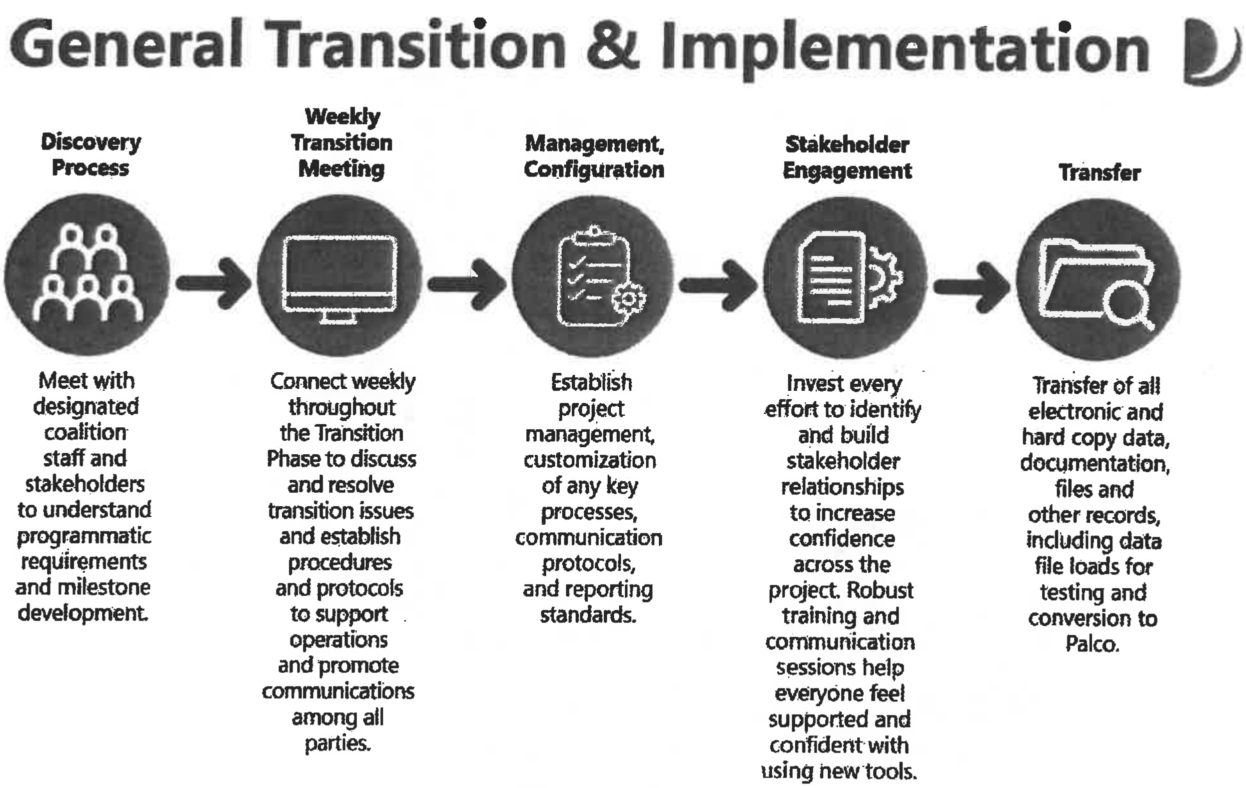
Activity	Estimated Days	Estimated Hours	Assigned to	Palco Department
Contract Phase				
Notification of Award	1 Day	8	Alicia Paladino & Mark Biviano	Leadership
Contract Negotiations	1 Day	8	Alicia Paladino & Mark Biviano	Leadership
Contract Execution	1 Day	8	Alicia Paladino	Leadership
Initiation Phase				
Organize and attend Kickoff Meeting to identify programmatic goals and core operational guidelines	5 Day	80	Amelia Barnes & Victoria Evans	Operations
Schedule Transition Meeting with exiting VF/EA & VF/EA (Palco) to agree on transition process.	1 Day	8	Amelia Barnes & Victoria Evans	Operations
Closeout Coordinator identified with Exiting VF/EA and any other necessary key staff for the transition.	1 Day	8	Amelia Barnes &Victoria	Operations
Secure File Transfer Portal (SFTP) established between exiting VF/EA & VF/EA (Palco)	1 Day	8	Mike Brower	IT Department
Enroll as a West Virginia Medicaid Provider	1 - 2 Days	8	Paula Soli	Billing Department
Recruit and Hire Customer Support Agents and Resource Consultants	60 Days	120	HR, Toni Rose & Victoria Evans	Human Resource Dept.
Research state tax and labor laws and forms related to domestic employment and payroll taxes	1 Day	8	Stephanie Gallagher	Payroll Department
Planning Phase				
Define Palco's Implementation/Project Team	1 Day	8	Alicia Paladino & Mark Biviano	Leadership
Review, Define and document RFP Deliverables	5 Days	40	Amelia Barnes & Victoria Evans	Operations
Confirm new Portal training & dates	1 Day	4	Cody Waits	Palco Training Dept.
Draft West Virginia Customer Support scripts and FAQ	24 Days	80	Toni Rose	Customer Support
Palco Draft "Welcome to Palco" notice to Clients / Authorized Representative-Employers and Aides	1-2 Days	8	Victoria Evans	Operations
Palco Draft Support Broker introduction letter to Participants/Representatives.	1-2 Days	8	Victora Evans	Operations
Gather new report requirements	14 Days	40	Cayle Cox	IT Department
Development Phase				
Publish West Virginia information on the Palco website with program forms and resources	5 Days	40	Kady Predota	Operations
Palco configure CMP application for program *(Case Management Portal)*	30 Days	180	Jeff Leis & Mike Brower	IT Department
Palco configure Connect application for program *(Online Timesheet Portal)*	30 Days	180	Jeff Leis & Mike Brower	IT Department
Palco configure Intake application for program *(Online Enrollment Portal)*	30 Days	180	Jeff Leis & Mike Brower	IT Department
Palco develop new features for CMP application, if necessary	30 Days	240	Jeff Leis & Mike Brower	IT Department
Palco develop new features for Connect application, if necessary	30 Days	240	Jeff Leis & Mike Brower	IT Department
Palco develop new features for Intake application, if necessary	30 Days	240	Jeff Leis & Mike Brower	IT Department
Palco devlops EVV to West Virgina's specifications	30 Days	240	Fiserv	IT Department
Palco develops new reports	30 Days	240	Jeff Leis & Mike Brower	IT Department
Testing Phase				
Palco test CMP Application	5 Days	40	Mike Brower	IT Department
Palco test Connect Application	5 Days	40	Mike Brower	IT Department
Palco test Intake Application	5 Days	40	Mike Brower	IT Department
Palco test Reports	5 Days	40	Mike Brower	IT Department
Palco Test EVV setup	5 Days	40	Mike Brower	IT Department
Test Call Center Configuration and Activate	1 Day	4	Toni Rose	Customer Support
Test Disaster Recovery Plan; include schedule and resources	1 Day	8	Jeff Leis & Mike Brower	IT Department
Test payroll system and new hire reporting	3	24	Stephanie Gallagher & Taylor Johnson	Payroll Department
Timeframe for computer networks to be installed and tested	7 Days	40	Mike Brower	IT Department
Training Phase				
Train Support Staff including Resource Consultants on Palco systems	30 Days	120	Cody Waits	Training Department
Provide Resource Consulting Trainings to Participants/Representatives	30 Days	120	Cody Waits & Lexi Harris	Training Department
Create training materials for all systems	10 Days	40	Cody Waits & Kady Predota	Palco Training Dept
Train Clients/Employers on Palco systems	30 Days	120	Cody Waits	Palco Training Dept
Train Customer Support Staff on West Virginia program policies and procedures	30 Days	120	Toni Rose	Customer Service
Train Employees on Palco systems	30 Days	120	Cody Waits	Palco Training Dept
Train Financial Operations Specialists on program policies and procedures	10 Days	40	Stephanie Gallagher & Taylor Johnson	Payroll Department
Implementation Phase				
Palco CMP Application Live Updates Go-Live	1 Day	8	Jeff Leis & Mike Brower	IT Department
Palco Connect Application Live Updates Go-Live	1 Day	8	Jeff Leis & Mike Brower	IT Department
Palco Intake Application Updates Go-Live	1 Day	8	Jeff Leis & Mike Brower	IT Department
Demonstrate all outstanding issues have been addressed	1 Day	8	Amelia Barnes	Operations
Review database modification to meet all requirements of this contract	1 Day	8	Jeff Leis & Mike Brower	IT Department
Review the contingency plan for operations during an emergency situation	1 Day	8	Alicia Paladino, Mark Biviano, Jeff Leis & Mike Brower	Leadership & IT Dept.
Perform Readiness Review to demonstarte completeness	5 Days	8	Amelia Barnes	Operations
Receive Readiness Review Approval	1 Day	8	Amelia Barnes	Operations

Operations Phase				
Confirm with exiting FMS 2023 Pay Schedule dates are correct	1 Day	8	Taylor Johnson	Payroll Department
Print any required forms that will be unable to be completed web-based and prepare mailing plan	10-15 Days	40	Cody Walts	Enrollment Department
Collect Transition Enrollment Paperwork for EORs and Employees	45 Days	400	Cody Walts	Enrollment Department
Configure automated triaging of common CS calls	1 Day	8	Toni Rose	Customer Support
Configure call queue (e.g. general inquiries, Spanish speaking, after hours VM)	1 Day	8	Toni Rose	Customer Support
Configure IVR systems and call prompts	1 Day	4	Toni Rose	Customer Support
Establish a dedicated toll-free telephone number with voicemail and call queue capabilities and the capacity to track all communications from any source	1 Day	8	Toni Rose	Customer Support
Establish designated Toll Free E-Fax account	1 Day	4	Toni Rose	Customer Support
Establish EFTS account for Federal Tax Deposit, banking, funding, program funds, adminstrative fees	1 Day	8	Stephanie Gallagher	Payroll Department
Establish/setup Accounting system and general ledgers	2 Days	16	Stephanie Gallagher	Payroll Department
Establish relevant email accounts	1 Day	4	Mike Brower	IT Department
Establish TDD/TTY line	1 Day	4	Toni Rose	Customer Support
1st data transfer via SFTP using Template	1 Day	8	Amelia Barnes	Operations
2nd data transfer via SFTP (Changes to legacy data & New Client / Employer / Employee data)	1 Day	8	Amelia Barnes	Operations
3rd data transfer via SFTP using Template (Changes to legacy data & New Client / Employer / Employee data)	1 Day	8	Amelia Barnes	Operations
4th data transfer via SFTP (Utilized funds)	1 Day	8	Amelia Barnes	Operations
5th (Final) data transfer via SFTP (Client/Employer/Employee names, Demographics; and Final 2023 gross wages)	1 Day	8	Amelia Barnes	Operations
Transfer SUTA log-in information to Palco	60-90 Days	650	Stephanie Gallagher	Operations
Mail Resource Consulting Introduction Letters	2 Days	8	Victoria Evans	Operations
Resource Consultants make introductory phone calls to Participants/Representatives	30 Days	360	Victoria Evans	Operations
Send out Transition Enrollment Paperwork	10 Days	40	Cody Walts	Enrollment Department
Milestone				
Start of first payroll with Palco	1 day	1	Stephanie Gallagher	Payroll Department
First Payroll Processed and Paid Out	7 days	40	Stephanie Gallagher	Payroll Department

Early in the transition, Palco will use demographic data from the incumbent vendor to appropriately designate regions and begin recruiting and hiring Resource Consulting staff to support the population. This will assist in developing the process for enrollment planning and dissemination of information to the members. As they are assigned, Resource Consultants will outreach individuals to provide introductory information and guidance on the key steps they must take to ensure their transition goes smoothly. This personalized approach will help mitigate confusion and ease the minds of those transitioning. The customer support line will be immediately established with trained individuals available to answer questions about the transition and help members feel at ease. More information on how Palco will deliver Resource Consulting services can be found in **Section 4.3.1 on page 120.**

During transitions we work closely with the exiting vendor, train our internal enrollment, customer support, payroll, and billing staff on the policies and programmatic requirements of the new program, and develop training and communication materials to support the transitioning members and their workers. We work closely with our state partners to ensure our systems are ready for data transfers and file transmissions, working towards an integrated solution between our systems. We develop a transition plan including a detailed timeline, perform readiness reviews, and hold frequent internal and external planning meetings to engage all stakeholders in the implementation process.

Figure 3: Transition and Implementation



✓4.2.1.2.5

Quality Management System

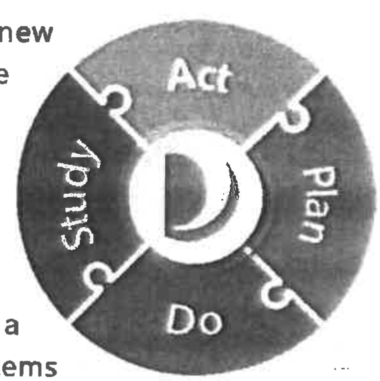
Palco maintains a Quality Management System for all Subagent-F/EA FMS tasks. As evidenced throughout our proposal, quality assurance and metrics are embedded in every task that we perform. Our Quality Management System has two major components:

(A) **PDSA Model** of compliance performance standard tracking and auditing.
(B) **COSO Internal Control Framework** to ensure privacy, security, and integrity of our information.

Figure 4: QA Framework, Systems, Processes & Procedures

PDSA Model

Palco relies on the Plan-Do-Study-Act (PDSA) model to evaluate new processes and engage in continuous quality improvement throughout the organization. The PDSA model provides a mechanism to evaluate new processes, new programs, or new systems by guiding the user through planning the change (Plan), implementing the change (Do), observing, and learning from the implementation (Study), and determining what modifications or improvements should be made to the process or program (Act). This model is cyclical so that we regularly engage in a thoughtful and purposeful evaluation of processes, programs, or systems leading to continuous quality improvement.



We will collaborate closely with Agency staff to brainstorm and implement solutions that can be easily measured for success. Such actions are documented in our Quality Management Plan, which follows our West Virginia-specific Policies and Procedures Manual. Using the Plan-Do-Study-Act model, we can quickly adapt and adjust our processes using the built-in feedback loop for continuous quality improvement.

INTERNAL CONTROL FRAMEWORK

As guidance and oversight, Palco's internal control system is designed using the American Institute of Certified Public Accountants core guidelines on internal controls, including the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework, Accounting Standard Updates (ASUs), and the guidance provided by the Public Company Accounting Oversight Board.

COSO is the gold standard for best practices related to internal controls. COSO is a committee of five sponsoring organizations, including, and endorsed by the AICPA, that come together periodically to provide thought leadership on enterprise risk management, internal control, and fraud deterrence. Upon award, we will provide our Internal Control Manual as documentation. In short, this framework provides a control environment that establishes:

- ✔ Policies and procedures.
- ✔ Segregation of duties.
- ✔ Company culture founded on integrity.
- ✔ Reconciliation.

Internal controls cover all areas of operations, including monitoring worker eligibility and status, employer employment practices, tracking members' budget funds, verifying accuracy of timesheets, ensuring payroll accuracy, monitoring billing and claims submissions, and preventing, detecting, and reporting known or suspected fraud and abuse. Internal controls are documented in our Internal Control Manual, and they are tested at least monthly – with most common tasks tested weekly or even daily.

Reconciliations are performed on a continual basis to ensure quality. This includes financial account balancing, comparing data to ensure accuracy and completeness of transactions, and investigating discrepancies. Palco prepares and submits a bank account report, including a monthly reporting of bank account activity, a summary of the month's bank activity, reconciliation of the bank balance to the general ledger, and reconciliation of any amounts advanced to Palco.

The Agency will have access to our internal control and quality management tasks and outcomes.

✓4.2.1.2.6

Turnover Plan

If it should arise that Palco was no longer acting as Subagent-F/EA FMS to the Agency, we will engage in a Turnover Transition Plan and provide at least sixty (60) days' notice. The plan will include the following activities at a minimum:

- Appointment of staff to manage and coordinate all turnover activities outlined in the Turnover Plan as approved by the Agency.
- Plan to continue services until an effective turnover date is established.
- Transfer of information necessary to ensure continuity of services for the recipients.
- Implement a quality assurance process to monitor turnover activities.
- Establish and communicate key dates and activities related to the turnover of services.
- Provide a list of and timeline for post-turnover services, including filing tax reports, issuing W-2s, managing unclaimed property, reconciling final bank accounts and general ledgers, and providing final reports to the Agency.

We will execute the approved Turnover Plan in conjunction with the incoming vendor's Transition Plan, including maintaining service delivery staffing levels and providing all turnover data and documents, as well as take the other action items specified in the RFP.

✓4.2.1.4

Change Management

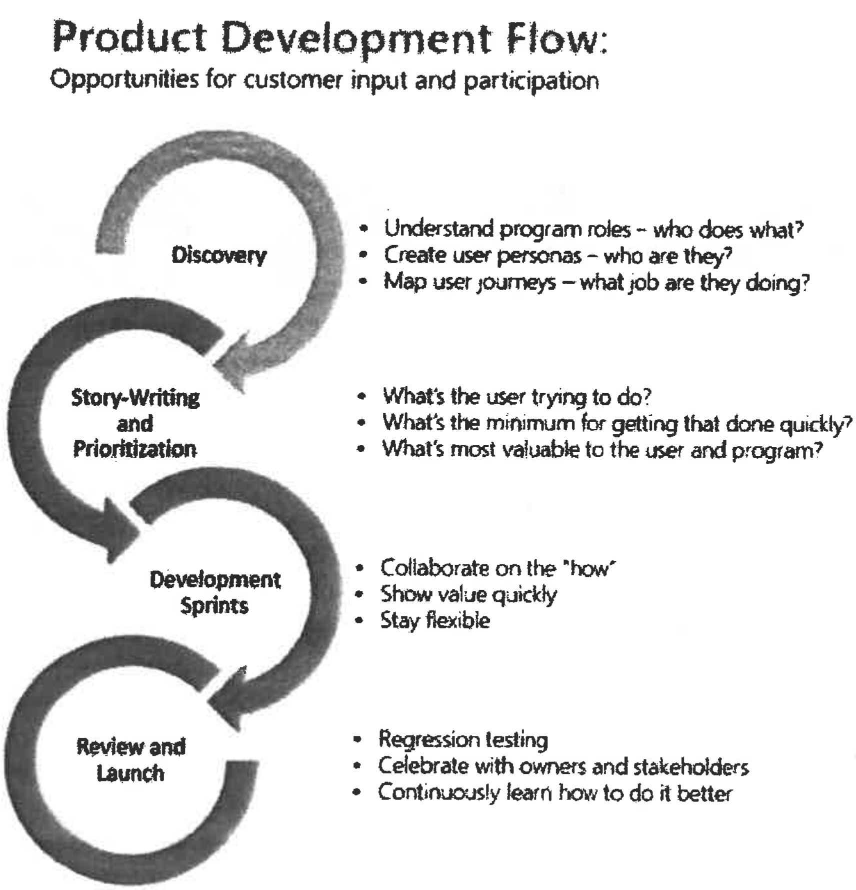
In our industry, change is inevitable. We have learned from 25 years of experience that flexibility is mandatory. Our processes and systems are designed to ensure rapid adoption to changes in federal and state tax, labor, and program rules and requirements, including IRS changes in reporting, forms, and procedures; federal and state Department of Labor overtime and wage reporting changes; changes in state workers' compensation insurance rules/requirements; and state consumer-directed services program policies and procedures. With each challenge we have faced, we have provided quality F/EA

FMS and related support at vast cost savings while further honing our expertise in the provision of consumer-directed services.

Palco provides executive leadership that includes dedicated program Account Managers (see **Section 4.5.1.1.4 for staffing on page 137**) and a dedicated Project Manager who will assist the Agency during periods of industry or programmatic change. Our team has unmatched experience with large-scale changes, and our track record supports our successful implementation of new programmatic initiatives. We employ a disciplined process of requirement gathering, Agency sign off, development, testing, and execution to ensure system features and changes are built correctly without surprises.

We understand rapid, organized, and timely launch decreases the burden on you and your members. To ensure quality requirement gathering, our experienced staff will focus on understanding the needs of the program and the goals that the State is aiming to accomplish. Tools like understanding and mapping out the end user experience, writing stories that keep the person at the forefront of the technology, and leveraging an agile sprint process help to ensure that we are successful in our acquisition of knowledge. See **Figure 5** for an overview of the Palco Product Development Flow.

Figure 5: Product Development Flow



As system development and configurations are completed, we provide demos for key stakeholders to collect feedback and verify satisfaction. Prior to releasing new features into production, staff will participate in a cycle of User Acceptance Testing (UAT). UAT is performed using real-world scenarios. Palco develops detailed test cases/scenarios. Once the application produces the expected results, Palco will determine a production release date. This plays an integral role in the implementation process leading up to go-live.

We also make available a sandbox test environment that allows stakeholders and future users the ability to log in and have hands-on experience using the applications without the risk of altering real member data or exposing sensitive personal and medical information unnecessarily. This environment allows the following activities:

- ✔ Testing user logins and permissions setup for program roles.
- ✔ Walking through the enrollment process for Members/Employers of Record and Workers, from basic demographic information to signing key forms online.
- ✔ Managing vendor information and program assignments.
- ✔ Viewing timesheets and payables.
- ✔ Running reports and downloading data.
- ✔ Entering and approving Worker timesheets.
- ✔ Viewing payments and paystubs.

✓4.2.1.6

Approval to Act as Sub-Agent

Before Palco can begin performing financial management services for members/representative-employers in the ADW, IDDW and TBIW programs as well as members in TMH, we must receive federal and state approval to be the F/EA.

Palco is recognized by the IRS as a Fiscal/Employer Agent operating under §3504 of the Internal Revenue Code. We have a separate FEIN for the sole purpose of acting as a Subagent-F/EA FMS entity and filing IRS forms and depositing federal taxes.

To become the Subagent to the Government F/EA FMS for the members/representative-employers, Palco submits Form SS-4 (or its electronic counterpart) to the IRS to obtain the individual's FEIN and register the individual as an employer/HCSR (home care service recipient) with the IRS. The FEIN is transferred to IRS Form 2678, *Employer/Payer Appointment of Agent*, which is sent to the IRS with a request for appointment of agent. Once the IRS approves Palco as agent, we maintain the IRS LTR 1997C, *Notice of Appointment*, in each employer's file.

Should the IRS delay appointing Palco as agent, we will continue providing services under an executed Authorization Agreement. This document allows us to act as F/EA for the individual during the interim period of submission to approval. It also serves as an informed consent agreement statement between the Agency (Government F/EA FMS agency) with each member/representative-employer acknowledging the member/representative-employer is informed the Government F/EA FMS agency is using a Subagent, the tasks the Subagent is performing, and that the member-employer agrees. Once confirmation is received from the IRS and state agencies, we can file and pay employment taxes on behalf of members. We retain all documentation, executed forms, and identification numbers in the individual's case file.

We utilize IRS Forms 8821, *Tax Information Authorization*, to speak with the IRS in case we experience difficulty in obtaining a FEIN, becoming agent, or filing taxes. The form requires CAF numbers, which are designated to tax professionals, such as CPAs and attorneys. Palco CPAs' CAFs are prepopulated on Form 8821, when applicable, as second appointee on the 8821 alongside the State as Government F/EA FMS Agency. Executed copies of Forms 8821 are kept in each CLE's file and renewed, when necessary, as these forms expire after seven years.

We also register each employer with state income tax and unemployment agencies. To this end, we file executed West Virginia Form WV-ARI-001, *Authorization to Release Information*, and West Virginia Form 2848, *Authorization of Power of Attorney*, for each employer we represent. We retain all documentation and account numbers in the individual's case file.

This enrollment process is tracked in our electronic database in case of IRS error or other matters that may impede agency approval. It also serves as our internal control for this process, and all actions are documented in our Policies and Procedures Manual.

The IRS and West Virginia routinely update tax forms. Palco ensures we use the latest forms by subscribing to a multitude of publications, including the IRS website, the American Institute of Certified Public Accountants Tax Inside periodicals, and through Applied Self-Direction updates. We also check websites quarterly to ensure we are using the latest forms. Any updates, additions, and revisions are included in our processes and software, and our Policies and Procedure Manual is updated accordingly.

✓4.2.1.7

Referrals & Prior Authorizations

Palco will enroll with the State of West Virginia's Utilization Management Contractor (UMC) to obtain referral, eligibility, and authorization data.

Palco's in-house Case Management Portal (CMP) is our singular location for the input and digestion of all referrals and prior authorizations. Information can be exchanged through a user interface configured for Resource Consultant/State staff through an automatic Application Programming Interface (API) established with the State's UMC for automatic input and execution. When necessary, we also allow other means of input, such as manual or Excel spreadsheet import of data. All initiation or referral data, regardless of the source, is checked for errors by enrollment quality assurance staff the day of receipt.

Palco receives prior authorizations from UMC and uploads them into our system daily. As an example, Palco receives daily service reports through an electronic data interchange for our neighboring Pennsylvania program, automatically inputting new and updated service authorizations into our CMP. Any issues or discrepancies with the data are identified immediately and assigned to Palco program staff for follow-up. This efficient and automated process prevents errors in data input and is almost instant. Incoming referrals are automatically routed to our program teams processing enrollments and providing training to ensure all barriers to accessing care are eliminated.

Prior authorizations seamlessly become part of the overall budgeting application, where the following information is displayed for Agency staff to view:

- ✔ Medicaid Member's name and ID, if applicable.
- ✔ Beginning and ending date of the budget.
- ✔ Whether this is a new, revised, modified, or terminated authorization.
- ✔ Type, number of units, and dollar amount allowed for payroll-related services.
- ✔ Type, number of units, and dollar amount allowed for non-payroll-related goods and services.

PALCO CMP BUDGET / SERVICE AUTHORIZATION MANAGEMENT TOOL

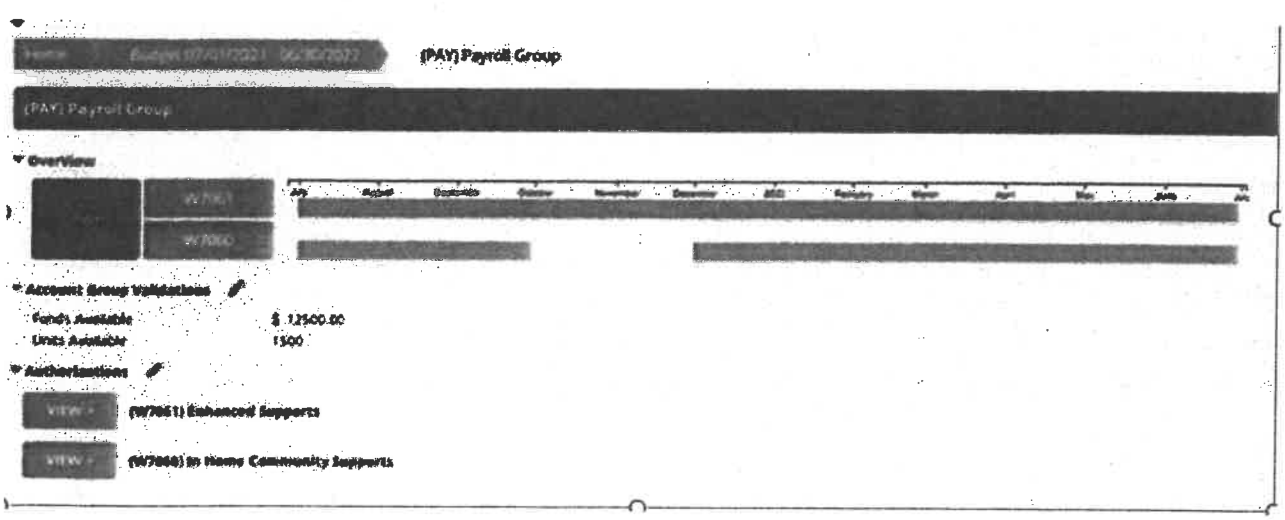
More than any other area of our application, we have invested in the Service Authorization module to meet any program's needs. Our module is extremely flexible because it needs to be to meet your needs. With each Service Authorization, we capture the following information and more:

- The overall Service Authorization Plan span term (e.g., biweekly, monthly, annual).
- Each individual Service Authorization line-item date span may be different from the overall span (e.g., one line-item authorization spans 18 days, while another authorization spans 365 days).
- The status of the overall budget and each line item. This allows users to disable individual service authorizations that are no longer being utilized without having to disable the entire Service Authorization Plan.
- Procedure codes and billing modifiers for each service authorization, so that the billing information stays intact from point of entry through timesheets and on to the claims system.
- Budgetary or unit limitations on the entire Service Authorization, on groups of line items, or on individual line items. These limitations will be in terms of dollars, units, or both. If units are selected, we support varying unit lengths – 15-minute units, hour units, and daily units.

Our cloud-based budget module was built to be entirely flexible to support each member's unique plan. Through our years of experience in multiple states across the country, we understand how critical the set-up and revision of budgets is to ensure a successful payroll. Each individual budget contains all pertinent information about the members and qualified workers or vendors supplying the service, when applicable. Additionally, its graphical user interfaces display information that is easy to understand.

We know authorizations can often be complicated, with coverage being intermittent or provided on a unique timeframe (e.g., Personal Care is biweekly, but Transportation is provided monthly). Over the past two decades, we've learned some tricks on the best way to display this information. For example, the green bars in **Figure 6** visually represent when a particular authorization has a gap in service.

Figure 6: Service Authorization Overview



We try to avoid issues at the front end. Our Service Authorization module is embedded with controls driven by program rules, as defined in our backend rules engine. Full integration of this budget tool with the payroll processing and validation suite of the Palco CMP ensures that all payroll is validated against the Member's approved prior authorization before paying[1].

- When budgets are entered, the system performs mathematical checks to compute payroll costs, considering the employer's unique tax rates. Upon the contract award we will configure the system for West Virginia tax rules.
- Limitations on overtime or other programmatic limitations, such as timely filing for billing purposes, will be defined in the Service Authorization. System alerts will be customized to prevent or simply alert users from attempting to sidestep those rules.
- Workers are limited to view and select only services for which they are enrolled and approved to provide to that member. Additionally, system controls prevent billing for items not authorized on the plan.

ELIGIBILITY CHECKS

To ensure that Authorizations are still valid, we run eligibility checks daily via a 270/271 or customized process. If UMC can ingest EDI files, Palco will use a 270/271 process; however, we are also accustomed to ingesting customized feeds. For example, for one program that serves over 2,000 individuals, we use an Excel spreadsheet to assess eligibility information and extract assessment and Fee-for-Service Managed Care capitation data, while for another program serving over 5,000 individuals, we use a 270/271 EDI process.

To conduct eligibility verifications, we first compile the data from our case management software and submit it to UMC. Eligibility checks allow us to block off time during ineligible periods in our system so that the Member/Employer of Record and Worker cannot submit time for ineligible periods. Eligibility verifications are typically done daily, but can be on a less frequent schedule, as agreed upon. We recommend that the checks be done at least prior to payroll. We also recommend that the checks include all individuals – not just individuals who are limited to submitting timesheets – as this will help ensure that time is blocked off from entry, should someone be moved to an active status by a Case Manager prior to full Medicaid eligibility. We also have the ability to access any UMC portal to check medical eligibility manually.

Lastly, our solution generates automated email notifications to members, workers, case managers, or Agency staff once authorizations are entered or if eligibility is lost. Using the workflow and queuing processes, if a Service Authorization is nearing expiration, automatic email notifications are generated to facilitate timely renewal. These notifications are configured to send at varying intervals, such as, but not limited to 24 hours, 1 week, 30 days, or 60 days.

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[1]For the purpose of determining service allocations and budgets, the Palco system also contains a budget calculator resource that can aid in the development of service and support plans all in one location. As an example, our budget calculator for our Colorado line of business is a good example of how we can accommodate a sophisticated task and hours set up to determine budget allocations including daily rates that compute into a monthly and annual allocation.

✓4.2.1.8

Program/Budget Configuration

Palco knows from experience that programmatic policy and legislative changes happen quickly. When changes are needed, it's our job as the FMS to react and adapt quickly with minimal impact to our state partners, and program recipients. That is why we designed our system to be completely configurable and dynamic. This presents itself most profoundly in our Program/Budget Configuration module.

Here, Palco staff can instantly change existing business rules through a configuration module instead of being hard-coded. This is an important and valuable distinction because it means we do not need a developer to write new code or update existing code, test, and deploy it to production. As a result, **you benefit from our ability to add, remove, or change service rates and any of their related features** – such as whether the code is payable to workers, vendors, or both – **in well under sixty (60) days at <u>no additional cost</u> to the Agency.**

Some of the items you can easily change with a configuration are:

- ✔ Adding and removing service codes.
- ✔ Changing the minimum and maximum allowable rates for each service code.
- ✔ Minimum wage changes.
- ✔ Standard workweeks for overtime rules.
- ✔ Pay period frequency (e.g., daily, weekly, biweekly, or semi-monthly).
- ✔ Spending caps and/or funds or unit limits.
- ✔ Restricting certain codes from being payable to a worker or vendor.
- ✔ Adding paid time off to budgets.
- ✔ Changing default tax rates.
- ✔ Whether a service code is subject to EVV and/or EVV aggregation.
- ✔ Payroll validation checks that reflect programmatic rules in compliance with West Virginia program policy manuals and State EDI Companion Guides.

✓4.2.1.9

MMIS Interface

Palco will enroll with West Virginia Medicaid Management Information System (MMIS) and obtain a West Virginia Provider ID to support electronic claim EDI submissions. Palco's ANSI X12 billing solution component of CMP supports multiple State and Managed Care payors and companion guides, and Palco has utilized this tool in a dozen states. Palco's expertise includes a skilled MMIS billing and claims team with more than 40 years of experience.

EDI submissions to the MMIS portal will be in accordance with Agency billing and contract requirements and procedure codes. As stated in **Section 4.2.1.2.4 on page 14**, one of the first steps in our implementation is establishing all the procedure codes and related business rules in our Case Management Portal. This establishes limits and double redundancies to ensure EDI submissions conform to Agency requirements. Palco will send the following EDI submissions, in accordance with Agency billing and contract requirements, using proper procedure codes:

1. Member service claims to/from MMIS, in compliance with Chapter 600, after the services are rendered. Prior to claims submissions, comparisons and reconciliations are conducted to ensure that we are billing the correct amount and that payment is not made for services provided to ineligible individuals or for services that are not authorized, and are in accordance with the members spending plan, established service rates, are in accordance with Agency billing and contract requirements and procedure codes.
2. Administrative per-member-per-month monthly claims will be submitted to the Agency in accordance with Chapter 600.

Claims will be submitted electronically to the Agency through the State's MMIS claims system for services performed within 90 calendar days of date of service, in accordance with the member's spending plan and established rates.

Further, Palco will check the MMIS portal regularly for notifications. After member services are completed, claims will be submitted for all payments received from the State's MMIS system in compliance with Chapter 600.

✓4.2.1.10, 4.2.1.11-4.2.1.19

Claims Submission

In accordance with the state's billing requirements, Palco will bill Medicaid services and administrative services via the MMIS or the State's system. Palco currently integrates with various Medicaid Management Information Systems (MMIS), to support our billing functions. All billing records support the amounts of Medicaid services claimed on the Health Insurance Portability and Accountability Act (HIPAA) electronic claim form or EDI claim. All EDI transactions comply with HIPAA security standards for electronic PHI.

To ensure that HCBS services are not provided or billed when a member is admitted to a nursing facility, hospital, or Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID), eligibility is checked daily to determine any instances where the member is admitted to these facilities. If this occurs, the individual's case status in our system is updated to suppress their ability to submit time for the dates of service that fall within their facility admittance date span. Any time previously submitted for those dates (e.g., in the case we learn of the admittance after the fact), will be automatically rejected prior to turning into a claim. **Our modern technology and business rules ensure the highest degree of proactive fraud prevention for your program.**

To avoid surprises to the workers and vendors, Palco publishes our business rules surrounding payroll and vendor services, including Participant-Directed Goods and Services (PDGS), Environmental Accessibility Adaptations (EAA), and other participant directed vendor services. Such rules include comparisons against real data to ensure the validity of the claim and how to submit online claims. More information about payments can be found in **Section 4.2.1.20-4.2.1.24 on page 33**.

Our systems are embedded with a combination of controls that perform cross-checks and calculations to prevent over-billing of service hours or goods and services. Just before claims submission, the following comparisons and reconciliations are conducted to ensure that we are billing the correct amount and that payment is not made for services provided to ineligible individuals or for services that are not authorized:

- ✔ Statuses during the period are checked against potential claims to ensure that the member does not receive services during "ineligible" periods, such as hospital stays. We have established processes for determining when a member is admitted to a nursing facility or hospital, and the length of stay, or if the member is otherwise engaged in any other activity that would render them ineligible for billing purposes. We train on self-reporting and false claims provisions during the Member/Employer of Record orientation and maintain touchpoints with the State and Resource Consultants to ensure that we are notified of any changes in eligibility or status that could impact claims.

- ✔ **Service authorizations have a matching prior authorization.**
- ✔ The amounts claimed on vendor invoices or worker timesheets are compared to the service authorization. Any excess amounts are not billed.
- ✔ The amounts claimed on vendor invoices or worker timesheets are compared to both established wage ranges and/or service rates.
- ✔ FUTA and SUTA thresholds for workers are checked against the general ledger to ensure that we bill the proper rate. If the worker has exceeded applicable wage thresholds, the rate billed will be reduced.

Palco will bill administrative services only for members who meet the following criteria:

- ✔ Have authorizations, with a corresponding service code, for the date of service being billed.
- ✔ Have completed their enrollment meeting with an active status.
- ✔ Have at least one DCSW who is qualified to provide paid services. (Unpaid work is not allowable for billing administrative services.)

Once the claims have passed their initial checks and validations, we generate the 837 or similar claim. Claims are submitted via the state fiscal agent for services within 30 days of the date of service. All claims are submitted in accordance with the member's authorizations and State's billing and agreement requirements.

We accept response files in a variety of ways, but typically receive an 835, or a similar Remittance Advice once the claims have been processed. If the claim was not paid, we determine the cause and resubmit if necessary. Non-compliant files or transactions will be reviewed, adjusted, and returned for processing within the same payroll cycle. Our system is seamless on the backend, which enables us to send claims in large batches and receive large response files. Because everything is automated, adjustments happen quickly to resolve any billing disputes.

Medicaid and administrative services paid are reconciled to units billed and units paid on a weekly basis by the Billing Department, with Palco Internal Audit reviewing claims monthly. Adjustments, resubmissions, and corrections of claims will occur in a timely manner, within no more than three-hundred sixty-five (365) calendar days of date of service. When we receive funds from Medicaid, we generate a report that compares them with funds authorized on the budget and funds billed.

Although our systems are tested, errors do occur from time to time. If a billing error occurs, Palco takes the appropriate action, which may include making refunds to the State. If necessary, we will bill the employer directly or work out a payment plan should their claims exceed authorized amounts. We understand that overpayment recoupments occur within ninety (90) days of identification, and we are responsible for replacing such funds.

To ensure quality, we review a billing sample on a quarterly basis and trace it through our accounting system to payment and billing. Our banking and accounting controls include the following:

- ✔ Proper segregation of duties engaged through the payroll process with operations separated from reconciliations.
- ✔ Reconciliations performed on a continual basis to ensure quality. This includes comparing hours of services billed and paid, a review of items left to be paid, reviewing records for accuracy and completeness, and investigating discrepancies.
- ✔ Maintaining billing records for internal audit purposes that verify amounts of claims and support claims.
- ✔ An accountability system including quality indicators, performance metrics, and methods for monitoring key indicators.
- ✔ Internal processes to ensure all areas of operations are, including worker eligibility and status, employment practices, tracking member's budget funds and spending plan activity, verifying accuracy of timesheets, ensuring payroll accuracy, monitoring billing and claims submissions, and preventing, detecting, and reporting known or suspected incidents of fraud and abuse, are all functioning properly.

Each time a payroll is complete, money received for payment of funds is reconciled to money paid out. In addition, each month, the bank statement is reconciled to CMP. Regular reconciling of all funding is critical to ensure that internal controls are performing properly, no fraudulent transactions have occurred, and individuals are using their budgets appropriately.

Should the State elect to move towards Managed Care, Palco has the experience to bill in a managed care environment including those serving diverse populations and multiple waivers. We currently bill various MCOs in multiple states. In some states, we work with multiple MCOs for the same program, meaning that we submit three billing files – one for each payor MCO. In other Managed Care environments, we send encounter data. Palco is versed in MCO billing, and our systems support all ANSI X12 EDI file exchanges.

Palco will only bill for services that have been authorized. The Agency, Resource Consultant, or member/representative-employer can access, and review services authorized and/or services utilized as well as remaining balances on our online portal, as shown in Figure 9 and 10 in the next section.

✓4.2.1.20-4.2.1.24

Payments

For each program, we establish and maintain an accounting and information system for receiving and disbursing State funds, and for tracking transactions and balances. Palco understands the public fiduciary responsibility we are tasked with, and we take it seriously. As a company owned by CPAs, finances are proactively managed and business decisions are made conscientiously. Palco continually audits program funds. Among other fiduciary oversight tasks, Palco's Chief Financial Officer, and Chief Executive Officer, both Certified Public Accountants, review monthly reconciliation reports and financial statements.

Our banking and accounting controls include the following, approved through a Board resolution:

- ✔ The owners of Palco are the only allowed signees on our bank account. All checks must be signed by an owner of the company, who are both licensed **Certified Public Accountants** bound by codes of professional ethics related to financial integrity.
- ✔ Our financial institution has an exclusive list of **pre-approved entities** that can withdraw money or debit funds from our accounts. Such entities include the IRS for tax payments, the program, and state tax authorities. Anyone not on this list cannot debit funds. Funds withdrawn must be approved by the Board of Directors and may only be for program taxes, insurance, and bank charges absorbed by Palco.
- ✔ Annually, we execute a notarized **Memorandum of Understanding** (MOU) with our financial institution. This MOU establishes a clear understanding that the account's funds belong solely to the Medicaid beneficiaries, and creditors are not allowed to encumber or acquire funds from this account.
- ✔ **Randomized time-sensitive passcodes** are generated by our financial institution each time we send a direct deposit file to prevent unauthorized access to funds.
- ✔ Proper **segregation of duties** is engaged through the payroll process with operations separated from reconciliations, for example.
- ✔ Palco follows **Generally Accepted Accounting Principles** (GAAP) in the use of a general ledger and subsidiary accounts for handling of member funds.
- ✔ **Reconciliations** are performed on a continual basis to ensure quality. It includes financial account balancing, comparing data to ensure accuracy and completeness of transactions, and investigating discrepancies.
- ✔ Palco prepares and submits a **bank account report**, including a monthly reporting of bank account activity, a summary of the month's bank activity, reconciliation of the bank balance to the general ledger, and reconciliation of any amounts advanced to Palco.

Palco will retain a one-time minimum reserve to pay for three (3) months of estimated service costs prior to the contract start date to account for retroactive payments from the Agency for billed claims.

Palco will prepare, issue, and disburse worker payroll and vendor payments on an agreed-upon schedule, per the State payday requirements, and will manage all federal, state, and local employment related taxes and insurances in compliance with federal, state, and local requirements. We take fiscal responsibility seriously. We carry out Subagent-F/EA tasks under Section 3504 of the IRS code and Rev. Proc. 70-6, as modified by Rev. Proc. 2013-39.

Palco fully understands the requirement to educate members on payment submissions and will ensure services are not billed before they are rendered, except for transition services, Environmental Adaptations (EAA), and Participant-Directed Goods and Services (PDGS). We will also ensure that we enable the option for vendors to receive electronic payments via our online portal, which is described more in **Section 4.2.1.97 on page 78.**

MONITORING TAX EXEMPTIONS

As previously mentioned, Palco's cloud-native and 24/7 accessible Case Management Portal serves as the multi-tenant repository for all program member-related data and program business rules. This modern technology platform, built in-house and designed for self-direction, is the backbone of the Palco service delivery. It contains various modules for case management (records, member info), accounting (utilization, pay ledger/history, repository of pay rates and employer cost rates, exemptions, tax rates, workers' comp, budgets), billing, enrollment, time entry, and reporting.

Our internal core team of expertly trained certified public accountants are equipped with software that makes monitoring tax exemptions a cinch. All of the uncommon tax scenarios and exemptions found in self-directed service models and states across the U.S. have been accounted for within our configurable software. Elements including the ability to individualize exemptions and program rules based on various relationships at the worker and employer level ensure the highest degree of financial ethics in the industry, guaranteed to keep more money in the hands of the State, Member budgets, and DCSWs.

As we know, DCSWs who provide domestic services may be exempt from certain taxes, like FICA, FUTA, or SUTA, depending on their familial relationship with the employer (see IRS Publication 15 and IRS Revenue Procedure 2013-39 for more details). Palco has the capacity to calculate deductions related to Difficulty of Care payments per IRS Notice 2014-7, should the Department choose to accommodate this offering. Palco currently accommodates this on both state and federal income taxes in multiple states.

When payroll is calculated in our system, we determine if the worker is over their FUTA or SUTA wage threshold for the year. If so, no additional taxes are charged.

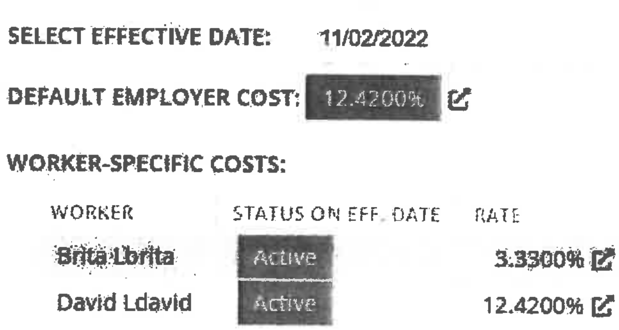
Additionally, States are occasionally subject to a FUTA Credit Reduction process. Because Palco has faced this many times in the last quarter-century, we designed our system to handle such changes in the least obtrusive way possible. When States face FUTA credit reduction or changes to the default SUTA rate, Palco globally adjusts the FUTA or SUTA rate for all employers in our system with a click of a button. There is no need to adjust rates individually or wait for an IT production system deployment for the rate to be adjusted. Our modern technology ensures these configurations are possible without an abundance of resources.

Please note that although the SUTA default rate is globally adjusted, it only impacts new employers who do not have an experience rating with unemployment claims. Our system stores unique SUTA rates for each employer.

When a worker is exempt from taxes or over threshold, Palco exempts the specific taxes from payroll and the employer share of such taxes are not billed in our claim submission process. This fully individualized process is the most fiscally responsible process and sets Palco apart from other FMS vendors.

Palco's software, built for consumer-direction, provides interactive dashboards and visibility for internal and external professional users to understand exactly how these taxes are set up – on both an employer and worker level. The Employer Cost tab within our Case Management Portal (CMP) provides a detailed breakdown of all taxes and budget expenditures while allowing users to dig down into a specific worker's cost via the interactive dashboard. The "Quick View" tab provides a snapshot of the default employer cost comprised of the standard FICA, FUTA, SUTA, Sick Time (when applicable), and Workers' Compensation (when applicable) costs every employer is subject to. Palco understands that the West Virginia program workers are not subject to workers compensation at this time and the system would be configured appropriately for this. See **Figures 7 and 8**.

Figure 7: Employer Cost Quick View



The "Details" tab provides a breakdown by worker and allows users to toggle between workers to view their individual costs and any exemptions they may have elected. **Palco charges the employer cost on an individual basis rather than in the aggregate. Charging the employer cost in the aggregate is a commonly used practice by many industry FMS providers.** Doing so unfairly charges the member (and State) for costs they did not actually incur. Palco only collects the necessary taxes, down to the penny for that worker. **This best practice saves the State money and ensures fiscal responsibility of Medicaid dollars is upheld.** It also ensures that the member can maximize every penny.

Figure 8: Employer Cost Details

CURRENT RATE SUMMARY FOR BRITA LBRITA

SELECT COST TYPE: Brita Lbrita WORKER STATUS: ACTIVE

TAX/COST TYPE	EFFECTIVE RATE %	EFFECTIVE DATE
WC	1.6300	01/01/2022
FICA	EXEMPT	08/19/2019
FUTA	EXEMPT	08/19/2019
PTO	1.7000	01/01/2022
FMLA	0.0000	01/01/2022
SUTA	EXEMPT	08/19/2019

TOTAL: 3.3300%

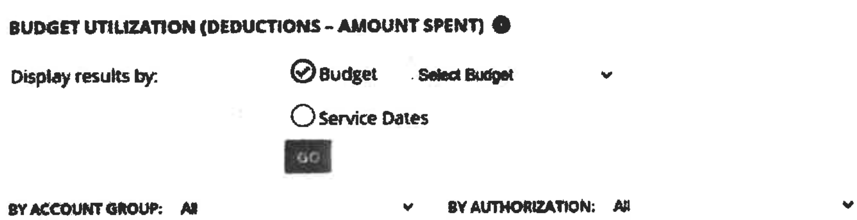
Worker residency, relationship with the employer, and live-in status collected during enrollment provides tax exemption and overtime calculation information in accordance with IRS rules regarding domestic employment, the Department of Labor Home Care Rule, and state employment-related rules. Workers are paid according to the rate set by their employer (which may differ by worker) in compliance with federal and state tax and Department of Labor wage and hour rules for regular and overtime pay. Payroll calculations are discussed in more detail in **Section 4.2.1.68, 4.2.1.82 on page 66,** and related payroll tax filings are discussed in **Section 4.2.1.69-4.2.1.81 on page 68.**

BUDGET SPENDING MADE EASY

Palco's goal is to make budget utilization transparent and easy to understand. Our portal's budget spending summaries and payment details are accessible 24/7 by Agency staff, Case Managers, and Member/Representatives to allow them real-time management of authorizations and hours, a critical piece of the consumer-directed service model. Reports can be generated directly from our system by Agency staff, Case Managers, and Member/Representative at any time. Reports compare monthly and cumulative self-directed service expenditures to the amounts allocated in the member's budget and spending plan.

