The scope of the project includes all required software and hardware, integration services, implementation services, and maintenance and operations of the solution. This SOW lists the functional and technical requirements for the solution, divided into the following sections:

1. Electronic Verification of Qualifying Life Events
2. User access
3. Reports and Data Extracts
4. Implementation
5. Training
6. Maintenance and Operations
7. Project Management
8. Project Staffing
9. Deliverables
10. Technical Requirements

Requirement types are denoted as:

* Mandatory (M): The requirement is included in the scope of the base contract and must be performed by the Contractor.
* Optional (O): Covered California and Contractor may mutually agree to implement this functionality pursuant to the costs as set forth in Contractor's original proposal. Covered California and Contractor may mutually agree upon implementation deadlines that shall not affect the implementation of any Mandatory requirements.

# Electronic Verification of Qualifying Life Events

This section presents the requirements related to electronically verifying qualifying life events (QLEs).

| **#** | **Requirement 1 Electronic Verification of Qualifying Life Events** | **Type** |
| --- | --- | --- |
|  | The solution shall electronically verify, with no manual intervention, insurance coverage within XX days prior to the plan selection date. XX is a number configurable by Covered California.Transaction Volumes: For the QLE loss of insurance coverage, Covered California estimates the transaction volume for the 2018 SEP will be 103,200 or more and will remain steady or increase slightly each year. | M |
|  | The solution shall electronically verify, with no manual intervention, the reason for health coverage termination (e.g., lack of payment, moved out of coverage area, no longer employed at company offering insurance, etc.). | O |
|  | The solution shall electronically verify, with no manual intervention, that the applicant permanently moved within California or to California from another state within XX days prior to the plan selection date. XX is a number configurable by Covered California.Transaction Volumes: For the QLE permanent move within or to California, Covered California estimates the transaction volume for the 2018 SEP will be 15,000 and will remain steady or increase slightly each year. | O |
|  | The solution shall interface with the California Healthcare Eligibility, Enrollment and Retention System (CalHEERS) to receive data required to conduct the electronic verifications, and return to CalHEERS all, or a sub-set, of information related to the results of the verifications. Note: The CalHEERS interface is defined using WSDL that can be invoked in real-time using SOAP over HTTPS. Regarding integration with CALHEERS, key target dates include:* Solution requirements and design confirmed no later than **November 30, 2017**.
* Integration planning completed no later than **February 28, 2018**.
* Integration testing start no later than **March 1, 2018**.
* User Acceptance Testing (UAT) start no later than **April 23, 2018**.
* Live solution production no later than **June 1, 2018**.
 | M |
|  | For each verification transaction, the solution shall store, for the term of the contract plus 10 years, all the data used to initiate the transaction, and all the data received from the verification process. | M |
|  | All data stored within the solution related to verification of QLEs for consumers, using CALHEERS for eligibility and enrollment shall be owned by Covered California, and the solution shall allow Covered California to access and download the data through an automated process. | M |
|  | The solution shall interface with insurance carriers and other data sources to be identified by the Contractor, in order to provide and receive the data needed to perform the required verifications. | M |
|  | The Contractor is responsible for establishing and maintaining all interfaces and data sharing agreements with the insurance carriers and other data sources per the Contractor’s proposed approach. | M |

# User Access

This section of requirements relates to User Access. In these requirements, User is defined as a State staff member who is accessing the solution.

| **#** | **Requirement 2 User Access** | **Type** |
| --- | --- | --- |
|  | Contractor shall provide Covered California staff access to the system for the purposes of:1. System administration and performance monitoring.
2. Accessing data.
3. Accessing reports and data extracts.
4. Conducting quality assurance and system / data / transactional audits.
 | M |

# Reports and Data Extracts

This section presents information on the reporting capabilities required by Covered California.

| **#** | **Requirement 3 Reports and Data Extracts** | **Type** |
| --- | --- | --- |
|  | The Contractor shall create customized reports and data extracts that support:1. Performance tracking and monitoring.
2. Auditing / quality assurance / information access.
3. Transaction history by various criteria (e.g., consumer, insurance carrier, date ranges, verification status, other).
4. Transactions in process by various criteria (e.g., consumer, insurance carrier, date ranges, verification status, other).
5. Covered California downloading data so that Covered California can self-generate additional reports.

