

# Appendix B: Service Level Agreements (SLAs)

Each service level agreement (SLA) presented in this attachment established the performance standards expected by the State in a particular area. SLAs found in this attachment are:

1. Provider Enrollment, Licensing, and Relations
2. Claims Adjudication
3. Customer Service Support
4. Training
5. Reporting

Failure to achieve any performance standard may, at the discretion of the State, result in financial offsets applied to the monthly operating fee in which the infraction occurred.

### Monthly Reporting

The offeror is wholly responsible for monitoring performance against the SLAs within this RFP. This report is due on the 10<sup>th</sup> day of each month, and must provide Monthly Reporting for the prior month's performance. The offeror must make available all report and/or data used in the determination of SLA compliance and the calculation of performance. If necessary, the offeror may provide additional explanation around performance for the State's review and consideration. The offeror must submit a Corrective Action Plan to the State for review and approval for any performance standard missed for two consecutive months. Corrective Action Plans must be submitted within ten (10) business days of the missed SLA.

1. Service Level Agreement: Retention of Staff	
<p>The offeror is expected to provide a competent, stable, and consistent workforce. Significant staff turnover negatively affects quality and performance of work responsibilities.</p> <p>The offeror is to ensure that their total employee retention meets the following performance standard:</p>	
Performance Standard	Offset
<p>(Staff Management) The offeror shall take appropriate measures to ensure that the twelve month average rolling staff retention rate is greater than or equal to 85%.</p> <p>An initial assessment of staff retention will be made based on the staff retention rate for the first six (6) months of Phase III. This standard will be reassessed monthly for the next six months of Phase III.</p> <p>Starting in month 13 of Phase III, the staff retention rate measurement will be based on the previous rolling 12 months of operation.</p> <p>Retention rates shall be calculated as follows: (Total number of staff at the start of the period - Total number of staff separations during the period for any cause)/(Total number of staff at the start of the period). Final retention rate will be rounded to the nearest whole percentage point.</p> <p>Example: Period length 12 months, 130 staff members at the start of the period being measured.</p>	<p>1% reduction of the monthly operating fee each month</p> <p>An additional 1% reduction of the monthly operating fee will apply every month for each 5% increment lower than 80%</p> <p><b>Offset Tiers:</b></p> <p>85%-100% = no offset</p> <p>80%-84% = 1%</p> <p>75%-79% = 2%</p> <p>0%-74% = 3%</p>

4 employees leave month 3, 3 employees month 5, 6 employees in month 10. The total number of employees who departed for the period is 13.  The retention rate for the period would be (130-13)/130 or 90%. No offset would be applied.	etc.
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## 2. Service Level Agreement: Provider Enrollment, Licensing, and Relations

The offeror is to provide provider enrollment and relations support, including sufficient staff to perform all provider enrollment duties, as defined in this RFP.

The offeror is to ensure provider enrollment support meets the following performance standards:

Performance Standard	Offset
(Provider Enrollment) The offeror must send 95% of enrollment application packets to provider within two (2) business days of receipt of request by provider (regardless of media of request - paper, phone, electronic).	0.5% reduction of the monthly operating fee
(Provider Enrollment) Screen and review 95% of enrollment applications for accuracy, validity, and completeness within two (2) business days of receipt from provider.	0.5% reduction of the monthly operating fee
(Provider Enrollment) Contact 99% of providers within two (2) business days of receipt of incomplete enrollment application identifying and requesting the additional information required.	0.5% reduction of the monthly operating fee
(Provider Enrollment) Process 95% of complete (clean) provider enrollment applications, including all entry of information, within five (5) business days of receipt (regardless of media of application).	0.5% reduction of the monthly operating fee
(Provider Enrollment) Provide formal approval or denial notification to 99% of providers within two (2) business days of completing the application processing.	0.5% reduction of the monthly operating fee
(Provider Enrollment) Re-enroll all Providers every three (3) years for DME and all others every five (5) years.	1% reduction of the monthly operating fee (for every month re-enrollment is not completed, as a result of the offeror's non-performance)
(Provider Licensing) Validate the licensing update process within two (2) business days of application of the update transmission.	0.5% reduction of the monthly operating fee
(Provider Relations) Print and mail newsletters, bulletins, inserts or other special mailings to 95% of providers within five (5) calendar days of written approval by the State, or upon a scheduled approved by the State.	0.5% reduction of the monthly operating fee
(Provider Relations) Publish remittance advice messages within one (1) payment cycle from the date of HCS approval of the message.	0.5% reduction of the monthly operating fee
Notify the State within 24 hours of any significant failure (or factor that may otherwise signal impending failure) to properly carry out the business and other required functions contained within this Provider Enrollment, Licensing, and Relations section.	1% reduction of the monthly operating fee

## 3. Service Level Agreement: Claims Adjudication

An adjudicated claim is defined as a claim that requires no further adjudication or a claim suspended from adjudication processing due to error condition/s, including those errors resulting from issues outside of the claims processing system. The calculation for claims adjudication metrics is to be based upon monthly claims volume within each measure, unless otherwise noted.