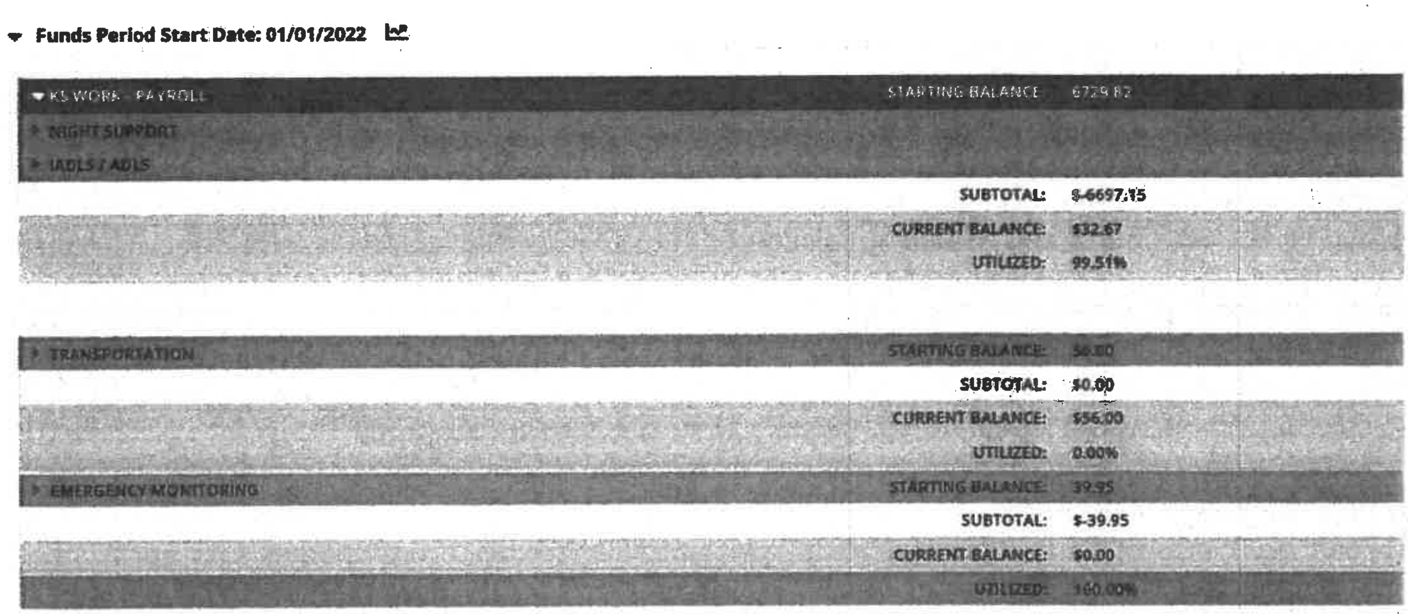
Spending reports can be generated to output items occurring within a set of service dates – or it can be generated on a budgetary period, as shown in Figure 9. Both views – dollar amounts spent and remaining, as well as related percentages of spending – are shown. When applicable, units are also shown.

Figure 9: Spending Summary 1



After making selections, users can see starting and ending balances, as well as percent utilized. When accounts are overspent, they display in red text. Each section can be expanded by clicking the arrow next to the line item.

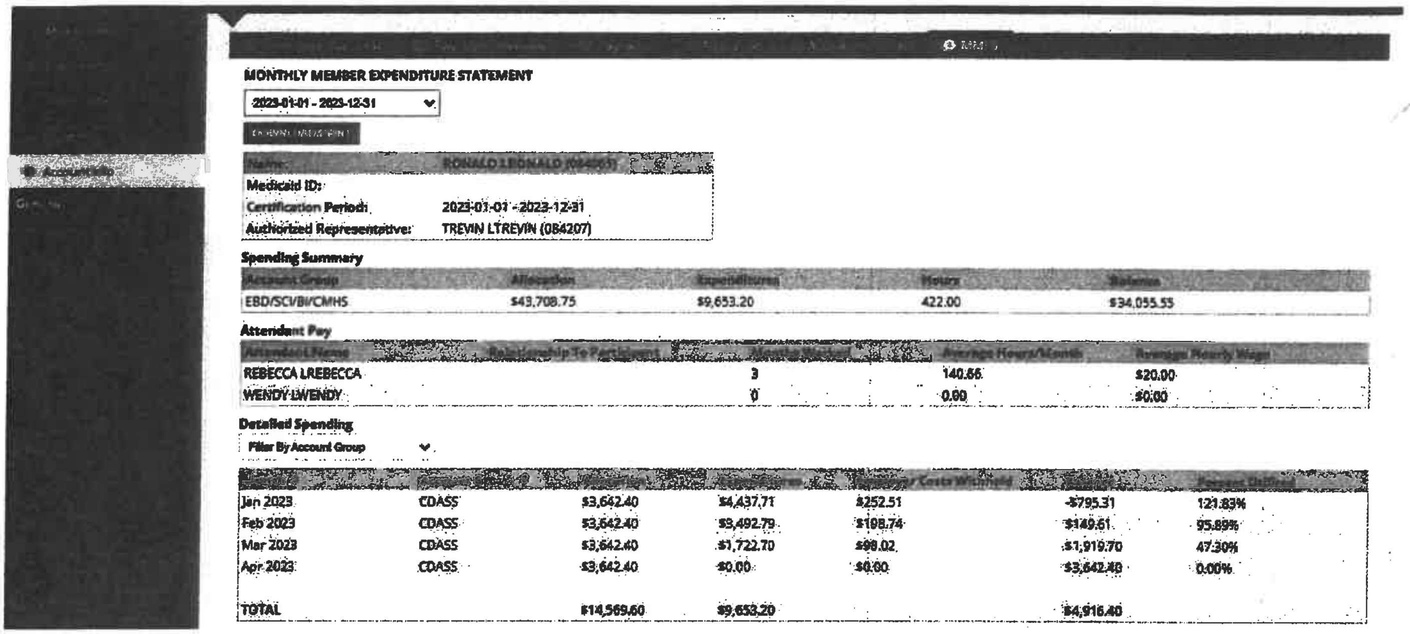
Figure 10: Spending Summary 2



"Funds" describes how many member/representative-employer funds were utilized during a particular time period. This information can be filtered by account group, authorizations, and/or payee. A line-item listing provides the name of the payee (worker), reference ID, time period, and amount utilized.

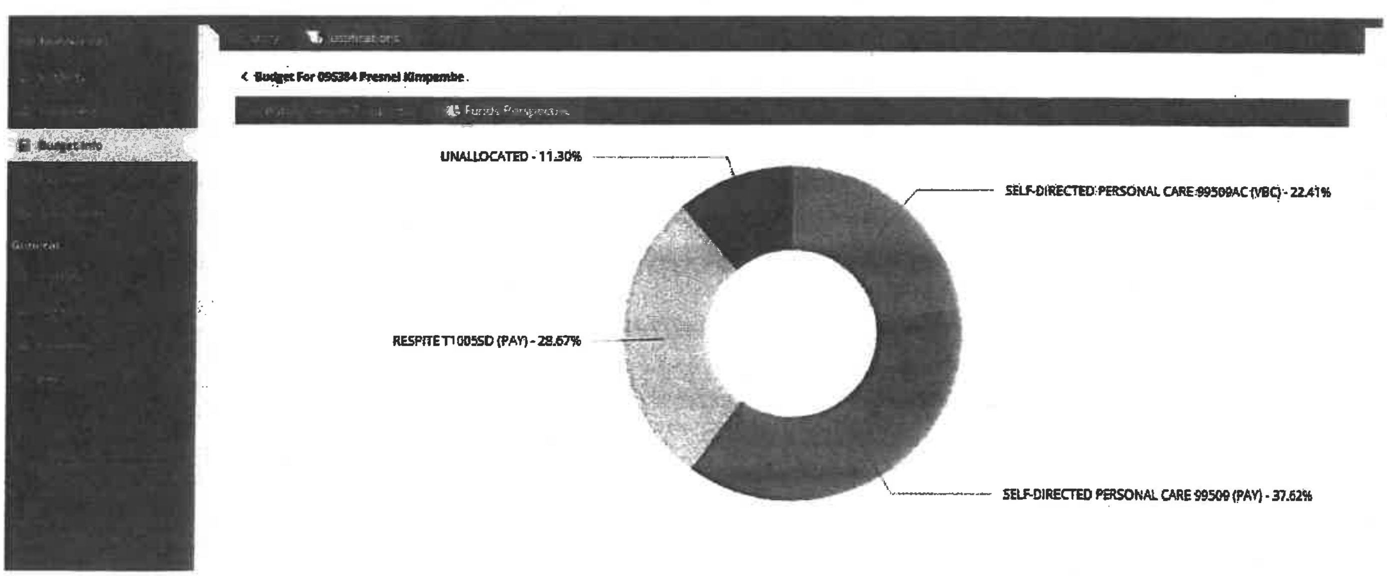
This information is also reflected in additional views that many of our members/representative-employers and Agency partners find helpful. For example, our system includes a Monthly Client Expenditure Statement tool (**Figure 11** below) that displays real-time information of allocations, utilization and balances for a specific monthly time frame. This feature is particularly beneficial in a program where budget authority is incorporated, and members/representative-employers have full control requiring them to monitor their balances and reserves.

Figure 11: Monthly Member Expenditure Statement



Furthermore, professional users like State/Agency staff and Case Managers can benefit from our interactive widgets as exampled in **Figure 12** below and system tools such as our budget justification snapshot which can help individuals understand from a quick glance what services are being utilized the most for their care needs. In this example Case Managers can quickly see the breakdown of how this member is utilizing their authorized services and what amount of services is remaining to be allocated for other services like goods and vendor payments. Each section of the chart can be drilled down further for more data and valuable analytics about the allocation and utilization.

Figure 12: Budget Justifications



✓4.2.1.25-4.2.1.49

Enrollment

Over the past 20 years, we have streamlined the enrollment process by simplifying our documents as much as possible, requiring only the necessary information to appropriately render services, and remain compliant with our programs, states, and federal requirements. **Palco's online cloud-based enrollment system is the most user-friendly in the market and allows Members/Representative-Employers the opportunity to sign all required forms online, enroll via a completely paperless process, and track the entire process online *in under 3 minutes*.**

When the Member elects to enroll in the consumer-directed service model, Palco will provide outreach and two methods of packet distribution:

1. **Online enrollment.** Enrolling online through the portal is the fastest way to sign up for the program. Users sign and submit all forms online and are notified of submission errors in real-time, allowing them to correct issues before finalizing and submitting documents.
2. **Paper packets.** Individuals may request a mailed or emailed packet. The customer support agent logs the request in the web portal, where it can be tracked. An enrollment specialist generates a prepopulated packet with the click of a button, and the packet is sent to the individual via secure, encrypted email or mailed to the individual's home.

We will customize our user-friendly *Member Enrollment Packet* and *Worker Enrollment Packet* to contain all forms and information required under this program. Our goal is to reduce enrollment wait times and make the transition to self-direction as smooth as possible. We prepopulate all packets to the extent possible to reduce the fields that families must complete, and we offer a variety of solutions for completing packets. All enrollment packets will be available on the program page at www.PalcoFirst.com.

No matter the method, Palco prefills as much data as possible to mitigate potential errors, speed up enrollment times, and remove a common barrier to receiving services. Such data includes Palco's information (e.g., contact information, FEIN, our agents), Member and/or Employer of Record information (e.g., name, address, date of birth, phone number, and other identifiers), and general information (e.g., "HCSR" for "Home Care Service Recipient," as required, in member title fields).

All materials are available in alternate formats upon request and are in an easy-to-read and -understand format. Palco's contact information for questions and technical assistance is printed on all materials.

Packets are reviewed against a standard checklist to ensure accuracy and completeness. Should a paper packet contain forms with incorrect or missing information, the information is logged into our system. Automatic emails will also be sent to individuals who provided an email address.

Only the forms with errors are returned with an explanation of how to remediate the errors. Follow-up activities are notated in our system through a workflow tracking system. This monitors the time taken for enrollment, how long errors have been outstanding, and allows our customer support center to see all information in real-time should an individual call regarding additional questions or needing assistance with the process. Notifications are done via mail, email, or phone, when applicable.

PA Transition

When Palco took over the program for Pennsylvania, the state was plagued with extremely long enrollment times – up to 27 days in some cases. After we took over, we completely revolutionized stakeholder access to self-direction with enrollment processing times of less than one (1) business day month after month for more than three (3) years straight.

Enrollment staff quality check and review each form. Packets are processed within two (2) days of receipt. Mistakes are rarely made with online enrollment packets because of the system's real-time integrity checks and workflows. However, should there be errors, they are logged into the system and communicated within three (3) days. Automatic emails notify the enrollee of the error in clear and specific language, directing them to the issue(s). Reminder emails are sent at various time intervals after the initial submission.

"Dicia (Palco Enrollment Specialist) explained what the forms that were needed for the changes I needed to make. She was very kind, and I felt like she knew what she was talking about. She took care of my paperwork quickly and let me know once they were completed. I was very impressed with her knowledge and quickness."
-Randy L. from Arkansas (Used with permission)

After a completed submission, the following important steps occur:

- ✔ Data is inserted directly into our database.
- ✔ The documents are saved in our document management system in the enrollee's case file with appropriate metadata tags for easy retrieval. This eliminates the need for scanning, which can sometimes result in hard-to-read forms, potentially delaying enrollment.
- ✔ An immediate, real-time notification is auto generated and sent to the Palco enrollment staff assigned to the West Virginia enrollment work queue to complete additional tasks, such as background checks or obtaining tax identification numbers.

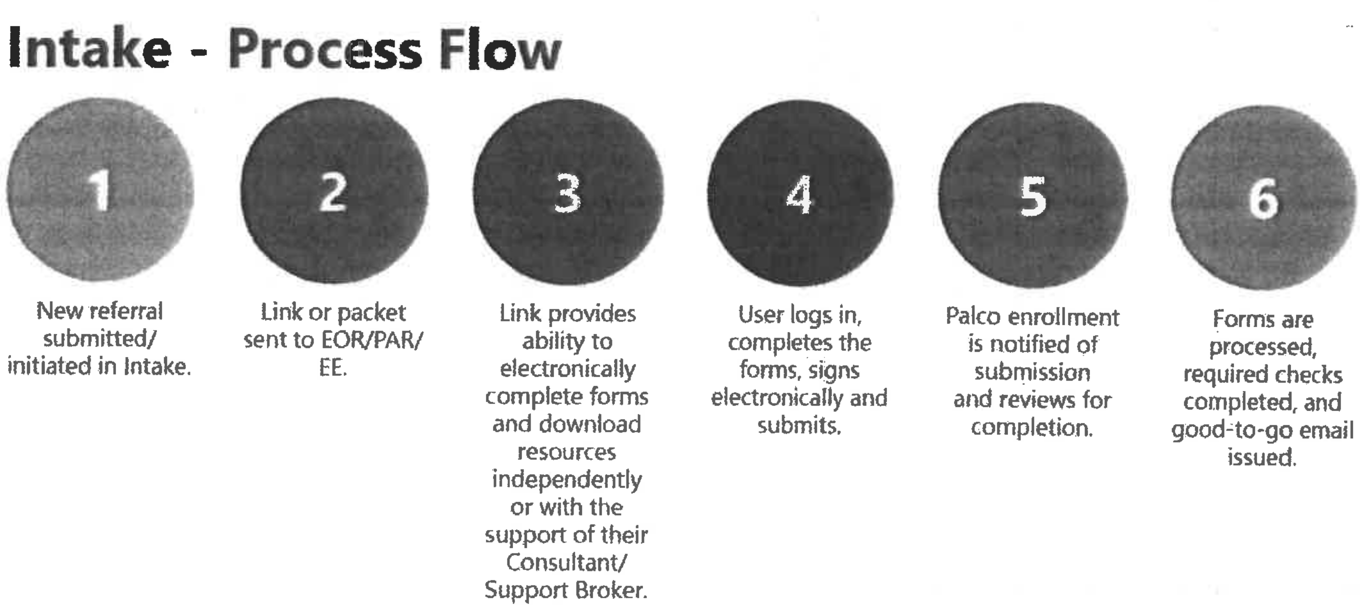
All packets, regardless of the source, are stored electronically in our Portal. Therefore, anyone with access to our system can view the approved and rejected documents sent to Palco.

Enrollment activities are supported with our Policies and Procedures Manual. To support quality and ensure a smooth and transparent enrollment process, we monitor all enrollment-related activities, including paperwork completion and worker clearances, through the following:

- ✔ An electronic checklist, which captures key dates and events such as mail date, follow-up activities, background and credential checks, and receipt of forms, is utilized so that all staff know where the individual is in the enrollment process, should they call for assistance.
- ✔ Application of benchmarking standards, such as the time it takes to enroll and credential providers.
- ✔ Reports for cases with a pending enrollment status, expired licenses, or credentials, and taking follow-up action to complete enrollment and renew the DCSW's information.
- ✔ Management review.

See **Figure 13** below for an enrollment workflow summary. Through every step in the process, our staff is here to help guide users.

Figure 13: Enrollment Workflow Summary



ONLINE ENROLLMENT

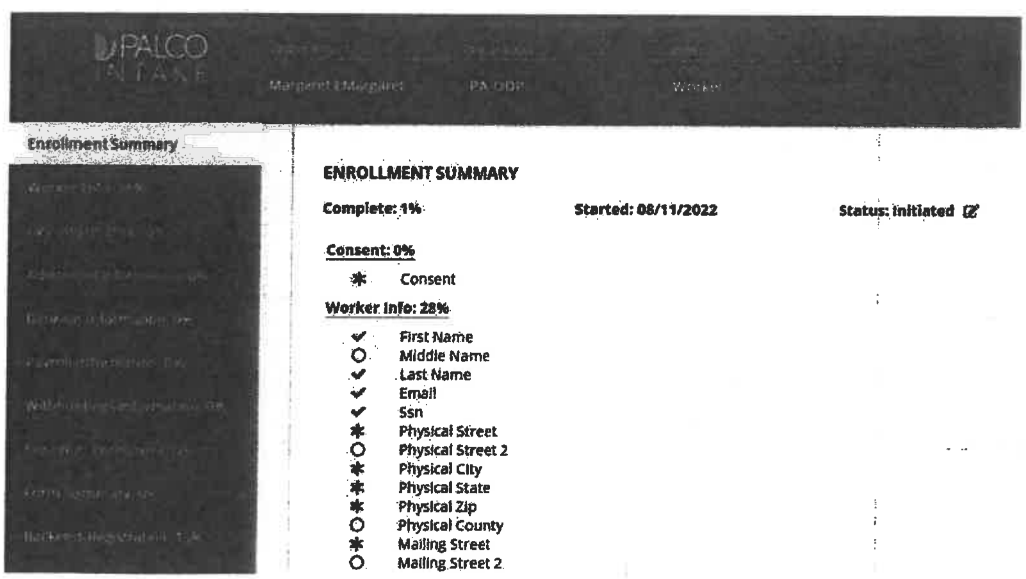
Palco's enrollment system is cloud-based and can be accessed securely from any web browser. Enrollment online is the preferred method of enrollment because it is fast and practically error-proof. The system ensures that all required data elements are captured and that every required field on the forms is completed before submission can occur. Submission of a completed enrollment is instant, getting the forms directly into the hands of an enrollment specialist (rather than waiting on the delays of the USPS, a scanner, or email box).

Members/Employers of Record (or Workers) who elect to enroll online receive an automated email notifying them that their packet is ready for completion. Each welcome email contains an encrypted token that allows the user to access their personal enrollment. Access is granted once security is verified.

Once the enrollee is logged into the system, the user is guided through a step-by-step workflow. Fields or forms requiring review or signature are flagged. As items are completed, the enrollment wizard, constantly navigating them through the process, notifies the user of their remaining steps to complete.

Palco's Intake application has built-in controls to prevent form submission until all required fields are completed accurately. Errors are displayed in real-time for users to fix immediately prior to submission. Figure 14 below provides a visual of the enrollment summary tab alerting the user to missing information, as denoted by a red asterisk. When using the Palco portal to complete the necessary forms, the total estimated enrollment time averages less than three (3) minutes.

Figure 14: Intake Enrollment Tab



Once an enrollment is completed, the user submits it to Palco with the click of a button, and they are able to download their completed forms for their records.

Paper-Based Enrollment

While online enrollment is highly encouraged, Palco understands the needs of the self-directing population with limited access to technology; therefore, we maintain a paper-based enrollment option to ensure all individuals have access to services. In the event a paper enrollment packet is received, Palco staff immediately scan and route the enrollment documents through our document management system, where they are time-stamped with the date of receipt. All forms are pre-coded with appropriate information prior to us sending them. These codes allow our system to automatically route documents and forms to the appropriate program enrollment processing queue. This queue is staffed with Palco Enrollment Specialists dedicated to this project. They understand the unique requirements of the consumer-directed program.

Palco will issue a "Good to Go" notification that alerts the Member/Representative-Employer and consumer-directed worker that services can begin and payment for services to be rendered is approved. An example of this notification can be seen in **Figure 15** below. Notifications include custom program-specific language and a start date that is configured based on the program rules. Some programs allow for services to begin on any day of the month while others may limit start dates to the beginning or a specific day within the month. The Palco Intake system can configure the notifications to reflect these business rules and provide the recipients with the exact details for their service delivery.

Figure 15: Good-to-Go Notification Email

Melissa Castellanos

Participant: Alejadra Portillo - Palco ID: 516571
Employer: Ricardo Santander - Palco ID: 516573
Worker: Melissa Castellanos - Palco ID: 516574

Palco, Inc. is pleased to inform you that you have completed the program's enrollment process and have been issued a Good-to-Go status by Arkansas DHS with an effective date of 2021-05-23. Please remember that Medicaid does not authorize Palco, Inc. to pay for any hours your employee works prior to the Good-to-Go date.

Please keep the ID numbers listed at the top of this notification in a safe location. You will be required to provide these numbers when you call Palco Customer Support at 1-866-710-0456.

Medicaid requires that you record and submit your time using Electronic Visit Verification (EVV) via either the mobile application or telephony. Please ensure you are set up and registered with EVV through your employer.

Connect is our online portal, the easiest way available for you to view time submissions and review pay stubs.

Please visit our website https://palcofirst.com/ for additional information and program forms.

Respectfully,

Palco, Inc.

CONFIDENTIALITY NOTICE: This e-mail and all attached material are private and confidential. All materials are privileged and are intended solely for the intended recipient. Any unauthorized copy, disclosure, review, distribution, or any other use of this material is strictly prohibited and may result in legal liability on your part. If you have received this transmission in error, please notify Palco immediately at (501) 604-9536 or privacy@palcofirst

Member/Employer of Record Enrollment

A Member/Employer of Record Enrollment Packet will be submitted to the Agency prior to the go-live date. Packets contain the following information:

- ✔ Cover letter with introductory information that explains the packet and roles, policies **on pay including overtime and budget, responsibilities and services related to Palco, the Agency, and the Employer of Record. It also includes important information about the availability**

of materials in alternate formats (e.g., large print, braille, Spanish), and roles and responsibilities of the employer, member, worker, and vendors. Palco's contact information, hours of operation, and location are all also available in the packet.

- ✔ Information about the enrollment process, including details on **background checks and employment eligibility requirements.**
- ✔ A checklist of all forms and requirements to assist in completion.
- ✔ Clear instructions describing the form's purpose and **completion requirements, providing examples of properly completed forms, as well as submission instructions if using online enrollment (or a self-addressed stamped envelope).**
- ✔ Intake and Referral Form to verify contact and basic demographic information and **obtain emergency contact information.**
- ✔ Payment schedule that shows timesheet weekly **pay cycles, due dates, and paydays.**
- ✔ Portal tutorials that guide individuals on accessing and using our system and how to obtain technical assistance to support them.
- ✔ **Employer of Record Agreement/F/EA-Agent Consent Form.**
- ✔ Designation of Surrogate Employer of Record (optional).
- ✔ IRS Form SS-4, *Application for Employer Identification Number.*
- ✔ IRS Form 2678, *Employer Appointment of Agent.*
- ✔ IRS Form 8821, *Tax Information Authorization.*
- ✔ West Virginia 2848, *Authorization of Power of Attorney.*
- ✔ West Virginia WV/AR-001, *Authorization to Release Information.*
- ✔ Information regarding the use of EVV and approved time entry and tracking, including the requirements for **compliance and consequences for not maintaining compliance.**
- ✔ Worker Intake Form (supplemental).
- ✔ Worker Status Change Form (supplemental).
- ✔ **FMS Termination Form (supplemental).**

A draft copy of the Member/Employer of Record Enrollment Packet can be found in **Appendix 3**. We maintain touchpoints with the members, conducting phone calls or in-home visits to assist the individual with completing the packet.

Palco will further include the documents required to obtain Workers' Compensation Insurance, when required. To aid in the education of workplace safety, we will include a thorough packet of information including site and home safety checklists, how to identify and report injuries, what to do when an emergency occurs, and universal precautions to avoid injuries. Copies of retained forms are maintained in the Employer of Record's file for up to six (6) years.

As explained above Palco will use the IRS Form SS-4 to obtain a FEIN for each member we represent. We will also file the WV/BUS-APP, Business Registration, and obtain employer account numbers for state income tax withholding and state unemployment insurance purposes. Palco will register the member as an employer with the municipality, as we do in bordering states, such as Ohio and Pennsylvania. Municipal fees are also submitted, as required, for registration and payment. Palco assumes all penalties for failure to register or pay municipal fees. This process is explained in more detail in Section 4.2.1.69-4.2.1.81. Copies of all forms are retained in our files.

DCSW Enrollment

The DCSW Employment Packet Includes the following:

- ✔ Cover letter with enrollment checklist, including how to receive assistance, which contains a toll-free number and information about the customer service and complaint systems.
- ✔ Information about the enrollment process, including details on background checks and employment eligibility requirements.
- ✔ A checklist of all forms and requirements to assist in completion.
- ✔ Clear instructions describing the form's purpose and completion requirements, providing examples of properly completed forms, as well as submission instructions if using online enrollment (or a self-addressed stamped envelope).
- ✔ Intake and Referral Form to verify contact and basic demographic information and to obtain emergency contact information. This form will assist us with collecting information for the West Virginia New Hire Reporting system.
- ✔ IRS Form W-4, *Employee Withholding Allowance Certificate* with instructions.
- ✔ WV Form IT-104, *West Virginia Employee Withholding Exemption Certificate*.
- ✔ US CIS Form I-9, *Employment Eligibility Verification* with instructions.
- ✔ Medicaid Provider Agreement.
- ✔ West Virginia Provider Service Agreement.
- ✔ West Virginia Employment Agreement.
- ✔ Background consent forms.
- ✔ West Virginia DHHR Protective Service Check Form.
- ✔ Application for pre-employment Criminal Background Check through WV Clearance for Access: Registry and Employment Screening (WV CARES).
- ✔ Employee Training Verification Form.
- ✔ Confidentiality Agreement acknowledging that the DCSW agrees to respect the privacy and confidentiality of members' protected health information.
- ✔ Timesheet due dates/payday schedules.
- ✔ Instructions for reporting hours worked, due dates, pay schedule.
- ✔ Relevant information about approved service codes, when applicable.

- ✔ Rate sheet.
- ✔ Direct Deposit Information and Selection Form.
- ✔ Tax and Overtime Information Worksheet to determine if a DCSW meets any criteria to be exempt from FICA/FUTA/SUTA under Section 3 of IRS Publication 15, exempt from federal income tax withholding under Difficulty of Care of foster care/shared living arrangements, or exempt from overtime pay under the Fair Labor Standards Act (FLSA) Home Care Rule as a live-in domestic employee.

We process IRS Forms W-4 and IT-104 within five (5) days of receipt. We ensure that prospective workers meet qualifications and credentials before clearing him or her for hire by verifying citizenship status and state of residence and processing criminal background and abuse registry checks. Our enrollment team confirms the worker's Social Security Number through the Social Security Administration's *Business Services Online* system. We also check the I-9 status of the individual to ensure they are able to legally work in the United States.

Copies of all documentation including completed forms, new hire documentation, and results of criminal background checks are maintained in the applicable worker's file.

A draft copy of the DCSW Employment Packet can be found in **Appendix 4.**

✓4.2.1.45-4.2.1.46,4.2.1.56

Background Checks & New Hire Reporting

Palco will assist with the facilitation and administration of criminal background checks from the West Virginia Clearance for Access: Registry & Employment Screening (WV CARES) program. Our West Virginia-specific enrollment specialists will review result determinations and provide those results to the member/representative-employer within two (2) business days of receipt. Palco will maintain a file with background check results for all DCSWs. Palco ensures that the following employment clearance registry checks and criminal background checks are completed prior to employment:

- ✔ Rap Back Notifications List of Excluded Individuals and Entities (LEIE) will be received and maintained with a notice of the disqualified DCSW provided to member or representative-employer within one (1) business day of receipt along with the DCSW's employment terminated.
- ✔ Health and Human Services Office of Inspector General (HHS-OIG) List of Excluded Individuals and Entities (LEIE).
- ✔ Other exclusion and/or professional board databases as applicable.
- ✔ National Sex Offender Registry.

- New worker hires will be reported and entered into the West Virginia New Hires Directory within twenty (20) calendar days of hire.

Once an individual is properly enrolled as a DCSW, we report and document new hires to the West Virginia New Hires Program within the requisite timeframe of hire or rehire. Palco maintains employee information in our database. This information can be shared with employers seeking DCSWs on the worker registry. Copies of the West Virginia New Hire Documentation will be maintained in the worker's file.

We process determinations of the DCSW's qualifications to work for a member/representative-employer based on fingerprint-based state and federal background checks per Agency requirements. The U.S. Department of Health and Human Services, Office of Inspector General (HHS-OIG) prohibits persons that have been convicted of fraud of a state or federal agency, or who have been debarred, suspended, or otherwise excluded from participating in federal health care programs, as listed in the federal List of Excluded Individuals/Entities (LEIE) database.

At the time of enrollment and re-enrollment, Palco will electronically verify that DCSWs are not listed in the U.S. Department of Health & Human Services Office of Inspector General's (OIG) exclusion database using the enrolling DCSWs Federal Employer Identification Number and/or Social Security Number. Additionally, Palco's database of active DCSWs is automatically checked against the OIG's downloadable LEIE database of excluded individuals and entities monthly. Exclusion list check results are recorded in Palco's system as DCSW statuses that include the date of the exclusion validation and the results of each validation along with a historical record of prior checks and the dates and results of each check.

When results produce barrier crimes or a founded complaint, we immediately terminate the DCSW from employment on the date of discovery by deactivating their account. This notifies our payment processing system to disengage any payments, and it also prevents the worker from being able to enter time into the online time entry system. Any pending payments to the worker are also voided. The member/representative-employer is immediately notified that their DCSW is disqualified from employment. We then provide the following communications to the appropriate parties involved:

- An outbound phone call by our customer service staff followed up with a letter to the DCSW.
- Email to the relevant parties.
- Report provided to the State, listing the name of the DCSW, pass/fail results of the background check, date of the check, and date of renewal (if applicable).

This process is managed through an electronic enrollment system that allows for input and results of required checks and relevant dates. Through a notification and alert system, our staff is notified when clearance renewals, if applicable, are coming due within 30 and 60 days. Within the 30-day window, the renewal request becomes populated on an action item list to be reviewed by the enrollment team and management.

All background check results are tracked in our system. Members/representatives-employers are notified within two (2) days of the findings. Copies are retained in each DCSW file.

Through continuing quality assurance checks, random audits, monthly monitoring, and other activities, we will discover any DCSW who loses eligibility between renewal cycles. These providers will be placed in an inactive status with the reason for the status change documented. Palco will not enroll any DCSW that is found to be ineligible to receive federal funds. Palco's reporting, status system, and direct communication will aid in continual monitoring of DCSW eligibility to receive federal funds.

Palco is experienced with background check renewals and is prepared to assist the state of West Virginia with a renewal process every 5 years or at any frequency determined necessary. In several programs, Palco facilitates a renewal process and has a 98% return success rate! In 2022, Palco requalified 2,200 workers for our Pennsylvania service line over the course of 4 months, a process that goes beyond background checks by also revalidating credentials and certifications the program deems as required. Our Intake system is configurable at the program level to document the specific background requirements necessary and track those in compliance. Dynamic statuses ensure that if a worker is out of compliance their pay can be withheld automatically to ensure quality assurance at the program level is always maintained.

Figure 16: Background Check Result Tracking via Intake

OMIG Check

*Date Run	*Results P/F
Select a date	Select One

OIG Check

*Date Run	*Results P/F
Select a date	Select One

Provider Number Confirmation

*Control/Pin

CONTROL/PIN #

Criminal Record Check/ Criminal Background Check

*Date Result Received	*Results P/F
Select a date	Select One

✓4.2.1.35, 4.2.1.40, 4.2.1.44, 4.2.1.45

Vendor Engagement

As with Employer Enrollment Packets, our staff also assists the DCSW or vendor with completing packets. We process Vendor Engagement Packets, and file completed forms with the appropriate federal and state agencies within two (2) business days of receipt of information. If packets contain errors, we notify the vendor within three (3) days. All executed forms are retained in our files. Completed online enrollment forms are retained within our Case Management Portal (CMP) and available for viewing by Agency staff in real time, 24/7.

The Vendor engagement packet will include at a minimum:

- Cover letter with enrollment checklist, including how to receive assistance, which contains a toll-free number and Information about the customer service and complaint systems.
- Information about the enrollment process, including details on background checks and employment eligibility requirements.
- A checklist of all forms and requirements to assist in completion.
- Clear instructions describing the form's purpose and completion requirements, providing examples of properly completed forms, as well as submission instructions if using online enrollment (or a self-addressed stamped envelope).
- Vendor Payment Information Form.
- IRS Form W-9, *Request for Taxpayer Identification Number and Certification* and instructions for vendors who provide approved goods and services.
- IRS Form SS-8, *Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding* and instructions for when to use the form, when applicable.
- Medicaid Provider Agreement.
- West Virginia Provider Service Agreement.
- Information about PDGS, EAA, and other participant-directed vendors engagement information forms.
- Participant-directed vendor invoice due dates and payment schedule.
- Participant-directed vendor invoice format for submission of payment requests and instructions for submitting invoices for payment.
- Application for Approval of Participant-directed Goods and Services, Environmental Accessibility Adaptations, and other vendor-provided services if applicable.
- Participant-directed Goods and Services, Environmental Accessibility Adaptations, and Community Transition Services Disallow List, if applicable.

When it is determined that a vendor is an independent contractor, we obtain the W-9 within thirty (30) days. We verify the FEIN that the vendor reported on their W-9 with the IRS or Social Security Administration, as appropriate.

Vendors are enrolled using the Palco Case Management Portal via our Vendor Enrollment Module that captures the required necessary data such as Vendor name, Federal Employer Identification Number, Vendor Type, and the services they are authorized to provide. Our internal quality controls ensure that vendors are authorized and that they are qualified to provide services before services are processed and paid. Copies of all packets and relevant vendor information are retained in case files.

✓4.2.1.50-4.2.1.54

Employer Orientation

As individuals and their families make the decision to enroll in this service delivery model, Palco will provide a streamlined and knowledgeable support system to get their services started. Using a person-centered approach with the foundation of consumer-directed philosophies and principals, the Palco enrollment team will work to quicky process referrals for consumer-directed services to enroll the Member or their designated representative as the Employer of Record. Palco acknowledges the individual's right to take responsibility over their lives and will assist in empowering this right. Palco will help the Member take an active role in employing their DCSWs through recruiting, interviewing, creating job descriptions, hiring, setting hourly rates, and supervising their DCSWs. This ensures the philosophy of participant-direction and founding principles are incorporated in the delivery of every participant's services.

Palco values education and training in all aspects of our business, both internally and externally, as evidenced by our dedicated in-house training team of self-direction experts. Knowledgeable users of consumer-directed services are a key component to a successful program, and we know that when people are informed, they are empowered. **We provide initial Enrollment Orientation and Skills Training sessions to Members/Employers of Record** as well as refresher trainings (as needed). We provide training in a variety of formats including self-paced tutorials, instructor-led group training sessions, and individualized one-on-one training sessions.

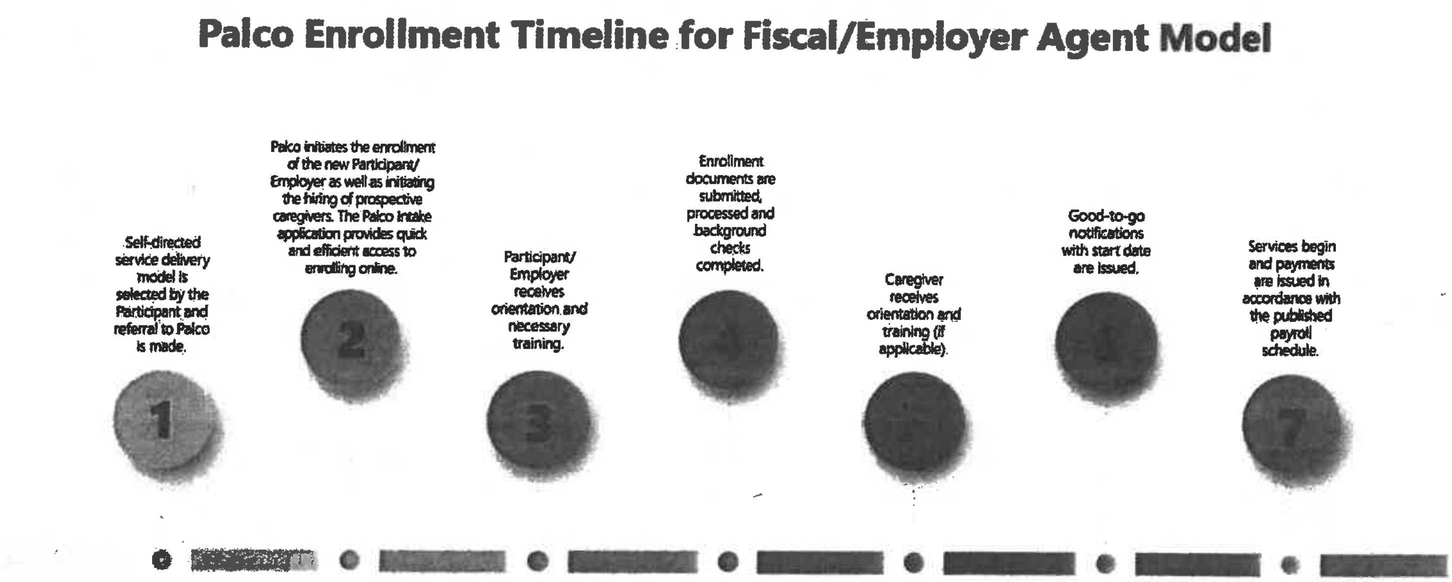
Palco takes a dedicated person-centered approach to all interactions by considering the Member's preferred location, preferred method of learning, and necessary learning supports. In many cases, this requires an in-person, face-to-face visit to best meet their needs. The main goal of the initial enrollment orientation and skills training session is to accomplish the following tasks:

- ✔ Provide an accessible, yet comprehensive, orientation and skills training for Members/Employers of Record.
- ✔ Observe the Member's outward wellbeing in his or her natural environment.
- ✔ Assist Members/Employers of Record with acquiring the knowledge necessary to ensure a thorough understanding of their role and program guidelines and that program guidelines are met.
- ✔ Assure that benchmarks for health, safety, satisfaction, and utilization of services by the Member are established.
- ✔ Guide the Member in developing a peer support system or obtaining a Representative, when needed.

- Certify that the Member/Employer of Record has the skills necessary to be an effective Employer in a consumer-directed service delivery model and assess possible risks.
- Establish the frequency and level of monitoring needed to readily identify problems and encourage successful self-direction.
- Provide each Member/Representative-employer with a Program Manual that includes pertinent information for program participation, such as how to recruit, interview, hire, manage, and supervise a DCSW.

Our Skills Training Policies and Procedures Manual emphasizes the application of the philosophy of participant-direction and shows that we foundationally believe in a culturally sensitive, person-centered approach to providing every aspect of program services and supports. Training and orientation will be conducted during the enrollment process as outlined in **Figure 17**.

Figure 17: Enrollment with Orientation & Training Timeline



Palco Resource Consultants will use a West Virginia Orientation and Skills Training Guidebook as a resource to guide these training session(s) to ensure consistency in the delivery of training content. An example of the **Orientation and Skills Training Guidebook** we currently use in Arkansas is included in **Appendix 5**. The guidebook will contain key concepts, scripts, and detailed examples to help ensure the trainee learns and retains important information.

Prior to conducting the member/representative-employer orientation, Palco will perform a readiness assessment to identify and address any issues that may impede the member/representative-employer's success in self-directing their services. Upon Agency approval, the training will include the topics outlined in **Table 1**.

Table 1: Orientation and Skills Training Topics

Topics	Description
Palco Introduction	Covers general information about Palco, Subagent-F/EA FMS tasks, hours of operation, key contacts, communication access points, when to expect callbacks from voicemails, and toll-free phone, fax, and TIY numbers.
Program Introduction	Covers general information about the program, Palco services, West Virginia's program policies, roles of all parties, overview of self-direction, use of protected health information and Palco's privacy practices, member rights and responsibilities.
Employer Responsibilities	Reviews member rights, risks and responsibilities, review of needs setting, and strategies for goal attainment.
Designating a Representative	Role and responsibilities of the representative-employer, including who can be a representative and how to determine when a member should have a representative. Ensuring the representative understands the needs of the member and has the member's best interests in mind.
Employer Paperwork	Completion of enrollment paperwork and explanation of forms. A copy of the forms is included with the program manual.
Employing a Caregiver/worker	An overview of the hiring process including how to advertise, recruit, interview, and screen candidates, as well as developing questions for the interview and reference checking; how to complete paperwork; and reviews effective communication with workers, supervision and monitoring of work performed, and conflict resolution skills. Employers should also address performance issues and send Palco Worker Termination Forms within twenty-four (24) hours of terminating a DCSW's employment.
Program Information	✔ Person-Centered practices when providing services to people with disabilities and individuals with intellectual and developmental disabilities. ✔ Program-specific policies and procedures, such as how to complete packets, ensuring DCSW background checks are completed, processing worker hours for payment, payroll and vendor invoice procedures, how to purchase approved PDGS, EAA, PERS, or Extended Therapy Services and Community Transition services (including online payments).

Topics	Description
	✔ Pay rates and schedules. ✔ Using the web portal for payment. ✔ Time capture, including the use of the mobile app and EVV compliance. ✔ Submission of required documentation and withholdings. ✔ Satisfaction surveys. ✔ Importance of monitoring self-directed services, included in members' budgets to ensure receipt of appropriate services.
Budgeting	Purpose of budget, authorized services, and how hourly rates and employer taxes impact the budget. Review and engagement of Palco's interactive online budgeting tool that allows members and Resource Consultants to change certain budget components and watch how it impacts the fund balance.
Payroll and Timesheets	Review of payroll schedules, timesheet completion and submission protocols, and related forms. Includes an overview of W-2s.
Compliance	Fraud and abuse training, as required by the False Claims Act. Education of what constitutes fraud and why and how to report it.
Workplace Safety	Workplace safety issues and strategies for effective reporting and management of workplace injuries. Critical incident identification and reporting as well as Universal Precautions.
Risk Assessment	Risks are reviewed (e.g., risk in the home or environment, disasters, risks by participating in the self-directed model). Plans for mitigating the risks are established.
Emergency & Backup Planning	Development and implementation of the emergency backup plan required by CMS, identification of opportunities for backup support within their community and with other natural supports. Exploration of methods for monitoring the backup plan, and timeline for testing the plan. Preparing and implementing corrective action plans as needed and developing and using risk management and emergency DCSW back-up plans.

Palco provides an Employer Manual with detailed information on all the key concepts for Members/Employers of Record to use as a reference.

At the end of the orientation and skills training session(s), if approved and desired by the Agency, the Palco Resource Consultant (RC) can administer a Post Training Assessment to evaluate the Member/Representative's understanding of the self-direction program and their role as an Employer. The Post Training Assessment is a 20-question, multiple choice quiz covering employer tasks, program rules, fraud/waste/abuse, and safety. Questions are written specifically to ensure understanding of the most critical and key tasks. A draft example of the **Post Training Assessment & Evaluation** can be found in **Appendix 6**.

Upon completion of the Post Training Assessment, the Palco RC can determine if the Member/Employer of Record has passed with a score of 75% or higher (or some other threshold, as agreed to by the Agency). Questions and concepts will be re-reviewed in detail with the Member/Employer of Record to ensure the correct information is absorbed. The Palco RC will work with Members/Employers of Record who score less than the "passing score" to determine their willingness and ability to proceed. Dependent on program policy, if they wish to receive continued education and training with the Palco Resource Consultant to retake the Post Training Assessment, the Resource Consultant will facilitate this or work with them to identify a new individual willing to serve in role of the representative employer. This Assessment also helps Palco evaluate our own skill training effectiveness and will be provided to the Agency for approval.

Following the orientation and skills training session(s), the Palco Resource Consultant will assist the member/representative-employer in developing a spending plan. The spending plan serves as the framework for how the member/representative-employer will utilize budget funds and schedule their DCSWs once services begin.

Back-Up Plan Development

Palco's RC staff will assist the Member/Employer of Record in developing and implementing an Emergency Backup Plan and designating an Emergency Backup caregiver/worker by engaging in a person-centered dialogue about the member's natural supports. These conversations are helpful in identifying appropriate backup caregivers/workers who can help when the member's regular DCSW cannot work for any reason. Our staff will also continue to assist the Member/Employer of Record in monitoring the effectiveness of their Emergency Backup Plan, including identifying additional natural support as necessary. We strongly encourage the Member/Employer of Record to ensure that the identified backup caregivers/workers are formerly enrolled in the event short-term support is needed during turnover of the primary DCSW.

Emergency Backup Plans are housed in our Case Management Portal (CMP) for easy access by the State program staff and other support staff. Palco Resource Consultant staff will review Emergency Backup Plans at least annually with program Members/Employers of Record but will also revisit the Emergency Backup Plan any time there is a change in condition or DCSW turnover. Any changes to the Emergency Backup Plan will be housed in our Case Management Portal for quick access by external stakeholders like the State program staff. Members/Representative-Employers will also have the ability to view and download their plans via the Palco Connect portal.

Within Palco's case management platform, several service planning and backup module capabilities exist within our Individual Service Plan (ISP) suite. A user interface built for more intense resource consultant services provides a tool for collecting, documenting, and exchanging information for members. Palco can provide this customizable resource to the West Virginia program if desired to enhance the oversight and program management being delivered. Information captured in this tool is stored within the Palco CMP and is visible to professional users 24/7.

Figure 18: Individual Service Plan (ISP) suite components

Backup plan information is collected and stored in the system should any issues or needs arise. This visibility helps ensure that the support individuals associated with the member have all the necessary information to provide high value service support. Members complete each section of the backup plan through a system-led module that collects consent to key safety concepts and documents their personal plan for emergencies and contingencies. All information, once stored, can be printed to a template where all the data is organized for the member's record keeping. **Figure 18** above and **Figure 19** below provide insight into the different backup plan sections contained within the ISP module.

Figure 19: Backup Plan Consent - ISP

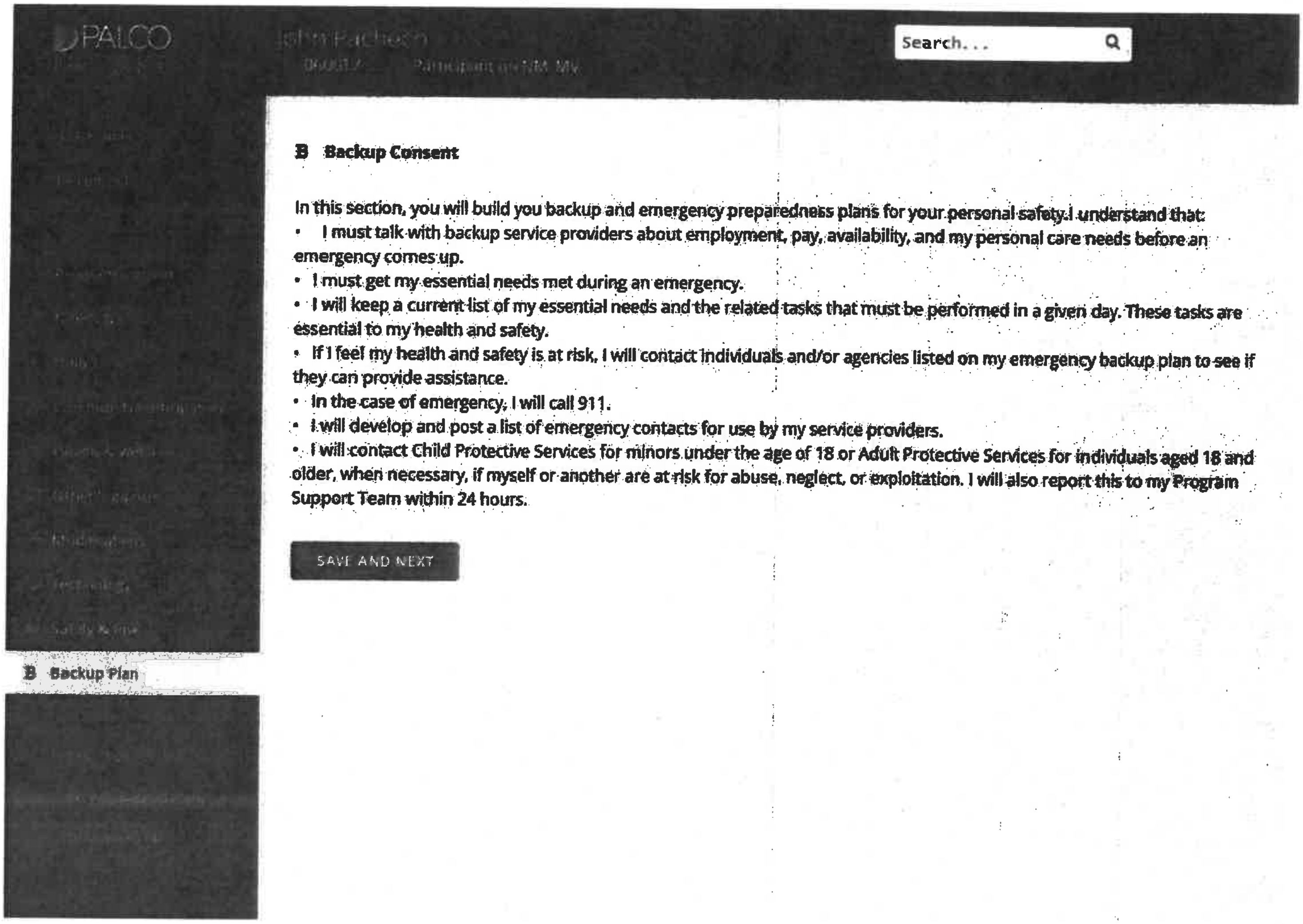
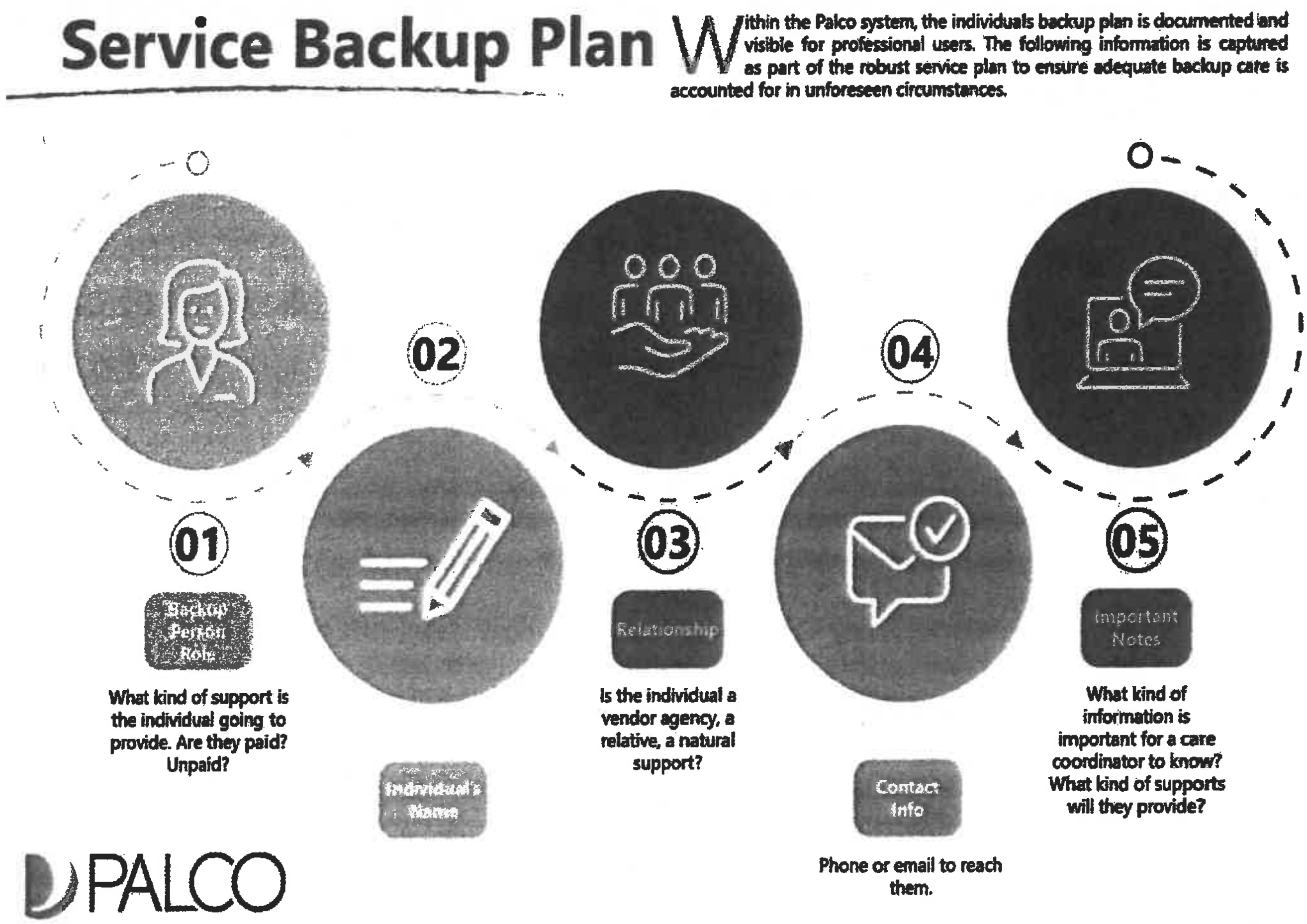


Figure 20: Backup Plan Service Contingencies



Two resources Palco Resource Consultant staff provide in the welcome packet to all members include the Healthcare Emergency Card and the Backup Plan Care Decision Tree.