Covered California shall own all customized reports and data extracts that are produced pursuant to this Agreement. | M |

# Implementation

This section contains requirements related to implementation of the solution.

| **#** | **Requirement 4 Implementation** | **Type** |
| --- | --- | --- |
|  | The Contractor shall conduct implementation activities including but not limited to:1. Conduct an implementation kickoff meeting.
2. Plan and provide solution training and identify participants.
3. Identify and create system users and capture information needed to create user accounts for Covered California system administrators and those accessing data and reports.
4. Identify need for and install solution hardware and software.
5. Establish connectivity with necessary insurance carriers, vendors and systems.
6. Design, develop and test the interface with CalHEERS, and all other required interfaces.
7. User acceptance testing.
8. Monitor and report progress on all implementation activities.
9. Prepare and submit all associated deliverables.
10. Provide all required staff to conduct the implementation.
11. Prepare implementation materials (such as PowerPoint presentations, reference materials, user guides, etc.) to support implementation of the solution.
 | M |
|  | The Contractor shall conduct an implementation readiness review with a go/no-go decision with Covered California at least one (1) month before go live to the new solution. | M |
|  | The Contractor shall provide post go live support that includes troubleshooting, defect resolution, training as required, and other services. | M |

# Training

This section presents requirements related to training of State users.

| **#** | **Requirement 5 Training** | **Type** |
| --- | --- | --- |
|  | The Contractor shall prepare and conduct training for Covered California system administrators and those accessing data and reports. | M |
|  | The Contractor shall provide training:1. No less than 30 days prior to implementation of any phase.
2. At Covered California or via tele-meeting.
3. Between the hours of 9:00am to 4:00pm Pacific Time.
4. Using hardware, software, other equipment and materials provided by the Contractor.
 | M |
|  | The Contractor shall provide hard copies and electronic copies of all training materials to Covered California. Covered California shall own all hard and electronic copies of training materials provided by Contractor. | M |
|  | The Contractor shall update all training materials when a system change or upgrade is released. | M |

# Maintenance and Operations

This section presents requirements related to the ongoing operation and support of the solution.

| **#** | **Requirement 6 Maintenance and Operations** | **Type** |
| --- | --- | --- |
|  | The Contractor shall begin ongoing maintenance and operations upon placing the solution in the production environment and continue through the end of the contract term. | M |
|  | During the maintenance and operations period, including the initial term of the contract and any option years exercised by Covered California, the solution will adhere to the following service level agreements:1. The solution shall process the automated verification request, with no manual intervention, in real-time in less than 10 seconds of hitting the “enter” key, 99 percent of the time.
2. The solution functionality of performing electronic verifications shall be available 24 hours a day, 7 days per week other than approved routine and scheduled maintenance. An eventual contract with the selected Contractor will include a specific service level agreement including a minimum uptime percentage.
 | M |
|  | The Contractor shall ensure that all stored system data is current and made available to Covered California upon request. | M |

# Project Management

This section presents requirements related to the Contractor’s project management responsibilities throughout the life of the contract.

| **#** | **Requirement 7 Project Management** | **Type** |
| --- | --- | --- |
|  | The Contractor shall manage the project in accordance with the project management standards Contractor has identified for this engagement and as described in its Project Management Plan. | M |
|  | Contractor shall prepare and submit a weekly status report describing the week’s activities no later than Tuesday of the following week. Covered California shall own all status reports provided by Contractor pursuant to this Agreement. | M |
|  | The Contractor shall prepare and submit a monthly status report due no later than the tenth (10th) of the following month that tracks the Project Workplan task achievement and includes updates to the Project Workplan. | M |
|  | The Contractor shall participate in all formal and recurring project meetings or as requested by Covered California Project Director.  | M |
|  | The Contractor shall attend formal project meetings onsite in Sacramento, California or, with prior State Project Director approval, via teleconference or videoconference.  | M |
|  | The Contractor shall develop and deliver project-related presentations to Exchange executives and other State and federal stakeholders as requested by Covered California Project Director. | M |
|  | The Contractor shall use an Exchange-designated project repository to store, organize, and collaborate on project information documents and work products for the duration of the contract. | M |

# Project Staffing

This section presents requirements related to the project team required and the minimum qualifications for each position.