The offeror is to ensure claims adjudication meets the following performance standards:

Performance Standard	Offset
(Paper Claims) Adjudicate 90% of all clean paper claims for payment or denial within five (5) business days of receipt, where clean claim is defined as a claim that is properly completed and contains all required data elements necessary for processing. Paper claims are those claims submitted in hard copy.	0.5% reduction of the monthly operating fee
(Suspended Claims) Finalize 95% of all suspended claims and submit to Accounts Payable for payment processing within fifteen (15) days of receipt. Suspended (or “pending”) claim is defined as a claim suspended from adjudication processing due to a review requirement or error condition/s, including those errors resulting from issues outside of the offeror’s claims processing system. A claim is not to be submitted for payment processing until all reviews are complete and error conditions have been resolved.	0.5% reduction of the monthly operating fee
(Provider Initiated Adjustments) Adjudicate 100% of all clean provider-initiated adjustment requests within ten (10) days of receipt.	0.25% reduction of the monthly operating fee

#### 4. Service Level Agreement: Customer Service Support

The offeror is to provide customer service support, where customers are to be defined as Providers, Members, the State, and other system users. The offeror is to maintain sufficient staff and systems to manage, track and report on all customer service channels, including telephone, IVR, web portal, email, and mail. Customer service support must be available twenty-three (23) hours a day, seven (7) days a week.

The offeror is to ensure customer service support meets the following performance standards:

Performance Standard	Offset
(Average Speed for Connection) Connection with the IVR system is established within three (3) rings at least ninety-five percent (95%) of the time.	0.25% reduction of the monthly operating fee
(On Hold Time) Calls are successfully transferred to live assistance at the customer service call center in less than one-hundred-twenty (120) seconds of the request to transfer (excluding speed of answer).	0.25% reduction of the monthly operating fee
(Ring Busy) No more than 5% of incoming call are to ring busy.	0.25% reduction of the monthly operating fee
Make updates to all recorded messages/prompts/responses within two (2) business days of receiving a request from the department, unless otherwise directed by the department.	0.5% reduction of the monthly operating fee
(Provider Phone Responses) Respond to 100% of verbal (telephone) Provider inquiries within one (1) business day of receipt.	0.5% reduction of the monthly operating fee
(Provider Written Responses) Respond to at least 95% of Provider correspondence within five (5) business day of receipt.	0.5% reduction of the monthly operating fee

(Remittance Advice Timeliness) Post 100% of remittance advice (RA) concerning paid and denied claims on the web portal within one (1) business day of completion of the payment cycle.	1% reduction of the monthly operating fee
(Tracking) 100% of customer service communications must be documented in a User Support Log (in compliance with the State's retention policies).	1% reduction of the monthly operating fee
Notify the department within 24 hours of any significant failure (or factor that may otherwise signal impending failure) to properly carry out the business and other required functions contained within this IVR section.	1% reduction of the monthly operating fee

### 5. Service Level Agreement: Training

The offeror is to provide training as defined in this RFP. The offeror is not required to provide in-person training in Alaska; however, all trainings must be provided by live persons. The offeror is responsible for developing, maintaining, and improving operational and training materials/manuals based on the most current version of the software/solution.

The offeror must ensure training support meets the following performance standards:

Performance Standard	Offset
The Annual Training Plan for the following year must be presented to the State by the close of business on the second Friday of December; this plan is subject to HCS approval. The Annual Training Plan must be approved by HCS by January 15 of each calendar year of the contract.	0.5% reduction of the monthly operating fee
Training must be available on-line, on-demand, and through webinars presented by live persons. Web-based will be updated quarterly and align to updates of the training manuals/materials.	0.25% reduction of the monthly operating fee
The offeror must update all training manuals/ materials quarterly to ensure all training is based on the most current solution.	0.25% reduction of the monthly operating fee

### 6. Service Level Agreement: Reporting

The offeror is to provide reports as defined in this RFP. Reporting is to be defined as the processes, activities, and deliverables associated with regular reporting.