These handy resources allow the member to document their needs and store the information in an easily accessible location such as their fridge or coffee table.

Please see **Appendix 5** for a copy of these resources.

✓4.2.1.55-4.2.1.64

Payroll Rules

Palco's payroll system is backed by a rules engine that ensures we have all of the proper information to generate a payment to the DCSWs and vendors, including the following:

- ✔ The member is Medicaid-eligible prior to any DCSW or vendor payments being sent.
- ✔ Palco has determined whether the DCSW or employer are exempt from certain taxes per state or federal rule, as described below.
- ✔ Whether the DCSW is a non-West Virginia resident.
- ✔ Palco processes DCSW payroll and related federal, state, and municipal tax withholding in compliance with all federal, state, and municipal regulations.

Additionally, prior to being paid, Palco will ensure the prospective DCSW meets the **minimum qualifications** required.

- ✔ Must be at least 18 years of age.
- ✔ Must pass a criminal background check as outlined by state and program rules.
- ✔ Must complete all required training.
- ✔ Must complete all required enrollment forms including to become a West Virginia Medicaid Provider.

DCSW residency, relationship with the employer, and live-in status collected during enrollment provides tax exemption and overtime calculation information in accordance with IRS rules regarding domestic employment, the Department of Labor Home Care Rule, and state employment-related rules. DCSWs are paid according to the rate set by their employer (which may differ by worker) in compliance with federal and state tax and Department of Labor wage and hour rules for regular and overtime pay.

Some DCSWs who provide domestic services may be exempt from certain taxes depending on their familial relationship with the employer (see IRS Publication 15 and IRS Revenue Procedure 2013-39 for more details), as shown in **Table 2**. We collect familial relationship information during the enrollment process so that we withhold taxes properly.

Table 2: IRS Paid Family Member Tax Exemptions

	Child Employed by Parent	Parent Employed by Child	Spouse Employed by Spouse
FICA	Exempt until child is 21	Exempt (unless 3 conditions met)	Exempt
FIT	Withheld		
FUTA	Exempt until child is	Exempt	Exempt
SUTA	Exempt until child is 21	Exempt	Exempt

Withholding information from the IRS Form W-4 is used to calculate federal income tax withholding. However, if the requirements of IRS Notice 2014-7 are met, the DCSW is exempt from paying these taxes. Palco has the capacity to calculate deductions related to Difficulty of Care payments per IRS Notice 2014-7, for both state and federal income tax withholding. We currently perform Difficulty of Care exemptions in multiple states.

Our system also captures municipal or similar codes to ensure taxes are withheld properly. Local municipal taxes and local service taxes are also calculated depending on the individual's jurisdiction of residency.

When a non-West Virginia resident DCSW provides services for a program member/representative-employer in West Virginia, Palco engages in appropriate protocols, such as providing multi-state tax tables to ensure proper payroll calculation. When necessary, we provide the applicable forms for the worker to claim reciprocity.

Lastly, we ensure DCSWs' hourly wages are in compliance with all applicable federal and West Virginia Department of Labor wage and hour rules, including payment of overtime wages. Any DCSWs who identify as being exempt from overtime per the Federal Fair Labor Standards Act (FLSA) Home Care Rule, DOL Fact Sheet #79, or Administrator's Interpretation No. 2014-1 for share living or foster care, will be paid at regular rates for hours worked over 40 during the standard work week. This includes situations where multiple members used a shared employer-representative.

Copies of all documents related to determining withholding or overtime payroll rules are maintained in the DCSW's, the employer's, or Palco's master current and archived files. Palco has standard reports that the Agency or member can view at any time.

✓4.2.1.65-4.2.1.67

Timesheet Submission

Palco provides DCSWs with timesheets, instructions, and a Timesheet Submission and Payday Schedule that complies with the West Virginia Department of Labor payday requirements for hourly employees, as well as program policies. This information and the process for preparing and submitting DCSW timesheets is covered in the employer packet and on our website.

Timesheets contain all relevant information, including the employer and DCSW names, case IDs, service dates, time in and time out for each shift, total hours worked, attestation that the time entered is accurate, and signature lines. Timesheets are built to accommodate split shifts and varying service types.

Timesheets are collected and processed quickly. We know that individuals rely on this income to support their families, and we are committed to making this process smooth. Employers have several options for submitting DCSW timesheets, at the employer's convenience. Timesheet submission options include submitting them electronically via EVV, online via website or mobile device, and, if needed, by fax, email, or paper submission via regular mail. Paper-based timesheets are entered into our online platform by Palco staff.

CMP CONNECT® SECURE WEB PORTAL

Connect® is Palco's web-based time entry system. Connect allows for secure electronic timesheet submission by Members/Employers of Record and their DCSWs. It is accessible and functional 24 hours a day, 7 days per week. Connect contains the following user-friendly and interactive features:

Connect

Connect is Palco's online timesheet system that integrates with Electronic Visit Verification (EVV). It is accessible only by the employer and workers. Connect allows timesheets to be created, edited, tracked, and submitted. The employer and workers also have access to reporting, utilization, monitoring, and pay stubs.

- ✔ Mobile-friendly.
- ✔ Real-time timesheet status information.
- ✔ Real-time validation of timesheets to check for errors.
- ✔ Electronically notifies the user of errors upon entry and prior to submission.
- ✔ Multiple channels for resubmission of timesheets with errors prior to the deadline
- ✔ Seamless integration with EVV, supported by the Fiserv AuthentiCare® mobile application on the backend that meets the demands of the 21st Century Cures Act.
- ✔ Enables users to view, update, and print real-time and historical information, such as direct deposit information or tax withholdings.

- Contains resources and reports for users, such as copies of documents like paystubs and W-2s.
- Capable of auto-scaling during periods of high traffic.
- Accessible and functional 24 hours/7days a week.
- Cutting-edge, cloud-based technology.

Our EVV solution is supported on the back end by AuthentiCare®, which has been battle tested in over a dozen states. This application meets CMS certification requirements by capturing:

- The type of service performed.
- The Member receiving the service.
- The date of the service.
- The location of service delivery.
- The DCSW providing the service.
- The time the service begins and ends.
- The method in which the check in and check out is made.

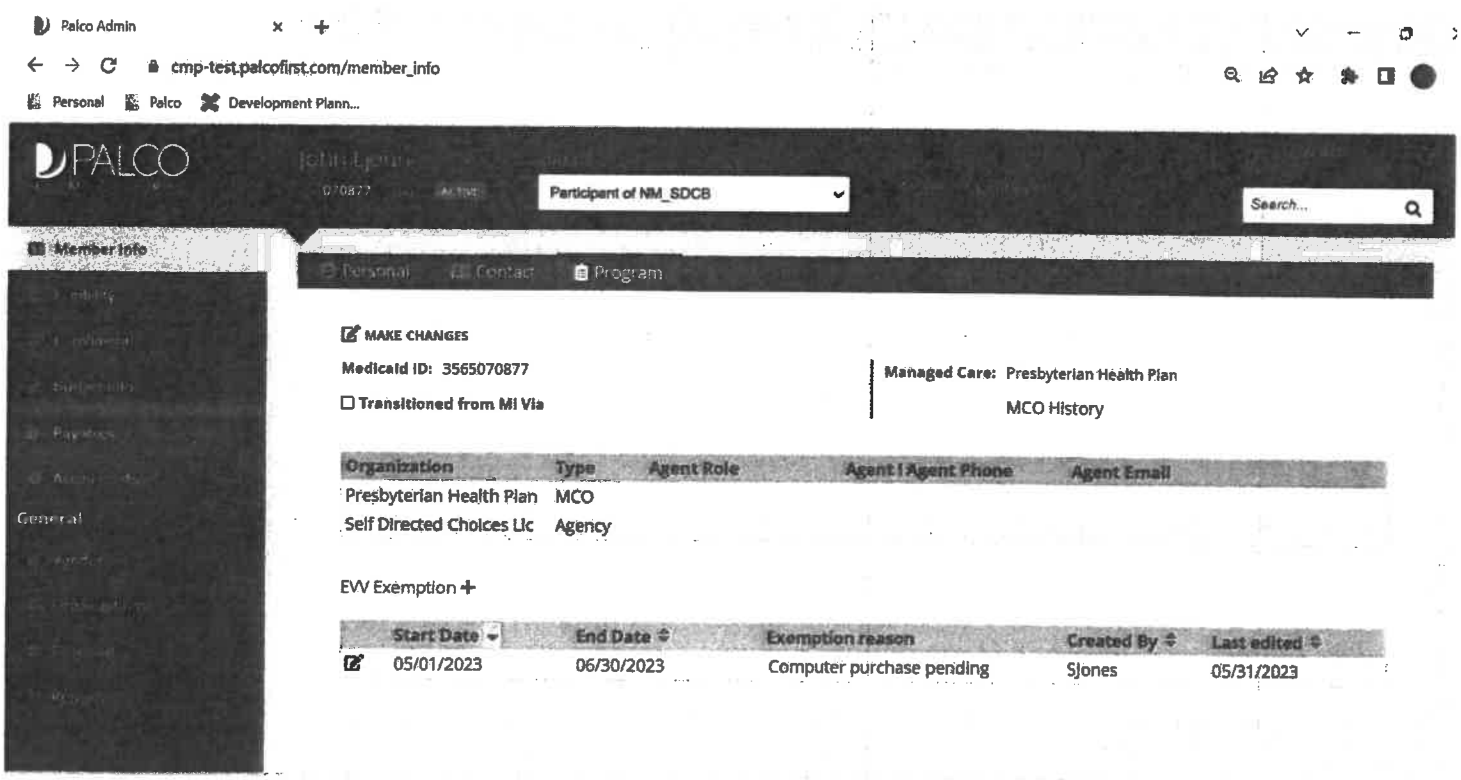
Palco with its partnerships provide a fully integrated EVV solution that is operationally designed with the self-direction service delivery in mind. Utilizing a near real-time, secure-claim web service and application programming interfaces, Palco has developed a strong partnership with the AuthentiCare® EVV solution that we can bring to the Tennessee stakeholders. Palco currently works with this technology in five states including Arkansas, Pennsylvania, New Mexico, Colorado, and Kansas. Our established and successful partnership with First Data Government Solutions, LP, a subsidiary of Fiserv, Inc., hereafter known as FDGS, and their leadership team has earned us the trust of thousands of self-directing participants and their workers. **AuthentiCare is the first EVV system to be used by any state for full certification by CMS under the latest Outcomes Based Certification (OBC) process.**

We offer flexibility for continuous collection of visit information in rural locations that may not have cellular connectivity. The mobile app has two modes of connectivity for DCSWs: Standard and Frontier. Frontier mode overcomes connectivity issues found in rural areas by collecting the check in/out data offline and uploading it at a later time when connectivity is restored. DCSWs use the mode that best fits the connectivity options in their area.

DCSWs install the free mobile app on their own phone or tablet and use it to check in and check out when providing care. The system uses the device's network time and GPS location to verify the start and end times of the visit and the location of service in real-time. Visit information is stored on the device until the DCSW has Wi-Fi or cellular data coverage, and then the data is automatically uploaded, providing a paperless solution.

Palco is experienced with tracking EVV live-in exemptions as utilized with the West Virginia program. Individual records within the system contain data fields to indicate if a worker is exempt, the qualification reason for their exemptions (program specific), and the date the exemption is approved until. See **Figure 21** below for an example of the EVV live-in exemption field within CMP. If a user has an approved exemption in the system, the user interface they experience in Connect is modified and tailored to them. For example, when manually entering a shift in Connect that requires EVV a required edit reason can be configured to ensure compliance with the cures act and aggregator specifications, a user with an approved exemption would not be required to select an edit reason. In some programs, annual or triennial re-qualifications of this exemption status are required, and Palco is experienced in collecting these exemption documentations. For example, our Colorado program requires all workers with an exemption to resubmit an attestation and supporting documentation annually to prove shared residency between the worker and participant. Our program specific enrollment specialists are trained and skilled in efficiently executing this process and our modern technology is configured to track and document every element.

Figure 21: EVV Live-in exemption tracking field



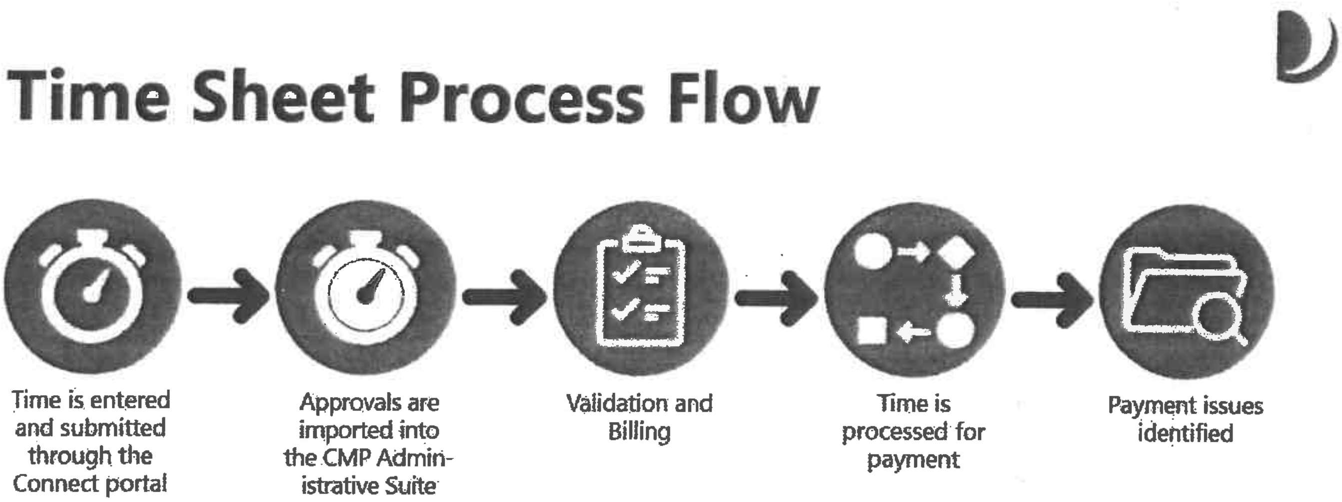
Security features of the online time-entry portal include:

- Data is encrypted while stored on the device.
- Access to stored data is available only with the DCSW's username and password.
- DCSWs are authenticated into the app using a two-factor authentication.

- This multi-factor authentication is required at least daily and each time the DCSW logs out or shuts down the app.
- The app locks after 15 minutes of non-use.
- Username and password are required to access after timeout locking.
- After the phone is locked, username and password are required to access the app.
- NIST-based password policies are in place.

Palco Connect allows Members/Employers of Record and their DCSWs to view their EVV shifts as an electronic timesheet, allowing them to review their shifts for accuracy before submitting for payment. **Connect is the single location for all shift management for self-directing stakeholders, making EVV a less cumbersome and more manageable task.** A process flow can be seen in **Figure 22.**

Figure 22: Time Sheet Process Flow



Timesheets submitted online or via mobile devices are automatically checked for errors and individual budget compliance issues upon submission. System edits are designed to prevent entry of incorrect, incomplete, and duplicative timesheets. Error messages are displayed on the screen to allow for the correction of incorrect or incomplete information. If a user tries to enter a duplicative timesheet (same dates, types, and units of service), the system will not allow entry. Users are limited to entering only services authorized on the Service Authorization. This helps prevent payroll and billing errors on the front-end, as opposed to after payroll.

Additionally, any times that are entered that appear to be duplicative or overlapping with times already entered into the system will be rejected. For instance, a user would be notified if they tried to enter a shift from 3:01 p.m. to 5:01 p.m. if the system recognized that time was already entered for the same

Figure 23: Time Entry

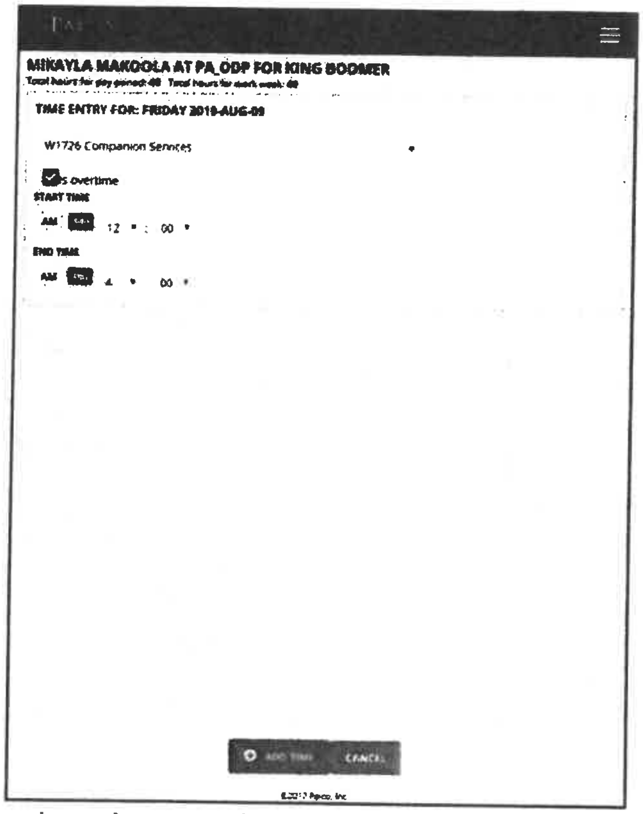
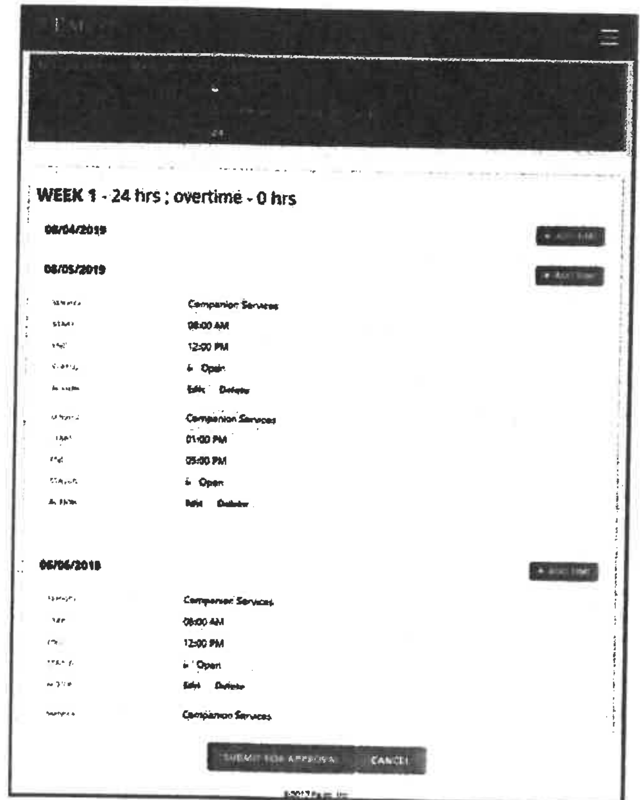


Figure 24: Electronic Timesheet Detail



day and service type during any times in this range, no matter when the shift begins or ends. We review all pending timesheets each time payroll processing is performed. Through this system, we review timesheets and ensure that pending timesheets are ultimately resolved quickly, and we prevent payment of incorrect timesheets for most issues.[2]

Once submitted, a notification is automatically emailed to the other party (e.g., if the DCSW entered the time initially, the employer would receive the notification, and vice versa) that time is ready for review. Here, the user can take a variety of actions. They can approve it, which sends it on to Palco for processing. They may choose to reject the time, which sends a notification to the initiator of the time submission that their time was rejected. Or they may correct the time and resubmit it – in this case, the initiator must log in again to approve the amended time. We provide online tutorials, training materials for users, and call center support for providing real-time assistance to electronic timesheet users.

If the timesheet contains errors, the member/representative is notified via system notifications and our customer support team. Resource Consultants can personally connect with individuals new or

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[2] If is not prevented at the timesheet entry stage, exception reports and quality checks done prior to producingpayroll will catch timesheets that should not be paid due to various issues.

struggling to learn the time entry system and instruct them on correcting and resubmitting their timesheets. Connect tracks individuals who chronically make claims that exceed spending plan amounts or program limitations and can notify resource consultants and program staff. Energy is spent in a proactive manner to correct issues and ensure the next payday is a smooth one.

Implementing EVV with a self-direction population requires patience, intensive training efforts, and exemplary customer support. We provide online tutorials, training materials for users, and customer support, providing real-time assistance to electronic users. Palco has developed and provides DCSWs with instructions on how to manually enter time and instructions for timesheet submissions in accordance with the payday schedule. This information and process for preparing and submitting Employee time is covered in Member/Representative-Employer orientation and skills training described in **Section 4.2.1.50-4.2.1.54 on page 50.**

Our software is embedded with a combination of controls that perform crosschecks and calculations to prevent over-billing. Some examples include a series of variance and exception reports along with error message displays on timesheet and claim processing tabs in our system. These instant alerts to potential overbilling allow us to remedy the situation promptly.

When a client has exhausted their budget, we reimburse any valid portion of the timesheet when possible – or "pay to the limit." Hours attributable to exhausted funds are split from the original timesheet and routed back to the user for correction.

✓4.2.1.68, 4.2.1.82

Calculating Payroll

Timesheet data is compared to budgets, checking for errors and individual budget compliance issues upon submission. Additionally, the following payroll system edits occur to prevent payment:

- ✔ Incorrect, incomplete, duplicative, or otherwise erroneous timesheets.
- ✔ Payment for unauthorized services.
- ✔ Payment to ineligible members and DCSWs.
- ✔ Payment during a period of facility admission.
- ✔ Payment of timesheets older than one year from the date of service.

Exception Reports itemize discrepancies, such as timesheet reporting for individuals who have an inactive status or timesheet hours that exceed budget-authorized hours. System validations built specifically to support the WV program will ensure all necessary program rules and restrictions are validated before a timesheet is approved for payment.

An example of this includes checking for multiple workers providing services to a single member at one time, something some programs prohibit. When this or a different program rule violation occurs, the system is configured to identify the shift in question and reject or hold it for further follow up and review. Palco management staff, composed mostly of CPAs, review these reports carefully to determine the appropriate action to be taken for each instance. All issues are communicated to the Members/Employers of Record for revision, resubmission, and prompt payment of DCSWs.

Our system has proven to be effective in tracking and responding to occurrences of payment request over-billing and payment requests that cannot be paid due to missing or erroneous information. If a payroll error occurs, Palco takes the appropriate action, which may include a recoupment for overages plan, particularly when the DCSW works in excess of approved hours or repaying the overage from our own funds. All issues are communicated to the employer with sufficient time for revision, resubmission, and prompt payment.

Palco's payroll software automatically calculates the total payments for DCSW timesheets, including federal and state withholding and employment-related taxes and overtime rules, as described in **Section 4.2.1.69-4.2.1.81 on page 68.** Medicare and Social Security tax (FICA), federal income tax (FIT), and state income tax (SIT) are withheld from DCSWs' paychecks each time a payroll is generated. SIT is calculated at the applicable West Virginia income tax rate. Municipal taxes are also calculated. Palco has the capacity to calculate deductions related to Difficulty of Care payments per IRS Notice 2014-7, should the State choose to accommodate this offering.

Palco processes all payments for judgments, garnishments, tax levies, or other related holds on qualified DCSW pay as required by federal or state governments immediately after payroll is generated. Palco tracks balances due on garnishments and voluntary deductions. When a garnishment is paid in full or Palco is notified by a third party to terminate a deduction, staff disable the deduction in our accounting information system. All documentation of authorizations to deduct and their terminations are kept in the DCSW's case file.

Each disbursement is coded to an expense account. Payments are offset against budgeted amounts. Remaining balances, calculated as the difference between budget limits and period spending, are displayed on each individual's account in real time for viewing in the Palco Connect system by Members/Representative-Employers and in the Palco Case Management Portal (CMP) for our internal support staff and state program staff.

Palco has a documented system, policies and procedures, and internal controls to ensure that DCSW pay rates and billable rates are accurate, as established by the State, in accordance with hourly pay and tax rates. We have protocols for quality assurance and payroll data testing of all impending pay rate changes.

✓4.2.1.69-4.2.1.81

Payroll Tax Filings

As part of our FMS function, Palco will process all necessary employer tax filings, which include all federal, state and local requirements. We regularly conduct compliance reviews and monitor relevant guidance in the provision of consumer-directed services for compliance with federal, state, and local tax, labor, and workers' compensation insurance rules and requirements related to the employment of qualified DCSWs.

As mentioned, Palco is 100% CPA owned. As tax professionals, we have access to periodicals and tax training that our competitors do not. We remain current on all IRS, state, and federal changes that impact this industry because FMS is what we do. We hire CPAs and experienced accountants to form our FMS team because we know experience in accounting and tax is what makes an FMS trustworthy. We easily adapt to changes in federal and state tax, labor, and program rules and requirements, including IRS changes in reporting, forms, and procedures; federal and state Department of Labor overtime and wage reporting changes; changes in state workers' compensation insurance rules; and state consumer-directed services program policies and procedures. With each challenge we have faced, we have provided quality F/EA FMS and related support at vast cost savings while honing our expertise in the provision of consumer-directed services.

We obtain a FEIN for each employer by completing and filing IRS Form SS-4, *Application for Employer Identification Number*. The FEIN is transferred to IRS Form 2678, which is sent to the IRS with a request for appointment of agent. This allows the IRS to expect tax payments from Palco instead of the employer.

We also register each employer as an employer for state income tax withholding and state unemployment insurance (SUTA) taxes with the West Virginia State Tax Department and West Virginia Job Service/Unemployment program, respecti4vely. Relevant West Virginia tax identification numbers are retained with each employer's case file. Palco is also an enrolled electronic filer and payer for state income tax withholding and unemployment insurance tax with the West Virginia State Tax Department and West Virginia Job Service/Unemployment program.

Each time payroll is generated, all federal, state, and municipal payroll tax liabilities are recorded in the employer's case file at Palco and accrued until payment is due.

- Both employer and employee **FICA** (Social Security and Medicare) and **federal income tax withholding** are paid in the aggregate via EFTS filing using Palco's separate FEIN and Palco's contact information after each payroll. Each quarter, IRS Form 941, *Employer's Quarterly Federal Tax Return*, is prepared with accompanying Schedules B and R.

- **Federal unemployment tax** (FUTA) is calculated based on the worker's annualized gross wages and the FUTA wage base. FUTA deposits are made quarterly under Palco's separate FEIN and contact information via EFTS. IRS Form 940, *Employer's Annual Federal Unemployment Tax Return*, and accompanying Schedule R, is filed in the aggregate annually with our FEIN. (Schedule A is also provided during credit reduction years if applicable.)
- **State income tax withholding** (SIT) is paid monthly and reported quarterly on an individual-employer basis for West Virginia residents and qualifying non-residents using the member/representative-employer's state income tax employer identification number and the West Virginia State Tax Department Form WV/IT-101, *Employer's Return of West Virginia Income Tax Withheld*.
  - Quarterly and annual SIT reports are reconciled against our payroll tax general ledger and submitted to the West Virginia State Tax Department West Virginia State Tax Department, when required.
  - When applicable, reciprocity tax filings for non-residents are also filed.
- **State unemployment tax** (SUTA) is paid quarterly on an individual-employer basis with the employer's tax account number, as prescribed by the state, even when zero wages are reported on a quarterly basis. This is done using the WVUC-A-154, *Contribution Report*, and WVUC-154-A, *Wage Report*.
- **Municipal taxes** are deposited and paid to the appropriate authorities on time and in the format prescribed by the jurisdiction. These amounts are reconciled on a monthly basis.

These activities are managed through company-wide electronic checklists. All tax filings are retained in perpetuity. As part of our internal controls and quality assurance (QA) measures, we perform quarterly operations reviews of all key deliverables. We conduct monthly and quarterly QA assessments, selecting a sample size to audit payments made, such as tax deposits and filings, garnishment payments, refunds to the Agency, and any payments to vendors.

✓4.2.1.82-4.2.1.85

Payroll Processing

Immediately after processing, direct deposits are sent to our financial institution. For payrolls that fall on a holiday, Palco issues payments a day early, when possible. We also run off-cycle payrolls for various reasons, including DCSW hardship or State/Palco error. In addition, we provide various reports to Palco program staff and external state staff each time payroll is run. Such reports list denied timesheets and payroll information, such as gross and net pay and withholding information. If a timesheet is submitted after the payroll deadline, individuals are not required to wait until the following pay period to receive funds; "off-cycle" pay is issued prior to the next payday. This helps mitigate financial harm to families and keeps individuals in compliance with Department of Labor requirements.

We have transitioned self-directing worker populations to a totally paperless payment method, with all payments being made via direct deposit. Palco has a documented system, policies and procedures, and internal controls to ensure that DCSW pay rates and billable rates are accurate, as established by the State in accordance with hourly pay and tax rates. We have protocols for Quality Assurance and payroll data testing of all impending pay rate changes.

Direct deposit paystubs contain information needed by DCSWs to understand their payment, including net and gross pay, withholdings, overtime hours/pay earned (if applicable), voluntary deductions, garnishments, and other payment related information. These paystubs are viewed by Member/Representative-Employers and their DCSWs in the Palco Connect portal. Palco staff and State program staff also view this information in our Case Management Portal (CMP). See an example of an EFT stub to a vendor in **Figures 25 and 26** below.

Figure 25: Paper-Based Stub

PALCO
PO BOX 242930
LITTLE ROCK, AR 72223

DEPOSIT ADVICE

Pay Date:	12/13/2018
Advice #:	8638
EFT Amt:	$282.86

PAYEE
Vendor Name
Vendor Address
Vendor City, State, Zip

Date	Invoice Number	Invoice Description	Invoice Amount	Amount Paic
12/12/18	049991-918803	Service Code-Vendor Name - 110.00x0.5450 09/30/18 10/3-10/10	$59.95	$59.95
12/12/18	049991-9A12AB	Service Code-Vendor Name - 216.00x0.5450 10/14/18 10/15-10/24	$117.72	$117.72
12/12/18	049991-9CB343	Service Code-Vendor Name - 75.00x0.5450 09/16/18 9/17-9/19 Service	$40.88	$40.88
12/12/18	049991-B244A2	Code-Vendor Name - 118.00x0.5450 10/28/18 10/29-10/31	$64.31	$64.31

Figure 26: Online Paystubs

PALCO
HOME TIME ENTRY PAYSTUBS PAYMENTS SPENDING

Paystubs

History for: Isildur Celeborn from: Last 90 days

PAYMENT ISSUED	NET TOTAL	PAID TO	Check No: 60136
Jun 23, 2022	$0.00	Isildur Celeborn	view stub

DESCRIPTION	THIS PAYROLL	YEAR TO DATE
EARNINGS		
PTO Accrued	$0.00	$0.00
CDASS 1	$0.00	$17289.00
	$0	$17289.00
DEDUCTIONS	$0.00	-$1334.64
NET PAY	$0.00	

In cases where payroll checks are lost, stolen, or improperly disbursed, Palco issues a stop payment request within 24 hours. Stop payments are typically effective immediately; in a few cases, it takes up to 24 hours for Palco's bank to stop payment on a payroll check. In the rare case that direct deposits are issued improperly, Palco will reverse the funds on the account when possible. If not possible, a payment plan is established with the DCSW. All stop payments and reissuances are recorded in the Palco general ledger and can be viewed in our portal.

All payroll and payment methodologies identified above are documented in Palco's program-specific Operational Policy and Procedure Manual and are monitored through a variety of internal controls.

Our effective Disaster Recovery Plan outlines processes for generating payroll on the due date, even during times of inclement weather and unanticipated power or server failure. Should an issue arise, it will be communicated to the Agency within four (4) hours.

Money Network Card

In our experience, we find that direct deposit is the preferred method of payment for issuing DCSW payroll checks. Palco processes thousands of direct deposit payments concurrently with the capability to expand this number without limit. We encourage DCSWs, individual-directed goods and services vendors, and small unlicensed providers to receive their payroll checks/payments via direct deposit, as it reduces waste to the environment and eliminates delays in payment, thereby enhancing program performance.

We offer prepaid cards with Money Network, a Fortune 500 company with over 2.7 million active users. We chose them above competitors because their cards are accepted everywhere, and they have many added benefits that most other pre-paid card providers do not offer. We recommend utilizing these cards, as they have the following benefits:

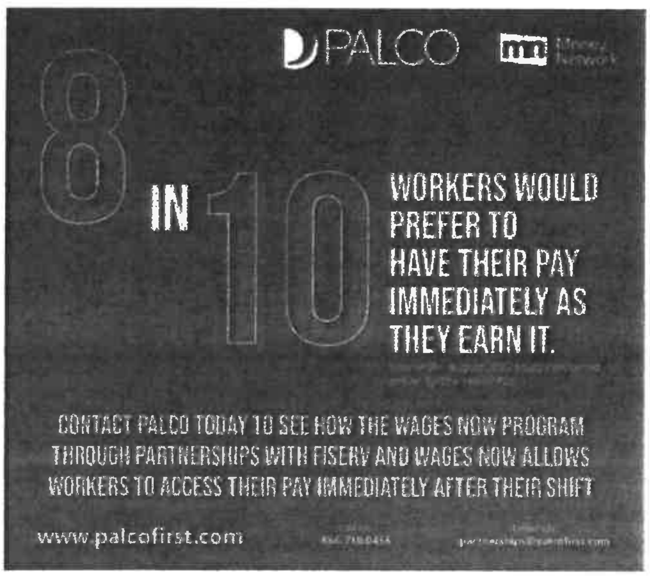
- ✔ Cardholders can access funds while awaiting their replacement cards.
- ✔ Cardholders have easy access to emergency funds.
- ✔ Cardholders have the option to "cash out" by receiving authorization for a check and protect against fraudulent activity.
- ✔ Checks are visible on cardholders' statements.
- ✔ Free mobile application and cardholder portal.
- ✔ Ability to use the cards at ATM locations nationwide.
- ✔ Includes free check cashing locations for consumer usage.
- ✔ 24/7 service support.
- ✔ Provides cardholders with a check option to pay bills or access funds if a card is lost or stolen.
- ✔ Fraud protection and FDIC-insured.
- ✔ Allows users to establish savings "accounts" under their cards.
- ✔ 24/7 online management system where users can login and see their balances, make transfers, and take other actions.
- ✔ No fees for use on regular purchases (not including foreign transaction fees, etc.).

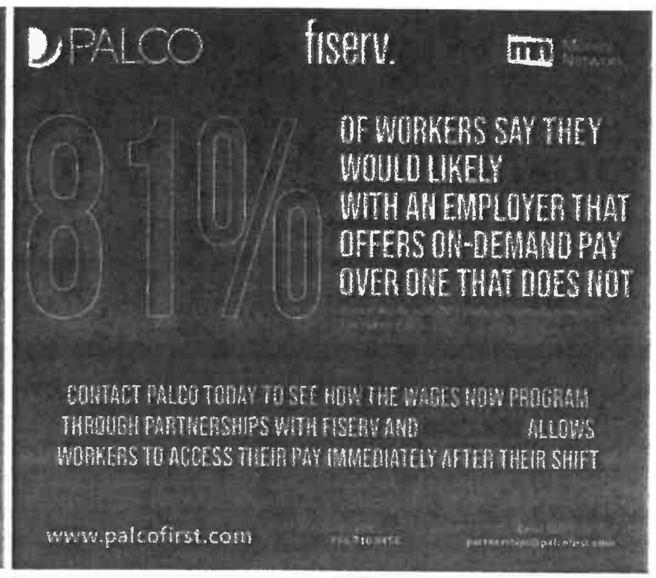
These cards can be issued within 10 days of enrollment with payments deposited on the card within the next applicable pay cycle. In the meantime, payments will continue to be issued on the previous payment method.

With Money Network cards, Palco can see where the funds are being deposited and, to some degree, utilized. Additionally, because the cards are used everywhere and are backed by Money Network, it eliminates issues with check clearinghouse vendors. For example, certain big box stores may not cash checks for clients, which results in families in need having to go without the goods they may need to support their independence. The Money Network Cards eliminate that.

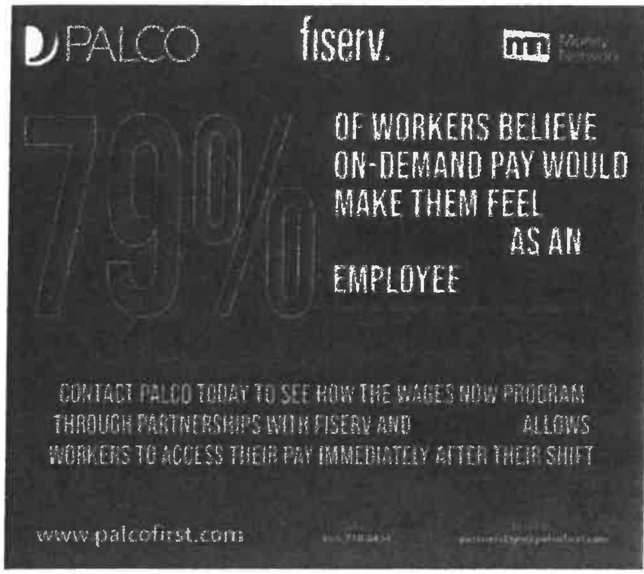
PAY DIFFERENT: PROVIDING SOLUTIONS TO THE UNBANKED AND UNDERBANKED

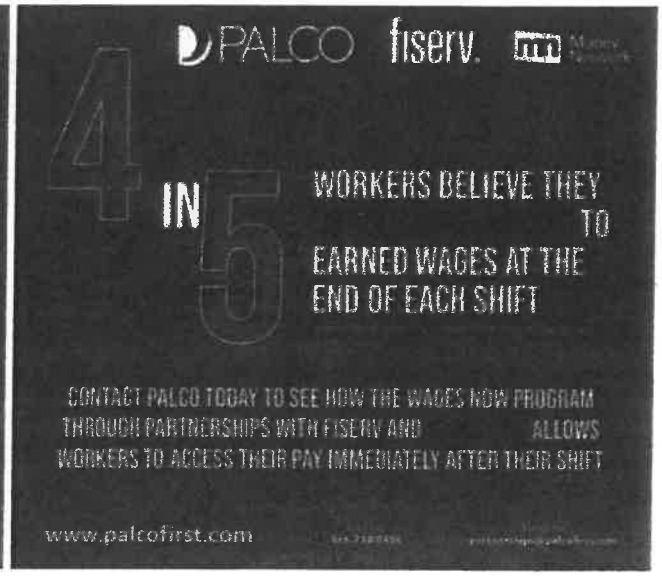
According to the 2021 Federal Deposit Insurance Corporation's (FDIC) National Survey of Unbanked and Underbanked Households,[3] "An estimated 4.5% of US households (approximately 5.9 million) were unbanked in 2021 and an estimated 14.1% (approximately 18.7 million) were underbanked. When the unbanked population was queried as to why, 21.7% cited that they don't have enough money to meet the minimum balance requirements."





[3] https://www.fdic.gov/analysis/household-survey/index.html





Palco has identified a resolution to eliminate this pain point for DCSWs who choose this solution. **Through our partnership with Money Network, we can now offer the Earned Wage Access (EWA) benefit where DCSWs can immediately tap into their earnings after each workday, which changes the customary fixed payroll cycle and eliminates costly payday lending.** This allows DCSWs to pay bills sooner, borrow less, and save more, alleviating stress from the debt cycles of payday loans.

A desirable benefit at no cost:

- ✔ No added fees for Members/Employers of Record or DCSWs.
- ✔ Integration with existing Palco time tracking systems.
- ✔ To-the-penny access to all funds via the patented Money Network Check.
- ✔ Integrated with mobile wallets.
- ✔ Person-to-person transfers at no cost.
- ✔ Expansive access points at in-network ATMs, check cashing partners and more.
- ✔ Comprehensive banking alternative with flexible access to funds.

What information will the State/Employer have access to?
The State/Employer will not have access to any information on the earned wages feature on the Money Network Card. This is a feature that is available on the Attendant's Money Network Card. Only the Attendant will have access to information related to their Money Network Card account. Neither the State nor the Employer will have the ability to see or know when an Attendant has requested or received funds early through the earned wages feature on their Money Network Card.

What happens on payday?
When an Attendant elects to access earned wages prior to payday, the funds they access or draw down are deducted from their upcoming paycheck.

✓4.2.1.86-4.2.1.87

Tax Notices

Palco researches and resolves any tax notices received from the IRS, West Virginia State Tax Department and West Virginia Job Service/Unemployment program regarding DCSWs' tax liabilities/liens within ten (10) days of receipt. Notices are tracked by upper management to ensure timely resolution. We retain all documentation related to all electronic IRS and West Virginia tax filings and payments in the Subagent-F/EA FMS entity's file for easy retrieval in order to respond timely and effectively to notices.

✓4.2.1.88-4.2.1.94

End-of-Year Tax Processes

A VF/EA FMS entity must perform a number of year-end tax activities for employers as their agent. They include the following:

- ✔ Preparing and issuing IRS Forms W-2.
- ✔ Processing over-collected FICA refunds.
- ✔ Amending IRS Forms 941, as needed, to reflect over-collected FICA.
- ✔ Filing the annual 940/FUTA report and processing FUTA refunds.
- ✔ Filing appropriate state tax returns for SIT, SUTA, or municipal taxes.

PREPARING AND ISSUING W-2S

Prior to mailing out tax information in January of each year using *Form WV/IT-103*, we verify and update each Member/Employer of Record and their DCSW's address and phone number. We also verify that each DCSW's Social Security Number matches the name and date of birth information from Social Security Administration's Business Services Online.

IRS has specific instructions for VF/EA FMS entities to prepare and issue IRS Forms W-2 (Special Reporting Situations for Form W-2, Agent Reporting). Palco follows this procedure. A VF/EA FMS entity with an approved Form 2678, *Employer/Payer Appointment of Agent*, for a member must enter the following in Box C of Form W-2:

- ✔ (Name of agent)
- ✔ Agent for (name of employer)
- ✔ Address of agent (VF/EA FMS)

Each Form W-2 reflects our separate FEIN in Box B, and we file one Form W-3, *Transmittal of Wage and Tax Statements,* for all W-2s. Our information in Boxes E, F, and G of the W-3 are as they appear on our related IRS Forms 941. Individuals who are employed by more than one employer receive separate W-2s for each employer. We file all W-2s electronically due to the volume.

Palco sends Copy A of the W-2 to the Social Security Administration on behalf of the employer. Copy 1 is sent on behalf of the employer to file with state, city, or local tax departments, as required. Copies B, C, and 2 are sent to the worker on behalf of the employer, and copy D is maintained in the employer's file at Palco. Copies are available online as well.

As part of this process, the total gross payroll per Form W-2 must be reconciled to the calendar year's total gross payroll and each of the four 941 reports filed during the year.

W-2s and accompanying transmittal cover sheet are filed with state tax agencies as needed.

We also process and file IRS Forms 1099-Misc, Miscellaneous Income, when applicable, for independent contractors who earn more than $600 in a calendar year, and IRS Form 1096, when not filing 1099-Misc electronically, with the IRS and WV Department of Revenue.

Processing Over-Collected FICA Refunds

In some cases, a DCSW may not earn the FICA wage threshold ($2,000 in 2017) in a calendar tax year. IRS can and often does update the FICA wage threshold for a particular calendar tax year.

Palco withholds FICA as required from the DCSW's payroll during a calendar year in anticipation of the worker earning the FICA wage threshold. When a DCSW does not earn the FICA wage threshold amount for a particular calendar tax year, we refund the employee portion of over-collected FICA to the eligible DCSW and the employer portion of over-collected FICA to the State or employer. Palco performs the following tasks to refund over collected FICA to eligible DCSWs and employers:

- ✔ Palco verifies and updates each employer and qualified DCSW's address and phone number. We also verify that each qualified DCSW's Social Security Number matches the name and date of birth information from SSA's *Business Services Online.*
- ✔ Palco then determines which DCSWs and employers may be eligible to receive a FICA refund and determines which calendar tax quarters that FICA was over-collected.
- ✔ Palco files an IRS Form 941-X for each quarter in which FICA was over-collected and attaches a Schedule R that only includes employers who were impacted.
- ✔ The employer portion of taxes is either applied to the employer's account or returned to the State per the directives of the State. Palco works with programs that that choose either option, so we have processes in place for both methods.

- ✔ Annual reconciliations are uploaded to West Virginia state tax agencies as required.

The IRS requires that all DCSWs be issued a Form W-2 for each calendar tax year they work for an employer. Currently, the Social Security Administration (SSA) will not allow a VF/EA FMS organization to electronically file an IRS Form W-2 if the form reports FICA wages greater than zero but less than the FICA wage threshold for the calendar tax year. However, VF/EA FMS organizations that file 250 or more Forms W-2 must file electronically or be penalized $50 per form filed in hard copy. Therefore, if FICA is refunded for a calendar tax year for a DCSW, FICA is refunded, the wages will be reported on the IRS Form W-2 as zero and the worker's Form W-2 should be issued to the worker and electronically reported to the SSA. Documentation related to FICA refunding is maintained at Palco.

FUTA REPORTING

Federal unemployment tax (FUTA) is calculated based on the DCSW's annualized gross wages and the FUTA wage base. FUTA is only owed to the IRS once the DCSW earns $1,000 in gross annual wages for a single employer. Palco charges FUTA from the first paycheck, assuming all DCSWs will earn $1,000 in wages for the year. All FUTA is deposited quarterly under Palco's separate FEIN and contact information via EFTS.

At year-end, employers whose DCSWs did not earn $1,000 per year are entitled to a refund of over-collected FUTA. FUTA taxes owed and deposited are reported on IRS Form 940, *Employer's Annual Federal Unemployment Tax Return*, along with Schedule R. Should FUTA tax deposited exceed FUTA tax owed, a refund will be issued to Palco. We will then refund these amounts to the Agency/BMS.

A copy of this return will be supplied to the Agency by February 20th of each year.

✓4.2.1.95-4.2.1.96, 4.2.1.97.4-5

Unclaimed Property

There may be cases where DCSW and vendor checks are returned to Palco because they are found to be undeliverable. In these cases, Palco staff will process these checks with the State in accordance with its Unclaimed Property Laws by voiding and issuing stop payment on the original check and then reissuing it to the State with an itemization of the parties and amounts to whom the payment belongs. Palco will maintain all documentation related to these cases in the applicable worker and/or vendor file at Palco.

✓4.2.1.97

Vendor Payment Processing

Our cloud-based budget module was built to be entirely flexible to support each member's unique budget. Processing, issuing, and tracking approved member-directed services payments to vendors is no exception. Only the expenses specifically approved for the Member will be paid.

Prior to payment, we distribute, collect, and process IRS Form W-9, Request for Taxpayer Identification and Certification. When applicable, we will process the results of any IRS ruling related to a vendor's filing of IRS Forms SS-8, Determination of Worker Status for Purpose of Federal Employment Taxes and Income Tax Withholding when there is a question of whether the vendor is an independent contractor.

We will process invoices and payments for Aged and Disabled and Traumatic Brain Injury Waiver Community Transition Services on approved Transition Plans.