| **#** | **Requirement 8 Project Staffing** | **Type** |
| --- | --- | --- |
|  | The Contractor shall provide the following key staff:1. Project Manager.
2. Technical Lead.
3. Lead Business Analyst.
4. Insurance Carrier / Data Clearinghouse Liaison.
 | M |
|  | The Contractor’s Project Manager shall have the authority to bind the Contractor’s company contractually. | M |
|  | The Contractor’s key staff shall be available to Covered California during regular business hours, Monday through Friday from 8:00 a.m. to 5:00 p.m. Pacific Time. | M |
|  | The Contractor’s key staff shall complete and submit the Statement of Economic Interests (Form 700) annually to the Covered California Project Director or designee. | M |
|  | The Contractor’s key staff shall complete the State’s online Ethics Training Course, for State officials, at <http://oag.ca.gov/ethics> and submit the certificate of completion to the Covered California Project Director or designee every two years. | M |
|  | The Project Manager shall have at least five years of experience as the lead project manager on information technology system integration projects with automated interfaces to and from multiple data sources and one-time design, development and implementation costs of at least $1 million. | M |
|  | The Technical Lead shall have at least three years of experience designing, developing and implementing an electronic verification system of consumer data including automated interfaces to and from multiple data sources, preferably related to health care information. | M |
|  | The Lead Business Analyst shall have at least three years of experience gathering and documenting functional requirements, including for system interfaces, and communicating business requirements to technical staff. | M |
|  | The Insurance Carrier / Data Clearinghouse Liaison shall have at least two years of experience establishing and maintaining data sharing agreements for the purpose of exchanging and/or verifying consumer data, preferably related to health care information. | M |

# Deliverables

This section presents requirements on the Deliverables that shall be submitted and maintained during the project. Covered California shall own all Deliverables provided by Contractor under this Section.

| **#** | **Requirement 9 Deliverables** | **Type** |
| --- | --- | --- |
|  | The Contractor shall prepare and submit the following deliverables:1. Project Management Plan and Final Project Workplan.
2. Requirements Validation and Traceability Document.
3. System Design Document.
4. Interface Management Plan.
5. Implementation Plan.
6. Training Plan.
7. Test Plan.
8. System Security Plan.
9. Annual Self-Security Assessment.
10. Maintenance and Operations Plan.
11. Business Continuity and Disaster Recovery Plan.
12. Project Close-out Plan.
 | M |
|  | The Contractor shall prepare and submit a Deliverable Expectation Document (DED) that outlines and explains the intended content for each deliverable. At a minimum, the DED shall include:1. Deliverable Purpose.
2. Deliverable Table of Contents.
3. Section Detail – A brief summary of the content to be included in each of the major sections of the deliverable.
4. Deliverable acceptance criteria, including adherence to the approved DED for each deliverable.
 | M |
|  | The Contractor shall submit the DED and deliverable in accordance with the dates specified in the Contractor’s Final Project Workplan. | M |
|  | The Contractor shall prepare and submit each deliverable in accordance with the approved DED. | M |
|  | The Contractor will conduct detailed requirements structured walkthroughs to sustain quality and to obtain Covered California understanding and approval of each deliverable. | M |
|  | The Project Management Plan shall be developed consistent with the Contractor’s stated standard for project management.The Project Management Plan and Final Project Workplan shall be due within 30 calendar days of contract initiation. | M |
|  | The Requirements Validation and Traceability Document shall present all business and technical requirements identified during the requirements validation process, and ensure any approved changes to requirements are documented and that each requirement is tested.The Requirements Validation and Traceability Document shall be due per the date in the approved Final Project Workplan. | M |
|  | The System Design Document shall describe:1. Business and technical requirements / specifications.
2. Business rules.
3. Solution architecture.
4. User Interface.
5. Reports and Data Extracts.
6. Interfaces.
7. Data requirements and flow (including data required to conduct the verifications and data returned by the automated verification process).
8. Security features.
9. Other design features.

The System Design shall be due per the date in the approved Final Project Workplan. | M |
|  | The System Design Document shall be updated whenever there is a change to the solution. | M |
|  | The Interface Management Plan shall identify all system key interfaces and describe the approach to securing, developing, testing and maintaining the interfaces throughout the term of the contract.The Interface Management Plan shall be due per the date in the approved Final Project Workplan. | M |
|  | The Implementation Plan shall describe how the Contractor will implement the solution including:1. Interfaces.
2. Testing.
3. Training.
4. System security and establishing access.
5. Implementation timeframes and checkpoints.
6. Post-implementation support.

The Implementation Plan shall be due per the date in the approved Final Project Workplan and no later than 60 calendar days prior to the solution being placed in the production environment. | M |
|  | The Training Plan shall describe how the Contractor will provide training to Covered California staff including:1. Training approach / methods.
2. Timing and schedule.
3. Facility and equipment needs.
4. Training materials and samples.

