



Request for Proposal  
For  
Auditing Services

Release Date: Monday, September 19, 2022

Due Date: Friday, October 7, 2022

1:00 p.m. Central Time

**PROPOSAL SIGNATURE PAGE**

**PROPOSAL MUST BE RECEIVED NO LATER THAN:**

TIME: 1:00 P.M. Central Time                      DATE: October 7, 2022

**PROPOSALS RECEIVED AFTER THIS TIME WILL NOT BE CONSIDERED FOR AWARD**

For Information, please email: [rfp@mchcp.org](mailto:rfp@mchcp.org)  
or visit our RFP website at: <http://www.mchcp.org/biddingOpportunities/index.asp>

This document constitutes a request for sealed proposals, including prices, from qualified individuals and organizations to furnish those services and/or items as described herein.

Proposals must be mailed to Attn: Stacia Fischer, Chief Financial Officer, Missouri Consolidated Health Care Plan (MCHCP), 832 Weathered Rock Court, P.O. Box 104355, Jefferson City, Missouri 65110, (UPS, Federal Express, etc. use zip code 65101). Proposals must be clearly marked "Auditing Services – FILING DATE October 7, 2022."

CONTRACT PERIOD: The period of this contract shall be for a minimum of one year with MCHCP's sole right to renew for four (4) additional one-year periods. The initial contract period will begin with date of contract award through the completion of the FY2023 audit including all audit deliverables. A fixed pricing arrangement for the FY2023 audit is required. The bidder shall agree that annual pricing arrangements will be negotiated, but any increase in cost to MCHCP for Year 2 (FY2024 audit) and Year 3 (FY2025 audit) will not exceed the pricing arrangement provided by the bidder as submitted on Exhibit A. Pricing for Year 4 (FY2026 audit) and Year 5 (FY2027 audit) will be negotiated.

The bidder hereby agrees to provide the services and/or items at the prices quoted, pursuant to the requirements of this document. The bidder must provide an original and three (3) copies of their proposal. The original Request for Proposal and all amendments are required to be signed and returned with the bidder's proposal and the bidder must also provide two (2) originals of all signature pages and Exhibits A and B.

Note that return of the signed form from the last amendment, if any, of the subject RFP shall constitute acceptance by the bidder of all terms and conditions of the original RFP plus all RFP amendments. The bidder is advised to review all proposal submission requirements stated in the original RFP and in any amendments, thereto.

Bidder's Signature: \_\_\_\_\_

Bidder's Printed Name: \_\_\_\_\_

Title

Bidder's E-mail Address: \_\_\_\_\_

Company Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City

State

Zip Code

Telephone: (\_\_\_\_) \_\_\_\_\_

Social Security or Federal Tax No: \_\_\_\_\_

SECTION A  
INTRODUCTION AND GENERAL INFORMATION

A1. GENERAL INFORMATION

A1.1 Please review the Request for Proposal (RFP) carefully. Submit questions regarding any information presented in this RFP by email to [rfp@mchcp.org](mailto:rfp@mchcp.org). Questions are due by September 23, 2022, and MCHCP will post written responses on its web site by September 28, 2022. Due to time constraints, there is no guarantee that questions received after September 23, 2022, will be answered. For clarity, cite the section and page number to which the questions pertain. The RFP can be obtained from MCHCP's website, <http://www.mchcp.org/biddingOpportunities/index.asp>.

A1.2 Schedule of Events

- RFP Release Date September 19, 2022
- Questions due from potential bidders September 23, 2022
- MCHCP response to bidders' questions posted on web site September 28, 2022
- Proposals due to MCHCP (1:00 pm CT) October 7, 2022
- Proposal evaluations and finalist interviews October/November, 2022
- RFP award made by MCHCP Board of Trustees (subject to final contract) December, 2022
- Effective date of contract upon signature

A1.3 This document constitutes a request for sealed proposals from qualified individuals and organizations to perform auditing services in accordance with the terms and conditions set forth herein.