In Kansas, New Mexico, and Pennsylvania, Members or authorized representatives can complete a Vendor Payment Request (VPR) form. After confirming with the State, we intend on using a similar process in West Virginia. The VPR form is provided by email or fax. For payments direct to the Vendor, the form must be accompanied by a quote or invoice. The Member or Representative-Employer must ensure in advance of submitting the VPR that the product or service is reimbursable. Our forms allow vendors to submit multiple dates of service, service authorizations, or even member requests. A copy of the processed VPR is maintained in the Member's electronic file. As an internal control, the check number and issue date are recorded.

Additionally, Palco's innovative and collaborative approach to meeting the members' needs goes beyond processing traditional vendor payments. Palco is experienced in online payment methodologies to provide a quick and cost effective solution to service delivery that includes the purchase and order of items shipped directly to the individuals store/home, purchasing and facilitating online payments for items like Uber and transportation tickets (bus, metro) and online submission ordering for employers to directly submit their vendor claims for items such as internet and phone bills approved in their plan. Through all of these different methodologies for receiving the services in a person-centered manner, Palco CMP provides visibility through online stubs and utilization management that is updated in real time.

Palco will verify, process, and pay for participant-directed goods and services based on an authorized invoice or receipt provided by vendors and supported by the Member's authorized Spending Plan, but no later than thirty (30) days after receipt. We also ensure that the vendors are qualified to perform the services prior to payment by reviewing their enrollment documents.

Once payment is made, the amount is deducted from the Member's Spending Plan. We will monitor Spending Plan expenditures. We will correct any discrepancies or reimburse the Agency for overpayments/underpayments, if any, and detail the credit on the next submitted claim within thirty (30) calendar days. Any returned vendor or small unlicensed provider payments will be processed according to the WV Unclaimed Property Laws. Unclaimed property information is stored in accordance with **Section 4.2.1.95-4.2.1.96, 4.2.1.97.4-5 on page 77-78**.

Vendor payment stubs display the invoice number and information related to the services that they performed. In some states, like New Mexico, large vendors provide services to multiple members. All members are invoiced on the same VPR. When Palco remits payment to the vendor, we itemize these invoices and members so that the vendor is able to easily reconcile payments without having to call Palco Customer Support. This practice has led to greater satisfaction among the vendor community in our states.

Palco can also provide online payment processing for Community Transition services and other services related to Money Follows the Person initiatives, as needed. Palco will ensure that claims for Community Transition Services payments are issued prior to the member's transition to the community to ensure there are no gaps or delays in service. Understanding the delicate nature of transitions and community services, Palco can work in collaboration with all stakeholders involved in a particular case to ensure a seamless delivery.

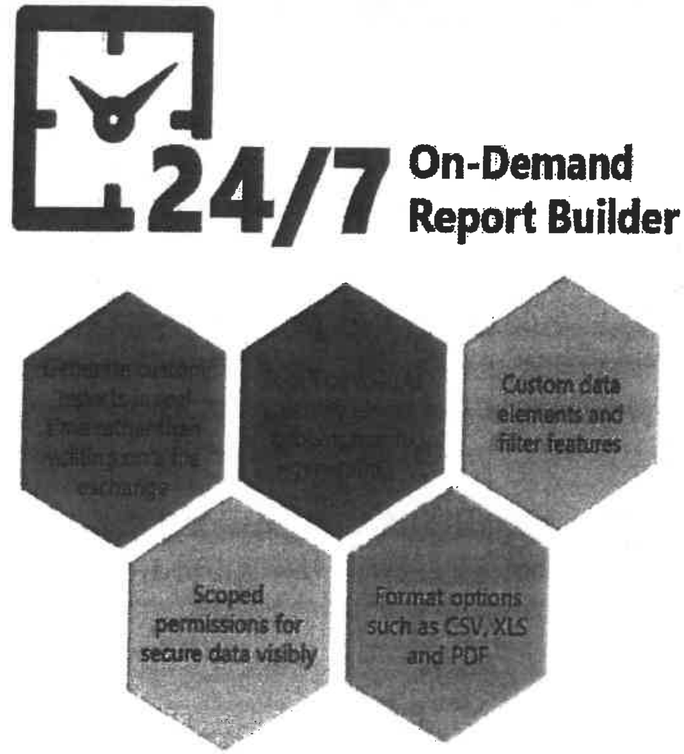
✓4.2.1.98-4.2.1.104

Reports

We can customize any reports essential to maintaining program integrity and quality through tracking and monitoring. Reports will be generated monthly, quarterly, annually, or on an ad hoc basis and will cover all areas of FMS tasks as described in the contract. We look forward to the opportunity to work with State leadership to better understand how we can best meet your program needs through reporting.

We will prepare and distribute reports as specified by the contract. Reports can be sent via mail or email, or the Employer of Record may download them from our Connect portal. Such reports contain the following information:

- ✔ Name and ID of the Member and his or her Representative (Employer of Record), if applicable.
- ✔ Enrolled DCSWs to render services.
- ✔ Information about the budget.
- ✔ Payments made to DCSWs categorized by service type.
- ✔ Associated payroll and workers' compensation (when applicable) costs.
- ✔ Any overuse of units or funds for the period.



One feature we believe greatly assists Members/Employers of Record is their ability to use the budget utilization report to show their projected use and the estimated date that they will run out of funds or units.

Our web portal's business intelligence layer provides the ability for users to generate ad hoc reporting in real-time or for Palco to remit ad hoc reports within seven (7) days of request. This is done through the application and design of filters, which are grouped by users into a report builder. This allows users to essentially build their own queries with the use of available data elements to generate reports on demand. Palco provides information and training materials on this functionality.

We have a standard suite of reports available for our external partners in our Case Management Portal (CMP). These are accessible for all professional users 24/7, as on-demand reports.

Table 3: CMP Standard Reports

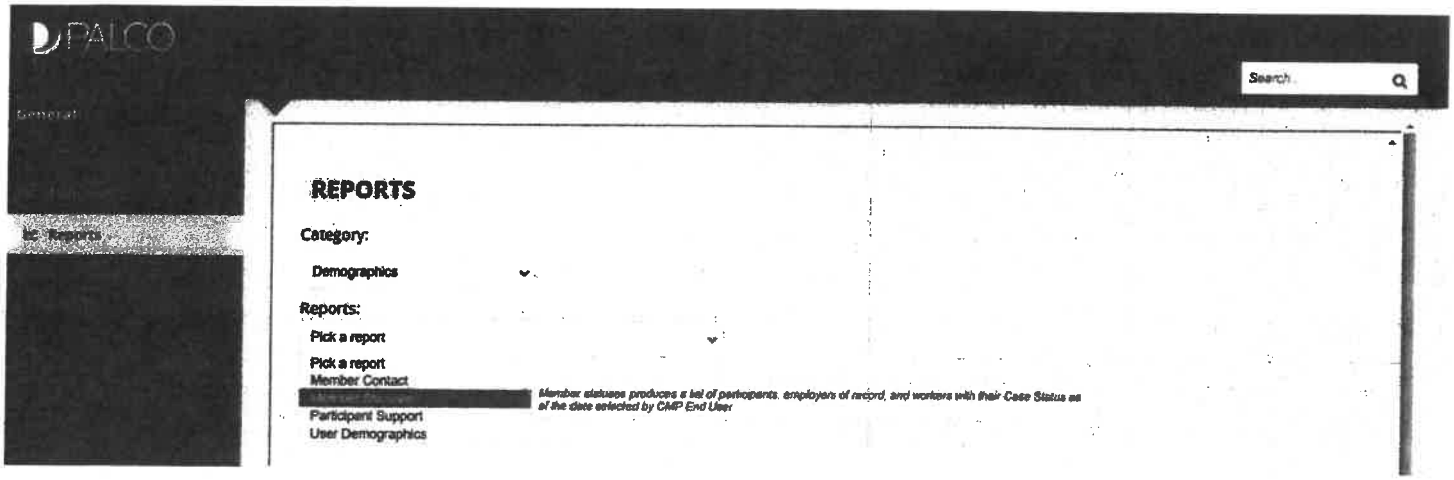
Standard Report Name	Description
Active Enrollments	The Active Enrollment report identifies CMP Members (Member, Worker, or Employer of Record) active during the date range specified along with their current Case Status. Users enter a role and a date range to see Members active during that time.
Authorization Report	Authorizations in CMP are specific services and goods budget categories. The Authorization Report allows end users to pull both

Standard Report Name	Description
	broad and refined lists of Authorizations from CMP. Congruent with the User's Role and scoped permissions, users may search for data across entire programs and with widely defined budget date time frames.
Employer Rate and Registration Report	The Employer Rate & Registration report lists federal and state tax rates, unemployment insurance costs, and workers' compensation costs for Employers. These rates are applied to worker wages based on program, state, and federal requirements.
EVV Registration	The EVV Registration report provides a list of workers and details about the worker's EVV compliance. It shows if the worker is required to use EVV, and if so, how they submit their time. It is particularly useful in gauging overall compliance and narrowing down workers who are out of EVV compliance.
Member Contact	The Member Contact report shows current contact information for Members, Workers, or Employers of Record. Palco maintains physical and mailing addresses, email addresses, and phone numbers.
Member Statuses	Member statuses produce a list of members, representative-employers, and direct-care services workers with their Case Status as of the date selected by the CMP End User. Member statuses help CMP users understand which Members are currently active, inactive, or pending. It shows how long a case status has been in effect and helps CMP users review historical statuses.
Missing Timesheets	The worker Missing Timecard report provides a list of active workers who did not submit a timecard for a specific pay period.
Member Support	The Member Support report lists all members within a program and their immediate support within that program, be that a Palco Counselor, Enrollment Specialist, or other support role.
Payables Register	The Payables Register lists payments and reimbursements to Vendors for services and goods different than timesheet and timecard entries. It includes all payments within the service date range selected, including those in progress and rejected. The report includes Member, Employer, and Payee IDs and Names, the service and cost, the Payable's present status, and additional reference information.
Payment Method	The Payment Method report identifies how Workers, Members, and Employers are paid, if they receive paper checks or electronic deposits for funds sent to them. Account details are not displayed.
Payroll Register	The Payroll Register report shows information about what was paid to workers on a given pay period, including deductions and exemptions and the payment method. CMP Users can specify a date range for inclusion, as well as limit results to a specific Member or Worker. This report produces summarized pay information and calculates gross wages overall.

Standard Report Name	Description
Payroll & Tax Info	The Payroll and Tax Info report displays rates, exemptions and other statuses that affect a worker's Payroll and Tax withholdings. The report includes factors affecting pay, such if the worker is exempt from Overtime pay and Difficulty of Care.
State Date Report	The Start Date Report shows two types of Start Dates. It shows the original date that a Member (Member, Employer, Worker) started in a Program, and it also shows a 'Restart' date, which is the most recent date the Member became active again. The Restart date is shown whenever a Member, Employer, or Worker's profile has changed from Active to Inactive and back to Active.
Timesheet Report	The Timesheet Status report gives CMP users the ability to see the bigger picture and overall progress of timesheets within a Program. It also gives CMP users shift level specifics across a range of workers, employers, and participants. This report lets the user narrow down results listed by Timesheet status. In doing so, the user can isolate timesheets with concerns or that need action such as Worker or Employer review. If the timesheet failed, the reason for that failure is identified.
User Demographics	The User Demographics report shows essential and basic information about Members, Employers of Records, and Workers. This report identifies the name, relevant IDs, current Case Status in CMP, gender, zip code, and date of birth of the Member listed. Workers on the list also show their relationship and shared dwelling status with participant.

Part of what makes Palco's development and ownership of its own cloud-based software stand apart from its competitors is its ability to adapt and cater to individual program needs as well as the continual updating and improvement of the software. One example is our tooltip feature for users to take advantage of when they run reports. When a user hovers over the reports from the dropdown menu, they will see a tooltip giving a brief description of the report and the information it will deliver. See **Figure 27**.

Figure 27: Tooltip



Palco looks forward to reviewing this standard suite of reports, readily available in our Case Management Portal for the Agency/BMS program staff and Case Management professional users to query on-demand, 24/7. These reports meet many of the reporting needs outlined in the contract. Palco currently supports the data requested in the program-specific reporting requirements outlined in the RFP. Examples of these program-specific reports are outlined below.

Table 4: CMP Program Reports

Report Name	Description
Dedicated Payroll Bank Accounts	Copies of the monthly bank statements from the dedicated payroll accounts can be provided within **15** calendar days of the request along with any other financial information necessary for the Agency to oversee the Subagent-F/EA FMS.
Discovery and Remediation Report	Provided to the Agency **one (1)** week prior to scheduled contract meetings based on identified performance measures.
Financial Reports	Quarterly and year-end financial reports provided to the Agency within **45** calendar days.
Spending Report	An up-to-date monthly report provided upon request to members who do not have access to the internet within **five (5)** business days following the end of the payroll period that includes the last day of the month.

Palco ensures that copies of information and reports are not distributed to other parties without the written permission and direction of the Agency.

✓4.2.1.105-4.1.1.107, 4.2.1.112

Document Retention & Data Security

Palco engages or exceeds industry standards for storing and disclosing PHI, including copies of timesheets, phone logs, summaries of complaints with resolution noted, documentation related to the withholding, filing, payment of federal and state tax, wages, and year-end tax filings in compliance with federal and state Department of Labor rules. We are committed to reducing waste and harm to the environment; therefore, we store all member, DCSW, and F/EA FMS files electronically.

- All records are kept for at least seven (7) years for possible IRS review and as long as necessary if they are related to a matter currently being addressed with the IRS.
- Records must be kept three (3) years per United States Department of Labor (DOL) requirements.
- The U.S. Citizenship and Immigration Services (CIS) requires that the USCIS Form I-9, Employment Eligibility Verification and Instructions be retained three (3) years after the worker is hired or one (1) year after the date the employer or worker terminated employment, whichever is later.

All procedures are documented in our Policies and Procedures Manual. Additionally, our master checklist ensures that we are saving all required documents appropriately, including archived records. This checklist is available for Agency review.

The database maintains and records member Protected Health Information (PHI) on a daily basis. Data stored in the database is current, based on updates received from the Department's fiscal agent and the Contractor's payroll and invoice processing systems. After a review by our CIO, Director of Software Engineering, Privacy Officer, and legal counsel, we can assure that our technology not only meets the highest level of HIPAA security requirements, but also meets the West Virginia Information Technology Accessibility security standards and guidelines.

✓4.2.1.108-4.2.1.109

HIPAA Requirements

Palco, Inc. uses, discloses, and safeguards Protected Health Information (PHI) in compliance with the Privacy and Security Rules under the Health Insurance Portability and Accountability Act (HIPAA) and Health Information Technology for Economic and Clinical Health Act (HITECH) of 2009, as well as state law, rules, and regulations.

For secure and HIPAA and HITECH Act compliant electronic storage and management of individual and worker files, Palco utilizes a digital storage/document management system. Not only is the information stored for legal retention, but it is also used daily for active, working files and is structured to resemble a basic filing cabinet. Permissions for confidential information are only granted to those who need the information to complete their jobs effectively. Palco staff's level of access to protected health information is limited to what is minimally necessary to perform assigned duties. The classes and categories of protected health information to which staff can have access are based on workforce classification.

As such, access to the system is controlled down to the page level. Once a user logs into the application, the system associates the user with a group that restricts the level of security access rights. Documents and folders are monitored and protected individually, despite user actions. Data is physically separated per contract serviced.

Access to shared data is authenticated and authorized based on criteria such as role(s), programs, or individual claims on a per use level. External users are required to provide a valid email address which acts as the UserID. They are also required to provide a strong password that would give them access to only their personal information. These passwords are b-crypt hashed at the application level before being transmitted to the authentication database. Their account may go inactive after a duration of inactivity or as part of an internal workflow process.

All data is secured at rest and in flight. Data and data submissions are encrypted according to industry standards. No PHI is transmitted through non-HIPAA compliant networks or services. We maintain strict security protocols for our computer and backup systems, exceeding industry standards for storing and disclosing protected health information. Palco's infrastructure complies with Federal Information Processing Standards 200.

All computers and data servers are secure, contain virus protection, and have installed security patches. Our email is secure. All web-based applications employ security certificates and encryption protection.

All hardware is password-protected with essential backups stored at an approved off-site location. Imaging servers are maintained in a physically and environmentally secure atmosphere with power-conditioned spaces, accessible to personnel with appropriate security clearances only. All images are backed up daily and copies are stored offsite in securely locked facilities indefinitely.

To protect our data, the following controls are in place:

- ✔ **Access to data, application, and system functions by users and support personnel.** All individual user access to the member and provider portal is authenticated and authorized based on criteria such as role(s), programs, or individual claims.
- ✔ **Issuance, management, and maintenance of unique UserIDs and passwords.** External users are required to provide a valid email address during the enrollment process, which acts as the UserID. They are also required to provide a strong password that gives them access to only their personal information. Users have the ability to change their UserID or password through each of the web services they may have access to. For security, accounts may become inoperable after a period of inactivity or be inactivated as part of an internal workflow process. All passwords are b-crypt hashed at the application level before being transmitted to the authentication database.
- ✔ **Formal user registration and de-registration for granting and revoking access to information systems and services.** Once a new user is established in the system, a registration email is sent with a uniquely generated PIN and link to the registration page. The user uses the PIN, last four digits of their SSN, and last name to begin portal registration. An email confirmation is sent with a link to complete registration and enable system access. The user management portal can be used to manually activate or de-activate accounts. De-activation can also occur as part of an automated internal workflow or by the user wishing to close the account. Time-limited read-only system access is maintained in some instances to provide access to historical records and tax forms.
- ✔ **Mechanism for restricting and controlling access and privileges to only authorized functionality and/or services.** Accounts are created with specific roles or a combination of roles and access claims.
- ✔ **Locking user accounts upon multiple failed login attempts.** Accounts are locked after four failed log-in attempts for a period of 15 minutes. Additionally, log-in attempts are rate limited to prevent brute force attacks. Audit logs are maintained detailing all log-in activities.
- ✔ **Password reset validations.** Forgotten passwords can be reset via the password recovery process. The account UserID is entered, an email is issued, and the user follows a link to the change password screen via a time-limited encrypted token. We require strong password requirements for security with multiple character types and length definitions.

All system access is monitored and written to audit logs. Email alerts are dispatched to support staff regarding certain security events, such as account lockouts. All user generated database transactions are logged to audit tables.

All staff are required to undergo training on HIPAA and HITECH confidentiality requirements upon hire and annually by our Privacy Officer. Personnel also sign a confidentiality agreement. We have a robust HIPAA Privacy and Security Manual. This manual not only covers data and security protocols, but also includes information about disclosure, providing PHI to authorized requesting parties within five (5) days of a request, and amending PHI within 30 days of the request.

Staff who know or suspect a privacy or security issue must report it immediately to the Privacy Officer, who will assess the situation and determine the appropriate disciplinary action, which, depending on the severity of the issue, can range from a verbal warning to termination. All issues will be disclosed to the department within one (1) business day, and Palco will implement appropriate and immediate remediation and notification efforts to rectify the situation, including sanctions for the staff or subcontractor responsible, if necessary.

Palco has staff specifically assigned to ensure we are up-to-date and have the latest information pertaining to our scope of work and we remain fully compliant with all applicable state, federal, and local rules, and regulations. Palco subscribes to several services to possess the most current information, visits key websites on a regular basis, attends sponsored events and trainings (webinars), and belongs to several strategic memberships and associations relevant to the key deliverables to F/EA FMS services.

✓4.2.1.110-4.2.1.111

Business Continuity/Disaster Recovery

Palco has a comprehensive Disaster Recovery Plan (DRP) for restoring and preventing loss of data, software, master files, and hardware if management systems are disabled. A copy has been provided as **Appendix 7**. Our DRP includes objectives to meet the following provisions:

- Preventing the loss of the organization's resources, such as hardware, software, data, and other information technology assets.
- Minimizing downtime related to information technology.
- Minimizing downtime of the Customer Support Center.
- Ensuring continuation of critical business practices in the event of a disaster.
- Ensuring that a secondary location meets all Palco policies and ensures business continuity.
- Protecting and securing all data.

Palco has established a separate, dedicated site in the event the DRP is activated to ensure the timely return to regular operations without interruption of data and use of appropriate software that is completely up to date as the previous day's work. The cold site has the capability to meet all Palco's policies, ensuring efficient production of key tasks.

All data is stored and/or backed up to the Google Cloud Platform (GCP). Cloud based data (GCP) and backup information is stored in data centers and replicated across multiple regions – all inside the United States. We conduct daily tape backups of our electronic files and data as a localized data backup and restoration method (in case of total failover of all GCP data centers). Backups of internal servers are completed to both on-site storage and off-site cloud storage. When current software is upgraded, or new software is installed, a backup of any pertinent data is stored at a secure external site outside of a 50-mile radius and inside of a 100-mile radius. Thus, current and archived files are stored externally in a secure location.

All physical software program disks are stored off-site. Off-site computers are located with utilized software. All computers stored off-site are protected by password and other operational integrity mechanisms to ensure proper authorization has been granted for access to computer files. This prevents the loss of information and any interruption in service if a disaster strikes.

Our system's architecture, network diagram, and related frameworks are supported by documented IT governance policies. Our IT infrastructure includes a firewall appliance that keeps internal voice and data segregated from external traffic through a DMZ. Cloud-based software is further segmented through an additional virtual firewall and DMZ in the cloud.

In the event of a regional GCP outage, the entire application ecosystem is scripted and will be manually redeployed to an unaffected region with minimal downtime. Palco has chosen this design strategy so that the application uptime will target 24-hour availability, 7 days a week. Our cloud-based software system is built so that any system maintenance there would have little to no impact on our GCP uptime.

Any internal system maintenance that might require downtime would be scheduled during periods of low traffic, such as the weekend or a holiday. Users are notified through in-app messages one (1) week in advance of scheduled maintenance detailing the reason, projected start time, and duration.

The DRP is included as a part of our new staff onboarding and training. We provide staff with a copy of the DRP and orient them to its provisions. At least quarterly, the Palco management team reviews and tests the DRP and makes any necessary updates or revisions. Testing includes walkthroughs, simulations, parallel testing, and full-interruption testing. The Human Resources department distributes and communicates any changes to the plan to the staff. Our staff are cross trained in a variety of tasks. In addition, we offer robust instructional materials for carrying out key tasks. If many of our staff were unavailable, other staff members could readily fill in, and we would bring in temporary staff who would be rigorously trained to carry out key functions. If staff are prevented from carrying out their essential functions at our primary location, we have the following provisions in place:

- Working with the team leader and other team members to understand the magnitude of the disaster.
- Implementing Palco's policies for setting up a temporary call center and other operational departments at a secondary location.
- Training workers on how to carry out essential functions in a secondary facility, as well as on what information to provide parties who inquire about the disaster recovery and Palco's response.
- Executing Palco's communication plan as developed by the communications team and Primary Team Leader.

Palco maintains a secondary location if our primary location becomes unavailable.

The secondary site contains computers that are protected by password and other operational-integrity mechanisms, as well as virus and malware protection, to ensure proper authorization has been granted for access to computer files.

- Each worker has a unique identification and password to enter computer workstations and software. Each worker's security level determines their access to computer files.
- Backups are in the cloud in real time and all systems are capable of cloud-based computing.
- All data is backed up with appropriate failovers to ensure continual business functionality.

Our phone system has soft phone capability to run from a secondary site as a customer service center unit or from remote locations. As our Customer Support Center is equipped with silent monitoring, full quality assurance protocols are ensured, no matter the location of our customer service representatives.

Our online web portal allows staff to work in remote locations when they are unable to come to work due to disaster, illness, or other circumstances. VPN functionality also allows them to access their work desktops and server and cloud data files, as well as important software.

Palco's IT staff maintains a set of backup laptops equipped with Microsoft Office and other relevant programs on standby for issuance in anticipation of events which may otherwise impact daily operations, such as inclement weather.

Servers are connected to an uninterruptable power supply system (UPS), which conditions incoming power to the server and provides sufficient processing time for the server to be correctly shutdown in the event of a power failure. In the event of sufficient damage to the primary operational site, a second location is on standby to accommodate the necessary network traffic to keep operations running with little to no downtime.

As a secondary solution, we conduct weekly full backups and daily incremental backups of our files. These backups are kept off-site and are easily restored so staff can continue their work. We may also use analog phone lines and equipment in such a catastrophe.

We have a comprehensive Business Continuity Plan (BCP) for continuity of operations of all services covered in the event of a disaster. An example of our existing Business Continuity Plan is included within the Disaster Recovery Plan in **Appendix 6.**

✓4.2.1.113-4.21.129

Terminations

In the event that an employer is no longer a permanent employer (e.g., the member appoints a new designee employer, or the member serving as her own employer terminates the program), Palco immediately terminates their case status in our system. Taxes are paid in accordance with Section 4.2.1.69-4.2.1.81.

After ongoing taxes are filed, we will perform the following tasks:

- ✔ Revoke the IRS Form 2678 with the employer.
- ✔ Receive the IRS revocation confirmation letter (LTR 4228C).
- ✔ Revoke the IRS Form 8821 with the employer.
- ✔ Retire the employer's FEIN at year-end once W-2s are filed. Should the employer be deceased, the IRS is notified of this fact.
- ✔ Revoke any state power of attorney or authorization forms established through the West Virginia tax agencies, West Virginia Department of Taxation and Bureau of Employment Programs.
- ✔ Retire the employer's West Virginia income tax withholding employer tax account number.
- ✔ Retire the employer's West Virginia state unemployment insurance tax employer tax account number.
- ✔ Retire the employer's West Virginia municipal tax employer tax account number.
- ✔ Compute, withhold, and file final state income tax taxes (even when the final filing is zero wages).
- ✔ Deposit final state income tax, including zero wages.
- ✔ Compute, withhold, file, and deposit final state unemployment taxes, including zero wages.
- ✔ Terminate any local tax accounts using the agency's prescribed methodology.
- ✔ Palco will continue to file W-2s for the employer at year-end.

We will maintain documentation and correspondence related to each of these activities in the employer's archived file.

This process is tracked in our online system in case of IRS error or other matters that may impede agency approval. Reports are generated to display where an individual lies in the enrollment or termination process. Employers and Service Facilitators may be granted access to their real-time enrollment information through the portal.

In some instances, Palco may need to adjust either timesheets or employee payments. Adjustments made to payments happen when Palco pays an employee that claims all hours through an unreported hospital stay. When Palco receives the weekly hospitalization reports, Palco reviews the report for unreported hospital stays; if an overpayment has been determined on an active member, a reduction in hours is made to the following pay period to cover the over-payment. In instances that the member is disenrolled, Palco will notify program staff of overpayment. Timesheets are also adjusted based on reported hospital stays and eligible days of service. When a hospital stay is reported, the enrollment specialist removes the days that are not eligible for pay. Hours will be adjusted down when the timesheet is received to prevent overpayment.

Timesheets are also adjusted if there is a change in the member's active status. When an active or disenrolled effective date falls in the middle of the service period, funding for days that are not eligible for pay is refunded back to Medicaid. Days prior to an effective start date are not eligible for pay, and days after a disenrolled date are not eligible for pay.

✓4.2.1.130

Collaborations with Stakeholders

Palco coordinates and communicates its role, responsibilities, and activities as the Subagent-F/EA FMS Vendor with Case Managers, Utilization Management staff and Claims Payer staff so that all required procedures and forms are completed and processed to ensure that members do not experience disruptions in service. The Palco CMP system provides professional users with a transparent location for all processes and tasks completed by the Subagent-F/EA FMS Vendor. The work queues and task tracking ensure that external staff with a vested interest in a task's completion can monitor it in the queue and independently obtain its status at any time. Should questions arise requiring communication beyond what is visible within the system, Palco staff will coordinate and facilitate to ensure all parties involved get a satisfactory resolution and disruptions to services never happen.

Palco employs multiple mechanisms for communication with members and program stakeholders, as we know how critical information sharing can be. Some of the methods available at our immediate disposal for communication with stakeholders include:

- ✔ Communication via phone.
- ✔ Website newsfeeds and banners for alerts.
- ✔ Customizable email notifications and eblasts.
- ✔ Social media campaigns.
- ✔ In-person town hall and 1-1 meetings.
- ✔ Webinar-based town hall meetings.
- ✔ Customer service support lines including chat.
- ✔ Automatic system alerts and notifications.
- ✔ Mail campaigns.

✓4.2.1.131

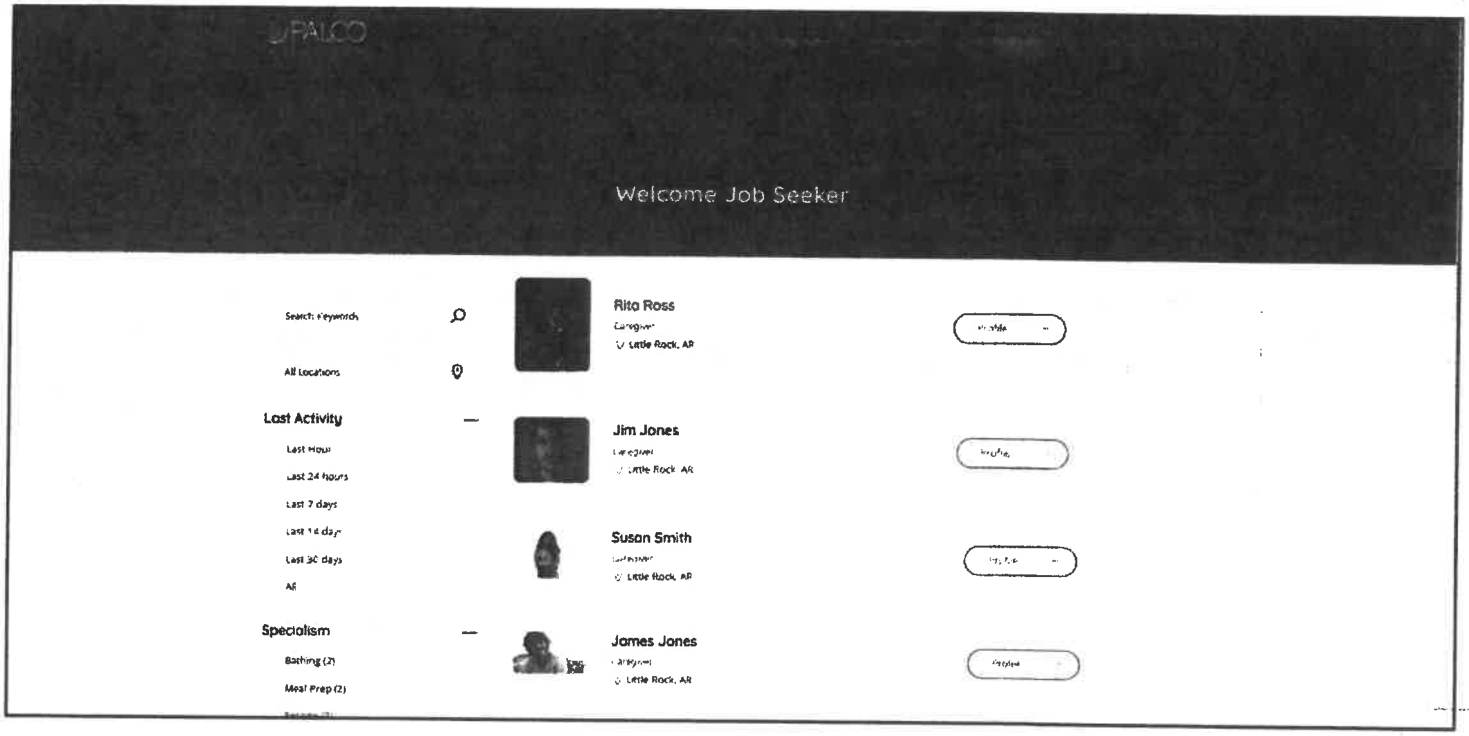
Online Registry

Palco currently owns and operates an online provider directory with a singular mission of connecting members in need of care with DCSWs seeking to provide care. The workforce crisis plaguing our industry is a focal point of Palco leadership that we are passionate about combatting. We know all too well that even though self-direction is often the most quality and fulfilling service delivery model, recruiting and maintaining qualified DCSWs can be a challenge for members due to the schedules, lack of full-time hours, and privacy laws that prevent the sharing of information. Our online registry breaks down those barriers by creating a path and acts as a catalyst to make healthy connections within communities.

The Palco provider directory provides space for DCSWs to create a profile and market their services, as well as a mechanism for members seeking care to publish their job descriptions and attract fresh support. DCSWs seeking to provide care can enroll on the site and complete a verification process for their profile to become active. This quality measure helps keep the directory up to date with only serious candidates and prevents false information from being posted. Within the directory, DCSWs can receive messages and screen job opportunities. Members can filter the DCSW pool by zip code/mile radius, ensuring the search results yield true candidates in their area. Members can also filter the DCSW pool by skill set to help them as well as helping target certain qualified applicants when a specialized task or set of tasks is being sought after.

Regular site monitoring and quality assurance checks keep information up to date and ensure the directory is maintained as a usable and quality resource. As Resource Consultants and the enrollment staff interact with DCSWs, they will inform them of the tool and encourage DCSWs to sign up. Palco will work with the Agency to tailor and customize the tool with other features and benefits that stakeholders may find useful. Palco will promote the tool through a variety of media to ensure it is a well-known and shared resource. This includes social media, blog posts, marketing print materials, and educational webinars/videos. This targeted effort will help combat DCSW shortage and ensure the WV program members have a viable option for getting their needs met.

Figure 28: Palco Online Provider Directory



✓4.2.1.132

Quality Reviews

Palco will participate in annual quality reviews conducted by the Agency or its contractor for each program using a quality review tool and web-based systems approved by the Agency.

As part of our internal controls and quality assurance (QA) measures, we perform quarterly operations reviews of all key deliverables. We conduct monthly QA assessments, including a 15% sample of key operations. Some examples include, but are not limited to:

- ✔ Completion of employer enrollment paperwork.
- ✔ Completion of DCSW enrollment paperwork.

- ✔ Completion of employer enrollment activities, such as obtaining a FEIN and assigning appointment of agent.
- ✔ Completion of DCSW enrollment activities, such as background checks.
- ✔ Completion of employer termination activities, such as revoking a FEIN and IRS and state appointments of agent.
- ✔ Timesheet review status, including following a timesheet life cycle from submission to payment.
- ✔ Payroll payments made.
- ✔ Other payments made, such as tax deposits and filings, garnishment payments, refunds to the Department, and any payments to vendors.
- ✔ Bank activity, including payments and deposits.
- ✔ Call center activity, including call monitoring and metrics analysis by agent.

Quarterly, the following additional information is also assessed:

- ✔ Filing of quarterly IRS Form 941.
- ✔ SUTA tax filings and payments.
- ✔ FUTA tax payments.
- ✔ HIPAA, Privacy, and Security compliance assessments.
- ✔ IT Security assessments.
- ✔ Disaster Recovery Test results.
- ✔ Filing of annual IRS Form 940 (Fourth Quarter review only).
- ✔ Filing of annual IRS Forms W-3 and W-2 and state counterparts (Q4 review only).
- ✔ Filing of any annual state income tax withholding reconciliation reports (Q4 review only).

For example, enrollment of member/representative-employers and DCSWs can be a cumbersome and lengthy process, and we strive to mitigate that through analytics. Thus, to monitor this process, we utilize the following:

- ✔ An electronic checklist to log key dates and events, follow-up activities, and receipt of forms.
- ✔ Benchmarking standards related to average time between the referral and enrollment.
- ✔ Monthly case review of pending enrollments and enrollment statistics.
- ✔ Incorporation of any changes to the enrollment process based on data trends.

Palco understands and will abide by the performance standards set by the state in the contract. Palco's web-based system tracks utilization for each individual and allows users to access this usage and remaining hours or dollars as applicable. In addition, this system monitors the enrollment process and the status of all individuals to ensure proper access is granted to all parties. If a DCSW has been terminated, for example, they are no longer able to enter time past the date of termination. We will submit quarterly and/or monthly expenditure/utilization reports to each member. These reports are available for download in the portal, as they provide real-time transparency to allow all parties to verify that Palco is accurately tracking services and utilization.

In addition, Palco's system accomplishes the following tasks:

- ✔ Notification to Resource Consultants, State staff, and others when the Member's needs or information have changed.
- ✔ Monitor compliance with the Fair Labor Standards Act and all other applicable federal and state laws, as well as department policies and/or protocols, regarding workers' compensation, overtime, and overtime pay, including services delivered in a back-up capacity.
- ✔ Adherence to timeframes for enrollment, completion of paperwork, and initiation of services.
- ✔ Name and contact information for the assigned Case Manager, State Case Manager, and Resource Consultants, including alerts when one of these assigned individuals changes.
- ✔ Information about the individualized service plan and service utilization.
- ✔ Authorizations and other important information received from the State.
- ✔ Results of Resource Consultant visits and outcomes, including monitoring activities and service agreements for workers and representatives, ensuring that all timeframes are met to get service agreements in place.
- ✔ Monitoring payments to DCSWs.
- ✔ Providing narrative information about the performance of DCSWs.
- ✔ Notifications regarding the member's health, safety, condition, and wellbeing.
- ✔ Tracking time worked by each worker to ensure that all overtime rules are being followed.

Additional quality checks occur during routine face-to-face visits in the home setting, as well as regular outbound phone calls. These will allow our staff to glean important information, as well as the dynamic between the member and the DCSW, if services are being delivered as reported on the timesheet, if the member's needs have changed, and if the health, safety, or wellbeing of the member is threatened in any way.

For each service we perform, we assign quality measures to ensure that we are meeting targets and objectives. For example, enrollment and initiation of services are monitored closely. We understand that many families experience difficulties in hiring the right DCSW to care for their loved ones. A cumbersome or lengthy enrollment process only complicates this. To monitor this process, we utilize the following:

- ✔ An electronic checklist to log key dates and events, follow-up activities, and receipt of forms.
- ✔ Benchmarking standards related to average time between the referral and enrollment.
- ✔ Monthly case review of pending enrollments and enrollment statistics.
- ✔ Incorporation of any changes to the enrollment process based on data trends.

All quality control records are available to the state upon request. For any deficiencies in our services, we will submit a corrective action plan within 10 business days that includes the following:

- ✔ Description of the findings.
- ✔ Specific steps to correct the situation.
- ✔ Name(s) and title(s) of responsible staff person(s).
- ✔ Timetable for performance of the corrective action steps.
- ✔ Monitoring that will be performed to ensure that corrective action steps are implemented.
- ✔ Signature of our project manager or a senior executive.

✓4.2.1.133-4.2.1.136

Communication System

Our comprehensive customer support system includes the following:

- ✔ Policies and procedures that reflect the principles of participant self-determination and the Department.
- ✔ 24-hour dedicated toll-free phone number and toll-free fax machines with expandable capacity.
- ✔ Live staffing of a toll-free telephone system from 8:00 a.m. to 6:00 p.m. EST, Monday through Friday, except on state and federal holidays. Ninety-five percent (95%) of calls will be live answered.
- ✔ Automated call distributor system (ACD) to manage and assign incoming calls to available staff in an efficient manner.
- ✔ IVR-automated response to caller inquiries and timesheet and payroll inquiries 24 hours per day, 7 days a week.
- ✔ Voicemail box activated for after hours and during peak hours for callers who would prefer to leave a message. The voicemail is integrated with our ACD system. The voicemail has sufficient capacity to allow callers to leave a detailed message, have an outgoing message recorded in both English and Spanish, and provide prompts to remind callers to leave their name, telephone number, identification number, and the best time to return their call.
- ✔ Voicemails are returned in 24 hours.
- ✔ 24-hour web-based information regarding FMS services.
- ✔ Secure email and fax capacity.
- ✔ Receiving and processing member enrollment, DCSW employment and vendor information including the preparation of enrollment and employment packets and monitoring the effectiveness of the system.

- An operational TTY/TDD line, at no cost to the caller.
- Access to written and spoken translation and interpreter services at no charge to the caller. Our call center has Spanish-speakers on site and utilizes a third-party service for all other languages. This service currently serves nearly 300 languages. Translation services are engaged through a warm transfer by calling Palco. Once we identify translation is needed, we patch in the translator and remain on the line during the entire call. This keeps the caller from having to make an additional call.
- All of our information is available in alternate print formats (e.g., large print and Braille) and in languages other than English. We also provide interpreter services (i.e., American Sign, and services for persons with Limited English Proficiency), as needed.
- State-of-the-art equipment to prevent bottlenecks in daily operations.
- Provide a greeting message and educational or informational messages approved by the Department while callers are on hold.
- Continual monitoring of secure emails, faxes, and phone calls.
- Ensure compliance with Medicaid confidentiality procedures/policies, including HIPAA requirements, within the call Center.
- Call center software that receives and tracks calls and provides data analysis.
- Maintenance of inbound and outbound calls, requests, and complaint logs.
- Respond to all calls from members and representative-employers within one business day.
- Maintenance of inbound and outbound calls, requests, and complaint logs and tracking of complaints.
- Resolving F/EA FMS-related complaints and grievances within five (5) business days of receipt.
- Preparing and submitting monthly reports to the Department outlining complaints received and resolutions achieved.
- 24-hour operational voice messaging system.
- Customer Relationship Management (CRM) tool to identify issues and trends and respond to items within 24 hours.
- Act as a mandatory reporter of fraud and abuse including having a system for reporting critical incidents.
- Website with general information and a case management portal with log-in access to view up-to-date information. These systems are monitored through an internal control process to ensure the accuracy and effectiveness of the systems.
- Policies and procedures that emphasize the philosophy of self-direction and cultural and linguistic competence to communicate effectively with a diverse population of individuals of all ages with disabilities and chronic conditions.
- Our IT infrastructure includes a firewall appliance that keeps internal voice and data segregated from external traffic through a DMZ.

- ✔ Option for transfer to EVV vendor on ACD menu, as well as ability for live agents to transfer callers to partner EVV vendor.

To maintain a person-centered approach, our call center is staffed with live and local representatives, who have the skills needed to address concerns and provide a range of solutions or additional training. Palco staff has developed trusting relationships with many members, employers, employees, and case managers, fostered over many years of resolution, by treating callers with respect and courtesy.

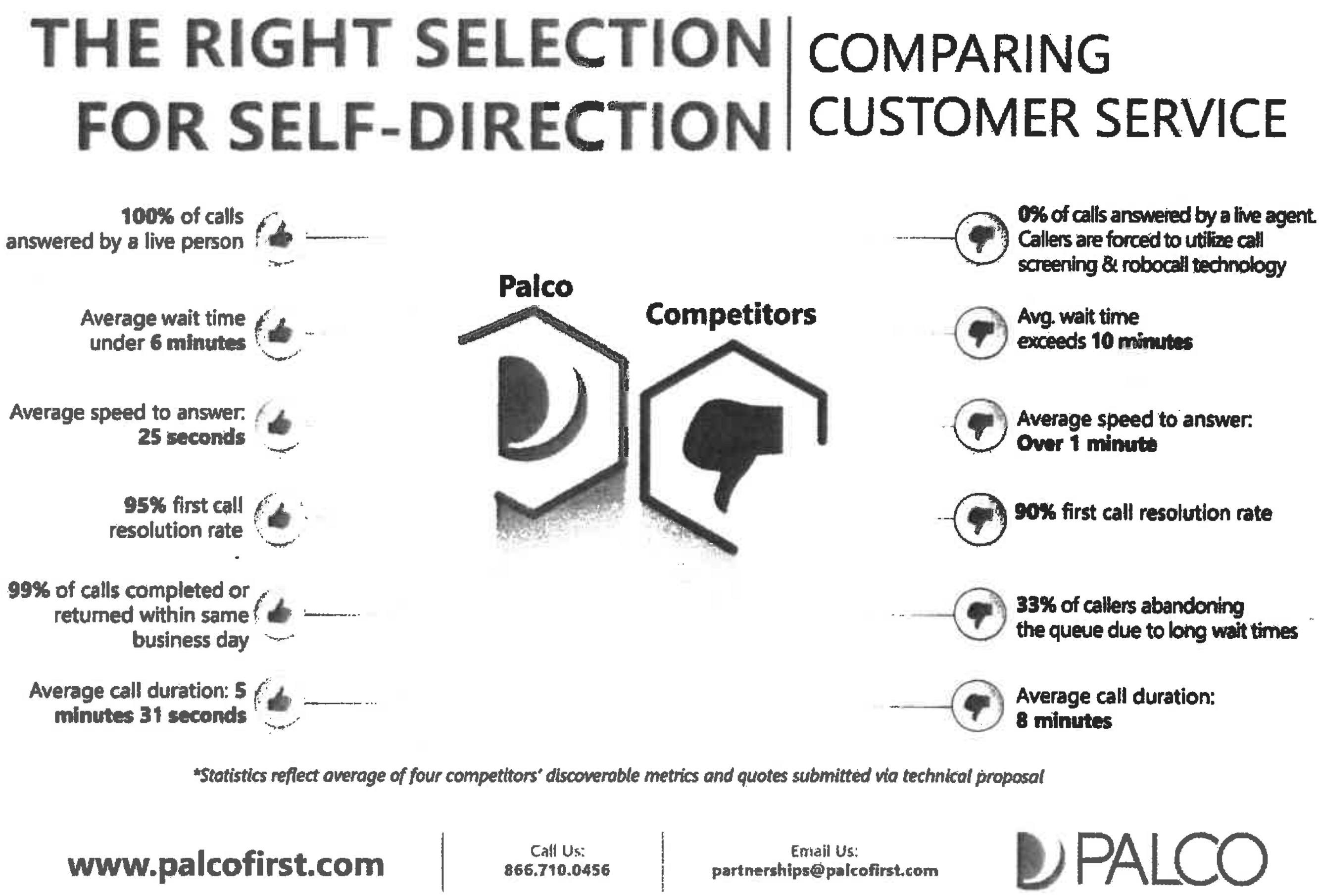
All telephone staff treat all callers with dignity and respect, are knowledgeable of Consumer-Directed Services and related West Virginia Medicaid policies and protocols, and can communicate effectively with a diverse population of individuals of all ages with disabilities and chronic conditions. Call center staff greet the caller and identify themselves by name when answering. All communications respect the caller's right to privacy and confidentiality.

Agents are trained to resolve any issues callers might have, including the following:

- ✔ Enrolling individuals or engaging in a pre-screening qualification protocol.
- ✔ Introducing callers to program details and assisting individuals in understanding procedures related to self-direction.
- ✔ Providing orientation on employer requirements and conducting employer skills training.
- ✔ Explaining the role of budgets, including payroll taxes for workers and goods and services for program members.
- ✔ Assisting callers with timesheet completion.
- ✔ Offering assistance in completing enrollment, employment, and tax forms.
- ✔ Assisting individuals in understanding expenditure reports.
- ✔ Providing information on W-2s and over-collected FICA.
- ✔ Answering payroll-related inquiries, such as payment schedules and direct deposit change information.
- ✔ Detecting and reporting potential fraud, abuse, or neglect.

We are proud of our ability to meet or exceed industry standards.

Figure 29: Customer Service Comparison



Palco believes that it offers the best quality and value in every area, including our customer support capabilities. Our Client Relations Management (CRM) tool allows call tracking and reporting including an electronic record to generate a synopsis of all calls and to provide a complete audit trail of communication to the Customer Support Center from all parties. Additionally, we have the capability to structure the IVR in a manner that allows calls to be monitored by a third party for the purpose of evaluating call center performance.

Our internal reports for contract management include all measures of contract performance, including the following:

- 100% of all inbound and outbound calls are documented and maintained in our CRM.
- Fully operational and accessible agents during the timeframe required by the contract.
- 95% of monthly inbound calls are answered within 3 rings or 15 seconds.
- 100% of voicemails, callback requests, and inquiries are returned within one (1) business day.
- Abandoned calls do not include dropped calls.

- Monthly abandoned calls represent 5% or less of incoming calls, regardless of queue placement.
- Call queue wait time does not exceed five (5) minutes, regardless of queue placement.

We will provide detailed weekly, monthly, quarterly, and annual cumulative data to the State if requested. Data will reflect trends using tables, charts, or graphs. Our typical suite of reports includes the following data points:

- Number of incoming calls.
- Number of outbound calls.
- Number and percentage of calls received by subject.
- Number of calls routed to voice mail.
- Return call requests.
- Percentage of calls returned within one (1) business day.
- Number and percentage of answered calls.
- Average speed to answer.
- Average and maximum talk time.
- Number of outbound calls (voice and IVR automated).
- Number and percentage of calls abandoned, average time to abandon, maximum abandonment times.
- Number of calls in the queue, average queue wait time, maximum queue wait time.
- Number and percentage of first call resolutions.
- Number and percentage of escalated calls beyond the customer service representative.
- Number of individuals requesting specialized assistance.

We are proactive in addressing issues. During a call surge, we route 100% program surge calls to 80% of Customer Support Representatives. Our response time is outstanding, earning us high marks from our existing partners. According to a 2020 Customer Satisfaction survey, Palco received a 98% approval rating from Employers and 97% from Employees on the programs that we serve.