The Training Plan shall be due per the date in the approved Final Project Workplan and no later than 60 calendar days prior to the delivery of training. | M |
|  | The Test Plan shall describe how the project will perform each stage of testing throughout the project including:1. Testing phases including overview, purpose, scope, activities, and entry and exit criteria for each phase.
2. Testing phases with hardware, software and staffing requirements for each phase.
3. Interface testing from the vendor solution to:
4. Insurance carriers and other data sources; and
5. CALHEERS.
6. Timeframes for each phase of testing.
7. Test environments used.
8. Process to record and report discrepancies and problems encountered across the various testing phases and steps involved in their resolution.

The Test Plan shall be due per the date in the approved Final Project Workplan and no later than 60 calendar days prior to the first phase of testing. | M |
|  | The Contractor must provide a System Security Plan (SSP) describing how the Contractor will implement the security and privacy controls described in the current version of the Minimum Acceptable Risk Standards for Exchanges (MARS-E). The SSP is due for review by the Covered California Information Security Office no later than 45 days prior to the solution being placed in the production environment. The SSP is a confidential document, contact the Information Security Office for delivery preferences at informationsecurity@covered.ca.gov. | M |
|  | The System Security Plan must be updated at a minimum every three (3) years, to address current conditions and/or whenever:1. There are significant changes to the information system/environment of operation that affect security.
2. Problems are identified during plan implementation or security control assessments.
3. When the data sensitivity level increases.
4. After a serious security violation due to changes in the threat environment.
5. There are changes based on the annual self-security assessment outlined below.
 | M |
|  | Contractor must perform an Annual Self-Security Assessment on a third of the MARS-E controls, covering all controls over a three year period. | M |
|  | The Maintenance and Operations Plan shall describe:1. How the solution software and hardware will be maintained.
2. Problem and defect management.
3. Help desk support.
4. Configuration and release management.
5. Ongoing staffing.
6. Ongoing project management.
7. Ongoing system documentation and deliverable management.

The Maintenance and Operations Plan shall be due per the date in the approved Final Project Workplan and no later than 45 calendar days prior to the solution being placed in the production environment. | M |
|  | The Maintenance and Operations Plan shall be updated annually. | M |
|  | The Business Continuity and Disaster Recovery Plan shall describe the Contractor's strategies and procedures including system redundancies and backup, disaster recovery, and other business continuity activities.The Business Continuity and Disaster Recovery Plan shall be due per the date in the approved Final Project Workplan and no later than 45 calendar days prior to the solution being placed in the production environment. | M |
|  | The Project Close-out Plan will document any open issues and recommended next steps, and ensure the process takes place to provide Covered California all final updated deliverable / system documentation and an extract of all stored data throughout the term of the project, prior to the contract end date.The Project Close-out Plan shall be due per the date in the approved Final Project Workplan and no later than 14 calendar days prior to the contract end date. | M |

# Technical Requirements

This section presents the technical requirements related to the solution.