The offeror must ensure reporting meets the following performance standards:

Performance Standard	Offset
(Daily Reports) Daily report schedule and all reports must be accessible by 7:00 a.m. AST on the next State business day.	0.25% reduction of the monthly operating fee
(Weekly Reports) Weekly report schedule and all reports must be accessible by 7:00 a.m. AST on the next State business day after the scheduled run.	0.25% reduction of the monthly operating fee
(Monthly Reports) Monthly report schedule and all reports must be accessible by 7:00 a.m. AST on the next State business day following the end of the month.	0.25% reduction of the monthly operating fee
(Quarterly Reports) Quarterly report schedule and all reports must be accessible by 7:00 a.m. AST on the next State business day following the end of the quarter.	0.25% reduction of the monthly operating fee
(Yearly Reports) Yearly report schedule and all reports must be accessible by 7:00 a.m. AST on the next State business day following the end of the year (Federal fiscal, State fiscal, and other annual cycles, as applicable).	0.25% reduction of the monthly operating fee

(Federal and State Reporting) Produce and submit all required Federal and state reports and data files on schedule defined per regulation and by the State.	0.25% reduction of the monthly operating fee
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**7. Service Level Agreement: Service Authorizations**

The offeror is to provide service authorization support as defined in this RFP.  
The offeror must ensure service authorization support meets the following performance standards:

Performance Standard	Offset
Deny or approve all non-emergency travel and radiology PA requests that do not require medical review or technical review by the State within one (1) business day of receipt.	0.5% reduction of the monthly operating fee
Deny or approve all Contractor PAs that do not require medical review and technical review by the State, other than non-emergency transportation or radiology within three (3) business days of receipt.	0.5% reduction of the monthly operating fee
Deny or approve all Contractor PAs that require clinical review within five (5) business days of receipt.	0.5% reduction of the monthly operating fee

**8. Service Level Agreement: Service Authorization Customer Support**

The offeror is to provide service authorization travel customer service support, where customers are to be defined as Providers or the State. The offeror is to maintain sufficient staff and systems to manage, track and report on all service authorization customer service channels, including telephone, web portal, email, and mail. Customer service support must be available 8:00 am AKST - 5:00pm AKST, seven (7) days a week.  
The offeror must ensure service authorization customer support meets the following performance standards:

Performance Standard	Offset
(On Hold Time) Calls are successfully transferred to live assistance at the customer service call center in less than one-hundred-twenty (120) seconds of the request to transfer (excluding speed of answer).	0.25% reduction of the monthly operating fee
(Ring Busy) No more than 5% of incoming call are to ring busy.	0.25% reduction of the monthly operating fee
(Provider Phone Responses) Respond to 100% of verbal (telephone) Provider inquiries within one (1) business day of receipt.	0.5% reduction of the monthly operating fee
(Provider Written Responses) Respond to at least 95% of Provider correspondence within five (5) business day of receipt.	0.5% reduction of the monthly operating fee
(Tracking) 100% of customer service communications regarding service authorizations must be documented within the applicable service authorization record (in compliance with the State's retention policies).	0.5% reduction of the monthly operating fee

**9. Service Level Agreement: Financial Services**

The offeror is to provide financial services support as defined in the RFP.  
The offeror must ensure financial services support meets the following performance standards:

Performance Standard	Offset
(Refund Checks) Deposit refund checks to the State within twenty-four (24) hours of receipt.	0.5% reduction of the monthly operating fee

(Deposit Receipts) Provide all deposit receipt and check log to the State within 1 business day of depositing the refund checks.	0.5% reduction of the monthly operating fee
(Financial Transactions) Enter all financial transactions to the on-line financial file within 1 business day of receipt.	0.5% reduction of the monthly operating fee
(Adjustments/ Voids) Prepare and process 100% of adjustments/ voids against refunds, third party payment recovery, and returned warrants within ten (10) business days of receipt of the refund, recovery or returned warrant.	0.5% reduction of the monthly operating fee
(Manual Warrants) Provide 100% of manual warrants within 1 business day of receipt of request if required.	0.5% reduction of the monthly operating fee
(Remittance Advice (RA) messages) Publish 100% of HCS-approved RA messages within 1 business day of receipt of request if required.	0.25% reduction of the monthly operating fee