The following charts, **Figures 30-32**, reflect all Palco's Customer Support Center's average talk time, incoming, and outbound calls from January 2019 through November 2022. Our outbound call volume demonstrates **we are committed to returning phone calls and following up with users who need additional support.**

Figure 30: Average Talk Time by Month/Year (All Programs)

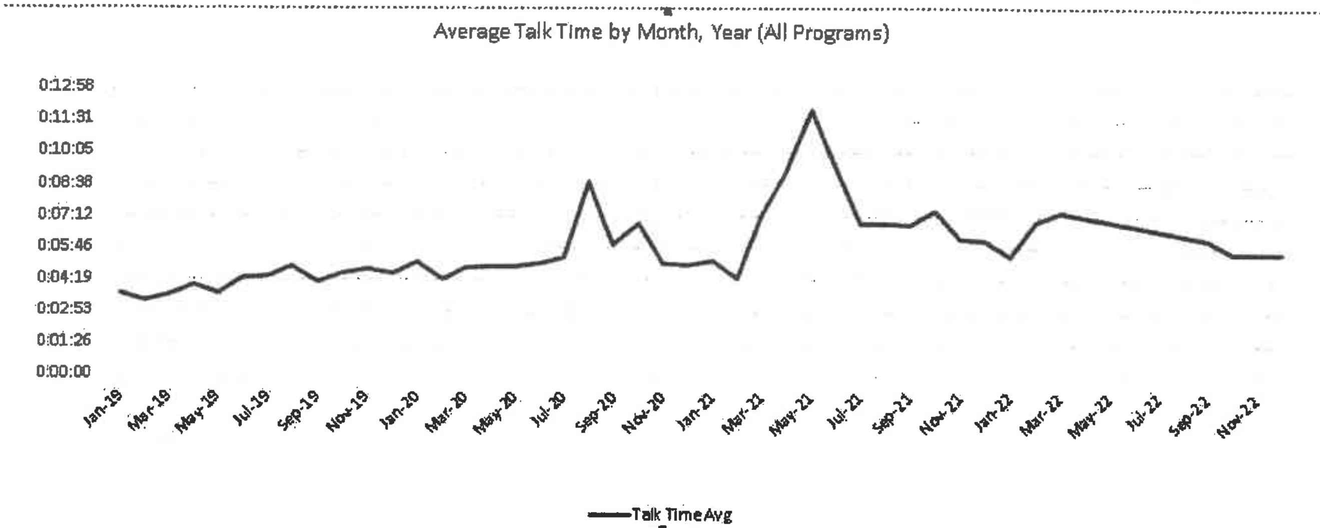


Figure 31: Incoming Calls by Month/Year (All Programs)

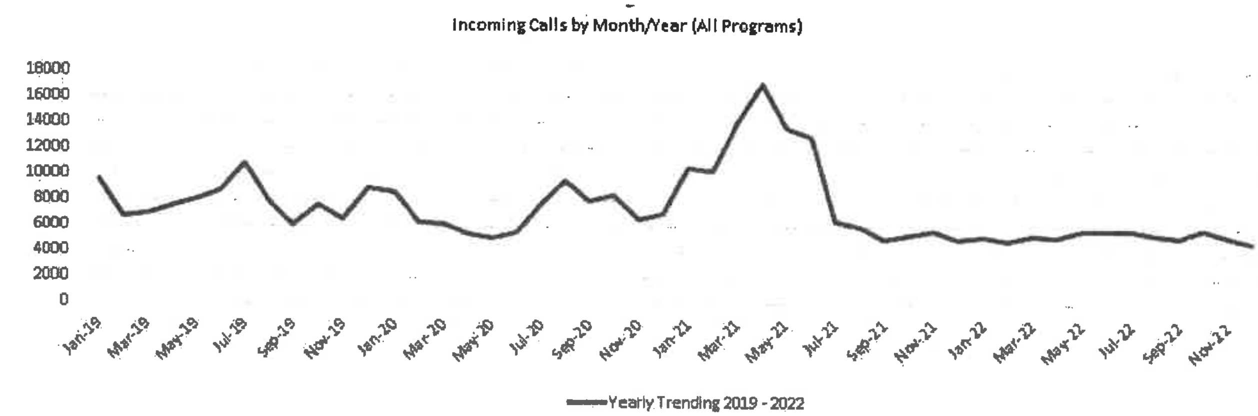
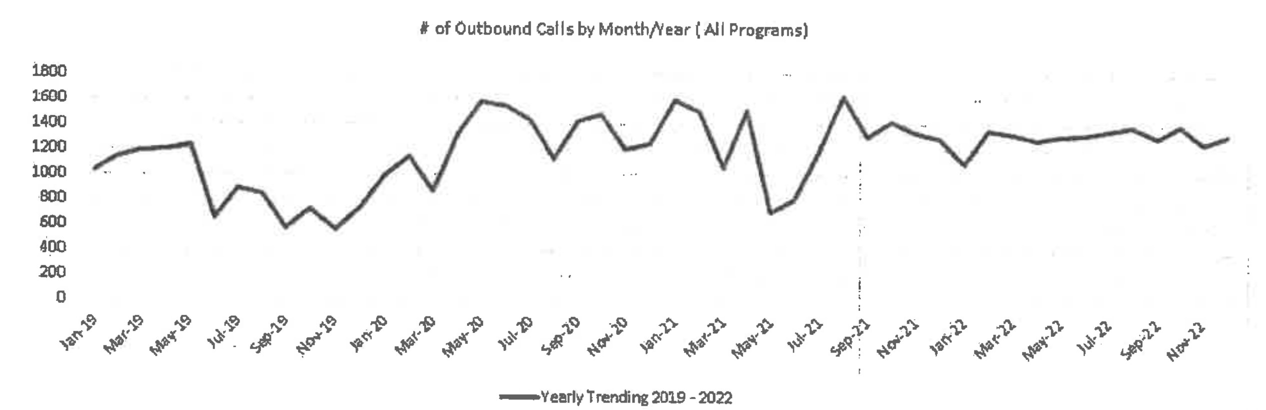


Figure 32: # of Outbound Calls by Month/Year (All Programs)



COMPLAINTS AND GRIEVANCES

Palco tracks all calls received, including complaints, using the tools described in the previous section. We respond to complaints from Members/Representatives and their DCSWs within one (1) business day and make every effort to resolve complaints/grievances within three (3) business days of receipt. We track all activities related to complaints and resolve F/EA FMS related complaints and grievances. We provide monthly reports to the State program staff outlining the complaints received and the resolutions, highlighting any themes presented and proposing strategies for addressing them, as appropriate in the future.

Palco welcomes expanding an effective tool for conflict resolution including an advisory/grievance committee that engages stakeholders either in person or via teleconference on the basis prescribed by department program staff. A responsive FMS demonstrates its commitment to transparency and quality through the following mechanisms:

- ✔ Stakeholder engagement practices, such as a task force of Members, Employers, Caregiver/workers, and other users of the FMS to address quality concerns.
- ✔ Having a team on the ground in West Virginia to provide technical assistance.
- ✔ Providing live call center representatives.
- ✔ Establishing accessible channels for members and their circle of support to communicate suggestions to the FMS and methods for Palco to provide feedback to stakeholders.

Our CRM tool is a cloud-based tool that allows communication tracking and reporting including an electronic record to generate a synopsis of all communications and to provide a complete audit trail of communication to and from all parties. With data consolidated in our CRM, it makes it possible to analyze patterns for call drivers and insights into member needs and wants. With this tool, we can monitor our Palco Customer Support Center staff's productivity and improve their customer relationships. Additionally, we have the capability for structuring the communication log to include actions taken, escalations, mandated reporting, and the date of final resolution.

To maintain a person-centered approach, our Customer Support Center (call center) is staffed with live representatives who have the skills needed to address concerns and provide a range of solutions or additional training. Technical assistance occurs via phone, voicemail, email, and chat features on social media channels. Palco staff has developed trusting relationships with a wide range of Members/Representatives, their DCSWs, and other stakeholder groups, fostered over many years of resolution by treating callers with respect and courtesy that reflect the principles of the department.

Providing culturally and linguistically competent customer support is an integral component of the philosophy of consumer-direction and the provision of consumer-directed services. Palco invests heavily in providing a variety of options to diverse populations of all ages with disabilities and chronic condition when they are seeking information and assistance.

✓4.2.1.137-4.2.1.138, 4.2.1.141

Incident Management

Palco Resource Consultant staff will identify, through the use of tools including CRM, cases of substandard performance on the part of a member or representative, or a member of staff from Subagent F/EA FMS. In such cases, we notify impacted parties (e.g., member/representative and/or the Agency) of the substandard performance, providing appropriate remedial skills training as appropriate, assisting the member/representative to develop and implement a written plan of correction to address the area(s) identified for correction, monitoring the successful implementation of the corrective action plan by the member/representative, and informing the Agency of final disposition and any need to initiate involuntary termination proceedings with the member/representative. Examples of substandard performance include, but are not limited to, the following:

- ✔ Repeated or intentional incorrect reporting and/or late submission of DCSWs' hours worked.
- ✔ Incorrect and/or late submission of vendors' invoices for participant-directed services. (PDGS, EAA, etc.).
- ✔ Hiring of ineligible DCSWs.
- ✔ Monthly or cumulative overutilization of the member's individual budget.
- ✔ Ineffective emergency DCSW back-up plan.
- ✔ Inappropriate firing of DCSWs.
- ✔ Failure to comply with the waiver programs' policies and procedures.

Critical incidents occurring in an HCBS setting include unexpected death, suspected physical or mental abuse, theft, financial exploitation, severe injury, medication error, sexual abuse, and any other type of abuse or neglect.

All critical incidents that occur to the member will be reported to the state, as required by the program, by Palco within 24 hours of witnessing or discovering such incident. Palco will also contact Adult Protective Services (APS), Child Protective Services (CPS), or law enforcement in accordance with state law. Critical incidents relating to members under department programs will be relayed to the department's investigator hotline within four (4) hours of specified incidents. All events will be reported per the Agency's protocol.

Additionally, Palco will respond to and investigate allegations. If required, the member and other responsible parties are contacted to determine whether the individual who committed the alleged incident should be terminated or removed. In some cases, it may be necessary for the safety and wellbeing of the member to remove an individual, particularly when the allegations are substantiated, and Palco will communicate that to the member. When this occurs, Palco will assist the members in finding a replacement. All activities are reported to the State.

For abuse and financial fraud issues, Palco, Inc. acts as a mandatory reporter to the appropriate state agency. Our system is designed with a multitude of controls in place to ascertain quality for individuals in this program along with their DCSW. Fraud is a crime and abuse violates other applicable laws and administrative rules. Both undermine the integrity of the program. Any serious or repeated grievances made by a member or a member's worker is reported within 24 business hours to the Agency.

✓4.2.1.139

Employer Handbook / Initial Orientation Materials

Palco has a company compliance and policies handbook that covers the unique aspects of being a self-directing member/representative-employer. The **Employer Manual** is an introductory guide to the program, policies, procedures, and the mail functions of being a self-directing employer. The manual will be approved by the Agency before distribution. An example of our Arkansas Employer Manual can be found in **Appendix 5.**

The manual will include information about the participant-directed services, the role, responsibility and function of Subagent-F/EA FMS and the role and responsibilities of the member, representative and DCSW. Detailed instructions and information regarding member/representative employer-related tasks are explained and documented.

Palco has a dedicated training department and staff that oversees the creation of training materials and will work closely with the Resource Consultant team to educate, train, and assist Members/Representative-Employers, DCSWs, and Agency staff regarding health care tasks and much more. The training supervisor and learning management team will assist with the development and updating of a Member/Representative-specific Employer Handbook that will be approved by the Agency and provide all necessary information about participant-directed services and roles and responsibilities of all involved parties. To maintain a flexible and person-centered training approach, we offer several training options:

- **In Person Learning:** Palco will have regionally based trained staff located strategically across the state of West Virginia to meet the one-to-one needs of stakeholders by facilitating training in the homes of individuals. Speed, content, and delivery styles are tailored to meet the needs of each learner and ensure maximum absorption of key concepts and information.
- **Group Training:** At times, individuals may benefit from group-led training to promote collaborations and allow for meeting settings in the community. Palco will execute group

training as applicable within the communities at locations such as the library, community centers, and senior resource locations.

- ✔ **WEBINARS:** Palco utilizes the GoTo Webinar training platform for the development and delivery of all webinar-based training. The platform provides the Palco training department and staff with several features and benefits that enhance the training experience including customizable audience sizes, engaging polls and surveys, email integrations, reporting, and analytics. Training registrations are tailored to specific topics and audiences. Additionally, the GoTo training suite includes access to a platform for the storage of video tutorials and a learning library. Live trainings are recorded and stored for users to access later/time that is convenient to them.

To assist all program roles, Palco has developed several educational tools to assist in disseminating information. We call our framework for this the "Self-Direction Tool Kit." **See Figure 33** for the tool kit which has three (3) types of tools:

- ✔ Main Tools
- ✔ Specialty Tools
- ✔ Extra Tools

Figure 33: Palco Self-Direction Tool Kit

Main Tools are comprised of items that guide the framework and overall curriculum for training and on self-direction. These items include:

- **Employer Manual** - an introductory guide to the program, policies, procedures, and the mail functions of being a self-directing employer. This is used for initial certifications and employer changes. See **Appendix 5** for an example.
- **Support Coordinator (Resource Consultant) Manual (Orientation and Skills Training Guidebook)** - an internal supplemental guide to the Employer Manual that the Support Coordinator uses to guide the way they teach the information. It may be used as a script, if needed, while support coordinators are learning to fine tune the details of their educational rhetoric. See **Appendix 5** for a Support Coordinator Manual example.
- **Support Coordinator (Resource Consultant) Administrative Handbook** - a company compliance and policies manual that covers the unique aspects of the position. Topics like time management, home visit safety, strong documentation practices, and managing a caseload are all covered. For an example of the Support Coordinator Administrative Handbook, see **Appendix 5**.

Specialty Tools, or companion guides as they are often referred to, are used as needed to provide support or enhance someone's knowledge of the consumer-directed program based on a specific topic area. These resources should provide the knowledge base for a Support Coordinator to provide 1-1 support to a Member/Employer of Record but also serve as a written resource to be provided via email following the conclusion of a visit. Some of these specialty tools include:

- **EVV Companion Guide** - includes all training resources, frequently asked questions, user guides, and links to recorded videos to help ensure the Employer understands the requirements to comply with the Electronic Visit Verification mandate and ensure they have everything necessary to train their caregivers/workers to follow the mandate. (Sample of this companion guide is included in **Appendix 5**)
- **Recruiting Companion Guide** - includes resources and guidance on how to recruit and hire qualified DCSWs. This resource includes information on writing a good job description, posting a job ad, interviewing tips, checking references, and making an offer. It also provides an overview of the steps to get enrolled with Palco and working with the Palco Enrollment team. See **Appendix 5** for an example.
- **Employee Management Companion Guide** - provides an overview of typical tasks associated with employee management and tips for being successful. Some of the topics include performance reviews, training, scheduling, developing a corrective action plan, and terminating a worker. An example of this can be found in **Appendix 5**.
- **Budget Management Companion Guide** - provides a concise refresher of the budgeting plan, what services are allowable, and the budget methodology information. For an example of the Budget Management Companion Guide, see **Appendix 5**.

- **Fraud, Waste, and Abuse Companion Guide** - a reiteration of the employer manual covering this essential information. **Appendix 5** is an example of our Fraud, Waste, and Abuse Companion Guide.
- **Program Compliance Companion Guide** - covers all common program rules and policies that are unique and critical to the West Virginia consumer-directed program. This tool is typically used to address issues that come up with program compliance and corrective actions. We provided an example of the Program Compliance Guide as **Appendix 5**
- **Connect Reports Companion Guide** - provides detailed instructions for employers to view spending/utilization and payment details on-demand via the Palco time entry system, called Connect. See **Appendix 5** for our Connect Report Instructions.

Extra Tools are beneficial resources, not used as often or in every situation, but exist to provide program members with the maximum amount of support and guidance. Some of these optional templates include:

- **Payment Stub Companion Guide** - a "how to read your paystub" resource for Workers. See **Appendix 5** for the Payment Stub Companion Guide example.
- **Health Care Emergency Card Template** - for Members to document their personal health information in case of an emergency. See **Appendix 5** for an example.
- **Program Enrollment Process** - an overview of how to enroll in the self-directed program. *(Sample of this excluded from APPENDIX 5)*
- **Backup Care Quick Decision Tree** - a resource to help plan for and document backup care if a worker does not show or an emergency happens. For a Backup Care Decision Tree example, see **Appendix 5**.

In addition to the tools mentioned above, we also provide these training resources:

- **Virtual Tutorials and Library.** The Palco training library is comprised of a variety of topic-focused information that is accessed on demand 24/7. Some videos are short in nature, covering a very specific topic such as reading a paystub while others may be longer to cover a more extensive process such as completing and submitting an entire enrollment packet.
- **CMP Sandbox Training Environment.** A live CMP Sandbox training environment mirrors real-life test scenarios and daily workflow processes. The sandbox version of our Case Management Portal (CMP) updates with production upgrades and product releases so that the two environments are synchronized. Palco's professional trainers conduct engaging, hands-on training using this sandbox environment to train dedicated State program staff as well as members and their employees throughout the state of West Virginia. While leveraging expert knowledge of adult learning theory, the features of CMP are demonstrated interactively. New and existing users acclimate themselves to the CMP environment without the risk of harming live production data.

These training resources will be maintained collaboratively between the Palco West Virginia Agency and our Leadership Team to ensure the resources contain the most up-to-date information. We believe if we provide the resources, we can educate, inform, and assist in making the lives of consumer-directed members a little bit easier.

✓4.2.1.140

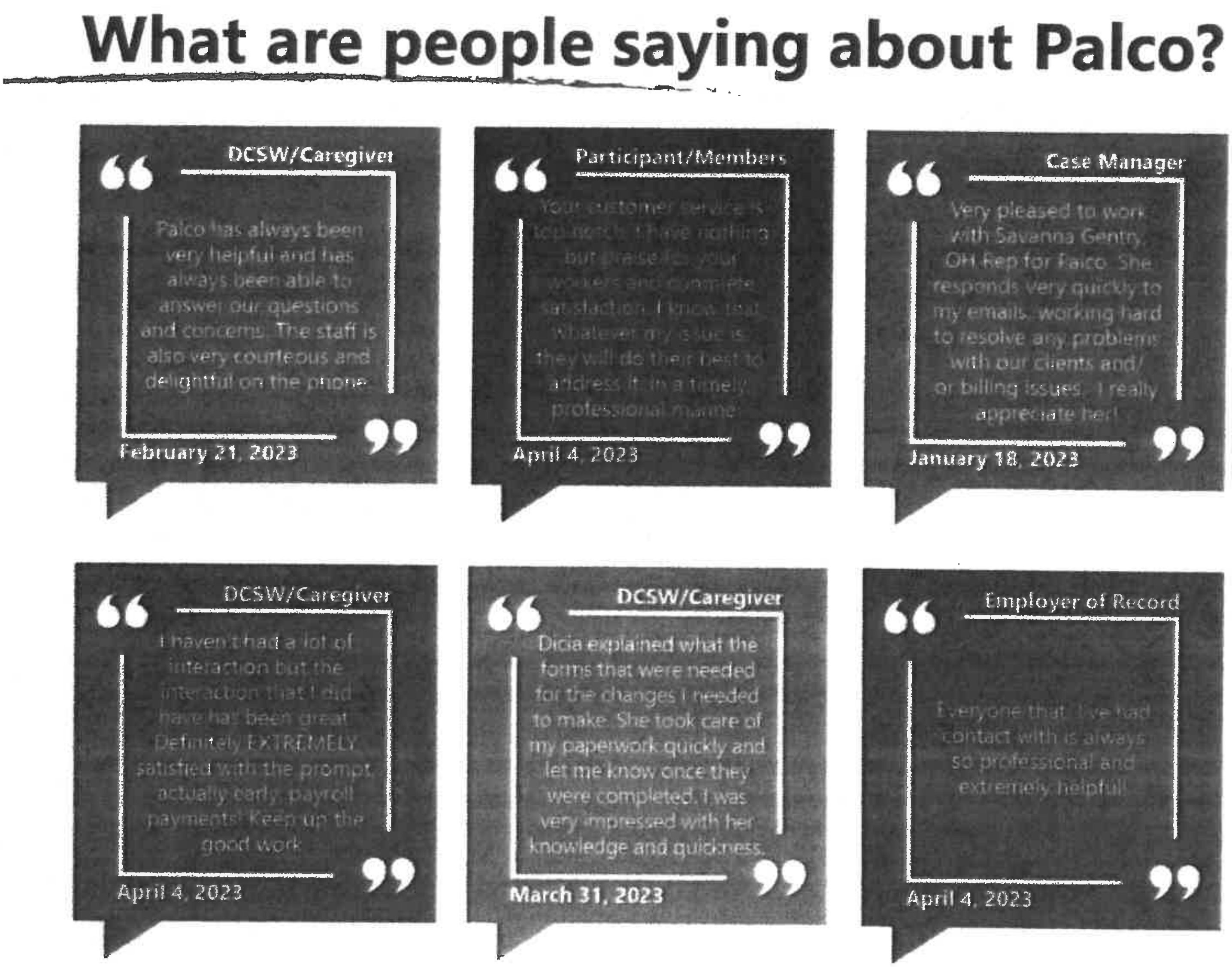
Satisfaction Survey

Palco will work alongside the Agency to perfect and administer satisfaction surveys to all program stakeholders on a schedule and format mutually agreed to. Palco will ensure results are compiled into an annual report approved by the agency. We will collect information on the following topics for the annual satisfaction survey:

- ✔ Satisfaction with employer orientation and skills training, and any annual training(s).
- ✔ Satisfaction with Palco Resource Consultant interactions.
- ✔ Satisfaction with tools/resources provided by the Palco Resource Consultant.
- ✔ Satisfaction with Employer responsibilities, including first payroll.
- ✔ Confidence in Employer roles and responsibilities.
- ✔ Any additional comments/requests for additional training or support.

Palco currently administers customer satisfaction surveys following interactions with staff. Beyond the customer service team, feedback is also solicited following interactions with enrollment, program staff, and resource consultant staff. All survey results are reviewed by the customer service team and senior leadership through a quarterly and annual report. Should an individual request follow up regarding their feedback, Customer Support management completes outreach and assists with a plan to remedy any issues. Any themes in the data and areas for improvement will be identified and a plan of correction will be established to improve the customer experience. Remedies like retraining, staff meetings, security improvements, and resource development are all things Palco leadership can execute quickly.

Figure 34: Palco Testimonials



PALCO

Annual satisfaction surveys demonstrate 98% satisfaction, with most **respondents giving Palco a 100% performance rating across the board** for customer service, accuracy in payroll processing, and responsiveness.

✓4.2.1.142-4.2.1.144

Customer Support

CUSTOMER SUPPORT CENTER

Palco's professional Customer Support team maintains a high level of performance and creates a great customer service experience through effective training. We know that delivering positive experiences matters. Onboarding and training of staff follows a vetted training schedule and curriculum checklist to ensure every worker is educated on key concepts and program specifics vital to the success of their position.

Upon award, Palco will establish a dedicated West Virginia-specific queue which will be operational Monday through Friday from 8:00 am to 6:00 pm, EST exceeding requirements. Our voicemail system will be active for after-hours. All calls, including any abandoned calls recorded, will be returned within one (1) business day. Hold messages and prompts will share important program details and reminders to help inform members/representatives and their DCSWs of key topics and reminders. Palco will accommodate the need for interpreter and translation services through the use of our language line resource later explained. We will ensure our customer services operation is compliant with all laws and requirements as indicated by the Agency.

Our customer support center is staffed with local subject matter experts with an extensive program background and operational understating. Training for customer support staff includes but is not limited to:

- ✔ Product and service knowledge, including an understanding of the consumer-directed service delivery model's core principles, person-centered thinking, and program-specific policies.
- ✔ Palco's tools and how the information is connected across each tool, including Palco's Case Management Portal (CMP), Enrollment (Intake); Timesheets (Connect), CRM tool, and AuthentiCare.
- ✔ Communication Skills.
- ✔ Soft skills.
- ✔ Organization and time management.

Palco has an established Customer Support Center that effectively serves the diverse population of Members/Representatives and their workers, in an efficient manner.

To maintain a person-centered approach, our Customer Support Center (call center) is staffed with live representatives who have the skills needed to address concerns and provide a range of solutions or additional training. Technical assistance occurs via phone, voicemail, email, and chat features on social media channels. Palco staff has developed trusting relationships with a wide range of Members/Representatives, their workers, and other stakeholder groups, fostered over many years of resolution by treating callers with courtesy and respect that reflect the principles of the department.

Providing culturally and linguistically competent customer support is an integral component of the philosophy of consumer-direction and the provision of consumer-directed services. Palco invests heavily in providing a variety of options to diverse populations of all ages with disabilities and chronic conditions, especially when they are seeking information and assistance.

CUSTOMER SUPPORT

Palco will exceed the requirements outlined in the RFP by offering all the necessary Customer Support services to provide support to program members.

We operate a TTY/TDD line and provide access to written and spoken translation and interpreter services at no cost to the caller. Our Customer Support Center has Spanish speakers onsite and utilizes a third-party service for all other languages. This service currently provides access to nearly 300 languages. Translation services are engaged through a warm transfer by calling Palco. Once we identify that translation services are needed, we patch in the translator and remain on the line during the entire call. This keeps the caller from having to make an additional call to access this service.

Information is available in alternate print formats (e.g., large print and Braille) and in languages other than English. We also provide interpreter services (i.e., American Sign, and services for persons with Limited English Proficiency), as needed.

We provide a greeting message and educational or informational messages approved by the State while callers are on hold. We leverage this feature when rolling out new initiatives, system features, or state policies to serve as a reminder to the caller.

We will maintain a program-specific website with helpful information for program stakeholders as well as pertinent forms. This information is available 24/7 on our 508-compliant palcofirst.com site.
Our comprehensive customer support system includes the following:

- ✔ Live staffing of a toll-free telephone system from 8:00 a.m. to 6:00 p.m. EST, Monday through Friday, except on state and federal holidays. Ninety-five percent (95%) of calls will be live answered.
- ✔ 24-hour dedicated toll-free phone number and toll-free fax machines with expandable capacity.
- ✔ Operational TTY/TDD line, at no cost to the caller.
- ✔ Access to written and spoken translation and interpreter services at no charge to the caller. Our call center has Spanish-speakers on site and utilizes a third-party service for all other languages.

- ✔ State-of-the-art equipment to prevent bottlenecks in daily operations.
- ✔ 24-hour operational voice messaging system.
- ✔ Mandatory reporting of fraud and abuse with a system and process for reporting critical incidents.
- ✔ IT infrastructure complete with a firewall appliance that keeps internal voice and data segregated from external traffic through a DMZ.
- ✔ Option for transfer to EVV vendor on ACD menu, as well as ability for live agents to transfer callers to partner EVV vendor.

Palco's Director of Customer Support currently has a staff of 13 Customer Service Representatives, one (1) Team Lead and one (1) Supervisor who perform a variety of activities, such as receiving inbound calls, placing outbound calls, training, assistance with consumer-directed program enrollment, and other support activities. Our Director of Customer Support serves a core role in ensuring customer service needs are met.

> "I would like to let you know what a pleasure it was to talk to Palco. I have been so impressed with their attitudes, disposition, and obvious interest in my problems and questions. Palco has gone way above and exponentially beyond in not only helping me to correct and resolve issues. They always made sure that I completely understand what or where the issue and/or confusion is, so whenever I am working on anything pertaining to my situation with Palco, I can do said action in the future without making the same mistake repeatedly."
> -Linda S. from Colorado (Used with permission)

A New Way to Get in Touch

The Palco Support Center is no longer the standard "call center" of old. Our new multichannel GoTo Contact Center supports phone calls, SMS text messages, web chat, social media, and video. This provides options for members to customize the way they receive support, via their preferred channel. Our Contact Center makes it easy to meet the customers where they are and is cloud-hosted for flexibility and ease of use.

Not only does our live GoTo chat feature create an easier contact method for customers, it also boosts our customer service team's productivity.

Five benefits of GoTo chat:

- ✔ Live chat saves customers the hassle of making a phone call.
    - o Some clients do not have time to get on the phone. Long wait times, confusing menu navigation, disconnected calls, and sometimes even call transfers are needed.
    - o Email, the traditional alternative, can delay a response to time sensitive issues.
- ✔ Live chat reduces repetition by creating a written record.
- ✔ Live chat increases productivity, allowing Palco agents to multitask.
- ✔ Clients can be more productive throughout their day. Rather than waiting on hold, unable to go anywhere or complete other tasks, a client can leave the chat open in the background of the computer or phone and go about their day.
- ✔ The chat feature allows the live agent to turn the communication into a phone call if needed.

Topics of conversation include:

- ✔ Timesheet status.
- ✔ Enrollment update.
- ✔ Electronic Visit Verification Support.

Live chat offers the best of both worlds, allowing clients to message with help agents in real time while still going on about their day, unburdened by lengthy delays and complex telecommunication systems.

Live chat from GoTo allows Palco to engage in chat through SMS/MMS from a mobile phone, Webchat message, or Facebook message.

Additional features:

- ✔ With the live chat feature, the Palco customer service agent can quickly transform a chat into a phone call and can initiate a shared browser navigation with a customer if needed for extra support.
- ✔ A survey is added to the Palco chat queue to assess the experience that our customers are having with our agents. This survey can be shared with a specific teammate or Palco leadership for quality assurance.

Staffing

Palco's staff is what sets us apart from our competitors. We take the time to recruit the best candidates for each position and invest resources in comprehensive training to provide the best outcomes for our clients.

We foster relationships with each of our partners and believe this is key to a program's success. We do this by always being accessible and engaging with our partners. Palco will designate a subject matter expert, known as an Account Manager, to serve as a single point of contact for state personnel and a liaison for technical assistance for department staff. This individual is dedicated solely to this project, answering any questions, and addressing any issues in a timely manner. This contact is available daily via email or phone, always giving the State a direct line to Palco. The Account Manager is available to the Customer Support Team as well.

All Palco staff are required to undergo criminal background checks, Medicaid exclusion checks, and other abuse registry checks upon hire. We conduct E-verify and other checks to ensure that all staff are legally authorized to render services under applicable federal and state law and/or regulations. We have the ability to bring in staff from other areas of the call center as needed. We will ensure that all staff are cross-trained and can access all West Virginia-specific materials as needed to answer calls.

This strategy enables us to employ skilled staff who understand our expectations as opposed to temporary staff who may otherwise be disengaged from our mission. We will submit our staffing plan changes to the state annually and as necessary. **Figure 35** below gives a visual representation of this staffing via our Customer Support Center organizational chart.

Figure 35: Customer Support Organizational Chart

Director of Customer Support

The Director of Customer Support is responsible for the overall operations of the call center and has over 30 years of experience providing customer support services. The Director provides strong leadership and oversees and determines key strategic direction and objectives of the Customer Support team while driving necessary changes for the improvement of operating and organizational efficiency. The Director of Customer Support reports directly to the Chief Operating Officer.

Customer Support Supervisor

The Customer Support Supervisor is responsible for the day-to-day operations of the call center. The Customer Support Supervisor plans, directs, manages, and evaluates subordinates' performance while developing and promoting productivity standards, ensuring customers receive prompt, high-level professional and courteous service. It is essential for the supervisor to establish and maintain positive relationships with customers through effective communication and conflict resolution methods. The Customer Support Supervisor is responsible for establishing cooperative interdepartmental relations and coordinating customer support activities with other internal functions. The Customer Support Supervisor reports directly to the Director of Customer Support.

Remote Customer Service Representative (CSR I/II/III)

A Home-Based Customer Service Representative is the primary customer facing Palco worker who assists individuals with self-directing Medicaid services in the home as well as the workers serving those self-direction members. The Customer Service Representative is knowledgeable of specific rules and qualifications of the programs Palco supports. Using their knowledge of products or services, as well as great customer service skills, the Representative promptly and accurately addresses issues and provides support and information to ensure customer satisfaction. They also maintain extensive knowledge of company systems and sensitive information/PHI handling procedures. Customer Service Representatives are responsible for handling 20 – 40 inbound and outbound calls daily, with the ability to determine needs and provide a one call resolution. This position requires the ability to work Monday – Friday from 7:00 am – 6:30 pm CST. The Customer Support Representative reports to the Customer Support Supervisor.

Team Lead

This is the advanced grade in the Customer Support Representative staffing model and requires vast customer support experience. Incumbents of the grade are typically assigned the more complex and difficult customer support issues, are expected to work independently, and assume higher responsibility for researching customer issues. Workers in this grade are also expected to provide instruction/guidance/training to Customer Support Representative I & IIs.

CSR III

This Senior Customer Support Representative position provides critical services to key business associates, giving the utmost customer-focused assistance, and is a vital partner on our team. Individuals in this position deliver specific delegated tasks assigned by a Customer Support Supervisor. Incumbents of the grade are typically assigned the more complex and difficult customer support issues, are expected to work independently, and assume higher responsibility for researching customer issues. Workers in this grade are also expected to provide instruction, guidance, and training to Customer Service Representative I & IIs. A senior representative performs research to respond to inquiries and interprets policy provisions to determine the most effective response, and it provides tier II support to third party customers as defined in the contract.

CSR II

This grade is normally filled by advancement from the Customer Service Representative I grade or when filled by external hires, and it requires prior experience. A Customer Service Representative II works under general supervision and within the framework of established procedures and is expected to perform a wide variety of customer support activities with limited instruction or assistance. Individuals should exhibit adequate performance at this level, requiring a knowledge of departmental procedures and precedents, and the ability to choose among alternatives in resolving customer issues. They provide customer service training to new workers and have the ability to clearly explain enrollment and payroll processing practices to customers. A Customer Service Representative II is expected to work productively even in the absence of a supervisor and analyze customer information to determine needs while working towards a one-call resolution.

CSR I

This is the entry level grade in the Customer Support staffing model. This entry-level role provides a strong foothold into our organization. Incumbents of this grade perform a range of customer support work that does not require prior experience. Generally, additional assistance is required in performing tasks. Individuals in this grade are expected to provide a basic level of support commensurate with their knowledge, skills, and abilities. Customer Service Representative I's are normally considered to be in training and as assigned responsibilities and breadth of knowledge increase with experience, it may be reasonable to expect promotion to the next higher grade.

✓4.2.1.145-4.2.1.149

Case Management Portal

CASE MANAGEMENT PORTAL & WEB-BASED SOLUTION

Palco's Case Management Portal® (CMP) is one reason we are the best FMS partner in the sector. Palco's customizable cloud-based CMP is constructed from the backbone of 25 years of providing FMS to the consumer-directed population. Our software solutions are tailored to this industry and can be tailored to the specifications of the West Virginia programs. **Our CMP streamlines enrollment, service authorizations, EVV, payroll, claims processing, and reporting in one easy-access tool.**

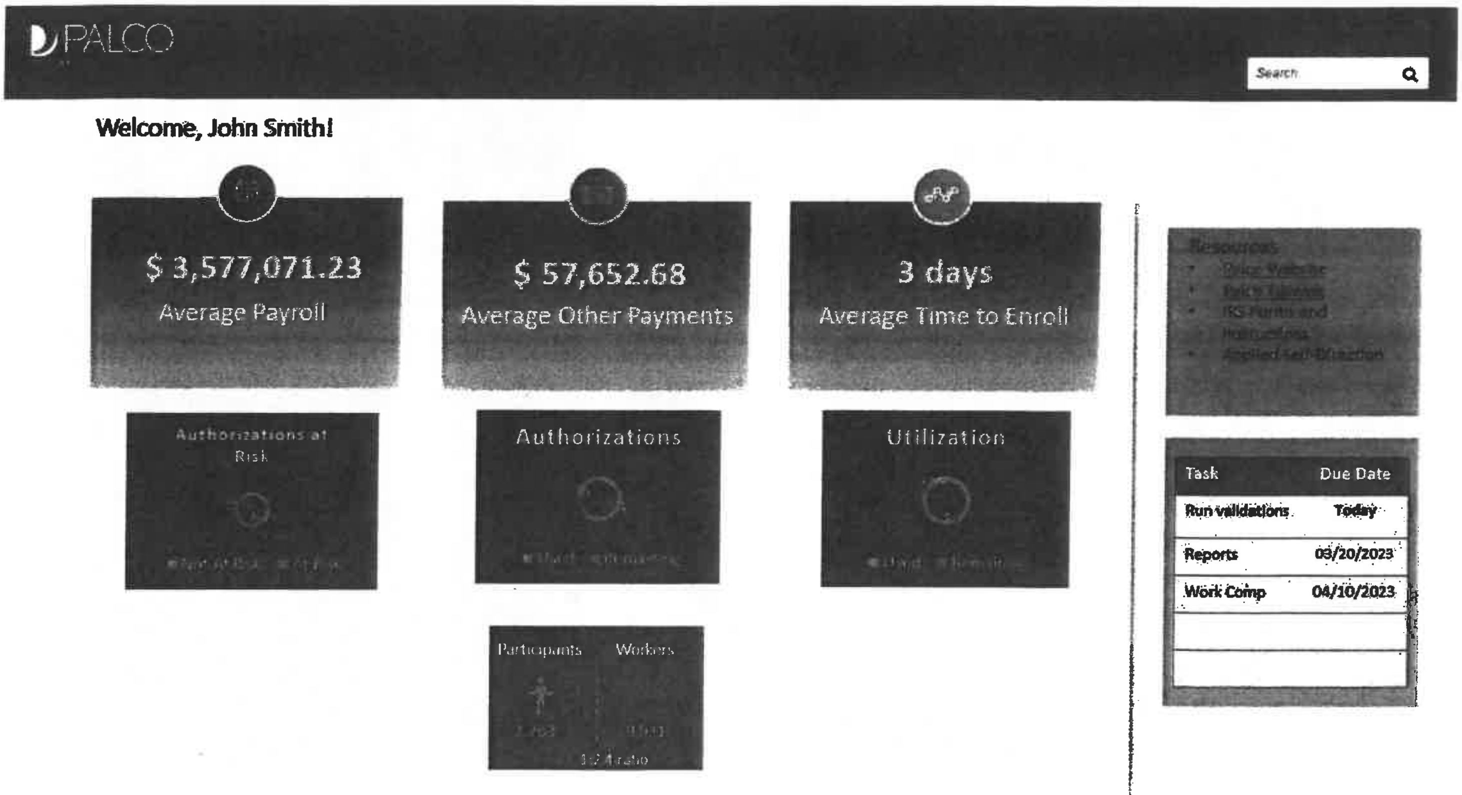
Our cloud-based system is built to make a complicated system simple with real-time reporting, dashboards, and 24/7 access. Features work together to support all aspects of this RFP, including:

- ✔ Cloud-based FMS system with real-time reporting, customizable dashboards, and 24/7 secure, remote access. **See Figure 36** below for a dashboard view.
- ✔ Near-zero downtime (for system maintenance).[4]
- ✔ Processing invoices and payments to vendors.
- ✔ Applying different SUTA rates for each Worker, supporting individual tax rates.
- ✔ Ability to support various budget allocation logic – monthly, daily, annual.
- ✔ Ability to run frequent Medicaid eligibility checks on all members (active and inactive).
- ✔ Processing payroll and vendor payment requests in accordance with the programmatic rules.
- ✔ Ensuring that we are not billing the Agency in advance of participant-directed vendor services.
- ✔ Reporting features:
  - o Ability to view paid and denied timesheets, and reasons for denial.
  - o Ability to view budget utilization by member.
  - o Ability to view historical (worker) payment details, including paystubs.

Our Case Management Portal (CMP) provides a comprehensive beginning-to-end detailed view of case information. It is a significant part of the Palco solution, and we believe a brief introduction to the CMP suite will provide a preliminary understanding to build upon throughout the rest of Palco's response. Palco offers customized dashboards for users of the online system to see reports upon login. A sample dashboard is provided below.

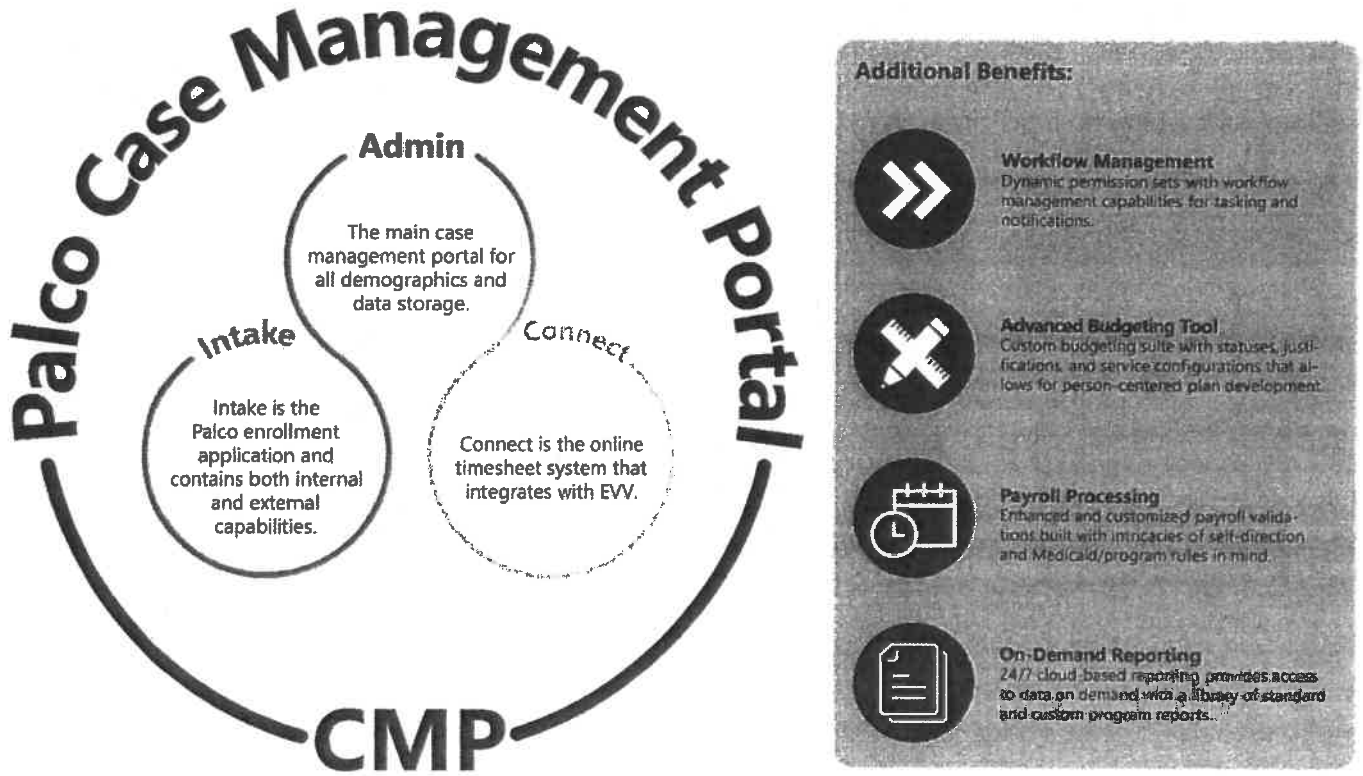
[4] Palco will notify the Agency within one (1) business day of becoming aware of any interruptions, delays, or errors regarding the payroll process and payments to members' vendors.

Figure 36: Customizable Web Portal Dashboard



The cloud-native Palco Case Management Portal serves as the multi-tenant repository for all program participant-related data and program business rules. It contains various modules for case management (records, member info), accounting (utilization, pay ledger/history, repository of pay rates and employer cost rates, exemptions, tax rates, workers' comp, budgets), billing, enrollment, time entry, and reporting. We have the capability to map user roles and permissions so that each user role (state program staff, resource consultants, etc.) has a unique permission set, giving them access to the information necessary to best support the self-direction programs in an efficient and successful manner. See **Figure 37**.

Figure 37: Palco Case Management Portal



Palco developers provide cloud-based software with continuous delivery and an eye toward the user experience, as well as solutions that are configurable with the ability to meet increased demand (scalability). Palco has collaborated regularly with our state stakeholders to identify solutions that benefit all users.

II. Optional Services

OPTIONAL SERVICES

THE VENDOR SHOULD PROPOSE THE OPTIONAL SERVICES OUTLINED IN 4.3.1-4.2.2.

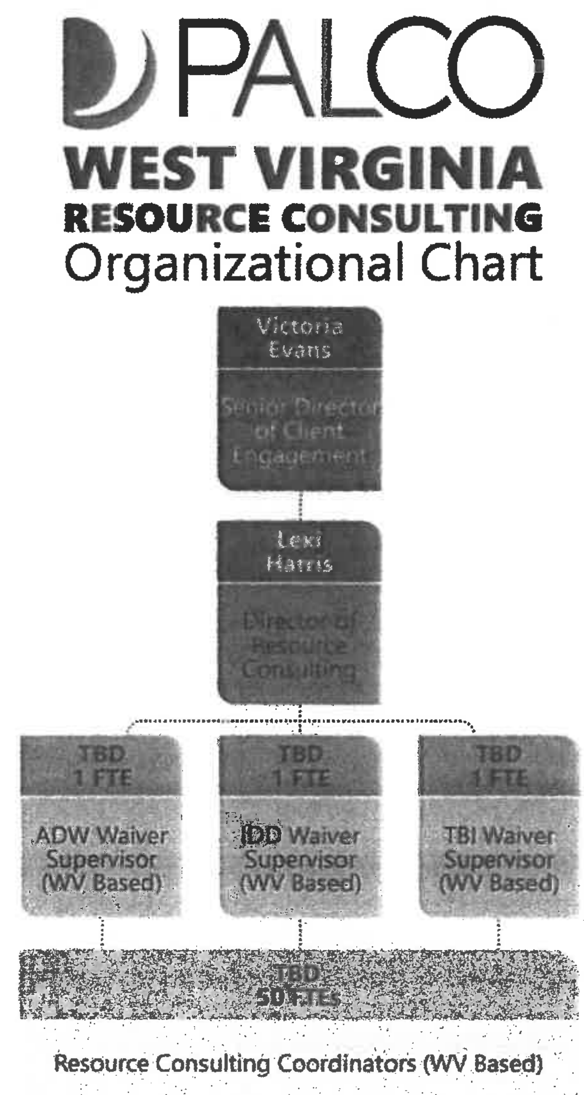
✓4.3.1

Resource Consulting

NARRATIVE OF RESOURCE CONSULTANT FUNCTIONS

Palco will provide a person-centered Resource Consultant (RC) service that enables members and their representatives to quickly understand their rights and responsibilities and to make informed decisions about their service delivery. **They will complete skilled health and welfare visits via phone at a minimum of every month and in person at a minimum of every six (6) months.** We regularly hear from our members and their families — some of whom have experienced the institutional medical route firsthand — about the profound impact our work has on their lives, allowing them to stay in their homes and enjoy their families while attaining better quality of life outcomes. We are committed to ensuring that the families we serve have choice and control in their care, and we do this through the right staffing.

Figure 38: Resource Consulting Organizational Chart



"Without being able to hire our own caregiver, we would have to put my dad in a nursing home. I would give the (Palco) support coordinator, Sabra, 15/10 stars. She has been there every step of the way and we are so appreciative of her help along the way. Palco has helped us through learning EVV and are always available when we have questions. This program is fabulous and has kept my dad happy and able to stay in the home with us. He is able to still go places with us and enjoy life. Customer service has been great any time we had to call in for help and has even called me to check on us. It is rare that you find a company with so many employees that are so happy to help and always friendly. I could not be more thankful for Palco."

- Richard C. from Arkansas (Used with permission)

Palco has a prescribed framework that includes initial education and outreach to meet and exceed **stakeholder needs. To summarize, Palco's approach includes several key items that make up the recipe** for successful education and outreach. Within this high-touch model of person-centered education and training, Palco has developed several tools to assist with the dissemination of information and emphasizes our unique approach to education on self-direction.

Resource Consultants will:

- ✔ Assist interested and eligible members and their employees to enroll in Personal Options, including the completion and submission of Employer Enrollment and DCSW Employment and Vendor and Service Provider Packets.
- ✔ Input member and representative information into the web-based portal used by the agency for project management and reporting when appropriate.
- ✔ Conduct monthly phone calls to provide oversight and support.
- ✔ Assisting members and representative-employers in developing and implementing their service and spending plans.
- ✔ Review and update their service/spending plans as appropriate.
- ✔ Assist members and representative-employers as appropriate to ensure their DCSWs meet the qualifications including background checks and training.
- ✔ Assist members and representative-employers in recruiting and retaining qualified staff and agencies.
- ✔ Assist the program as a whole with maintaining an updated caregiver directory database searchable by those in need of care.
- ✔ Assist members and representative-employers with understanding DCSW benefits.
- ✔ Conduct in-person visits at a minimum of every six (6) months for those who do not receive Case Management services.
    - **Palco's CMP can track and monitor the individuals who specifically meet the criteria for** requiring a home visit and ensure the frequency and duration of upcoming visits is tracked and fulfilled.
- ✔ Assist the member and representative with the purchasing of authorized goods and services.

- ✔ Monitor the members' health and safety, documenting and reporting any incidents or issues.
- ✔ Monitor and document members' and representative-employers' ability to self-direct and follow the program policies and procedures.
- ✔ Report and respond to all member and representative-employer complaints and or grievances regarding the FMS and RC services.
- ✔ Act as a mandatory reporter and report on all incidents including allegations of fraud, suspected abuse, neglect, and exploitation.
- ✔ Assist with the members' need for reevaluations and assessments should a change in condition constitute a possible need in level of care and service allocations.
- ✔ Interact and collaborate with all program stakeholders including individuals with the Agency division to ensure an efficient program operation.
- ✔ Assist with the development and approval of all member and representative spending plans.
    - See **Section 4.2.1.8 on page 28** for more information on the Palco budget tool.
- ✔ Review spending plan utilization with the member and representative-employer during monthly phone calls and six (6) month visits as necessary.
- ✔ Obtain and maintain notary public certifications.

RESOURCE COORDINATION STAFFING PLAN

Palco's staff is what sets us apart from our competitors. We take the time to recruit the best candidates for each position and invest resources in comprehensive training to provide the best outcomes for our clients.

To best support all the new and existing members and workers on West Virginia's Waiver Programs, we will provide a person-center approach when it comes to staffing. This will allow our team of experts to attend any in-person meetings with the Agency.

Palco's dedicated in-state staff upon award of the contract will include three (3) FTE Supervisors. One supervisor for each waiver – Aging and Disability, IDD, and TBI. Each Supervisor will oversee a team of Resource Consulting Coordinators. Our Resource Consulting team will be comprised of program-specific specialists and will be geographically located throughout West Virginia. No matter where the Member/Employer of Record and their consumer-directing Workers are located, we have a friendly Palco team member nearby ready to train, educate, and assist as needed.

The Resource Consulting Coordinator's caseloads are based on geographic proximity to the member, with the dedicated number of coordinators located in a vicinity based on how many members are in that area of West Virginia. This local support allows for a person-centered approach and the ability to meet with members in their home/community at a location of their choosing.

In addition to our in-state staff, we will have dedicated West Virginia customer support and financial management administration teams. Each team/department will be specifically trained in the West Virginia Waiver program's policies and procedures, quickly becoming subject matter experts.

Our Customer Support Center team will be comprised of a Customer Support Director, Customer Support Supervisor, Team Lead, and Customer Support Representatives/Agents. For additional Customer Support staffing details, please refer to **Section 4.2.1.142-4.2.1.144 on page 110.**

Training Plan

Palco will hire qualified and skilled individuals to fulfil the role of Resource Consultant and will provide West Virginia stakeholders with the education and resources they need to be successful. During the onboarding process, each Resource Consultant is assigned to their respective team as outlined above and assigned a seasoned peer to act as their onboarding support. During the initial phase of their employment, all RC staff will receive comprehensive training that is built upon practice-based learning strategies like shadowing, partner activities, and independent activities with oversight. Resource Consultants will receive regular monitoring and coaching to ensure they understand their roles and responsibilities while learning to navigate difficult situations with confidence.