| **#** | **Requirement 10 Technical Requirements** | **Type** |
| --- | --- | --- |
|  | The solution shall be hosted by the Contractor in a location that adheres to all other requirements, including security requirements. The Contractor will be responsible for implementing and maintaining all technical infrastructure, hardware, operating system software, solution application software, and any third-party software and licensing required to successfully operate the solution throughout the full term of the contract. Outsourcing of the information system to services outside the continental U.S. is prohibited. | M |
|  | The Contractor shall perform all necessary technical design, programming, development, documentation, testing, and scripting of application modules, interfaces and security as required to develop and implement the design plans and specifications. | M |
|  | The Contractor shall notify Covered California of any publicly available open source or third-party software to be used as a component of the solution, and of any legal or financial associations of Contractor with the company that owns the software. | M |
|  | The Contractor shall procure and manage the licenses for all third-party software components throughout the term of the Contract. | M |
|  | The Contractor shall notify Covered California if there is no commercially available maintenance support for any third-party software component.  | M |
|  | The solution shall provide real-time access to system job and maintenance schedules, submission and processing statistics, and system performance tools for authorized users. | M |
|  | The Contractor shall provide the solution environments including:1. Development.
2. Test.
3. User Acceptance Test (UAT).
4. Training.
5. Production.
6. Disaster Recovery.
 | M |
|  | The Contractor shall have the Disaster Recovery environment up and running within 24 hours of the solution being down.  | M |
|  | The Development, Test, Production, and Disaster Recovery solution environments that are provided and managed by the Contractor shall comply with the most current version of MARS-E security controls. | M |
|  | The Contractor shall provide physical security measures that are in accordance with applicable federal and state laws as well as the most current version of MARS-E for all equipment sites, processing and operations areas, and secured storage areas for the facilities that are provided and managed by the Contractor. | M |
|  | The solution shall comply with the following standards:1. NIST SP 800-64, Security Considerations in the System Development Life Cycle.
2. FIPS 140-2.
3. MARS-E (current version).
4. FISMA.
5. FedRAMP.
 | M |
|  | PII within Contractor’s custody or control shall at all times be subject to Exchange privacy standards related to the collection, use, disclosure and retention of PII provided by consumers for eligibility and enrollment purposes. Specifically, Contractor shall only collect, use, disclose and retain any such PII to the extent needed to perform the obligations arising under its contract with the Exchange and in accordance with applicable privacy standards established and implemented by the Exchange in accordance with 45 CFR §145.260(a). | M |
|  | In accordance with 45 CFR §145.260(b), Contractor shall execute and enter into an agreement wherein Contractor agrees to abide by Exchange privacy and security standards. | M |
|  | Contractor shall ensure that any and all sub-contractors used by Contractor shall execute and enter into an agreement wherein they contractually agree to abide by the same privacy and security standards contractually agreed to between Contractor and the Exchange. | M |
|  | Contractor will ensure that Contractor’s employees or subcontractors who are given access or potential access to consumer PII shall undergo privacy training which, at a minimum, shall encompass the types and permissible uses of PII, the requirements associated with the disclosure and use of PII and the legal consequences of unauthorized PII disclosure or usage. Contractor shall provide the Exchange with certification that its employees and, if applicable, sub-contractors have undergone such privacy training upon request. | M |
|  | Contractor shall fully comply with the requirements imposed under CA Government Code §1043, and its implementing regulations set forth within the California Code of Regulations, Title 10, Section 6456, which collectively require that contractors and sub-contractors be fingerprinted and undergo criminal background checks before accessing PII. | M |
|  | Contractor shall abide by the operational, administrative, physical and technical safeguards established and implemented by the Covered California Information Security Office to ensure the confidentiality, integrity and availability of consumer PII. | M |
|  | Contractor shall provide the Covered California Privacy Office with access to or copies of any records, including but not limited to electronic records, containing consumer PII within Contractor’s custody or control and needed to ensure compliance with the Covered California Consumer Privacy Policy accessible at [www.covered.ca.gov/privacy](http://www.covered.ca.gov/privacy). | M |
|  | Contractor shall immediately report any actual or suspected Privacy Incidents to the Privacy Office and shall cooperate in good faith with the Privacy Office in any required investigations, reports or remedial measures. | M |
|  | The Contractor shall design, manage, and monitor the capacity of the solution in order to process the estimated transaction volumes identified in this RFP. | M |
|  | The Contractor shall conduct capacity management of the solution by measuring the system performance, growth, and projected increase of use through the term of the contract. | M |
|  | The solution shall provide a message if a request is being processed and takes longer than ten (10) seconds for the requests submitted. | M |
|  | The Contractor shall perform required system maintenance at a time agreed to by Covered California.  | M |
|  | The Contractor shall provide a Tier 2 Help Desk that is available to accept calls from a Covered California representative between the hours of 8:00 AM and 6:00 PM Monday through Friday Pacific time. | M |
|  | When changes are made to the System, the Contractor shall perform the following testing activities using an internal test environment:1. Unit and Interface testing – Testing of small groups of modules that are functionally related.
2. Interface testing – Testing of each impacted System Interface using State-approved test scripts.
3. System testing – Testing of major System functional areas and workflows directly affected by the change using basic business Cases, simulated data, and State-approved test scripts.
4. Regression testing – Testing of all functional areas and workflows using standardized scripts.
5. Performance testing – Testing to ensure compliance with transaction volume and response time requirements.
 | M |
|  | The Contractor shall demonstrate all requirements are met by tested components of the Solution. | M |
|  | The Contractor shall provide shared and appropriate access to a mutually agreed upon defect tracking system for the purposes of allowing users to initiate, track, and report on Solution defects.  | M |
|  | The Contractor shall correct defects found and documented during testing. | M |
|  | For each release, Contractor shall provide system release notes that describe the release contents and any impact to system security. | M |
|  | For major releases, Contractor shall facilitate a production release walkthrough that provides an overview of the release contents, schedule, impact to Project resources, training, documentation, system security, and requirements traceability updates. | M |
|  | The Contractor shall facilitate and document interface joint application design sessions with interface partners. | M |