At a minimum, each Resource Consultant will receive training on the following topics:

- ✔ Palco company overview and systems.
- ✔ Consumer-Direction 101.
- ✔ HIPAA, Privacy, and Security Training.
- ✔ HR and timekeeping training.
- ✔ Providing quality customer service.
- ✔ Person-centered practices.
- ✔ Documentation of service delivery.
- ✔ Reporting critical incidents, fraud, waste, and abuse Identification and reporting.
- ✔ Electronic Visit Verification (EVV).
- ✔ False Claims Act.
- ✔ Program-specific details on consumer-direction in the Personal Options program, ADW waiver, IDD waiver, and TBI waiver.

LOCAL OFFICE

Upon award and in accordance with any contractual requirements, Palco, Inc. will establish at least one physical site in the state and a staff presence across the state. Our site(s) will provide equipment that is appropriate and supportive, including the following:

- ✔ Fully accessible and complies with all Americans with Disabilities Act requirements.
- ✔ Adequate meeting rooms and office space for personnel.
- ✔ Up-to-date office equipment with Microsoft Office, network connectivity, supplies, clerical assistance, and administrative support to carry out key functions.

Information Pertaining to Ratios of Resource Consultants to Members

Palco recognizes that to best support, educate, and train Members/Employers of Record and fulfill the requirements of this RFP, we need to have a fully staffed Resource Consultation team located throughout the state of West Virginia. During the implementation phase, we intend to hire enough Resource Consultants to have a sufficient ratio of 100-1 or less to fully support our members and efficiently deliver the needed services of this contract. In the Staffing Plan outlined in the section above, we discussed having three regions – East, Middle and West. Upon award of the contract, we will identify each region's program population. Member count in each area will determine how many Resource Consultants will be allocated to each region. We plan to monitor each Resource Consultant's workload to make sure the ratio is sufficient. If additional Resource Consultants are needed, we plan to recruit and hire additional staff to adjust the ratio accordingly.

Resource Consultant Contact Reequipements, Documentation, Etc.

To ensure Members/Employers of Record have access to ongoing support and ensure their questions are always answered, the assigned Palco RC will complete a check-in with the Member/Representative at least once per month via phone and in-person every six (6) months for those without case management services.

During this contact, the RC will use a monitoring tool to collect information and document the individual's self-direction needs and challenges and their ability to continue serving as an employer.

Some of the standard monitoring questions include:

- ✔ Describe how the consumer-directed program meets your needs.
- ✔ Are you experiencing any challenges with participating in this self-direction program? How can I help?
- ✔ Do you need help with anything else or have any unmet needs?
- ✔ Have you used your backup worker? If yes, please describe.
- ✔ Is there anything we need to discuss related to your role as an employer or your ability to continue acting as an employer?

The documented responses and an overall summary of the monitoring visit will be captured and stored within the Palco Case Management Portal (CMP). Professional users, like State and program staff will have access to this information and contact notes on demand. **See Figures 39 and 40.**

Figure 39: Admin Portal Support Coordination

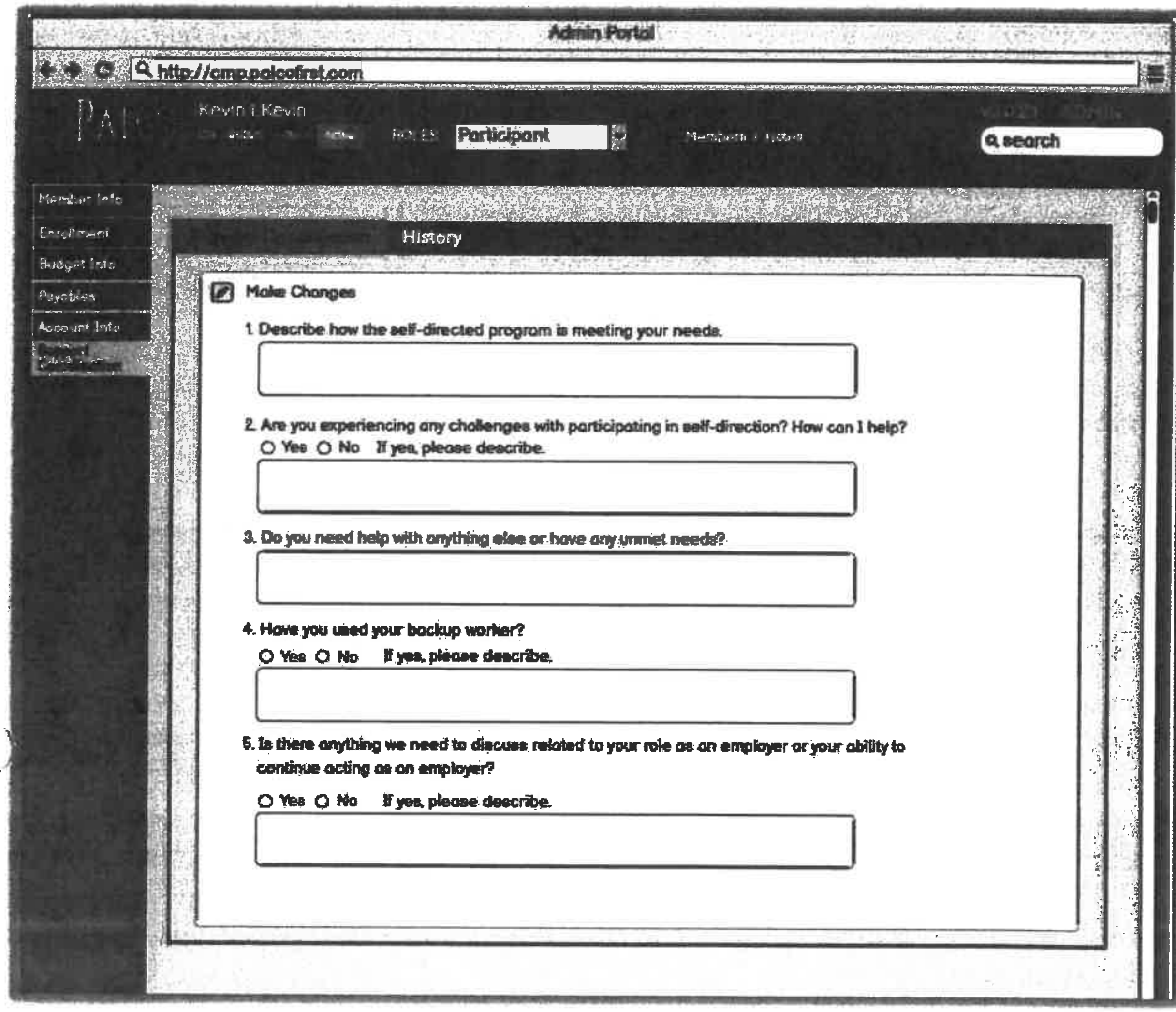
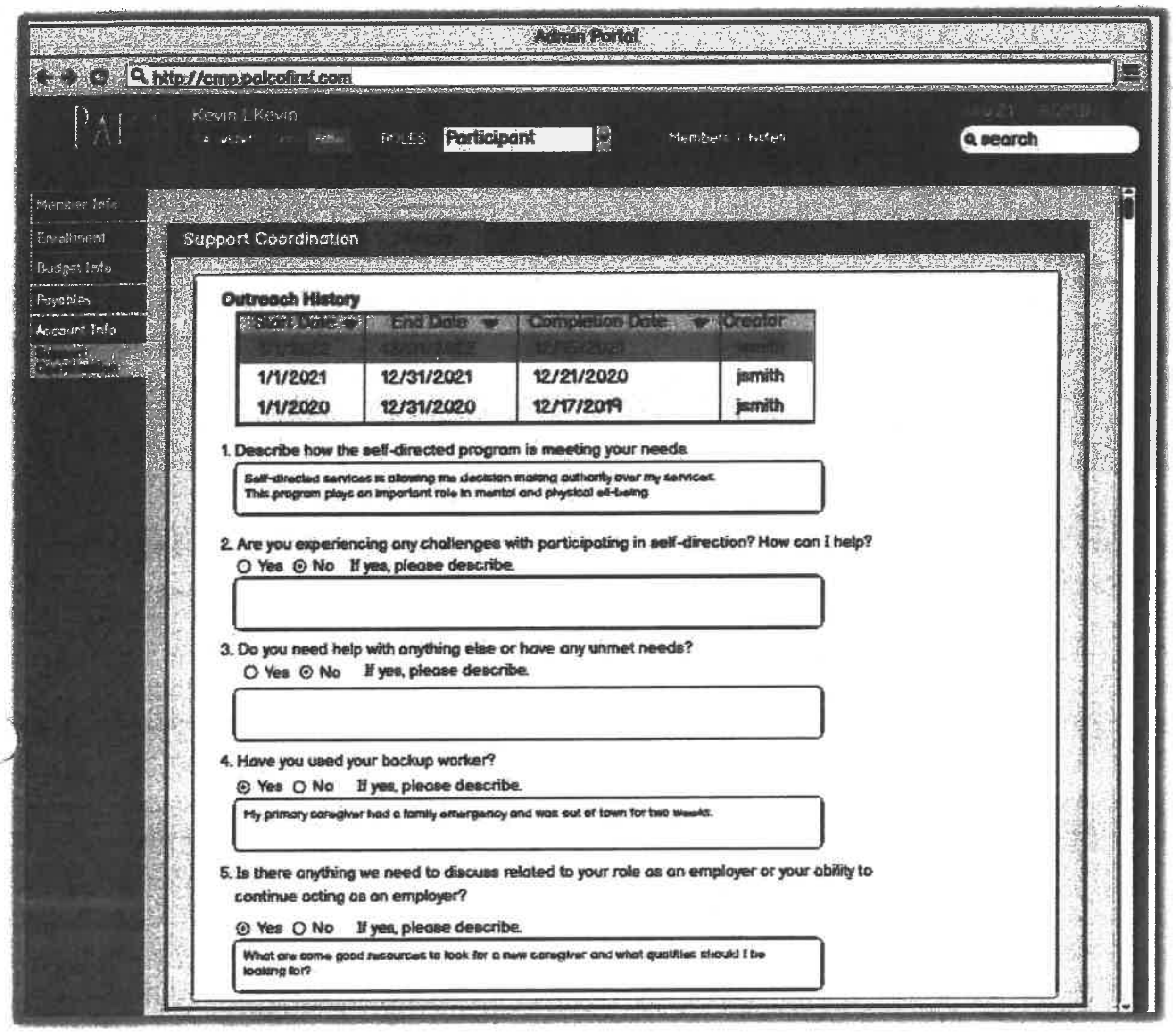


Figure 40: Admin Portal Outreach History



In addition to the regular monitoring outlined above, the Resource Consultant stays in tune with the Member's services and provides additional training and support as necessary. Should the Palco Customer Support Center team or another department staff receive notification of a change in circumstance, such as a change in employer authority, a change in budget or health conditions, or DCSW turnover, a Resource Consultant will be deployed to assist.

During our monthly call and face-to-face visit every six (6) months, the Palco Resource Consultant will assess the member's health and welfare, document any regression identified in the Member's mental, physical, or social functioning, and provide support and guidance.

Should a situation arise where the Member's health, safety, or well-being is at risk, the Palco Resource Consultant is deployed to provide intervention and support immediately. Being geographically located within the community where the Member lives makes that possible. Supporting documentation is collected and provided to State program staff to ensure issues are mitigated quickly.

✓4.3.2-4.3.3

Policies & Procedures (4.3.2)
Resource Consulting Billing (4.3.3)

Palco will create and maintain a West Virginia-specific Operational Policy and Procedures Manual that documents all policies, procedures, and processes for F/EA FMS tasks and requirements outlined in this RFP. Our Operational Policy and Procedures Manual will include descriptions of processes and related internal controls that are used to monitor performance of key F/EA FMS contract deliverables and demonstrate a thorough understanding of Centers for Medicare & Medicaid Services (CMS), Internal Revenue Service (IRS), U.S. Citizenship and Immigration Services (US CIS), and federal and state Department of Labor (DOL) rules and regulations, as well as state and local tax rules and regulations. The manual will include, at minimum:

- ✔ Completion of employer enrollment paperwork.
- ✔ Completion of DCSW enrollment paperwork.
- ✔ Completion of employer enrollment activities, such as obtaining a FEIN and assigning appointment of agent.
- ✔ Completion of DCSW enrollment activities, such as background checks.
- ✔ Completion of employer termination activities, such as revoking a FEIN and IRS and state appointments of agent.
- ✔ Timesheet review status, including following a timesheet life cycle from submission to payment.
- ✔ Payroll payments made.
- ✔ Other payments made, such as tax deposits and filings, garnishment payments, refunds to the department, and any payments to vendors.
- ✔ Bank activity, including payments and deposits.
- ✔ Support Center activity, including call monitoring and metrics analysis by agent, call arrival patterns and trend analysis, and satisfaction surveys.
- ✔ Bill administrative fees only once per month for Waiver program members who are eligible to receive Personal Care services. This is inclusive of Subagent-F/EA and RC services.

Our staff receives continuing education in accounting and law, subscribes to various industry publications, and routinely participates in conferences with national experts to maintain and grow our knowledge of industry practices and changes. The West Virginia F/EA FMS Policies and Procedures Manual will be updated as best practices come to light or to accommodate changes in the program, employment law, or tax codes. We will alert the Department in the event of any changes in these areas and offer solutions for complying with the changes. At minimum, we renew our manual annually.

Once approved, Palco will update the manual as needed, at least annually, and provide all updates to the Agency for review and approval. The manual will be available in electronic format. All modifications will be implemented within 10 days.

Palco's internal controls ensure our staff uses, discloses, and safeguards Protected Health Information (PHI) in compliance with the Privacy and Security Rules under the Health Insurance Portability and Accountability Act (HIPAA) and Health Information Technology for Economic and Clinical Health Act (HITECH) of 2009, as well as state laws, rules, and regulations. Disclosure of protected health information by the workforce must comply with the requirements stated in the contract and/or Business Associate Agreement under which Palco received the protected health information.

✓4.4

Approach & Methodology to Compliance with Mandatory Project Requirements

No subcontractors will be used for this project.

Palco has internal controls and policies and procedures in place that are designed to prevent, detect, and report known or suspected fraud and abuse by members, workers, or any other party. Palco has received recognition for its partnership with state agencies to detect, mitigate, and report fraud. We have adequate staffing and resources to investigate unusual incidents and develop and implement corrective action plans to assist us in preventing and detecting potential fraudulent and abusive activities. Quarterly training focuses on preventing Medicaid fraud and educating staff on key areas, such as the False Claims Act and mandatory reporter statutes.

We consider fraud prevention, education, and reporting one of our most important responsibilities. In maintaining accountability, customer support, and excellence in all programs, we have made fraud prevention a high priority. We utilize detection activity resources and tools from member education and training to technological deterrents. For example, our CMP suite of services includes Connect, the Palco time entry solution, which is integrated with Electronic Visit Verification (EVV) and ensures mandatory time entry approvals by both Employers and Caregiver/workers before time is processed for payment.

- ✔ We have established a tactical process to prevent, detect, and respond to fraudulent activities.
- ✔ Training for Members/Employers of Record as well as DCSWs about the responsibilities of self-direction.
- ✔ Effective communication paths for reporting fraud.
- ✔ Training for our own staff and program stakeholders on the roles and responsibilities of being a mandated reporter.
- ✔ Monitoring with internal controls and policies and procedures designed to prevent, detect, and report known or suspected fraud and abuse by Members/Employers of Record, Workers, or any other party.
- ✔ Investigation of fraud and financial abuse allegations in a timely manner, involving appropriate members of our management and leadership team.
- ✔ Palco maintains several channels for reporting any fraud or abuse including our customer service toll-free line and a dedicated email box privacy@palcofirst.com.
    - The privacy box is monitored by our Privacy and Security Officer. Any complaints or reports of fraud, waste, and abuse are followed up on within one (1) business day following the appropriate program and policies and procedures.
    - Any reports are triggered to the necessary program account manager for follow up and State notification.

FRAUD WASTE AND ABUSE

According to the National Resource Center for Member-Directed Services (NRCPDS), "Research indicates there is no increased risk of fraud within participant-directed programs. In both [self-direction and traditional agency] services, quality management systems are used to prevent fraud. Member direction is an efficient model in its own right: By directly linking services and support to each person's needs and preferences, it promotes expedient service delivery." Even so, Palco remains fiscally diligent to protect against waste and fraud and remains swift in every instance of abuse with deterrence, detection, and response protocol.

Deterrence mechanisms include activities surrounding education, auditing, community engagement (including education through orientation), enrollment education, periodic training, worker background checks, and member resources. The West Virginia DCSW Employment Enrollment Packet will contain an overview of the DCSW enrollment process, specifically the background checks and employment eligibility requirements including barrier crimes, the Child Abuse and Neglect Central Registry, and the federal List of Excluded Individuals and Entities (LEIE).

Detection Mechanisms are detection components to uncover fraud and misconduct. We know that workers and employers aid by promoting an environment of accountability in their homes by keeping a watchful eye for suspicious activity, and knowing how, and when, to report it. Time evaluations are reviewed internally and externally and include pre-pay reports and a direct email sent to our Privacy

Officer, provided for reporting concerns. All Palco workers remain vigilant and are provided fraud, waste, and abuse training.

Palco responds to suspected fraud and reported misconduct with these Response Mechanisms. Once a report is received, our executive team evaluates and immediately contacts local investigators, and if required, outside counsel is retained. There is a referral sent to the state and/or federal fraud units and corrective action includes self-reporting and a report of findings with outcomes included.

Palco has developed and implemented policies and procedures that emphasize the application of the philosophy of member direction, and we foundationally believe in a culturally sensitive, person-centered approach when providing every aspect of program services and supports. Palco continues to employ a diverse group of people who receive training on person-centered philosophy. The commitment to person-centered services is evident. A copy of a Fraud, Waste, and Abuse Companion Guide is included as **Appendix 5**.

In addition, we have a website accessible to all that is kept up to date with program information and forms. We will produce internal controls documented for our West Virginia-specific staff as well as a Subagent-F/EA FMS Policies and Procedures Manual upon award to monitor the accuracy and currency of the materials posted on the website and the effectiveness of the system. Our web portal (Connect), as well as our web-based interactive payroll system, will be configured specifically for West Virginia and maintained. Agency, members/representatives-employers, DCSWs, Resource Consultants, and Case Managers (as applicable) will have access to all necessary information in real time, 24/7, to monitor all spending and utilization related to DCSW payments and invoices.

Managing Public Funds

Palco, Inc. will establish and maintain a separate accounting and information system for receiving and disbursing funds, and for tracking transactions and budgets. We will establish separate bank accounts for our administrative fees and for the sole purpose of receiving payments for member services. No funds in either account will be comingled with any other funds, and funds will be used only as directed under this RFP.

Our banking and accounting controls include the following, approved through a Board resolution[5]:

- ✔ The owners of Palco are the only allowed signees on our bank account. All checks must be signed by an owner of the company, who are both licensed **Certified Public Accountants** bound by codes of professional ethics related to financial integrity.
- ✔ Our financial institution has an exclusive list of **pre-approved entities** that can withdraw money or debit funds from our accounts. Such entities include the IRS for tax payments, the MA Program, and state tax authorities. Anyone not on this list cannot debit funds. Funds withdrawn must be

[5] Palco is a member of ASC X12, the Accredited Standards Committee for EDI standards and XML schemas used in billing processes. Our system meets the requirements of MMIS billing, including confidentiality and security.

approved by the Board of Directors and may only be for program taxes and insurance. All bank charges are absorbed by Palco.

- Annually, we execute a notarized **Memorandum of Understanding** (MOU) with our financial institution within 14 days of the contract award. This MOU establishes a clear understanding that the account's funds belong solely to the Medicaid beneficiaries, and creditors are not allowed to encumber or acquire funds from this account.
- **Randomized time-sensitive passcodes** are generated by our financial institution each time we send a direct deposit file to prevent unauthorized access to funds.
- Proper **segregation of duties** is engaged through the payroll process with operations separated from reconciliations, for example.
- Palco follows **Generally Accepted Accounting Principles** (GAAP) in the use of a general ledger and subsidiary accounts for handling of member funds. This creates an auditable system for managing member's spending plans, payroll processing, claims submission, and related reporting.
- **Reconciliations** are performed on a continual basis to ensure quality. It includes financial account balancing, comparing data to ensure accuracy and completeness of transactions, and investigating discrepancies.
- We will receive funds with electronic funds transfer (EFT), and we will receive, disburse, and track Medicaid and State funds as specified in the RFP. We will reimburse the State for any funds remaining in the administrative or member services separate bank accounts on June 30 of each State fiscal year.
- Palco prepares and submits a **bank account report**, including a monthly reporting of bank account activity, a summary of the month's bank activity, reconciliation of the bank balance to the General Ledger, and reconciliation of any amounts advanced to Palco.

Palco will absorb, at no additional cost to the Agency, all bank charges including monthly fees and stop payment fees that were initiated by the contractor and will not reduce the balance of the separate administrative bank account or reduce the balance of the member's self-directed budget. We will withdraw from the separate administrative bank account all payments made by the Agency for the Subagent-F/EA FMS administrative fees within seven (7) calendar days of receipt.

To ensure quality, we will review a billing sample on a quarterly basis and trace it through the accounting system to payment and billing. Our banking and accounting controls include the following:

- Proper segregation of duties is engaged through the payroll process with operations separated from reconciliations, for example.
- We will enroll required workers in the Agency's current Fiscal Agents System/MMIS prior to their providing paid services. We will invoice for FEA and optional services only once for any members who are dually enrolled in a waiver program and the TMH or Personal Care program. If the Agency elects to utilize optional services, we will provide Resource Consultant services directly and not subcontract with another entity to perform any of the Resource Consultant tasks.

- ✔ Reconciliations are performed on a continual basis to ensure quality. It includes comparing hours of services billed and paid, a review of items left to be paid, reviewing records for accuracy and completeness, and investigating discrepancies.
- ✔ Maintaining billing records for internal audit purposes that verify amounts of claims and support claims.
- ✔ Any remaining member funds will be returned to the State at the end of the fiscal year.
- ✔ We provide an accountability system including quality indicators, performance metrics, and methods for monitoring key indicators.
- ✔ Internal processes that ensure the proper function of all areas of operations, including Worker eligibility and status, employment practices, tracking member's budget funds and spending plan activity, verifying accuracy of timesheets, ensuring payroll accuracy, monitoring billing and claims submissions, and preventing, detecting, and reporting known or suspected incidents of fraud and abuse.

For each activity, there are target objectives, risks, and related quality initiatives. Performance metrics assigned to each key item provide a continual feedback loop for quality assurance and improvement. Each time a payroll is complete, money received for payment of funds is reconciled to money paid out. In addition, each month, the bank statement is reconciled to CMP. Regular reconciling of all funding is critical to ensure that internal controls are performing properly, no fraudulent transactions have occurred, and individuals are using their budgets appropriately.

We agree to be bound by the Service Level Agreement(s) (SLAs) provided by the State which will be documented within our policy and procedure manual as well as completing all implementation activities within three (3) months. We will work jointly with any subsequent Vendor upon expiration and/or termination to supply historical Employer of Record and Employee information needed to ensure a smooth transition of services during the integration period. Sample reports will be provided to the Agency at least 30 calendar days prior to the Operations Start Date for the Agency review and approval.

III. Qualifications and Experience Information

Qualifications and Experience

PROVIDE INFORMATION AND DOCUMENTATION REGARDING ITS QUALIFICATIONS AND EXPERIENCE IN PROVIDING SERVICES OR SOLVING PROBLEMS SIMILAR TO THOSE REQUESTED IN THIS RFP. INFORMATION AND DOCUMENTATION SHOULD INCLUDE, BUT IS NOT LIMITED TO, COPIES OF ANY STAFF CERTIFICATIONS OR DEGREES APPLICABLE TO THIS PROJECT, PROPOSED STAFFING PLANS, DESCRIPTIONS OF PAST PROJECTS COMPLETED (DESCRIPTIONS SHOULD INCLUDE THE LOCATION OF THE PROJECT, PROJECT MANAGER NAME AND CONTACT INFORMATION, TYPE OF PROJECT, AND WHAT THE PROJECT GOALS AND OBJECTIVES WERE AND HOW THEY WERE MET), REFERENCES FOR PRIOR PROJECTS, AND ANY OTHER INFORMATION THAT VENDOR DEEMS RELEVANT TO THE ITEMS IDENTIFIED AS DESIRABLE OR MANDATORY BELOW.

✓4.5

Qualifications and Experience Generally

4.5.1.1 Work Plan

Objective:

- ✔ Palco will provide efficient and cost-effective F/EA FMS as a subagent to the Agency (the Government F/EA FMS Agency).
- ✔ Palco's systems, policies, procedures, and internal controls will respond to the Agency's needs.
- ✔ Throughout the life of the contract, adjustments will be made to respond to Agency needs or changes in federal or state regulations.

Methodology:

- ✔ Sufficient staffing, as outline below.
- ✔ Project plan high level Gantt Chart, attached in **Appendix 2**.
- ✔ Leveraging our experience and longevity in the industry, as described in Section 4.5.3.
- ✔ Utilize cutting-edge technology, as described in Section 4.2.1.

The Palco Team:
To support the proposed project, the following Executive Leadership, Senior Management and Operations staff will be devoted to this project:

Table 5: Palco's Proposed Project Team Members

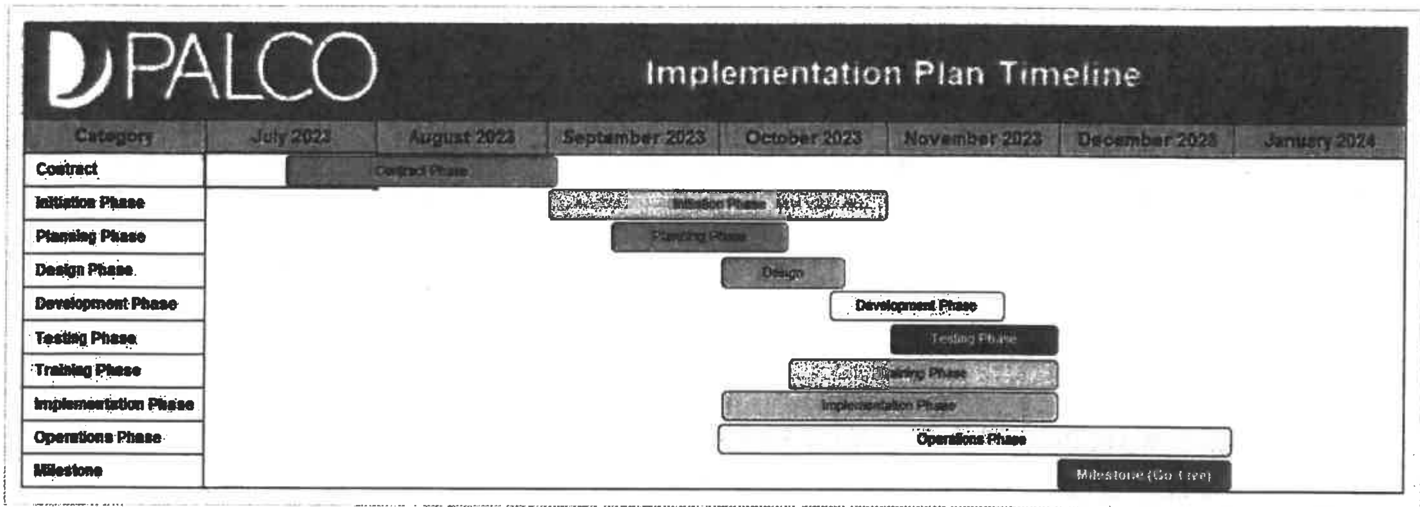
Position	Palco Personnel
Chief Executive Officer	Alicia Paladino, MBA, CPA, Esq.
Chief Financial Officer	Larry Paladino, CPA
Chief Operating Officer	Mark Biviano
Chief Technology Officer	Jeff Leis
Chief Information Officer	Mike Brower, MAcc
Senior Vice President, Product Management	Cayle Cox, MBA
Senior Director of Operations	Kady Predota
Senior Director of Client Engagement	Victoria Evans, DrPH
Project Manager	Amelia Weglewski, CPA (Interim)
F/EA Director	Stephanie Gallagher
Director of Customer Service	Toni Rose
State Director of Resource Consulting Brokerage	Lexi Harris, MHA
Enrollment Services and Training Manager	Cody Waits
Payroll and Invoice Payment Manager	Taylor Johnson (Interim)
Billing Manager	Paula Soll

Upon award, Palco will hire and assign the following staff to be dedicated solely to the West Virginia Personal Options program and project. A **Program Manager**, an **ADW Supervisor**, an **IDDW Supervisor**, a **TBIW Supervisor**, and a **Personal Care Supervisor**. All key positions will be filled by individuals located in the state of West Virginia. To fulfill the roles in the interim, Palco has identified already existing and qualified staff to assist in the start-up and implementation. Resumes as well as degrees and certificates when applicable are included for your review within this document in **Appendix 8**.

RESOURCE ALLOCATION AND TIMEFRAME:

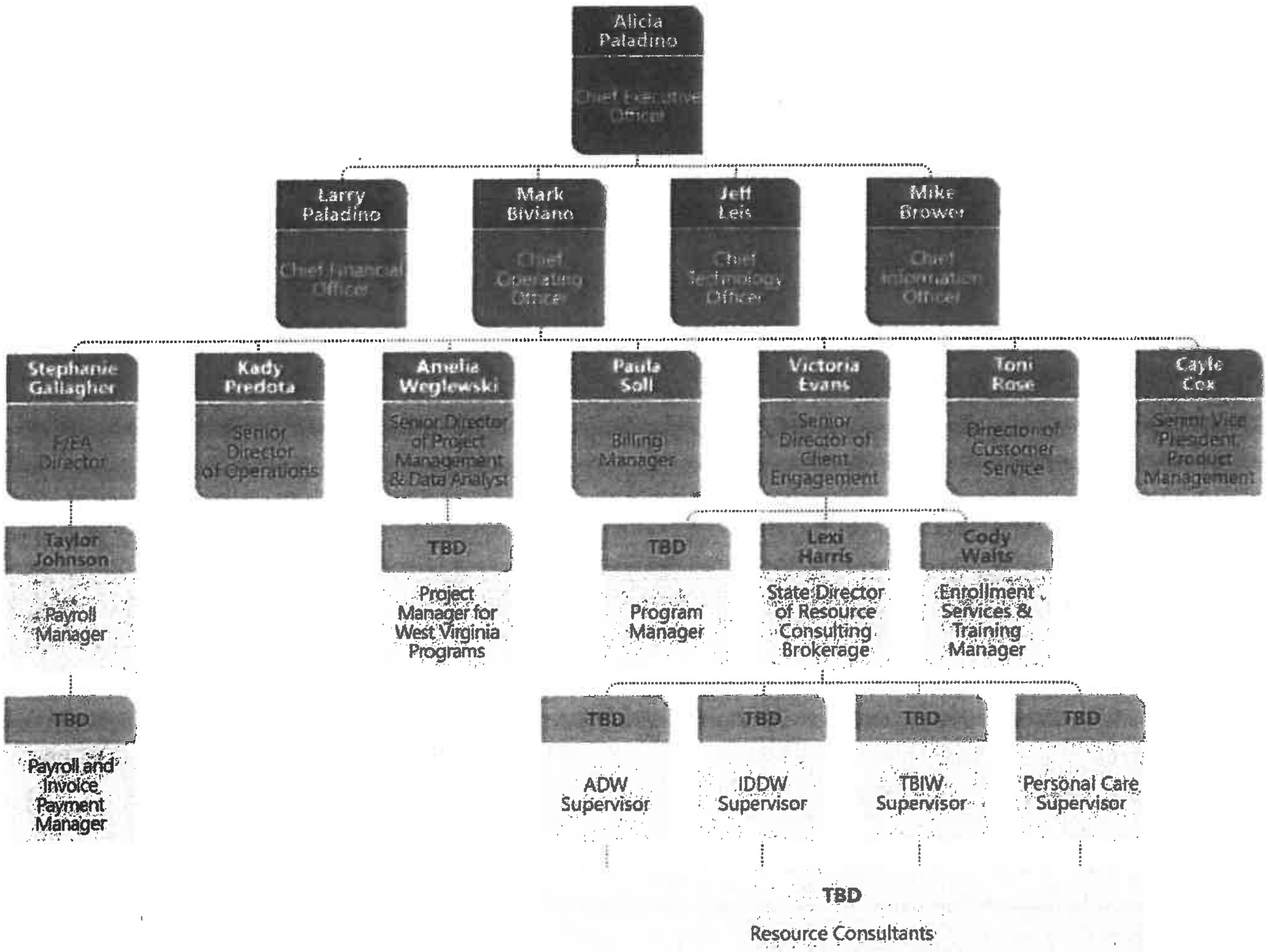
Palco has developed a proposed Implementation Plan for the state of West Virginia to review. Palco is prepared to execute start up in October of 2023 with an implementation of January 2024. This Implementation Plan includes key personnel with experience with Financial Management Services (FMS), including Executive Leadership, Project Management, Enrollment, Payroll, Customer Support, and IT Development. Palco's implementation plan includes the estimated hours for each activity/task and who will be assigned to lead and complete the task for this project. A high-level Gantt Chart of this project plan can be seen below in **Figure 41** and in **Appendix 2**. Palco will customize the implementation plan and schedule as well as dates upon award of the contract with input from the Agency/BMS program staff to align our goals and schedule collectively.

Figure 41: Implementation Plan Timeline



4.5.1.1.1. ORGANIZATIONAL CHART

Figure 42: Palco Organizational Chart



4.5.1.1.2-4.5.1.1.2.4; 4.5.1.2 ROLES, RESPONSIBILITIES, AND STAFF SKILLSET

EXTERNAL CERTIFICATIONS

Palco's team of qualified experts possesses a wide range of professional licenses, certifications, education, and demonstrated experience that gives them the capability to provide you with the highest grade of expertise. They are well versed in applicable FMS/Resource Consultation Brokerage service delivery models and are vastly accustomed to familiarizing themselves with client and project-specific needs and requirements.

OUR EXPERTISE INCLUDES:

- ✔ Certified Person-Centered Thinking Trainer.
- ✔ Skilled Medicaid MMIS billing and claims team with over 40 years of experience.
- ✔ Multiple Lean Six Sigma (yellow belt, green belt) certified IT team members.
- ✔ Certified Scrum Master/Agile Certified.
- ✔ Multiple staff with advanced degrees (e.g., MBA-Accounting Information Systems, MS-Information Systems, MS-Information Technology, MS-Computer Science, MHA, MPH, DrPH, JD).
- ✔ Project Management Professional (PMP) Certified.
- ✔ HIPAA Certified.
- ✔ HITREC Certified.
- ✔ Certified Public Accountants.

PROFESSIONAL MEMBERSHIPS

- ✔ Arkansas Bar Association
- ✔ Arkansas Society of Certified Public Accountants
- ✔ American Institute of Certified Public Accountants
- ✔ Applied Self-Direction
- ✔ Accredited Standards Committee (ASC) X12

4.5.1.1.4 KEY STAFF BASED IN WEST VIRGINIA

STAFFING PLAN

Upon contract award, Palco will hire and employ full-time employees for each key staff position in West Virginia. These key staff members will be based in West Virginia and will be 100% dedicated to the WV Personal Options Program. Employing local staff allows our key staff personnel to better understand the diverse communities in which we support. This approach also allows us to develop a closer and more meaningful relationship with our clients in West Virginia.

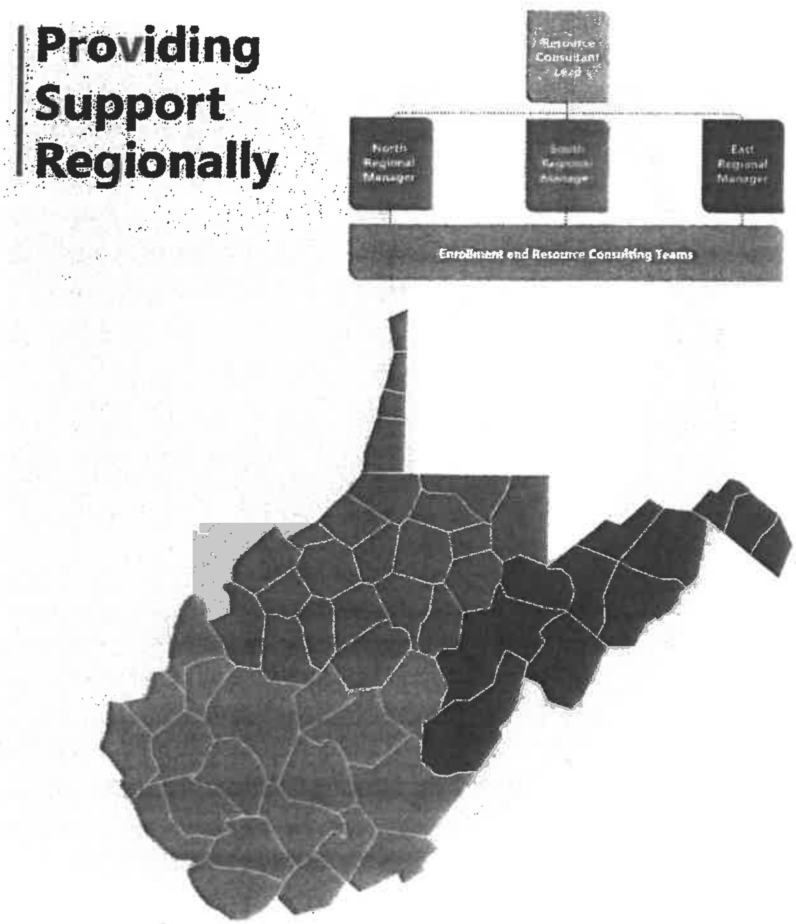
In addition to providing local support through our West Virginia-based key staff, we have also created a dedicated transition team to oversee the overall transition in West Virginia specifically. This allows us to ensure a seamless transition, immediately building relationships and foundations for providing services in West Virginia. The transition team will include hiring and training local key staff members. The team includes executive leadership, members of our operations team, subject matter experts, and several other staff members, all of whom have extensive experience leading transitions and implementations in other programs.

STAFFING REQUIREMENTS

Upon contract award, Palco will be sure to have sufficient staff with the proper experience, skills, and credentials as outlined in **Section 4.5.1.2** of the RFP. This includes having our resource consulting staff complete all federal and state background checks as required by West Virginia, as well as running additional monthly checks to avoid having any personnel appear on any exclusion lists. These resource consultants will meet the minimum qualifications outlined by the state of West Virginia in section 4.5 of the RFP.

To best support all the existing and new members and workers on West Virginia's waiver programs, we will provide a person-center approach when it comes to staffing. Palco's dedicated in-state staff will include a Resource Consultant Lead and Account Manager. Each role will oversee their required program functions in the waiver programs. Additionally, we will have in-state Resource Consultants and Regional Managers geographically located throughout West Virginia. No matter where the Member/Employer of Record and their consumer-directing Workers are located, we will have a friendly Palco team member nearby ready to train, educate, and assist as needed.

Figure 43: West Virginia Regional Support



Our Resource Consulting team will be comprised of program-specific specialists in three (3) regions – North, South, and East. Palco is happy to adjust this approach upon guidance from the State upon award. Each region will have a designated Regional Manager or Supervisor that will report to the State Director, and they will oversee a team of Resource Constants that will be assigned a caseload. Caseloads are based on geographic proximity to the member, with the dedicated number of Resource Consultants in each region determined by the number of members in the region. Typically, the Regional Manager will assign a Resource Consultant based on the zip code of both the Resource Consultant and the member. This local support allows for a person-centered approach and the ability to meet with members in their home/community, at a location of their choosing. See **Figure 43** above for Palco's geographical regions and organizational chart.

In addition, we will have a dedicated operations team that will work in conjunction with our West Virginia in-state staff. Our operations team includes customer support and financial management administration. These departments will be located in our main office in Little Rock, Arkansas and throughout the country working remotely. Each team/department will be specifically trained on the West Virginia waiver program's policies and procedures, quickly becoming subject matter experts.

Our Customer Support Center team will include a Customer Support Director, Customer Support Supervisor, Team Lead, and Customer Support Representatives/Agents. For additional Customer Support staffing details, please refer to **Section 4.2.1.142-4.2.1.144 on page 110.**

The Financial Administration will be made up of West Virginia experts in Payroll, Billing, and Tax/Accounting departments. Each department will have a dedicated manager that will oversee a team of specialists to ensure payroll is processed and paid out correctly, taxes are withheld correctly, and if any exemptions are applicable and billing reimbursement claims are being filed timely.

West Virginia-specific Staff		
Role	**Minimum Full-Time Employees**	**Based in West Virginia?**
Project Manager	1	Yes
Payroll and Invoice Payment Manager	1	Yes
ADW Supervisor	1	Yes
IDDW Supervisor	1	Yes
TBIW Supervisor	1	Yes
Personal Care Supervisor	1	Yes
Resource Consultants	50	Yes

(1) Program Operations Staff

Amelia Barnes, CPA, Project Manager for West Virginia Programs (Interim)

- ✔ **Roles and Responsibilities.** Amelia will fulfil the role of Data Analyst and Project Manager. She creates and monitors reports for quality metrics and trends. She will oversee the implementation of the project and ensure that we are meeting contract deliverables. Amelia also has experience reviewing person-centered plans, consulting with community and health professionals, comparing requested services to budgets, and issuing pre-authorizations, clarifications, or denials of services. She reviews client interactions daily to find areas of improvement or clarification and schedules appropriate resolutions and technical assistance.
- ✔ **Skillset.** Amelia has been with Palco for more than five (5) years and has over 11 years of accounting and payroll experience. She earned both her bachelor's and Master of Arts degrees in accounting and is a Certified Public Accountant (CPA). In her tenure with Palco, Amelia has

overseen the tax department, enrollment team, project management, and implementation teams. Her vast experience in F/EA is unmatched by competitors and has brought her great success in every role she fills. This includes leading and managing enrollment and disenrollment of members and their representatives, developing/completing employer enrollment and worker and vendor engagement packets, and implementing employer orientation and skills training for members and representatives. Amelia understands the predecessors of the FMS business in a way that others cannot compete with, ensuring she will lead a successful implementation like she has several times previously. She has led several complex projects in traditional Medicaid models as well as Managed Care. Most recently, she led the implementation of more than 5,000 clients and 1,000 agency-based vendors into a new FMS and EVV solution in a 90-day period.

Upon award, Palco will ensure that key staff, as required by West Virginia BMS, are located in the state of West Virginia and 100% dedicated to the WV Personal Options Program.

TBD, Project Manager for West Virginia Programs

- **Roles and Responsibilities.**
  - ***4.5.1.1.2.1 propose a key position of a project manager for the Subagent-F/EA FMS with experience leading and effectively managing F/EA FMS and optional RC operations.***
- **Skillset.**
  - ***The project manager should have a bachelor's degree from an accredited four-year college or university and have three (3) years' experience managing the provision off/EA FMS, members' budgets and managing Subagent-F/EA FMS staff. The project manager's experience should include:***
  - ***1.2.1.1 Leading and managing the enrollment and disenrollment of members and their representatives with a F/EA FMS entity.***
  - ***1.2.1.2 Developing/completing Employer Enrollment and DCSW Employment/Service Provider and Vendor Engagement Packets***
  - ***1.2.1.3 Implementing the provision of common law employer orientation and skills training for members and representatives.***

4.5.1.1.2.2 Have a payroll and invoice payment manager with a bachelor's degree from an accredited four-year college or university and two (2) years' experience processing DCSWs' hours worked and preparing and issuing DCSWs' payroll; processing and paying invoices to service providers and participant-directed vendors; and performing related activities including developing and maintaining a separate bank account, data base copies, files and records and preparing and issuing reports to members and government agencies, as required.

Taylor Johnson, Payroll Manager (Interim & Supervisor)

- ✔ **Roles and Responsibilities.** Taylor oversees the payroll and invoice payment process from timesheet entry to payment. He is responsible for monitoring the influx of timesheets and payment requests through EVV, online portal, fax, email, and assigning additional resources, if needed, to meet the submission and payment deadlines. Armed with advanced technical knowledge, he shepherds information across the various systems to ensure that payroll is properly generated, with all the various Federal and State tax and labor laws accounted for properly. Taylor also pays invoices to service providers and participant-directed vendors, ensuring that backup withholding is generated, if necessary. Taylor currently manages dozens of bank accounts and is skilled in establishing separate bank accounts for each program and monitoring bank activity through the help of the Palco Accounting Team. Taylor's processes are fortified with quality control measures to not only ensure the accuracy of payroll and invoice payment, but to make certain we have supporting database copies, files, and records for audit trail purposes. Lastly, Taylor oversees the production of reports to members and government agencies, as required.

- ✔ **Skillset.** Taylor has been with Palco for more than three (3) years, serving as the Payment Manager for processing payroll. He attended the University of Central Arkansas, where he earned his bachelor's degree. During his time with Palco, Taylor has overseen payroll for dozens of self-direction programs, issuing several thousands of payments to both vendors and workers on a weekly basis. Taylor has a keen eye for operational efficiency, consistently offering improvements to benefit payment processing for the program as a whole.

Upon award, Palco will ensure that key staff, as required by West Virginia BMS, are located in the state of West Virginia and 100% dedicated to the WV Personal Options Program.

TBD, ADW Supervisor

- ✔ **Roles and Responsibilities.** Upon award, Palco will hire a designated ADW Supervisor with at least a bachelor's degree from an accredited four-year college or university and two (2) years of experience working with members who are self-directing their services.
- ✔ **Skillset.** Upon award, Palco will hire a designated ADW Supervisor with at least a bachelor's degree from an accredited four-year college or university and two (2) years of experience working with members who are self-directing their services.

TBD, IDDW Supervisor

- ✔ **Roles and Responsibilities.** Upon award, Palco will hire a designated IDDW Supervisor with at least a bachelor's degree from an accredited four-year college or university and two (2) years of experience working with members who are self-directing their services.
- ✔ **Skillset.** Upon award, Palco will hire a designated IDDW Supervisor with at least a bachelor's degree from an accredited four-year college or university and two (2) years of experience working with members who are self-directing their services.

TBD, TBIW Supervisor

- ✔ **Roles and Responsibilities.** Upon award, Palco will hire a designated TBIW Supervisor with at least a bachelor's degree from an accredited four-year college or university and two (2) years of experience working with members who are self-directing their services. The TBIW Supervisor will live in West Virginia.

- **Skillset.** Upon award, Palco will hire a designated TBIW Supervisor with at least a bachelor's degree from an accredited four-year college or university and two (2) years of experience working with members who are self-directing their services. The TBIW Supervisor will live in West Virginia.

TBD, Personal/RC Care Supervisor

- **Roles and Responsibilities.** Upon award, Palco will hire a designated Personal Care Supervisor with at least a bachelor's degree from an accredited four-year college or university and two (2) years of experience working with members who are self-directing their services.
- **Skillset.** Upon award, Palco will hire a designated Personal Care Supervisor with at least a bachelor's degree from an accredited four-year college or university and two (2) years of experience working with members who are self-directing their services.

Lexi Harris, MHA, State Director of Support Brokerage

- **Roles and Responsibilities.** Lexi oversees 20 dedicated Enrollment/Support Coordinators. Lexi's responsibilities in West Virginia will include overseeing the initial implementation of Resource Consultant recruitment, as well as hiring and training new team members on West Virginia's program rules and procedures.
- **Skillset.** Lexi has more than 20 years of experience serving vulnerable populations with 12 years in self-direction working with programs across the country. Lexi earned a bachelor's degree in sociology and a master's degree in health care administration and gerontology. She has been with Palco for more than two (2) years, working and assisting with different projects, including but not limited to Spanish training for our members and the Support Coordination team to support our Arkansas contract. Prior to joining Palco, Lexi worked at a competitor FMS organization for 5 years, in the role of State Director overseeing a self-directed service model assisting 10,000 members.

(2) Executive and Management Staff

Alicia Paladino, CPA, ESQ, Chief Executive Officer

- **Roles and Responsibilities.** Alicia has a unique and unparalleled approach to delivering F/EA services, unbeatable by our competitors. Her approach focuses on the needs of the client and then leverages technology and other operational efficiencies to achieve the needs of the client. She leads with a hands-on approach to management and is involved in the overall day-to-day operations. For West Virginia, Alicia lends her legal and accounting backgrounds to ensure contract and legal compliance in all areas of company functions. She is available to West Virginia stakeholders, not just during the contracting and implementation process, but all throughout the life of the project to ensure the needs of the client are met in a way that protects the program.
- **Skillset.** Alicia defines Palco's vision of success, sets the overall company direction, and ensures that all operations meet the company's mission and objectives. For over 17 years, she has established the efficiencies to help older adults and those with intellectual or physical disabilities remain in their homes and communities. As a company strategist, she provides a steady hand in the overall direction of the company, including offering new services, cutting edge technologies,

and adjusting processes to accommodate industry changes. Alicia has an accounting degree from Louisiana State University and a master's in business administration and Juris Doctorate from the University of Arkansas. She is a licensed attorney and a Certified Public Accountant (CPA). She is an active member of the AICPA, the Arkansas Society of CPAs, and the Arkansas Bar Association. In private practice, she specialized in tax and employment law, serving a variety of clients from low-income taxpayers below the Federal Poverty Line to advising Fortune 500 companies in complex labor and tax matters.

Larry Paladino, CPA, Chief Financial Officer

- ✔ **Roles and Responsibilities.** Today, Palco relies on Larry daily for accounting expertise, leadership, and overall guidance. He provides all oversight of the financial and reconciliatory functions of program operations and ensures that financial aspects of program operations are fully funded and handled responsibly. He is responsible for the preparation of corporate financial records. Larry oversees the accounting team directly, ensuring that bank reconciliations are performed timely and that all ledger activities are recorded properly. The accounting team regularly tests internal controls over program operations through quality reviews. Lastly, Larry personally checks all payroll tax returns such as 941 and W-2s.
- ✔ **Skillset.** Larry is a CPA with over 40 years of experience in both the public and private accounting sectors. He is an architectural leader in his practiced industries, to whom he selflessly offers his expertise. Before there were structured self-direction programs, and associations, small business owners like Larry helped shape the foundation and direction of Medicaid programs. In 1990, Larry's keen insight into accounting practices and his moral compass provided the foundation of financial safeguards and protections to the FMS framework.

Mark Biviano, Chief Operating Officer

- ✔ **Roles and Responsibilities.** Mark's expertise with complex organizations and large-scale projects continues to inform our choices at Palco today. For this contract, Mark will ensure that all program requirements are completed prior to the operational start date and to the design that we promised. During the delivery of services, Mark contributes to the development of overall company direction and directs policies and procedures of daily operations to achieve those objectives. He is committed to client satisfaction, instilling that philosophy in all areas of operations, particularly the support offered by our operations staff. Mark is known for having a direct relationship with clients, and our partners can rest assured that they always have access to Palco executive leadership when the need arises.
- ✔ **Skillset.** Mark delivers the leadership, management, and vision necessary to ensure that the company has the proper operational controls, administrative and reporting procedures, and systems in place to effectively grow the organization and to provide the strength and operational efficiency. With a degree in finance, Mark joined Palco with over 30 years of information technology service delivery and management experience at both Oracle and SAP. Here, Mark served as an executive responsible for the delivery of cutting-edge technologies and ensuring that solutions were implemented to meet client needs. Mark also has a decade of legislative experience, where he served primarily in the health care space. During his legislative tenure, Mark sponsored much-needed health care legislation designed to serve the neediest Arkansans.

Jeff Leis, Chief Technology Officer

- **Roles and Responsibilities.** Today, Jeff is responsible for integrating the business needs and requirements into our technological stack. He oversees the technical design of solutions with a philosophy of innovation and design of a configurable system to carry us and our clients into the future. Jeff continually harnesses the latest technologies to meet client needs and ensures that our development team delivers on requirements.
- **Skillset.** For 13 years, Jeff has overseen the network administration, help desk and support operations, development, testing, integration, and IT strategy of the organization. He lends his years of expertise, as well as obtaining a bachelor's degree in computer science at the University of Arkansas, to ensure that Palco is at the forefront of technological advances in the health care industry. Prior to joining Palco, Jeff led a team of developers in the design and development of medical billing software for an international company that is a leader in software development. He was an executive member of a development and network team responsible for supporting architectural services within Walmart International Headquarters.

Cayle Cox, MBA, Senior Vice President, Product Management

- **Roles and Responsibilities.** Cayle will lead West Virginia's requirement gathering sessions, document business requirements, and coordinate development resources to ensure this project meets all defined requirements. Once the project is implemented, Cayle will continue to engage with West Virginia stakeholders on a regular basis to ensure customer satisfaction with Palco's products. He will also proactively look for opportunities to improve Palco's products so West Virginia can better meet the needs of its consumer-directed population.
- **Skillset.** Cayle has over 15 years of leadership experience. As SVP, Cayle sets the short-term priorities and long-term strategies for our products. Prior to joining Palco, he worked at FDGS in various roles including Delivery Executive, Business Analyst Director, Project Manager, IT Manager, and Globalization Lead. Cayle spent 8 years overseeing large scale and statewide implementation of EVV solutions on behalf of a Fortune 500 company to meet the requirements of the 21st Century Cures Act. Cayle is an expert in stakeholder engagement, client relations, program management, operations management, and project delivery. He has a master's in business administration, he is a certified Project Management Professional, and is ITIL certified.

Mike Brower, MAcc, Chief Information Officer

- **Roles and Responsibilities.** Mike's department is responsible for maintaining Palco infrastructure to support our transactions, provide disaster recovery, protect confidential information, and deploy and maintain the Palco solutions. Mike monitors all quality controls, privacy, and security measures in place to protect the infrastructure and integrity of the Palco products. Mike is constantly focused on building efficient processes that allow our organization to grow and meet the ever-changing landscape of Medicaid and self-directed service delivery. Mike will ensure that deliverables are met and new features to serve West Virginia are delivered as promised and on time.
- **Skillset.** With nearly 30 years of experience in technology, Mike leads a team of in-house Palco developers and software engineers with the development and integration of new software and

technologies. He is committed to keeping staff in-house to develop Palco's knowledge base, understanding that practice is critical to building solutions. Mike has a master's degree in accounting and information technology from one of the nation's top accounting programs, and his knowledge has proven invaluable to our unique F/EA business. As a Certified Scrum Master, Mike actively drives the development life cycle, including requirements analysis, design, coding, documentation, regression and quality testing, implementation, and support and delivery functions. He works with internal and external users of the software to plan new software features. Mike's regular collaboration with Product Management ensures that we deliver to our clients what we promise.

Kady Predota, Senior Director of Operations, Chief Privacy Officer

- ✔ **Roles and Responsibilities.** In addition to serving as a backup Contract Manager to Dr. Victoria Evans, helping to assist in all aspects of the contract, Kady will provide her expertise in program design and implementation to ensure all systems are configured properly, and she will work with the state to develop relationships and coordinate planned enhancements. Under her leadership, her team will develop the plan to communicate and engage program stakeholders to prepare for a seamless transition, which Palco has executed without issue many times before.
- ✔ **Skillset.** Kady has over 14 years of experience in self-direction, working with programs of all sizes across the country and holds a bachelor's degree in human services from Metropolitan State University of Denver. She began her career working as a case manager in an F/EA program to improve the care of individuals with developmental disabilities. She is a nationally certified trainer for Person-Centered Practices, training, and techniques. Her FMS experience includes management of service delivery, billing, accounts payable, payroll, program transition, implementation, and operations. Kady has extensive knowledge of self-direction and has guided the growth of programs nationwide. She also led the implementation of EVV in multiple states to ensure all the 21st Century Cures Act requirements were met, and that members, employers, and workers were trained. Kady is an active, participating member on the National Center on Advancing Person-Centered Practices and Systems (NCAPPS) self-direction learning collaborative seeking to improve consumer-directed program initiatives on a national and local level. She is a voice for industry best practices and guidance on the Applied Self-Direction (ASD) advisory board. In addition to her role as Senior Director, Kady is the Chief Privacy Officer of Palco overseeing all privacy and security initiatives and training requirements of staff.

Victoria Evans, DrPH, Senior Director of Client Engagement

- ✔ **Roles and Responsibilities.** Victoria will serve as the Contract Manager in West Virginia. Here, she will lend FMS experience including stakeholder engagement, client relations, operations management, program policy expertise, program development, and implementation management. Victoria will oversee Palco's Resource Consultation Lead, Account Manager, and Project Lead functions to ensure all program requirements are meeting expectations. She will meet with the state regularly to develop the partnership and ensure quality is felt by every professional and program stakeholder at every stage of the project. Program initiative and the roll out of new features will be led by Victoria in a clear and organized manner. We will build trust and a fruitful relationship with BMS through her dedication to program excellence and leadership.

- **Skillset.** Victoria is a health policy professional with over 10 years of Medicaid policy and programmatic experience, including six (6) years of experience with Home and Community-Based Services (HCBS) and self-direction programs. She has served in both the public and private sector in a variety of leadership, operations management, research, and policy development roles for the Arkansas Department of Human Services and at private entities. She earned a bachelor's degree in medical sociology at the University of Central Arkansas, a Master of Public Health degree in epidemiology at the University of Arkansas for Medical Sciences, and a Doctor of Public Health in public health leadership from the University of Arkansas for Medical Sciences' Fay W. Boozman College of Public Health.

Amelia Barnes, CPA, Senior Director of Project Management and Data Analyst

- **Roles and Responsibilities.** Amelia will fulfil the role of Data Analyst and Project Manager. She creates and monitors reports for quality metrics and trends. She will oversee the implementation of the project and ensure that we are meeting contract deliverables. Amelia also has experience reviewing person-centered plans, consulting with community and health professionals, comparing requested services to budgets, and issuing pre-authorizations, clarifications, or denials of services. She reviews client interactions daily to find areas of improvement or clarification and schedules appropriate resolutions and technical assistance.
- **Skillset.** Amelia has been with Palco for more than five (5) years and has over 11 years of accounting and payroll experience. She earned both her bachelor's and Master of Arts degrees in accounting and is a Certified Public Accountant (CPA). In her tenure with Palco, Amelia has overseen the tax department, enrollment team, project management, and implementation teams. Her vast experience in F/EA is unmatched by competitors and has brought her great success in every role she fills. Amelia understands the predecessors of the FMS business in a way that others cannot compete with, ensuring she will lead a successful implementation like she has several times previously. She has led several complex projects in traditional Medicaid models as well as Managed Care. Most recently, she led the implementation of more than 5,000 clients and 1,000 agency-based vendors into a new FMS and EVV solution in a 90-day period.

Stephanie Gallagher, F/EA Director

- **Roles and Responsibilities.** Stephanie oversees both our processing and tax teams, processing over $400 million in payroll and $100 million in vendor payments annually. Her tax team ensures all IRS and state tax accounts are set up correctly in a dozen states, verifies the correct tax amounts are being withheld, and processes all tax reports such as 941, 940, W-2, and 1099s. She works hand-in-hand with our accounting team during internal audits to ensure taxes are being filed timely and correctly. She also assists with financial reporting to support internal audits and quality reviews to ensure full compliance with Generally Accepted Accounting Principles (GAAP) ledger activity.
- **Skillset.** Stephanie has over 15 years of experience in payroll and invoice payment processing, specifically under the F/EA model. She is a Certified Payroll Professional through the American

Payroll Association, the leading authority on all things payroll and W-2 processing. Stephanie's depth of experience in this industry, coupled with her education, makes her invaluable in understanding the unique intricacies of an F/EA agent or subagent model and applying them on a national level.

Paula Soll, Billing Manager

- **Roles and Responsibilities.** Paula will lead the claims and billing team to fulfill West Virginia's program requirements. She currently oversees Medicaid provider enrollment and her team conducts EDI eligibility checks on members and processes prior authorizations when applicable. As a specialist in ANSI X12 requirements and West Virginia Companion Guides, 837 claims are sent via EDI and reprocessed when denied, as applicable. Due to the diligence she has established in her team and their processes, the Palco denial rate is less than 3%. All claims are processed within 2 days.
- **Skillset.** Paula has over 26 years of experience in Medicaid billing. As a Program Specialist/Claims Examiner for the Montana Department of Health and Human Services, she assisted with developing and coordinating a multi-state team on new Claims Module RFP and Data Governance Module. In addition to her tenure at MDHHS, Paula spent 18 years at Xerox/Conduent/Cognizant, where she worked as a Claims Supervisor and Business Analyst.

Toni Rose, Director of Customer Service

- **Roles and Responsibilities.** Toni routinely performs quality assurance measures to monitor our service level, taking care to exceed industry standards for caller hold times, speed-to-answer metrics, and call handle/resolution times. She also develops work shift schedules considering historical reports in compliance with the current programs to obtain optimum staff utilization. The current team is built with a multi-level hierarchy who all perform a variety of activities, such as receiving inbound calls, placing outbound calls, training, assistance with consumer-directed program enrollment, and other support activities. She delivers results on foundation needs, meeting service levels and delivering excellent quality.
- **Skillset.** Toni has over 30 years of customer service experience within the telecommunications, health care, and financial management sectors. She attended the University of Arkansas at Little Rock with a focus on business/accounting. She is certified in Lean Six Transformation training and can develop her team in leadership skills and essentials. Her team is led with the ability to foster continuous improvement of the call center, analyzing issues, problem solving, and cultivating a culture where everyone's job is to improve their own performance.

Cody Waits, Enrollment Services and Training Manager

- **Roles and Responsibilities.** Cody monitors and oversees the enrollment of members/employers and DCSWs for this program. He ensures that paperwork is completed timely and accurately, all required background checks are run on workers, and that the employer is properly enrolled with the IRS and West Virginia. Cody is also responsible for establishing accounts for which Palco tax staff will deposit and remit payroll taxes. He routinely presents webinars and training for state and agency personnel on program operations.

- **Skillset.** Cody attended Harding University, receiving a Bachelor of Arts degree in public relations. He initially joined Palco as an account manager, dedicated to meeting the needs of a statewide client, as well as dozens of case management agencies. During his time as account manager, he came to understand how critical training and enrollment are for most clients. He saw how enrollment can be a pain point for many new users and continually offered suggestions for improvement. He was so successful in his role that he was promoted to the enrollment services and training manager, harnessing his client relations knowledge to ensure that our enrollment is efficient and easy to use, and that our training is designed to reach everyone.

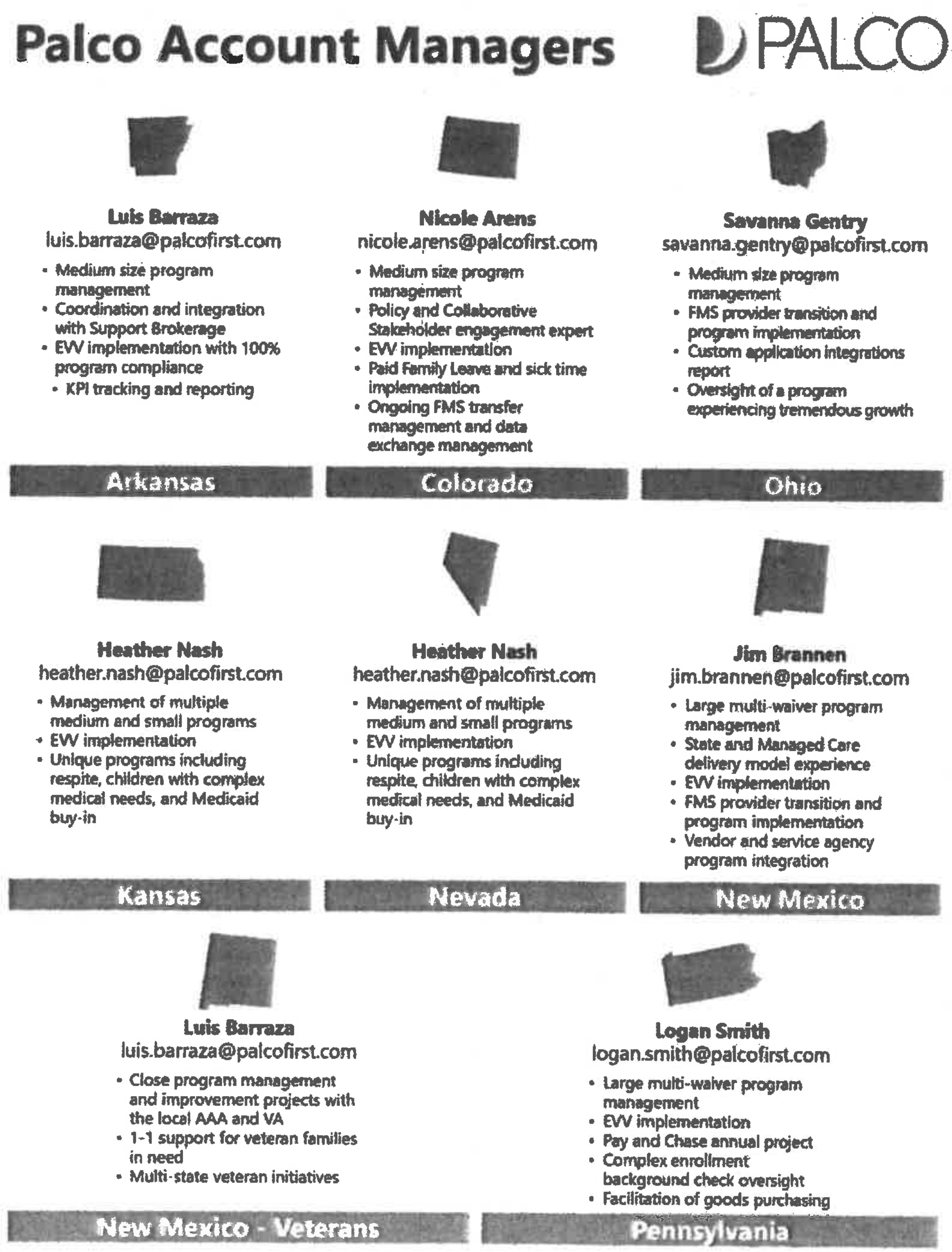
4.5.1.2, 4.5.1.3 Staff & Vendor Experience

For 25 years, Palco has played a critical role in fostering self-directed programs for thousands of older adults and individuals with physical, intellectual, and developmental disabilities, and traumatic brain injury and their representatives.

Each member of the Palco Team has at least five (5) years of F/EA FMS experience. As you will find, most of our staff are National and State Program Subject Matter Experts on self-direction – and we will leverage that knowledge and historic perspective for West Virginia programs.

Palco's leadership is active in the day-to-day operation of the company. We are dedicated partners who value stakeholder involvement in our operations. Our team has an excellent mix of accounting, law, communications, organizational and project management, IT and software development, and process engineering knowledge that brings synergy to our operations.

Figure 44: Palco Account Managers



More information about Palco's experience and past performance, including a narrative that demonstrates our experience in providing F/EA FMS services, as the subagent to a government or Vendor F/EA FMS and providing optional RC services, has considered all the requirements, and developed an approach that will support the continued successful implementation of self-directed services in West Virginia, is included below.

PALCO

Implementation Plan Details

Activity	Estimated Days	Estimated Hours	Assigned to	Palco Department
Contract Phase				
Notification of Award	1 Day	8	Alicia Paladino & Mark Biviano	Leadership
Contract Negotiations	1 Day	8	Alicia Paladino & Mark Biviano	Leadership
Contract Execution	1 Day	8	Alicia Paladino	Leadership
Initiation Phase				
Organize and attend Kickoff Meeting to identify programmatic goals and core operational guidelines	5 Day	80	Amelia Barnes & Victoria Evans	Operations
Schedule Transition Meeting with exiting VF/EA & VF/EA (Palco) to agree on transition process.	1 Day	8	Amelia Barnes & Victoria Evans	Operations
Closeout Coordinator Identified with Exiting VF/EA and any other necessary key staff for the transition.	1 Day	8	Amelia Barnes &Victoria	Operations
Secure File Transfer Portal (SFTP) established between exiting VF/EA & VF/EA (Palco)	1 Day	8	Mike Brower	IT Department
Enroll as a West Virginia Medicaid Provider	1 - 2 Days	8	Paula Soll	Billing Department
Recruit and Hire Customer Support Agents and Resource Consultants	60 Days	120	HR, Toni Rose & Victoria Evans	Human Resource Dept.
Research state tax and labor laws and forms related to domestic employment and payroll taxes	1 Day	8	Stephanie Gallagher	Payroll Department
Planning Phase				
Define Palco's Implementation/Project Team	1 Day	8	Alicia Paladino & Mark Biviano	Leadership
Review, Define and document RFP Deliverables	5 Days	80	Amelia Barnes & Victoria Evans	Operations
Confirm new Portal training & dates	1 Day	4	Cody Waits	Palco Training Dept.
Draft West Virginia Customer Support scripts and FAQ	24 Days	30	Toni Rose	Customer Support
Palco Draft "Welcome to Palco" notice to Clients / Authorized Representative-Employers and Aides	1-2 Days	8	Victoria Evans	Operations
Palco Draft Support Broker Introduction letter to Participants/Representatives.	1-2 Days	8	Victora Evans	Operations
Gather new report requirements	14 Days	40	Cayle Cox	IT Department
Gather requirements for Connect (Palco Time Entry System) application	14 Days	40	Cayle Cox	IT Department
Gather requirements for Palco Case Management Portal (CMP) application	14 Days	40	Cayle Cox	IT Department
Gather requirements for Palco's online enrollment application (Intake)	14 Days	40	Cayle Cox	IT Department
Initial IT development discussion for program Application development and planning	3 Days	24	Cayle Cox, Mike Brower, Jeff Leis	IT Department
Palco creates and provides data transition templates	2-3 Days	24	Amelia Barnes & Kady Predota	Operations
Palco to Finalize Enrollment Forms and Packets with state feedback.	7 Days	28	Victoria Evans & Cody Waits	Operations & Enrollment Department
Palco to provide draft packets to state for approval - Employer Transition, New Employer, New Employee	7 Days	28	Victoria Evans & Cody Waits	Operations & Enrollment Department
Design Phase				
Document standard inbound call verification protocol	1 - 2 Days	12	Toni Rose	Customer Support
Create and Document Resource Consulting Policies, Procedures and Training Processes	14 Days	80	Victoria Evans and Lexi Harris	Operations
Create Commucation and Marketing Plan	5 Days	40	Kady Predota	Operations
Develop Marketing Materials	5 Days	40	Kady Predota	Operations
Palco create billing process	1 - 2 Days	16	Paula Soll	Billing Department
Palco create payroll process	2 Days	16	Stephanie Gallagher & Taylor Johnson	Payroll Department
Palco to writes specifications for Intake application	5 Days	40	Cayle Cox	IT Department
Palco writes specifications for CMP application	5 Days	40	Cayle Cox	IT Department
Palco writes specifications for Connect application	5 Days	40	Cayle Cox	IT Department
Palco writes specifications for new reporting requirements	5 Days	40	Cayle Cox	IT Department
Palco writes specifications for EVV				
Draft Business Rules and Process Flow Document	5 Days	40	Victoria Evans	Operations
Review Reporting Requirements and Specifications with the program	1 Day	8	Cayle Cox	IT Department
Finalize Client tracking sheet & SFTP data fields for data transfer	2 Days	16	Amelia Barnes	Operations
Review staff recruitment and training process timeline	1-2 Days	12	Amelia Barnes & Victoria Evans	Operations

Development Phase				
Publish West Virginia information on the Palco website with program forms and resources	5 Days	40	Kady Predota	Operations
Palco configure CMP application for program *(Case Management Portal)*	30 Days	180	Jeff Leis & Mike Brower	IT Department
Palco configure Connect application for program *(Online Timesheet Portal)*	30 Days	180	Jeff Leis & Mike Brower	IT Department
Palco configure Intake application for program *(Online Enrollment Portal)*	30 Days	180	Jeff Leis & Mike Brower	IT Department
Palco develop new features for CMP application, if necessary	30 Days	240	Jeff Leis & Mike Brower	IT Department
Palco develop new features for Connect application, if necessary	30 Days	240	Jeff Leis & Mike Brower	IT Department
Palco develop new features for Intake application, if necessary	30 Days	240	Jeff Leis & Mike Brower	IT Department
Palco devlops EVV to West Virgina's specifications	30 Days	240	FiServ	IT Department
Palco develops new reports	30 Days	240	Jeff Leis & Mike Brower	IT Department
Testing Phase				
Palco test CMP Application	5 Days	40	Mike Brower	IT Department
Palco test Connect Application	5 Days	40	Mike Brower	IT Department
Palco test Intake Application	5 Days	40	Mike Brower	IT Department
Palco test Reports	5 Days	40	Mike Brower	IT Department
Palco Test EVV setup	5 Days	40	Mike Brower	IT Department
Test Call Center Configuration and Activate	1 Day	4	Toni Rose	Customer Support
Test Disaster Recovery Plan; include schedule and resources	1 Day	8	Jeff Leis & Mike Brower	IT Department
Test payroll system and new hire reporting	3	24	Stephanie Gallagher & Taylor Johnson	Payroll Department
Timeframe for computer networks to be installed and tested	7 Days	40	Mike Brower	IT Department
Training Phase				
Train Support Staff including Resource Consultants on Palco systems	30 Days	120	Cody Waits	Training Department
Provide Resource Consulting Trainings to Participants/Representatives	30 Days	120	Cody Waits & Lexi Harris	Training Department
Create training materials for all systems	10 Days	40	Cody Waits & Kady Predota	Palco Training Dept
Train Clients/Employers on Palco systems	30 Days	120	Cody Waits	Palco Training Dept
Train Customer Support Staff on West Virginia program policies and procedures	30 Days	120	Toni Rose	Customer Service
Train Employees on Palco systems	30 Days	120	Cody Waits	Palco Training Dept
Train Financial Operations Specialists on program policies and procedures	10 Days	40	Stephanie Gallagher & Taylor Johnson	Payroll Department
Implementation Phase				
Palco CMP Application Live Updates Go-Live	1 Day	8	Jeff Leis & Mike Brower	IT Department
Palco Connect Application Live Updates Go-Live	1 Day	8	Jeff Leis & Mike Brower	IT Department
Palco Intake Application Updates Go-Live	1 Day	8	Jeff Leis & Mike Brower	IT Department
Demonstrate all outstanding issues have been addressed	1 Day	8	Amelia Barnes	Operations
Review database modification to meet all requirements of this contract	1 Day	8	Jeff Leis & Mike Brower	IT Department
Review the contingency plan for operations during an emergency situation	1 Day	8	Alicia Paladino, Mark Biviano, Jeff Leis & Mike Brower	Leadership & IT Dept.
Perform Readiness Review to demonstarte completeness	5 Days	8	Amelia Barnes	Operations
Receive Readiness Review Approval	1 Day	8	Amelia Barnes	Operations
Operations Phase				
Confirm with exiting FMS 2023 Pay Schedule dates are correct	1 Day	8	Taylor Johnson	Payroll Department
Print any required forms that will be unable to be completed web-based and prepare mailing plan	10-15 Days	40	Cody Waits	Enrollment Department
Collect Transition Enrollment Paperwork for EORs and Employees	45 Days	400	Cody Waits	Enrollment Department
Configure automated triaging of common CS calls	1 Day	8	Toni Rose	Customer Support
Configure call queue (e.g. general inquiries, Spanish speaking, after hours VM)	1 Day	8	Toni Rose	Customer Support
Configure IVR systems and call prompts	1 Day	4	Toni Rose	Customer Support
Establish a dedicated toll-free telephone number with voicemail and call queue capabilities and the capacity to track all communications from any source	1 Day	8	Toni Rose	Customer Support
Establish designated Toll Free E-Fax account	1 Day	4	Toni Rose	Customer Support
Establish EFTS account for Federal Tax Deposit, banking, funding, program funds, adminstrative fees	1 Day	8	Stephanie Gallagher	Payroll Department
Establish/setup Accounting system and general ledgers	2 Days	16	Stephanie Gallagher	Payroll Department
Establish relevant email accounts	1 Day	4	Mike Brower	IT Department
Establish TDD/TTY line	1 Day	4	Toni Rose	Customer Support

1st data transfer via SFTP using Template	1 Day	8	Amelia Barnes	Operations
2nd data transfer via SFTP (Changes to legacy data & New Client / Employer / Employee data)	1 Day	8	Amelia Barnes	Operations
3rd data transfer via SFTP using Template (Changes to legacy data & New Client / Employer / Employee data)	1 Day	8	Amelia Barnes	Operations
4th data transfer via SFTP (Utilized funds)	1 Day	8	Amelia Barnes	Operations
5th (Final) data transfer via SFTP (Client/Employer/Employee names, Demographics, and Final 2023 gross wages)	1 Day	8	Amelia Barnes	Operations
Transfer SUTA log-in information to Palco	60-90 Days	650	Stephanie Gallagher	Operations
Mail Resource Consulting Introduction Letters	2 Days	8	Victoria Evans	Operations
Resource Consultants make introductory phone calls to Participants/Representative:	30 Days	360	Victoria Evans	Operations
Send out Transition Enrollment Paperwork	10 Days	40	Cody Waits	Enrollment Department
Milestone				
Start of first payroll with Palco	1 day	1	Stephanie Gallagher	Payroll Department
First Payroll Processed and Paid Out	7 days	40	Stephanie Gallagher	Payroll Department

Disaster Recovery

Overview

Palco developed this disaster recovery plan (DRP) to be used in the event of a significant disruption to business workflow. The goal of this plan is to outline the key recovery steps to be performed during and after a disruption to return to normal operations as soon as possible.

Scope

The scope of this DRP document addresses technical recovery only in the event of a significant disruption.

This disaster recovery plan provides:

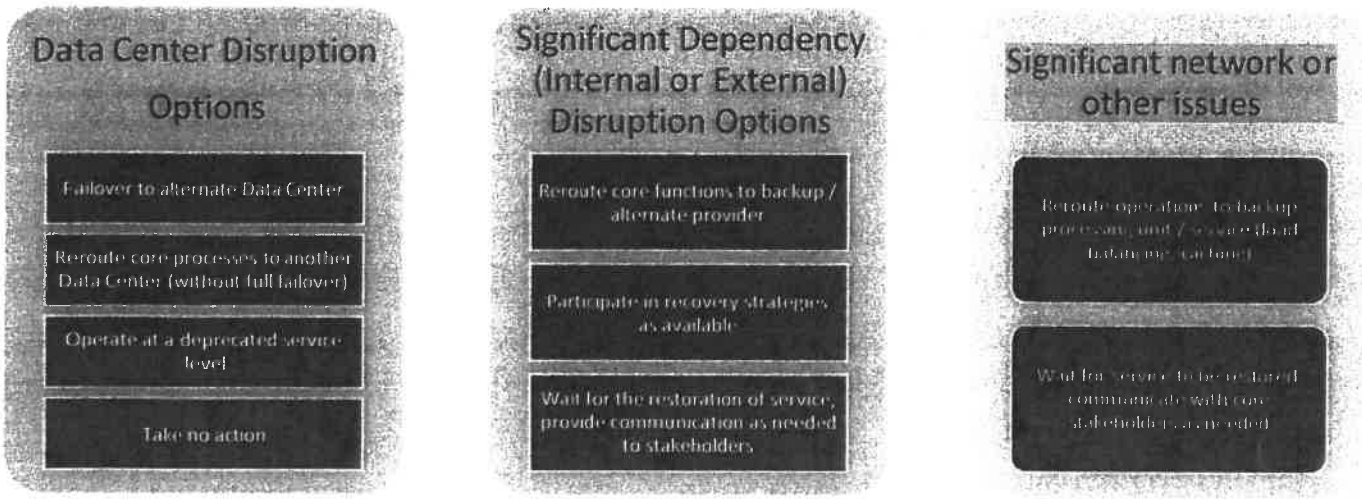
- ✔ Guidelines for determining plan activation
- ✔ Technical response flow and recovery strategy
- ✔ Guidelines for recovery procedures
- ✔ References to key Business Continuity Plans and technical dependencies (see Appendix A for more information)
- ✔ Rollback procedures that will be implemented to return to standard operating state
- ✔ Checklists outlining considerations for escalation, incident management, and plan activation

The specific objectives of this disaster recovery plan are to:

- ✔ Immediately mobilize a core group of leaders to assess the technical ramifications of a situation
- ✔ Set technical priorities for the recovery team during the recovery period
- ✔ Minimize the impact of the disruption to the impacted features and business groups
- ✔ Stage the restoration of operations to full processing capabilities
- ✔ Enable rollback operations once the disruption has been resolved if determined appropriate by the recovery team

Disaster Recovery Strategies

The overall DR strategy of Palco is summarized in the tables below and documented in more detail in the supporting sections.



Current Disaster Recovery Procedures

A disaster recovery event can be broken out into three phases, the response, the resumption, and the restoration. These phases are also managed in parallel with any corresponding business continuity recovery procedures summarized in the business continuity plan.

Response Phase: The immediate actions following a significant event.

- On call personnel contacted
- Decision made around recovery strategies to be taken
- Full recovery team activated

Resumption Phase: Activities necessary to resume services after team has been notified.

- Recovery procedures implemented
- Coordination with other departments executed as needed

Restoration Phase: Tasks taken to restore service to previous levels.

- Rollback procedures implemented
- Operations restored

Response Phase

The following are the activities, parties, and items necessary for a DR response in this phase. Please note these procedures are the same regardless of the triggering event (e.g. whether caused by a Data Center disruption or other scenario).

Response Phase Recovery Procedures – All DR Event Scenarios

Identify issue, contact on call / Designated Responsible Individual	DR TEAM	15 minutes	• Issue communicated / escalated • Priority set

Identify the team members needed for recovery	DR TEAM	15 minutes	Selection of core team members required for restoration phase from among the following groups: • Operations
Establish a communication path to coordinate next steps	DR TEAM or Ops	60 minutes	Alternate / backup communication tools: email, communicator
Communicate the specific recovery roles and determine which recovery strategy will be pursued.	DR TEAM	30 minutes	• Documentation / tracking of timelines and next decisions • Creation of disaster recovery event command center as needed

Resumption Phase

During the resumption phase, the steps taken to enable recovery will vary based on the type of issue. The procedures for each recovery scenario are summarized below.

Data Center Recovery

Initiate Failover	DR TEAM	10 minutes	• Restoration procedures identified • Risks assessed for each procedure • Coordination points between groups defined • Issue communication process and
Complete Failover	DR TEAM	1 hour max.	• Recovery steps executed, including handoffs between key dependencies
Test Recovery	DR TEAM	30 minutes	• Tests assigned and performed • Results summarized and communicated to group
Failover deemed successful	DR TEAM	5 minutes	• Final evaluation

Coordination of recovery actions is crucial. A timeline is necessary to manage recovery between different groups and layers to reroute critical processes to an alternate site and operate at the level required to sustain operations.

Restoration Phase

During the restoration phase, the steps taken to enable recovery will vary based on the type of issue. In preparation for such an event, the following tasks are completed on a daily basis:

a. All server data and software programming files are backed up daily and are stored off-site for a period of 30 days.

b. All software program disks are stored off-site.

When current software is upgraded, or new software is installed, a backup of any pertinent data are stored at a secure external site. Thus, current and archived files are stored externally in a secure location. All software program disks are stored off-site. Off-site computers are loaded with utilized software. In the event of disaster, off-site computers are activated, data is restored, and business continues with little interruption. In this sense, Palco, Inc. maintains a secondary site for immediate use should a disaster occur to ensure the following:

- Ability to return to operation without interruption of data (RPO is less than 24 hours).
- Ability to return to operation using appropriate software that is completely updated as of the previous day's work.
- Timely return to operation and production (RTO within 24 hours).
- Capability of the secondary site to meet all the standards required by Palco, Inc. to ensure efficient production of key tasks.

All computers stored off-site are protected by password and other operational integrity mechanisms to ensure proper authorization has been granted for access to computer files. Each employee has a unique identification and password to enter computer workstations and software. Each employee's security level determines their access to computer files.

The procedures for each recovery scenario are summarized below.

Data Center Recovery

Full Data Center Restoration

Step	Owner	Duration	Components
Determine whether failover to primary Data Center will be pursued	DR TEAM	15 min – 2 hours	• Restoration procedures determined
Primary data center restored	DR TEAM	2 hours	• Recovery by operationalizing the secondary site. Equipment is powered on. Any backups restored. Critical personnel is given credentials to begin operations.
Complete Failback	DR Team	2 hours	• Failback steps executed, including handoffs between key dependencies
Test Failback	DR Team	30 minutes	• Tests assigned and performed • Results summarized and communicated to group • Issues (if any) communicated to group
Determine whether failback was successful	DR TEAM	15 minutes	• Declaration of successful failback and communication to stakeholder group. • Disaster recovery procedures closed. • Results summarized, postmortem performed, and DRP updated (as needed).

Cloud Services Disaster Recovery Procedures

Disaster recovery process for Palco's cloud services.

- Case Management
- Timesheet Entry Admin
- Financial Management
- Timesheet Entry Mobile Client

Track communication and status with the core recovery team.	DR TEAM	As needed	• Operations

Send out frequent updates to core stakeholders with the status.	DR TEAM	As needed	
Inform other teams about technical dependencies	DR TEAM	As needed	• Customer Service Response • Internal Operations

The steps required for Palco to implement GCP cloud failover are as follows:

Full Zone Outage

- ✔ Contact GCP representative for zone status.
- ✔ Update GCP-based infrastructure with nearest available zone.
- ✔ Ensure automatic restoration of service connectivity.
- ✔ After zone becomes available perform zone regression outside normal work hours.

Platform Managed Services Outage

- ✔ Check console for system status.
- ✔ Contact GCP representative to report service outage.
- ✔ Work with GCP on resolution. (if zonal issue follow Full Zonal Outage steps to mitigate)

Compute Instance Outage

- ✔ Identify compute instance(s) affected.
- ✔ Determine type of failure.
- ✔ Restart or re-deploy

Cloud SQL Outage

- ✔ Check console for system status.
- ✔ Check for successful automatic failover.
- ✔ Contact GCP representative to report service outage. Work with GCP team on resolution.
- ✔ Perform manual failover if necessary.
- ✔ Point-in-time restore from backup – if all other options exhausted.

Business Continuity Plan

This plan describes Palco, Inc.'s ability to respond to, work through, and recover from any type of disaster. It includes definitions, as well as processes and procedures that must be followed to ensure successful, efficient, and timely disaster recovery. Each member of senior management and the DRP team has a copy of this plan. The plan is also posted on Palco servers for staff access.

Disasters take many forms and vary in severity. They can be the result of a natural or manmade occurrence. A disaster refers to anything that affects Palco's ability to carry out its normal functions and responsibilities; however, it is the severity of the occurrence that determines when and if Palco activates its business continuity plan (BCP). If a disaster occurs, members of Palco's team will assess the situation and determine if the plan should be activated.

In the event of a disaster, Palco's No.1 priority is preventing the loss of life. Before any secondary measures are taken, Palco will ensure that all employees and other affected individuals are safe and secure. After safety is ensured, Palco will activate the BCP to bring all functions back to normal functioning as quickly as possible. This includes, but may not be limited to:

- Preventing the loss of the organization's resources, such as hardware, data, and physical IT assets.
- Minimizing downtime related to IT.
- Minimizing downtime of the call center.
- Keeping the business running in the event of a disaster.

Palco's plan takes the following areas into consideration:

- Network infrastructure
- Cloud infrastructure
- Telephone systems
- Data storage and backup systems
- Organizational software systems
- Database systems
- IT documentation

The BCP has been established to ensure that, in the event of a disaster or crisis, personnel will have a clear understanding of who should be contacted.

Each BCP team member is assigned a specific task. The roles and responsibilities of each DRP team member are describe below and are subject to change, based on the type and severity of the disaster. Team members may be asked to perform additional tasks not described in this section.

The Primary Team Leader is responsible for making all decisions related to the disaster recovery efforts. The primary role is to guide the disaster recovery process and other members of the team in their specific roles. All team members will report to the team leader. The team leader's responsibilities include, but are not limited to:

- Determining that a disaster has occurred, as well as assessing its magnitude.
- Setting the plan and related processes into motion.
- Contacting the disaster recovery team per the call tree.
- Determining what systems and processes have been affected by the disaster.
- Determining what first steps need to be taken by the disaster recovery teams.
- Being the single point of contact for and overseeing the disaster recovery team.
- Organizing and chairing regular meetings of the team throughout the disaster.
- Evaluating the state of the disaster continuously and the decisions that need to be made.
- Organizing, supervising, and managing all tests and author all updates.
- Organizing quarterly meetings of the disaster recovery team to review the plan.
- Keeping the disaster recovery team on track with pre-determined expectations and goals.
- Ensuring that all decisions made abide by the plan and policies set by Palco.
- Making decisions that will impact the company. This can include decisions concerning rebuilding of primary facilities and data centers, investing, and upgrading in significant hardware and software infrastructure, and making other financial and business decisions.
- Assessing legal issues related to the disaster.
- Communicating with business partners throughout the disaster recovery process.
- Ensuring that the secondary site is fully functional and secure.

The Backup Team Leader is charged with the following tasks:

- Being a secondary point of contact for the disaster recovery team should the Primary Team Leader be unavailable.
- Keeping a record of money spent during the disaster recovery process.
- Ensuring there is sufficient cash on hand or accessible to deal with small-scale expenses caused by the disaster.
- Ensuring sufficient resources are available or accessible to deal with large-scale expenses caused by the disaster.
- Reviewing and approving disaster team members' spending.
- Communicating with banking partners to obtain any materials, such as checks, bank books, etc. that may need to be replaced as a result of the disaster.
- Working with an insurance company in the event of damage, destruction, or losses to any assets owned by Palco and initiating claims and working with carriers to resolve matters concerning the disaster.
- Ensuring that appropriate resources are provisioned to rebuild or repair the main facilities in the event that they are destroyed or damaged.

The Backup Team Leader will assume the role of the Primary Team Leader and all responsibilities thereunder in case the Primary Team Leader is unable to lead.

Because Palco's No. 1 priority is preventing loss of life and ensuring the safety of its employees, the Human Resources member of the disaster recovery team is crucial. The Human Resources member's responsibilities include, but are not limited to:

- Maintaining a list of all employees, their contact information and emergency contact information electronically and off-site.
- Contacting all Palco staff, including the management team, to notify them that the BCP has been activated.
- Communicating with the team leader throughout the activation stage.
- Maintaining communication with employees to constantly relay messages from the team leader.
- Notifying an employee's emergency contact in any case of an employee injury or other incapacitation of the employee.
- Conducting an employee headcount, ensuring that all staff is accounted for and uninjured, immediately after the disaster occurs and at various checkpoints throughout the disaster recovery plan activation and operational restoration processes.
- Ensuring that payroll occurs and that employees are paid as normal, where possible.

The Communications team member will be responsible for all communication during a disaster. This includes communication with state agencies, other organizations, and even the media, if required. These responsibilities include, but are not limited to:

- Communicating the occurrence of a disaster and its impact to authorities, state agencies, company partners, internal parties, clients, and other interested parties.
- Communicating the occurrence of a disaster and the impact of that disaster to media contacts, if required.
- Coordinating with the Team Leader and other team members on appropriate messaging, as needed.
- Notifying the relevant parties once the disaster is over and normal business functionality has been restored.

The Director of Communications will coordinate with the media, working according to guidelines that have been previously approved and issued for dealing with post disaster communications. Only the Director of Communications and her appointed media team is permitted direct contact with the media.

The operations role of the disaster recovery team will determine what steps need to be taken to get the organization back to business as usual. This includes ensuring all aspects of a secondary site meets Palco policy and are maintained appropriately and, providing employees with the tools they need to perform their roles as quickly and efficiently as possible.

The operations team will be tasked with the following:

- Keeping the operational roles of disaster recovery team on track with pre-determined expectations and goals.
- Getting the secondary site ready to restore business operations.

- Ensuring that all departments are running seamlessly as soon as possible.
- Determining what resources are needed, including personnel resources, to achieve operational objectives.
- Creating a detailed report of all the steps undertaken in the disaster recovery process.
- Maintaining lists of all essential supplies that will be required in the event of a disaster and ensuring that these supplies are provisioned appropriately in the event of a disaster.
- Maintaining a log of where all of the supplies and equipment are used.
- Communicating with partners throughout the operational restoration process.
- Ensuring that all decisions made abide by the BCP and policies set by Palco.
- Working with the team leader and information technology and communications team members on understanding the magnitude of the disaster.
- Implementing Palco's policies for setting up a temporary call center and other operational departments at a secondary location.
- Training employees on how to carry out essential functions in a secondary site, as well as on what information to provide parties who are inquiring about the disaster recovery and Palco's response.
- Executing Palco's communication plan as developed by the communications team and the Primary Team Leader.

Each operational department director is required to maintain regular contact with the operations team leader during the recovering process. Each director will have expanded roles for ensuring that the operations are continued as required by our contracts and ongoing business operations. Directors must ensure that staff is able to carry out essential functions as efficiently as possible during recovery. They may delegate non-critical roles to key staff members on their team with the operational team leader's approval.

Operational Departments Roles and Responsibilities

Financial Services	Care Coordination	Customer Support
• Communicate with financial institutions • Communicate with relevant taxing and other authorities • Securing requisite department specific supplies, such as forms, checks, and deposit slips	• Securing requisite department specific supplies, such as program manuals, forms, and other training materials, from the primary site	• Publishing emergency phone numbers for the call center • Working with the communications staff to develop a script or outline of information to be released to callers

Technology is the backbone of Palco's operations. During a disaster, the information technology disaster recovery team member is responsible for evaluating all IT related systems, assessing damage and creating a plan for recovery. The role will be primarily responsible for providing baseline network and server functionality and may assist other team members as required. The information technology member's responsibilities include, but are not limited to:

- Assessing damage specific to any network infrastructure.
- Communicating the findings with the team leader and working with the team leader to develop the most efficient course of action.
- Provisioning data and voice network connectivity, including any telephone connections internally and externally.
- Prioritizing the recovery of all IT services in the manner and order that has the least impact on the business, if multiple IT services are impacted.
- Communicating and coordinating with any third parties to ensure recovery of connectivity.
- Migrating IT operations to an alternate site, if required, and ensuring that services are operational in the secondary site.
- Installing and implementing any tools, hardware, software, and systems required, and ensuring that servers are kept up-to-date in a secondary site.
- Installing and implementing any tools, hardware, software, and systems required in the primary site.
- Determining which servers or other IT tools are not working properly at the primary site, if the disaster does not require migration to a secondary site.
- Ensuring that all servers, hardware, software, and other IT tools meet Palco's IT policies.
- Ensuring sufficient spare computers and laptops are on hand so that work is not significantly disrupted in a disaster.
- Ensuring that spare computers and laptops have the required software and patches.

- Ensuring sufficient computer and laptop related supplies such as cables, wireless cards, laptop locks, printers, and other hardware are on hand so that work is not significantly disrupted in a disaster.
- Ensuring that all employees that require access to a computer and other related supplies are provisioned in an appropriate timeframe. If insufficient computers or related supplies are not available, the team will prioritize distribution in the manner and order that has the least business impact.

Regardless of the category that the disaster falls into, dealing with a disaster can be broken down into the following steps:

1. Disaster identification/declaration and plan activation
2. Staff headcount
3. Communicating the disaster and BCP
4. Assessment of current damage and prevention of further damage
5. Secondary site activation
6. Establish IT operations
7. Establish primary operations

When a disaster strikes, the BCP team leader evaluates the type, scope, and magnitude of the disaster, and communicates this information to other members of the disaster recovery team. The team leader has the explicit authority to activate the BCP and to what extent the plan is activated.

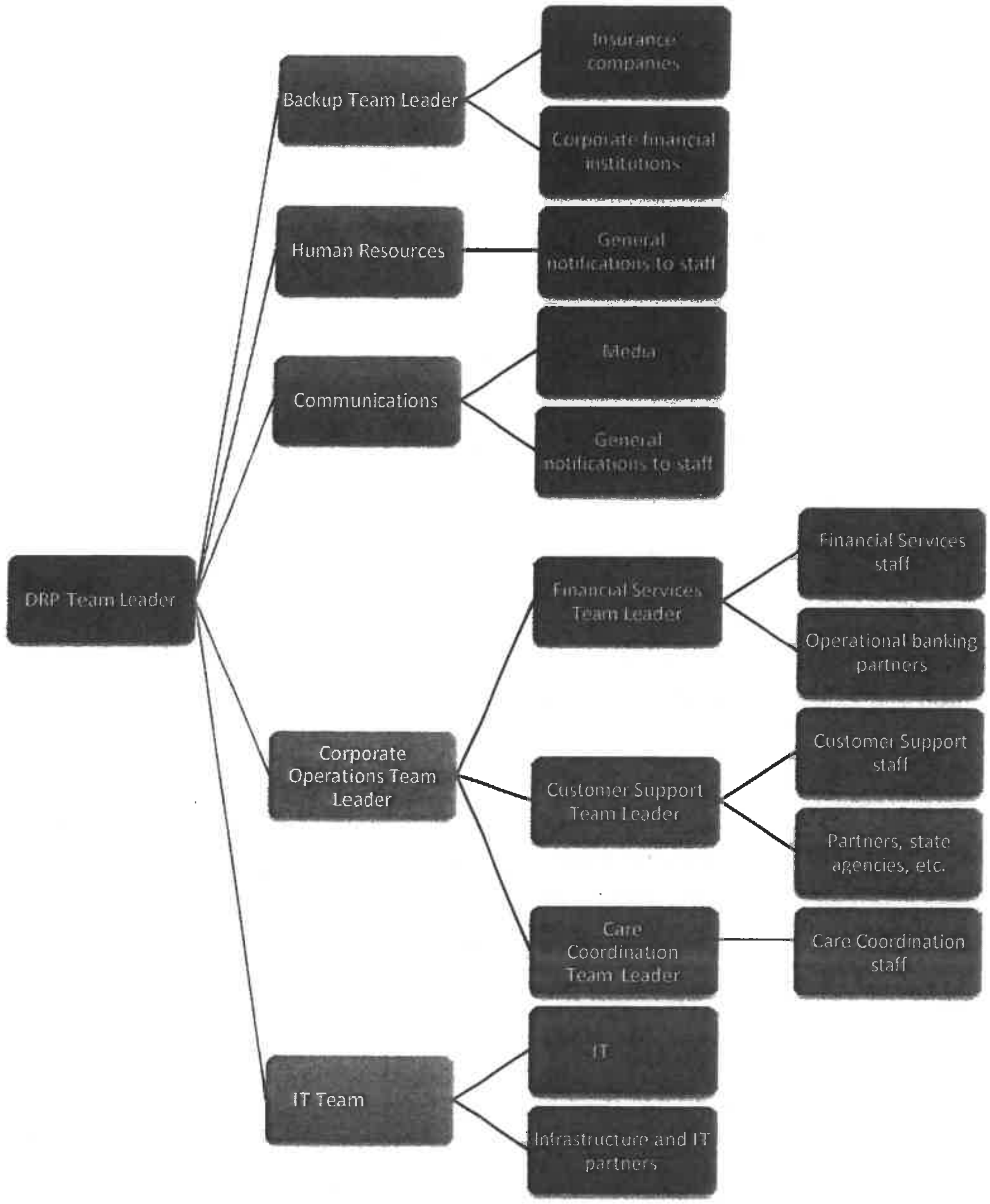
Once the Team Leader has determined that a disaster had occurred, he or she must officially declare that the company is in an official state of disaster. It's critical during the disaster recovery and business recovery activities that all affected persons and organizations are kept properly informed. Information given to all parties must be accurate and timely. Any estimate of the timing to return to normal working operations should be announced with care. All communication regarding the disaster and Palco's BCP will be provided by the communications team. All such communications should be recorded. Initial communication during the activation process will adhere to the following call tree. At this phase, communications will flow in the first branch (green). Instructions will be given as to when communications should flow to subsequent branches (purple and teal).

Procedures have been addressed to ensure that communication can be quickly established while activating disaster recovery. However, during the recovery process, certain team members must work together to carry out their designated tasks. The plan relies on key members of management and staff to achieve a smooth technology and business recovery.

All teams will be required to create an initial report on the damage and provide this to the Disaster Recovery Lead within a timeframe set by the team lead of the initial disaster. During each team's review of their relevant areas, they must assess any areas where further damage can be prevented and take the necessary means to protect company assets. Any necessary repairs or preventative measures must be taken to protect the facilities; these costs must first be approved by the Disaster Recovery Team Lead. The team will assemble to discuss the disaster and next steps to prevent further damage to systems.

The assessment and prevention plan will take on the following course:

1. Assessment of impacted systems.
2. Determination of the extent of the damage to the system.
3. Ranking of importance by criticality to business practices.
4. Determine recovery measures to get the impacted systems back to operational status.
5. Assignment of team members to recovery of impacted systems.
6. Determine other resources needed for recovery of impacted systems.
7. Determine the scheduled time to ensure that the impacted system becomes operational at maximum capacity.



Resources will first be allocated to items identified as high priority, then to medium priority, and then to low priority. At the conclusion of the meeting, outstanding items for each team member will be addressed before allowing the staff to begin their BCP tasks. During the meeting, actions will be documented using the format in the grid below.

To ensure that Palco, Inc. can withstand a significant disaster, the company has set up a separate, dedicated secondary site. The secondary site will be formally activated when the Team Leader determines that the nature of the disaster is such that the primary site is no longer sufficiently functional or operational to sustain normal business operations.

Once this determination has been made, the IT and Operations Teams will be commissioned to bring the secondary site to functional status after which the Team Lead will convene a meeting of the various BCP members at the secondary site to assess next steps and ensure that everyone understands appropriate tasks.

Once the BCP is activated, the disaster recovery team leader will establish the scope and severity of the disaster, as well as timeframes for how long the recovery site will be used.

During secondary site activation, the IT team will need to ensure that their responsibilities are carried out quickly and efficiently so as not to negatively impact the other teams. The disaster recovery team, along with the information technology department and all operational departments, will utilize the secondary site until Palco's primary site can be re-established.

Palco, Inc. maintains a cold storage backup for immediate use should a disaster occur to ensure the following:

- Ability to return to operation without interruption of data.
- Ability to return to operation using appropriate software that is completely updated as of the previous day's work.
- Timely return to operation and production.

All computers stored off-site are protected by password and other operational integrity mechanisms to ensure proper authorization has been granted for access to computer files. Each employee has a unique identification and password to enter computer workstations and software. Each employee's security level determines their access to computer files.

Once IT operations have resumed, normal business operations may be restored effectively. However, the commencement of restoring business operations should not wait for restoration of IT operations. Instead, activities should occur simultaneously.

The team leaders shall prepare an initial assessment of the impact of the incident on the financial affairs of the company. The assessment should include loss of financial documents, revenue, check books, credit cards, cash, equipment, furniture, and fixtures. Banking partners are notified immediately should any critical items be missing. The immediate financial needs of the company must be also addressed. In particular, the following are reviewed:

- Cash flow position.
- Temporary borrowing capability.
- Upcoming payments for taxes, payroll, etc.
- Availability of company credit cards to pay for supplies and services required post-disaster.

This team will be responsible for ensuring that all finances are dealt with in an appropriate and timely manner. The team will ensure that there is money available for necessary expenses that may result from a disaster as well as expenses from normal day-to-day business functions. Finances shall be managed closely during the disaster. Any spending needed to continue business operations are documented.

As part of the company's disaster recovery and business continuity strategies several insurance policies have been put in place. These include general liability and business interruption insurance. When necessary, insurance carriers will be notified, and the claims process will commence.
The company internal counsel and outside counsel will jointly review the aftermath of the incident and decide whether there may be legal actions resulting from the event; in particular, the possibility of claims by or against the company.

During the disaster, a regular cadence of meetings will be established. During these meetings, all parties will discuss actions taken thus far and the status of progress on the BCP, including time to full recovery. In addition, the communications team will provide the staff with relevant messaging.
All key events that occur during the disaster recovery phase must be recorded. An event log shall be maintained by the disaster recovery Team Leader. This event log should be started at the commencement of the emergency and a copy of the log passed on to other team members once the initial dangers have been controlled. Relevant team members must log all key events until such time as responsibility is handed over to other parties. A log template is shown below.

Business Continuity and Recovery Plan Documentation

Recovery Tasks (Order of Priority)	*Person (s) Responsible*	Completion Date: Estimated	Actual	Milestones Identified	Other Relevant Information
1.					
2.					
3.					
4.					
5.					
6.					
7.					

***Note: A priority sequence must be identified although, where possible, activities will be carried out simultaneously.*

On completion of the disaster recovery response the Team Leader will prepare a report on the activities undertaken. The report should contain information on the emergency, who was notified and when, action taken by members of the BCP team together with outcomes arising from those actions. The report will also contain an assessment of the impact to normal business operations. A disaster recovery report will be prepared by the Team Leader on completion of the initial disaster recovery response. In addition to the business recovery team leader, the report will be distributed to senior management. It shall include the following items:

- A description of the emergency or incident
- Those people notified of the emergency (including dates)
- Action taken by members of the disaster recovery team
- Outcomes arising from actions taken
- An assessment of the impact to normal business operations
- Assessment of the effectiveness of the DRP and lessons learned
- Lessons learned

Palco, Inc.'s management team reviews the Business Continuity Plan quarterly, at a minimum, and makes any necessary revisions. Similarly, members of the disaster recovery team meet quarterly to review and discuss the processes outlined in the BCP; the team also makes suggestions to Palco management for any needed modifications at this time.

Palco conducts periodic testing and updating of the Plan for electronic and hard copy files to ensure plan effectiveness. The plan is tested through the following activities:

1. **Walkthroughs.** Team members verbally go through the specific steps as documented in the plan to confirm effectiveness, identify gaps, bottlenecks, or other weaknesses. This test provides the opportunity to review a plan with a larger subset of people, allowing the project manager to draw upon a correspondingly increased pool of knowledge and experiences. Staff should be familiar with procedures, equipment, and offsite facilities (if required).
2. **Simulations.** A disaster is simulated so normal operations will not be interrupted. Hardware, software, personnel, communications, procedures, supplies and forms, documentation, transportation, utilities, and alternate site processing should be thoroughly tested in a simulation test. However, validated checklists can provide a reasonable level of assurance for many of these scenarios. Analyze the output of the previous tests carefully before the proposed simulation to ensure the lessons learned during the previous phases of the cycle have been applied. At least yearly, Palco staff participates in disaster recovery plan exercises, including an evacuation drill of the main facility.
3. **Parallel Testing.** A parallel test can be performed in conjunction with the checklist test or simulation test. Under this scenario, historical transactions, such as the prior business day's transactions are processed against preceding day's backup files at the contingency processing site or hot site. All reports produced at the alternate site for the current business date should agree with those reports produced at the alternate processing site.

4. **Full-Interruption Testing.** A full interruption test activates the total BCP/DRP. The test is likely to be costly and could disrupt normal operations, and therefore should be approached with caution. The importance of due diligence with respect to previous BCP/DRP phases cannot be overstated.

In the exercises, participants evaluate what needs to be improved and how the improvements can be implemented. The exercises ensure that emergency teams are familiar with their assignments and, more importantly, are confident in their capabilities.

Compliance

We comply with NIST Special Publication 800-34 Rev. 1 - Contingency Planning Guide for Federal Information Systems and NIST SP 800-66 R1, October 2008 - An Introductory Resource Guide for Implementing the Health Insurance Portability and Accountability Act (HIPAA) Security Rule and the following requirements of the HIPAA Security Rule Standards and Implementation specifications:

- Contingency Plan 45 CFR § 164.308(a)(7)(i)
- Data Backup Plan 45 CFR § 164.308(a)(7)(ii)(A)
- Disaster Recovery Plan 45 CFR§ 164.308(a)(7)(ii)(B)
- Emergency Mode Operation Plan 45 CFR § 164.308(a)(7)(ii)(C)
- Testing and Revision Procedures 45 CFR § 164.308(a)(7)(ii)(D)
- Applications and Data Criticality Analysis § 164.308(a)(7)(ii)(E)
- Facility Access Controls 45 CFR § 164.310(a)(1)
- Contingency Operations 45 CFR § 164.310(a)(2)(i)
- Device and Media Controls 45 CFR § 164.310(d)(1)
- Data Backup and Storage 45 CFR § 164.310(d)(2)(iv)
- Access Control 45 CFR § 164.312(a)(1)
- Emergency Access Procedure 45 CFR §164.312(a)(2)(ii)

Attachment 1

FEDERAL FUNDS ADDENDUM

2 C.F.R. §§ 200.317 – 200.327

Purpose: This addendum is intended to modify the solicitation in an attempt to make the contract compliant with the requirements of 2 C.F.R. §§ 200.317 through 200.327 relating to the expenditure of certain federal funds. This solicitation will allow the State to obtain one or more contracts that satisfy standard state procurement, state federal funds procurement, and county/local federal funds procurement requirements.

Instructions: Vendors who are willing to extend their contract to procurements with federal funds and the requirements that go along with doing so, should sign the attached document identified as: "REQUIRED CONTRACT PROVISIONS FOR NON-FEDERAL ENTITY CONTRACTS UNDER FEDERAL AWARDS (2 C.F.R. § 200.317)"

Should the awarded vendor be unwilling to extend the contract to federal funds procurement, the State reserves the right to award additional contracts to vendors that can and are willing to meet federal funds procurement requirements.

Changes to Specifications: Vendors should consider this solicitation as containing two separate solicitations, one for state level procurement and one for county/local procurement.

State Level: In the first solicitation, bid responses will be evaluated with applicable preferences identified in sections 15, 15A, and 16 of the "Instructions to Vendors Submitting Bids" to establish a contract for both standard state procurements and state federal funds procurements.

County Level: In the second solicitation, bid responses will be evaluated with applicable preferences identified in Sections 15, 15A, and 16 of the "Instructions to Vendors Submitting Bids" omitted to establish a contract for County/Local federal funds procurement.

Award: If the two evaluations result in the same vendor being identified as the winning bidder, the two solicitations will be combined into a single contract award. If the evaluations result in a different bidder being identified as the winning bidder, multiple contracts may be awarded. The State reserves the right to award to multiple different entities should it be required to satisfy standard state procurement, state federal funds procurement, and county/local federal funds procurement requirements.

State Government Use Caution: State agencies planning to utilize this contract for procurements subject to the above identified federal regulations should first consult with the federal agency providing the applicable funding to ensure the contract is complaint.

County/Local Government Use Caution: County and Local government entities planning to utilize this contract for procurements subject to the above identified federal regulation should first consult with the federal agency providing the applicable funding to ensure the contract is complaint. For purposes of County/Local government use, the solicitation resulting in this contract was conducted in accordance with the procurement laws, rules, and procedures governing the West Virginia Department of Administration, Purchasing Division, except that vendor preference has been omitted for County/Local use purposes and the contract terms contained in the document entitled "REQUIRED CONTRACT PROVISIONS FOR NON-FEDERAL ENTITY CONTRACTS UNDER FEDERAL AWARDS (2 C.F.R. § 200.317)" have been added.

FEDERAL FUNDS ADDENDUM

REQUIRED CONTRACT PROVISIONS FOR NON-FEDERAL ENTITY CONTRACTS UNDER FEDERAL AWARDS (2 C.F.R. § 200.317):

The State of West Virginia Department of Administration, Purchasing Division, and the Vendor awarded this Contract intend that this Contract be compliant with the requirements of the Procurement Standards contained in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements found in 2 C.F.R. § 200.317, et seq. for procurements conducted by a Non-Federal Entity. Accordingly, the Parties agree that the following provisions are included in the Contract.

1. **MINORITY BUSINESSES, WOMEN'S BUSINESS ENTERPRISES, AND LABOR SURPLUS AREA FIRMS:** (2 C.F.R. § 200.321)

    a. The State confirms that it has taken all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible. Those affirmative steps include:

    (1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
    (2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
    (3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
    (4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
    (5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
    (6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) above.

    b. Vendor confirms that if it utilizes subcontractors, it will take the same affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

2. **DOMESTIC PREFERENCES:** (2 C.F.R. § 200.322)

    a. The State confirms that as appropriate and to the extent consistent with law, it has, to the greatest extent practicable under a Federal award, provided a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United

States (including but not limited to iron, aluminum, steel, cement, and other manufactured products).

b. Vendor confirms that will include the requirements of this Section 2. Domestic Preference in all subawards including all contracts and purchase orders for work or products under this award.

c. Definitions: For purposes of this section:

(1) "Produced in the United States" means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.
(2) "Manufactured products" means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

3. **BREACH OF CONTRACT REMEDIES AND PENALTIES:**
(2 C.F.R. § 200.327 and Appendix II)

(a) The provisions of West Virginia Code of State Rules § 148-1-5 provide for breach of contract remedies, and penalties. A copy of that rule is attached hereto as Exhibit A and expressly incorporated herein by reference.

4. **TERMINATION FOR CAUSE AND CONVENIENCE:**
(2 C.F.R. § 200.327 and Appendix II)

(a) The provisions of West Virginia Code of State Rules § 148-1-5 govern Contract termination. A copy of that rule is attached hereto as Exhibit A and expressly incorporated herein by reference.

5. **EQUAL EMPLOYMENT OPPORTUNITY:**
(2 C.F.R. § 200.327 and Appendix II)

Except as otherwise provided under 41 CFR Part 60, and if this contract meets the definition of "federally assisted construction contract" in 41 CFR Part 60–1.3, this contract includes the equal opportunity clause provided under 41 CFR 60–1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964–1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

6. **DAVIS-BACON WAGE RATES:**
(2 C.F.R. § 200.327 and Appendix II)

Vendor agrees that if this Contract includes construction, all construction work in excess of $2,000 will be completed and paid for in compliance with the Davis–Bacon Act (40 U.S.C. 3141–3144, and 3146–3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must:

(a) pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor.
(b) pay wages not less than once a week.

A copy of the current prevailing wage determination issued by the Department of Labor is attached hereto as Exhibit B. The decision to award a contract or subcontract is conditioned upon the acceptance of the wage determination. The State will report all suspected or reported violations to the Federal awarding agency.

7. **ANTI-KICKBACK ACT:**
(2 C.F.R. § 200.327 and Appendix II)

Vendor agrees that it will comply with the Copeland Anti-KickBack Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). Accordingly, Vendor, Subcontractors, and anyone performing under this contract are prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The State must report all suspected or reported violations to the Federal awarding agency.

8. **CONTRACT WORK HOURS AND SAFETY STANDARDS ACT**
(2 C.F.R. § 200.327 and Appendix II)

Where applicable, and only for contracts awarded by the State in excess of $100,000 that involve the employment of mechanics or laborers, Vendor agrees to comply with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, Vendor is required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

9. **RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT.**
(2 C.F.R. § 200.327 and Appendix II)

If the Federal award meets the definition of "funding agreement" under 37 CFR § 401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

10. **CLEAN AIR ACT**
(2 C.F.R. § 200.327 and Appendix II)

Vendor agrees that if this contract exceeds $150,000, Vendor is to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401–7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251–1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

11. **DEBARMENT AND SUSPENSION**
(2 C.F.R. § 200.327 and Appendix II)

The State will not award to any vendor that is listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

12. **BYRD ANTI–LOBBYING AMENDMENT**
(2 C.F.R. § 200.327 and Appendix II)

Vendors that apply or bid for an award exceeding $100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non–Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non–Federal award.

13. **PROCUREMENT OF RECOVERED MATERIALS**
(2 C.F.R. § 200.327 and Appendix II; 2 C.F.R. § 200.323)

Vendor agrees that it and the State must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the

Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

14. **PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT.**
(2 C.F.R. § 200.327 and Appendix II; 2 CFR § 200.216)

Vendor and State agree that both are prohibited from obligating or expending funds under this Contract to:

(1) Procure or obtain;
(2) Extend or renew a contract to procure or obtain; or
(3) Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115–232, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).

(i) For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).
(ii) Telecommunications or video surveillance services provided by such entities or using such equipment.
(iii) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

In implementing the prohibition under Public Law 115–232, section 889, subsection (f), paragraph (1), heads of executive agencies administering loan, grant, or subsidy programs shall prioritize available funding and technical support to assist affected businesses, institutions and organizations as is reasonably necessary for those affected entities to transition from covered communications equipment and services, to procure replacement equipment and services, and to ensure that communications service to users and customers is sustained.

State of West Virginia	Vendor Name:
By: [signature]	By: [signature]
Printed Name: Althea Greenhowe	Printed Name: Alicia Paladino
Title: Proc Sp Sr	Title: Chief Executive Order
Date: 12-18-23	Date: 12/15/2023

EXHIBIT A To:
REQUIRED CONTRACT PROVISIONS FOR NON-FEDERAL ENTITY CONTRACTS UNDER FEDERAL AWARDS (2 C.F.R. § 200.317):

W. Va. CSR § 148-1-5

W. Va. Code St. R. § 148-1-5

§ 148-1-5. Remedies.

Currentness

5.1. The Director may require that the spending unit attempt to resolve any issues that it may have with the vendor prior to pursuing a remedy contained herein. The spending unit must document any resolution efforts and provide copies of those documents to the Purchasing Division.

5.2. Contract Cancellation.

5.2.1. Cancellation. The Director may cancel a purchase or contract immediately under any one of the following conditions including, but not limited to:

5.2.1.a. The vendor agrees to the cancellation;

5.2.1.b. The vendor has obtained the contract by fraud, collusion, conspiracy, or is in conflict with any statutory or constitutional provision of the State of West Virginia;

5.2.1.c. Failure to honor any contractual term or condition or to honor standard commercial practices;

5.2.1.d. The existence of an organizational conflict of interest is identified;

5.2.1.e. Funds are not appropriated or an appropriation is discontinued by the legislature for the acquisition;

5.2.1.f. Violation of any federal, state, or local law, regulation, or ordinance, and

5.2.1.g. The contract was awarded in error.

5.2.2. The Director may cancel a purchase or contract for any reason or no reason, upon providing the vendor with 30 days' notice of the cancellation.

5.2.3. Opportunity to Cure. In the event that a vendor fails to honor any contractual term or condition, or violates any provision of federal, state, or local law, regulation, or ordinance, the Director may request that the vendor remedy the contract breach or legal violation within a time frame the Director determines to be appropriate. If the vendor fails to remedy the contract breach or legal violation or the Director determines, at his or her sole discretion, that such a request is unlikely to yield a satisfactory result, then he or she may cancel immediately without providing the vendor an opportunity to perform a remedy.

5.2.4. Re-Award. The Director may award the cancelled contract to the next lowest responsible bidder (or next highest scoring bidder if best value procurement) without a subsequent solicitation if the following conditions are met:

5.2.4.a. The next lowest responsible bidder (or next highest scoring bidder if best value procurement) is able to perform at the price contained in its original bid submission, and

5.2.4.b. The contract is an open-end contract, a one-time purchase contract, or a contract for work which has not yet commenced.

Award to the next lowest responsible bidder (or next highest scoring bidder if best value procurement) will not be an option if the vendor's failure has in any way increased or significantly changed the scope of the original contract. The vendor failing to honor contractual and legal obligations is responsible for any increase in cost the state incurs as a result of the re-award.

5.3. Non-Responsible. If the Director believes that a vendor may be non-responsible, the Director may request that a vendor or spending unit provide evidence that the vendor either does or does not have the capability to fully perform the contract requirements, and the integrity and reliability necessary to assure good faith performance. If the Director determines that the vendor is non-responsible, the Director shall reject that vendor's bid and shall not award the contract to that vendor. A determination of non-responsibility must be evaluated on a case-by-case basis and can only be made after the vendor in question has submitted a bid. A determination of non-responsibility will only extend to the contract for which the vendor has submitted a bid and does not operate as a bar against submitting future bids.

5.4. Suspension.

5.4.1. The Director may suspend, for a period not to exceed 1 year, the right of a vendor to bid on procurements issued by the Purchasing Division or any state spending unit under its authority if:

5.4.1.a. The vendor has submitted a bid and then requested that its bid be withdrawn after bids have been publicly opened.

5.4.1.b. The vendor has exhibited poor performance in fulfilling his or her contractual obligations to the State. Poor performance includes, but is not limited to any of the following: violations of law, regulation, or ordinance; failure to deliver timely; failure to deliver quantities ordered; poor performance reports; or failure to deliver commodities, services, or printing at the quality level required by the contract.

5.4.1.c. The vendor has breached a contract issued by the Purchasing Division or any state spending unit under its authority and refuses to remedy that breach.

5.4.1.d. The vendor's actions have given rise to one or more of the grounds for debarment listed in W. Va. Code § 5A-3-33d.

5.4.2. Vendor suspension for the reasons listed in section 5.4 above shall occur as follows:

5.4.2.a. Upon a determination by the Director that a suspension is warranted, the Director will serve a notice of suspension to the vendor.

5.4.2.b. A notice of suspension must inform the vendor:

5.4.2.b.1. Of the grounds for the suspension;

5.4.2.b.2. Of the duration of the suspension;

5.4.2.b.3. Of the right to request a hearing contesting the suspension;

5.4.2.b.4. That a request for a hearing must be served on the Director no later than 5 working days of the vendor's receipt of the notice of suspension;

5.4.2.b.5. That the vendor's failure to request a hearing no later than 5 working days of the receipt of the notice of suspension will be deemed a waiver of the right to a hearing and result in the automatic enforcement of the suspension without further notice or an opportunity to respond; and

5.4.2.b.6. That a request for a hearing must include an explanation of why the vendor believes the Director's asserted grounds for suspension do not apply and why the vendor should not be suspended.

5.4.2.c. A vendor's failure to serve a request for hearing on the Director no later than 5 working days of the vendor's receipt of the notice of suspension will be deemed a waiver of the right to a hearing and may result in the automatic enforcement of the suspension without further notice or an opportunity to respond.

5.4.2.d. A vendor who files a timely request for hearing but nevertheless fails to provide an explanation of why the asserted grounds for suspension are inapplicable or should not result in a suspension, may result in a denial of the vendor's hearing request.

5.4.2.e. Within 5 working days of receiving the vendor's request for a hearing, the Director will serve on the vendor a notice of hearing that includes the date, time and place of the hearing.

5.4.2.f. The hearing will be recorded and an official record prepared. Within 10 working days of the conclusion of the hearing, the Director will issue and serve on the vendor, a written decision either confirming or reversing the suspension.

5.4.3. A vendor may appeal a decision of the Director to the Secretary of the Department of Administration. The appeal must be in writing and served on the Secretary no later than 5 working days of receipt of the Director's decision.

5.4.4. The Secretary, or his or her designee, will schedule an appeal hearing and serve on the vendor, a notice of hearing that includes the date, time and place of the hearing. The appeal hearing will be recorded and an official record prepared. Within 10 working days of the conclusion of the appeal hearing, the Secretary will issue and serve on the vendor a written decision either confirming or reversing the suspension.

5.4.5. Any notice or service related to suspension actions or proceedings must be provided by certified mail, return receipt requested.

5.5. Vendor Debarment. The Director may debar a vendor on the basis of one or more of the grounds for debarment contained in W. Va. Code § 5A-3-33d or if the vendor has been declared ineligible to participate in procurement related activities under federal laws and regulation.

5.5.1. Debarment proceedings shall be conducted in accordance with W. Va. Code § 5A-3-33e and these rules. A vendor that has received notice of the proposed debarment by certified mail, return receipt requested, must respond to the proposed debarment within 30 working days after receipt of notice or the debarment will be instituted without further notice. A vendor is deemed to have received notice, notwithstanding the vendor's failure to accept the certified mail, if the letter is addressed to the vendor at its last known address. After considering the matter and reaching a decision, the Director shall notify the vendor of his or her decision by certified mail, return receipt requested.

5.5.2. Any vendor, other than a vendor prohibited from participating in federal procurement, undergoing debarment proceedings is permitted to continue participating in the state's procurement process until a final debarment decision has been reached. Any contract that a debarred vendor obtains prior to a final debarment decision shall remain in effect for the current term, but may not be extended or renewed. Notwithstanding the foregoing, the Director may cancel a contract held by a debarred vendor if the Director determines, in his or her sole discretion, that doing so is in the best interest of the State. A vendor prohibited from participating in federal procurement will not be permitted to participate in the state's procurement process during debarment proceedings.

5.5.3. If the Director's final debarment decision is that debarment is warranted and notice of the final debarment decision is mailed, the Purchasing Division shall reject any bid submitted by the debarred vendor, including any bid submitted prior to the final debarment decision if that bid has not yet been accepted and a contract consummated.

5.5.4. Pursuant to W.Va. Code § 5A-3-33e(e), the length of the debarment period will be specified in the debarment decision and will be for a period of time that the Director finds necessary and proper to protect the public from an irresponsible vendor.

5.5.5. List of Debarred Vendors. The Director shall maintain and publicly post a list of debarred vendors on the Purchasing Division's website.

5.5.6. Related Party Debarment. The Director may pursue debarment of a related party at the same time that debarment of the original vendor is proceeding or at any time thereafter that the Director determines a related party debarment is warranted. Any entity that fails to provide the Director with full, complete, and accurate information requested by the Director to determine related party status will be presumed to be a related party subject to debarment.

5.6. Damages.

5.6.1. A vendor who fails to perform as required under a contract shall be liable for actual damages and costs incurred by the state.

5.6.2. If any commodities delivered under a contract have been used or consumed by a spending unit and on testing the commodities are found not to comply with specifications, no payment may be approved by the Spending Unit for the merchandise until the amount of actual damages incurred has been determined.

5.6.3. The Spending Unit shall seek to collect damages by following the procedures established by the Office of the Attorney General for the collection of delinquent obligations.

Credits

History: Filed 4-1-19, eff. 4-1-19; Filed 4-16-21, eff. 5-1-21.

Current through register dated May 7, 2021. Some sections may be more current. See credits for details.

W. Va. C.S.R. § 148-1-5, WV ADC § 148-1-5

EXHIBIT B To:
REQUIRED CONTRACT PROVISIONS FOR NON-FEDERAL ENTITY CONTRACTS UNDER FEDERAL AWARDS (2 C.F.R. § 200.317):

Prevailing Wage Determination

[ ] – Not Applicable Because Contract Not for Construction

[ ] – Federal Prevailing Wage Determination on Next Page

WV STATE GOVERNMENT

HIPAA BUSINESS ASSOCIATE ADDENDUM

This Health Insurance Portability and Accountability Act of 1996 (hereafter, HIPAA) Business Associate Addendum ("Addendum") is made a part of the Agreement ("Agreement") by and between the State of West Virginia ("Agency"), and Business Associate ("Associate"), and is effective as of the date of execution of the Addendum.

The Associate performs certain services on behalf of or for the Agency pursuant to the underlying Agreement that requires the exchange of information including protected health information protected by the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended by the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5) (the "HITECH Act"), any associated regulations and the federal regulations published at 45 CFR parts 160 and 164 (sometimes collectively referred to as "HIPAA"). The Agency is a "Covered Entity" as that term is defined in HIPAA, and the parties to the underlying Agreement are entering into this Addendum to establish the responsibilities of both parties regarding HIPAA-covered information and to bring the underlying Agreement into compliance with HIPAA.

Whereas it is desirable, in order to further the continued efficient operations of Agency to disclose to its Associate certain information which may contain confidential individually identifiable health information (hereafter, Protected Health Information or PHI); and

Whereas, it is the desire of both parties that the confidentiality of the PHI disclosed hereunder be maintained and treated in accordance with all applicable laws relating to confidentiality, including the Privacy and Security Rules, the HITECH Act and its associated regulations, and the parties do agree to at all times treat the PHI and interpret this Addendum consistent with that desire.

NOW THEREFORE: the parties agree that in consideration of the mutual promises herein, in the Agreement, and of the exchange of PHI hereunder that:

1. **Definitions.** Terms used, but not otherwise defined, in this Addendum shall have the same meaning as those terms in the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164.

    a. **Agency Procurement Officer** shall mean the appropriate Agency individual listed at: http://www.state.wv.us/admin/purchase/vrc/agencyli.html.

    b. **Agent** shall mean those person(s) who are agent(s) of the Business Associate, in accordance with the Federal common law of agency, as referenced in 45 CFR § 160.402(c).

    c. **Breach** shall mean the acquisition, access, use or disclosure of protected health information which compromises the security or privacy of such information, except as excluded in the definition of Breach in 45 CFR § 164.402.

    d. **Business Associate** shall have the meaning given to such term in 45 CFR § 160.103.

    e. **HITECH Act** shall mean the Health Information Technology for Economic and Clinical Health Act. Public Law No. 111-05. 111th Congress (2009).

f. **Privacy Rule** means the Standards for Privacy of Individually Identifiable Health Information found at 45 CFR Parts 160 and 164.

g. **Protected Health Information or PHI** shall have the meaning given to such term in 45 CFR § 160.103, limited to the information created or received by Associate from or on behalf of Agency.

h. **Security Incident** means any known successful or unsuccessful attempt by an authorized or unauthorized individual to inappropriately use, disclose, modify, access, or destroy any information or interference with system operations in an information system.

i. **Security Rule** means the Security Standards for the Protection of Electronic Protected Health Information found at 45 CFR Parts 160 and 164.

j. **Subcontractor** means a person to whom a business associate delegates a function, activity, or service, other than in the capacity of a member of the workforce of such business associate.

2. **Permitted Uses and Disclosures.**

a. **PHI Described.** This means PHI created, received, maintained or transmitted on behalf of the Agency by the Associate. This PHI is governed by this Addendum and is limited to the minimum necessary, to complete the tasks or to provide the services associated with the terms of the original Agreement, and is described in Appendix A.

b. **Purposes.** Except as otherwise limited in this Addendum, Associate may use or disclose the PHI on behalf of, or to provide services to, Agency for the purposes necessary to complete the tasks, or provide the services, associated with, and required by the terms of the original Agreement, or as required by law, if such use or disclosure of the PHI would not violate the Privacy or Security Rules or applicable state law if done by Agency or Associate, or violate the minimum necessary and related Privacy and Security policies and procedures of the Agency. The Associate is directly liable under HIPAA for impermissible uses and disclosures of the PHI it handles on behalf of Agency.

c. **Further Uses and Disclosures**. Except as otherwise limited in this Addendum, the Associate may disclose PHI to third parties for the purpose of its own proper management and administration, or as required by law, provided that (i) the disclosure is required by law, or (ii) the Associate has obtained from the third party reasonable assurances that the PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party by the Associate; and, (iii) an agreement to notify the Associate and Agency of any instances of which it (the third party) is aware in which the confidentiality of the information has been breached. To the extent practical, the information should be in a limited data set or the minimum necessary information pursuant to 45 CFR § 164.502, or take other measures as necessary to satisfy the Agency's obligations under 45 CFR § 164.502.

3. **Obligations of Associate.**

a. **Stated Purposes Only.** The PHI may not be used by the Associate for any purpose other than as stated in this Addendum or as required or permitted by law.

b. **Limited Disclosure.** The PHI is confidential and will not be disclosed by the Associate other than as stated in this Addendum or as required or permitted by law. Associate is prohibited from directly or indirectly receiving any remuneration in exchange for an individual's PHI unless Agency gives written approval and the individual provides a valid authorization. Associate will refrain from marketing activities that would violate HIPAA, including specifically Section 13406 of the HITECH Act. Associate will report to Agency any use or disclosure of the PHI, including any Security Incident not provided for by this Agreement of which it becomes aware.

c. **Safeguards.** The Associate will use appropriate safeguards, and comply with Subpart C of 45 CFR Part 164 with respect to electronic protected health information, to prevent use or disclosure of the PHI, except as provided for in this Addendum. This shall include, but not be limited to:

i. Limitation of the groups of its workforce and agents, to whom the PHI is disclosed to those reasonably required to accomplish the purposes stated in this Addendum, and the use and disclosure of the minimum PHI necessary or a Limited Data Set;

ii. Appropriate notification and training of its workforce and agents in order to protect the PHI from unauthorized use and disclosure;

iii. Maintenance of a comprehensive, reasonable and appropriate written PHI privacy and security program that includes administrative, technical and physical safeguards appropriate to the size, nature, scope and complexity of the Associate's operations, in compliance with the Security Rule;

iv. In accordance with 45 CFR §§ 164.502(e)(1)(ii) and 164.308(b)(2), if applicable, ensure that any subcontractors that create, receive, maintain, or transmit protected health information on behalf of the business associate agree to the same restrictions, conditions, and requirements that apply to the business associate with respect to such information.

d. **Compliance With Law.** The Associate will not use or disclose the PHI in a manner in violation of existing law and specifically not in violation of laws relating to confidentiality of PHI, including but not limited to, the Privacy and Security Rules.

e. **Mitigation.** Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Associate of a use or disclosure of the PHI by Associate in violation of the requirements of this Addendum, and report its mitigation activity back to the Agency.

f. **Support of Individual Rights.**

i. **Access to PHI.** Associate shall make the PHI maintained by Associate or its agents or subcontractors in Designated Record Sets available to Agency for inspection and copying, and in electronic format, if requested, within ten (10) days of a request by Agency to enable Agency to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 CFR § 164.524 and consistent with Section 13405 of the HITECH Act.

ii. **Amendment of PHI.** Within ten (10) days of receipt of a request from Agency for an amendment of the PHI or a record about an individual contained in a Designated Record Set, Associate or its agents or subcontractors shall make such PHI available to Agency for amendment and incorporate any such amendment to enable Agency to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 CFR § 164.526.

iii. **Accounting Rights.** Within ten (10) days of notice of a request for an accounting of disclosures of the PHI, Associate and its agents or subcontractors shall make available to Agency the documentation required to provide an accounting of disclosures to enable Agency to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 CFR §164.528 and consistent with Section 13405 of the HITECH Act. Associate agrees to document disclosures of the PHI and information related to such disclosures as would be required for Agency to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR § 164.528. This should include a process that allows for an accounting to be collected and maintained by Associate and its agents or subcontractors for at least six (6) years from the date of disclosure, or longer if required by state law. At a minimum, such documentation shall include:

- the date of disclosure;
- the name of the entity or person who received the PHI, and if known, the address of the entity or person;
- a brief description of the PHI disclosed; and
- a brief statement of purposes of the disclosure that reasonably informs the individual of the basis for the disclosure, or a copy of the individual's authorization, or a copy of the written request for disclosure.

iv. **Request for Restriction.** Under the direction of the Agency, abide by any individual's request to restrict the disclosure of PHI, consistent with the requirements of Section 13405 of the HITECH Act and 45 CFR § 164.522, when the Agency determines to do so (except as required by law) and if the disclosure is to a health plan for payment or health care operations and it pertains to a health care item or service for which the health care provider was paid in full "out-of-pocket."

v. **Immediate Discontinuance of Use or Disclosure.** The Associate will immediately discontinue use or disclosure of Agency PHI pertaining to any individual when so requested by Agency. This includes, but is not limited to, cases in which an individual has withdrawn or modified an authorization to use or disclose PHI.

g. **Retention of PHI.** Notwithstanding section 4.a. of this Addendum, Associate and its subcontractors or agents shall retain all PHI pursuant to state and federal law and shall continue to maintain the PHI required under Section 3.f. of this Addendum for a period of six (6) years after termination of the Agreement, or longer if required under state law.

h. **Agent's, Subcontractor's Compliance.** The Associate shall notify the Agency of all subcontracts and agreements relating to the Agreement, where the subcontractor or agent receives PHI as described in section 2.a. of this Addendum. Such notification shall occur within 30 (thirty) calendar days of the execution of the subcontract and shall be delivered to the Agency Procurement Officer. The Associate will ensure that any of its subcontractors, to whom it provides any of the PHI it receives hereunder, or to whom it provides any PHI which the Associate creates or receives on behalf of the Agency, agree to the restrictions and conditions which apply to the Associate hereunder. The Agency may request copies of downstream subcontracts and agreements to determine whether all restrictions, terms and conditions have been flowed down. Failure to ensure that downstream contracts, subcontracts and agreements contain the required restrictions, terms and conditions may result in termination of the Agreement.

j. **Federal and Agency Access.** The Associate shall make its internal practices, books, and records relating to the use and disclosure of PHI, as well as the PHI, received from, or created or received by the Associate on behalf of the Agency available to the U.S. Secretary of Health and Human Services consistent with 45 CFR § 164.504. The Associate shall also make these records available to Agency, or Agency's contractor, for periodic audit of Associate's compliance with the Privacy and Security Rules. Upon Agency's request, the Associate shall provide proof of compliance with HIPAA and HITECH data privacy/protection guidelines, certification of a secure network and other assurance relative to compliance with the Privacy and Security Rules. This section shall also apply to Associate's subcontractors, if any.

k. **Security.** The Associate shall take all steps necessary to ensure the continuous security of all PHI and data systems containing PHI. In addition, compliance with 74 FR 19006 Guidance Specifying the Technologies and Methodologies That Render PHI Unusable, Unreadable, or Indecipherable to Unauthorized Individuals for Purposes of the Breach Notification Requirements under Section 13402 of Title XIII is required, to the extent practicable. If Associate chooses not to adopt such methodologies as defined in 74 FR 19006 to secure the PHI governed by this Addendum, it must submit such written rationale, including its Security Risk Analysis, to the Agency Procurement Officer for review prior to the execution of the Addendum. This review may take up to ten (10) days.

l. **Notification of Breach.** During the term of this Addendum, the Associate shall notify the Agency and, unless otherwise directed by the Agency in writing, the WV Office of Technology immediately by e-mail or web form upon the discovery of any Breach of unsecured PHI; or within 24 hours by e-mail or web form of any suspected Security Incident, intrusion or unauthorized use or disclosure of PHI in violation of this Agreement and this Addendum, or potential loss of confidential data affecting this Agreement. Notification shall be provided to the Agency Procurement Officer at www.state.wv.us/admin/purchase/vrc/agencyli.htm and, unless otherwise directed by the Agency in writing, the Office of Technology at incident@wv.gov or https://apps.wv.gov/ot/ir/Default.aspx.

The Associate shall immediately investigate such Security Incident, Breach, or unauthorized use or disclosure of PHI or confidential data. Within 72 hours of the discovery, the Associate shall notify the Agency Procurement Officer, and, unless otherwise directed by the Agency in writing, the Office of Technology of: (a) Date of discovery; (b) What data elements were involved and the extent of the data involved in the Breach; (c) A description of the unauthorized persons known or reasonably believed to have improperly used or disclosed PHI or confidential data; (d) A description of where the PHI or confidential data is believed to have been improperly transmitted, sent, or utilized; (e) A description of the probable causes of the improper use or disclosure; and (f) Whether any federal or state laws requiring individual notifications of Breaches are triggered.

Agency will coordinate with Associate to determine additional specific actions that will be required of the Associate for mitigation of the Breach, which may include notification to the individual or other authorities.

All associated costs shall be borne by the Associate. This may include, but not be limited to costs associated with notifying affected individuals.

If the Associate enters into a subcontract relating to the Agreement where the subcontractor or agent receives PHI as described in section 2.a. of this Addendum, all such subcontracts or downstream agreements shall contain the same incident notification requirements as contained herein, with reporting directly to the Agency Procurement Officer. Failure to include such requirement in any subcontract or agreement may result in the Agency's termination of the Agreement.

m. **Assistance in Litigation or Administrative Proceedings.** The Associate shall make itself and any subcontractors, workforce or agents assisting Associate in the performance of its obligations under this Agreement, available to the Agency at no cost to the Agency to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against the Agency, its officers or employees based upon claimed violations of HIPAA, the HIPAA regulations or other laws relating to security and privacy, which involves inaction or actions by the Associate, except where Associate or its subcontractor, workforce or agent is a named as an adverse party.

4. **Addendum Administration.**

a. **Term.** This Addendum shall terminate on termination of the underlying Agreement or on the date the Agency terminates for cause as authorized in paragraph (c) of this Section, whichever is sooner.

b. **Duties at Termination.** Upon any termination of the underlying Agreement, the Associate shall return or destroy, at the Agency's option, all PHI received from, or created or received by the Associate on behalf of the Agency that the Associate still maintains in any form and retain no copies of such PHI or, if such return or destruction is not feasible, the Associate shall extend the protections of this Addendum to the PHI and limit further uses and disclosures to the purposes that make the return or destruction of the PHI infeasible. This shall also apply to all agents and subcontractors of Associate. The duty of the Associate and its agents and subcontractors to assist the Agency with any HIPAA required accounting of disclosures survives the termination of the underlying Agreement.

c. **Termination for Cause.** Associate authorizes termination of this Agreement by Agency, if Agency determines Associate has violated a material term of the Agreement. Agency may, at its sole discretion, allow Associate a reasonable period of time to cure the material breach before termination.

d. **Judicial or Administrative Proceedings.** The Agency may terminate this Agreement if the Associate is found guilty of a criminal violation of HIPAA. The Agency may terminate this Agreement if a finding or stipulation that the Associate has violated any standard or requirement of HIPAA/HITECH, or other security or privacy laws is made in any administrative or civil proceeding in which the Associate is a party or has been joined. Associate shall be subject to prosecution by the Department of Justice for violations of HIPAA/HITECH and shall be responsible for any and all costs associated with prosecution.

e. **Survival.** The respective rights and obligations of Associate under this Addendum shall survive the termination of the underlying Agreement.

5. **General Provisions/Ownership of PHI.**

a. **Retention of Ownership.** Ownership of the PHI resides with the Agency and is to be returned on demand or destroyed at the Agency's option, at any time, and subject to the restrictions found within section 4.b. above.

b. **Secondary PHI.** Any data or PHI generated from the PHI disclosed hereunder which would permit identification of an individual must be held confidential and is also the property of Agency.

c. **Electronic Transmission.** Except as permitted by law or this Addendum, the PHI or any data generated from the PHI which would permit identification of an individual must not be transmitted to another party by electronic or other means for additional uses or disclosures not authorized by this Addendum or to another contractor, or allied agency, or affiliate without prior written approval of Agency.

d. **No Sales.** Reports or data containing the PHI may not be sold without Agency's or the affected individual's written consent.

e. **No Third-Party Beneficiaries.** Nothing express or implied in this Addendum is intended to confer, nor shall anything herein confer, upon any person other than Agency, Associate and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.

f. **Interpretation.** The provisions of this Addendum shall prevail over any provisions in the Agreement that may conflict or appear inconsistent with any provisions in this Addendum. The interpretation of this Addendum shall be made under the laws of the state of West Virginia.

g. **Amendment.** The parties agree that to the extent necessary to comply with applicable law they will agree to further amend this Addendum.

h. **Additional Terms and Conditions.** Additional discretionary terms may be included in the release order or change order process.

AGREED:

Name of Agency: DHHR

Signature: [signature]

Title: Proc. Sp. Sr.

Date: 12-18-23

Name of Associate: Alicia Paladino

Signature: [signature]

Title: Chief Executive Officer

Date: 12/15/2023

Form - WVBAA-012004
Amended 08.26.2013

APPROVED AS TO FORM THIS 26th
DAY OF Jan 20 11
Patrick Morrisey
Attorney General
BY

Appendix A

(To be completed by the Agency's Procurement Officer prior to the execution of the Addendum, and shall be made a part of the Addendum. PHI not identified prior to execution of the Addendum may only be added by amending Appendix A and the Addendum, via Change Order.)

Name of Associate: ______________________________

Name of Agency: DHHR/BMS

Describe the PHI (do not include any actual PHI). If not applicable, please indicate the same.

Member & Provider profiles & demographics.

Example:

Proposal 1 Cost is $1,000,000
Proposal 2 Cost is $1,100,000
Points Allocated to Cost Proposal is 300

Proposal 1: Step 1 – $1,000,000 / $1,000,000 = Cost Score Percentage of 1 (100%)
Step 2 – 1 X 300 = Total Cost Score of 300

Proposal 2: Step 1– $1,000,000 / $1,100,000 = Cost Score Percentage of 0.909091 (90.9091%)
Step 2 – 0.909091 X 300 = Total Cost Score of 272.7273

6.8. Availability of Information: Proposal submissions become public and are available for review immediately after opening pursuant to West Virginia Code §5A-3-11(h). All other information associated with the RFP, including but not limited to, technical scores and reasons for disqualification, will not be available until after the contract has been awarded pursuant to West Virginia Code of State Rules §148-1-6.3.d.

By signing below, I certify that I have reviewed this Request for Proposal in its entirety; understand the requirements, terms and conditions, and other information contained herein; that I am submitting this proposal for review and consideration; that I am authorized by the bidder to execute this bid or any documents related thereto on bidder's behalf; that I am authorized to bind the bidder in a contractual relationship; and that, to the best of my knowledge, the bidder has properly registered with any State agency that may require registration.

PALCO, INC
(Company)

Alicia Paladino, CEO
(Representative Name, Title)

501.604.9936/501.821.0045
(Contact Phone/Fax Number)

6/1/2023
(Date)

Fiscal/Employer Agency Support to Self-Direction Members

Appendix A: Service Level Agreements (SLAs)

Because performance failures by the Vendor may cause the Agency to incur additional administrative costs, the Agency may assess service level agreement penalties against the Vendor pursuant to this section and deduct the amount of the penalties from any payments due the Vendor. Unless specified otherwise, the Agency may give written notice to the Vendor of the failure that might result in the assessment of penalties and the proposed amount of the penalties. The Vendor shall have thirty (30) calendar days from the date of the notice in which to dispute The Agency's determination.

Reference Section	Requirement	Penalty
Full Contract	Full Contract	Failure to provide any deliverable under this procurement within the defined timeframes, unless an extension is mutually agreed upon between parties, shall result in a $1,000.00 per day service level agreement deduction/penalty until the satisfactory fulfillment of the deliverable.

Attachment A: Cost Sheet

Base Contract Year 1 (Mandatory Services)		Price	
Start-up Cost (3 Months)	[redacted]		$0.00
Fiscal Agent Support (9 Months)		$70.00	
Fiscal Agency Support for ADW Community Transition Services (9 Months)		$70.00	
Fiscal Management Services for Processing TBIW Community Transition Services (9 Months)		$70.00	
*Ad Hoc Reporting (All-Inclusive Hourly Rate X 10 Hours) (9 Months)		$100.00	
*Additional Services (All-Inclusive Hourly Rate X 20 Hours) (9 Months)		$100.00	

Base Contract Year 1 (Optional Services)		Price	
Resource Consulting (Waivers/TMH) (9 Months)		$95.00	
Personal Care Fiscal Agent Support (9 Months)		$70.00	
Personal Care Resource Consulting (9 Months)		$95.00	

Base Contract Optional Renewal Year 1 (Mandatory Services)		Price	
Fiscal Agent Support		$70.00	
Fiscal Agency Support for ADW Community Transition Services		$70.00	
Fiscal Management Services for Processing TBIW Community Transition Services		$70.00	
*Add Hoc Reporting (All-Inclusive Hourly Rate X 10 Hours)		$100.00	
*Additional Services (All-Inclusive Hourly Rate X 20 Hours)		$100.00	

Base Contract Optional Renewal Year 1 (Optional Services)		Price	
Resource Consulting (Waivers/TMH)		$95.00	
Personal Care Fiscal Agent Support		$70.00	
Personal Care Resource Consulting		$95.00	

Base Contract Optional Renewal Year 2 (Mandatory Services)		Price	
Fiscal Agent Support		$70.00	
Fiscal Agency Support for ADW Community Transition Services		$70.00	
Fiscal Management Services for Processing TBIW Community Transition Services		$70.00	
*Add Hoc Reporting (All-Inclusive Hourly Rate X 10 Hours)		$100.00	
*Additional Services (All-Inclusive Hourly Rate X 20 Hours)		$100.00	

Base Contract Optional Renewal Year 2 (Optional Services)		Price	
Resource Consulting (Waivers/TMH)		$95.00	
Personal Care Fiscal Agent Support		$70.00	
Personal Care Resource Consulting		$95.00	

Base Contract Optional Renewal Year 3 (Mandatory Services)		Price	
Fiscal Agent Support		$70.00	
Fiscal Agency Support for ADW Community Transition Services		$70.00	
Fiscal Management Services for Processing TBIW Community Transition Services		$70.00	
Add Hoc Reporting (All-Inclusive Hourly Rate X 10 Hours)		$100.00	
Additional Services (All-Inclusive Hourly Rate X 20 Hours)		$100.00	

Base Contract Optional Renewal Year 3 (Optional Services)		Price	
Resource Consulting (Waivers/TMH)		$95.00	
Personal Care Fiscal Agent Support		$70.00	
Personal Care Resource Consulting		$95.00	

Base Contract Optional Renewal Year 4 (Mandatory Services)		Price	
Fiscal Agent Support		$70.00	
Fiscal Agency Support for ADW Community Transition Services		$70.00	
Fiscal Management Services for Processing TBIW Community Transition Services		$70.00	

*Add Hoc Reporting (All-Inclusive Hourly Rate X 10 Hours)		$100.00	
*Additional Services (All-Inclusive Hourly Rate X 20 Hours)		$100.00	

Base Contract Optional Renewal Year 4 (Optional Services)		Price	
Resource Consulting (Waivers/TMH)		$95.00	
Personal Care Fiscal Agent Support		$70.00	
Personal Care Resource Consulting		$95.00	

Base Contract Optional Renewal Year 5 (Mandatory Services)		Price	
Fiscal Agent Support		$70.00	
Fiscal Agency Support for ADW Community Transition Services		$70.00	
Fiscal Management Services for Processing TBIW Community Transition Services.		$70.00	
*Add Hoc Reporting (All-Inclusive Hourly Rate X 10 Hours)		$100.00	
*Additional Services (All-Inclusive Hourly Rate X 20 Hours)		$100.00	

Base Contract Optional Renewal Year 5 (Optional Services)		Price	
Resource Consulting (Waivers/TMH)		$95.00	
Personal Care Fiscal Agent Support		$70.00	
Personal Care Resource Consulting		$95.00	

***All-Inclusive Hourly Rate for Additional Services and Ad hoc Reporting:**

The Bureau and Vendor will jointly determine a 'not-to-exceed' number of hours, time frame, and staff for each Additional Service and/or Ad hoc report. The Vendor must agree to provide a Statement of Work (SOW) and estimation of effort and receive Bureau approval of the actual 'not-to-exceed' hours, time frame, and staff prior to work beginning.

Notes:

1.) *The estimated monthly participants are for cost bid evaluation purposes only. Actual utilization may be more or less.

2.) The vendor will invoice monthly in arrears at the PMPM rate for the number of participants served in the previous month.

3.) The Ad hoc reporting section will cover special reports requested by BMS that are not covered as part of the original contract.

4.) The additional services section will cover services for externally driven changes and requirements including any state or federal laws, rules and regulations that would result in BMS policy changes.

5.) The Vendors Total will include all general and administrative staffing (secretarial, clerical, etc.), travel, supplies and other resource costs necessary to perform all services within the scope of this procurement.

6.) Vendor must receive an approved delivery order before beginning any work for additional services and the ad hoc reporting.

7.) The cost bid will be evaluated on the Estimated Total Cost for all services for the six (6) year period.

8.) The additional services section will be calculated by multiplying the hourly rate by twenty (20) hours.

9.) The ad hoc reporting section will be calculated by multiplying the hourly rate by ten (10) hours.

10.) Grand Total Contract Price for six (6) years is calculated by adding the total mandatory and optional services amounts for each of the six (6) contract years.

11.) Ad hoc reporting will be invoiced upon hours used in previous month.

12.) Additional services will be invoiced monthly based on hours used in previous month.

13.) Vendor will be ineligible to invoice for operations while start-up is ongoing.

Palco, Inc.
(Company)

Alicia Paladino, Chief Executive Officer
(Representative Name, Title)

501.604.9936 ext. 1205
(Contact Phone/Fax Number)

Signature

6/1/2023
(Date)