A1.4 This document is divided into the following parts described below:

- Section A General Introduction
- Section B Scope of Work
- Section C General Provisions
- Section D Proposal Submission Information
- Section E Questionnaire
- Section F Exhibits
  - Exhibit A – Pricing Page
  - Exhibit B – Proposed Bidder Modifications
  - Exhibit C – Contractor Certification
  - Exhibit D – MBE/WBE Intent to Participate Document
  - Exhibit E – Business Associate Agreement

A1.5 MCHCP desires to contract per the attached specifications. All bidders must submit pricing information on Exhibit A of this RFP, which must be completed, signed, dated, and returned (two originals) with the bidder's proposal. Other proposal submission requirements are stated throughout this document. There will be no public openings of submitted RFPs and proposals will remain confidential pursuant to Section 610.021 (12) RSMo.

A1.6 All questions regarding, but not limited to, technical specifications or bid process must be emailed to [rfp@mchcp.org](mailto:rfp@mchcp.org). Bidders or their representatives may not contact employees or any member of the MCHCP Board of Trustees concerning this procurement while the bid and evaluation are in process. Any such contact may result in the immediate disqualification of the bidder from further consideration.

A2. MINIMUM BIDDER REQUIREMENTS – To be considered for contract award, bidders must meet the following minimum requirements:

- A2.1 The audit firm is independent and licensed to practice in Missouri.
- A2.2 The firm has no conflict of interest with regard to any other work performed by the firm for MCHCP.
- A2.3 The firm adheres to the instructions in this RFP on preparing and submitting the proposal.
- A2.4 The firm submits a copy of its last external quality peer review report and the firm has a record of quality audit work.
- A2.5 The firm has conducted similar engagements for non-federal governmental health plans within the past five years.
- A2.6 The firm has extensive governmental auditing experience as proposals are being solicited from Certified Public Accountants who have extensive governmental accounting experience with the application, adoption, and reporting requirements of the Governmental Accounting Standards Board (GASB) pronouncements applicable to MCHCP.

A3. BACKGROUND INFORMATION

- A3.1 Chapter 103 of the Revised Statutes of Missouri created MCHCP to provide medical coverage to public sector employees and retirees, including those of the State of Missouri not covered under another state-sponsored plan. Effective January 1, 1994, MCHCP supplanted the Missouri State Medical Care Plan that had been administered by the Missouri State Employees' Retirement System (MOSERS). On that date, all medical responsibilities, duties, and administrative functions transferred from MOSERS to MCHCP. Effective January 1, 1995, the MCHCP began offering medical coverage to public entities such as counties, cities, and universities.
- A3.2 The accounting system in use is Microsoft Dynamics SL–Business Solution. Modules in use include general ledger, accounts payable, and payroll. MCHCP utilizes a Power 8 and Windows Servers to host its benefits administration applications. The State and public membership enrollment, eligibility and (receivable applications State only) are a custom developed system (CORE Central). Public entity billing and receivables are run within the Microsoft Dynamics SL financial system.
- A3.4 Detailed information regarding the Plan's financial position can be accessed by viewing the MCHCP Annual Comprehensive Financial Report (ACFR) at [www.mchcp.org/aboutUs/annualReport.asp](http://www.mchcp.org/aboutUs/annualReport.asp). The auditor's principal contact with MCHCP will be Stacia Fischer, CFO. The Finance management and staff will prepare all financial statements, notes, and supplementary schedules for the auditor. The Plan operates on a fiscal year beginning July 1 and ending June 30.
- A3.5 MCHCP provides Other Post-Employment Benefits (OPEB) to most State of Missouri retired employees and their dependents through a qualified trust that was established in FY2008. MCHCP is considered an "agent-multiple employer plan". As an agent-multiple employer plan, MCHCP must comply with the applicable reporting requirements of GASB Statement #74, *Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans which was implemented for the fiscal year ended, June 30, 2017, and provides reporting guidance for OPEB plans that administer OPEB benefits. Additionally, the requirements of GASB Statement #75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, provides reporting guidance for governments that provide OPEB to their employees and for governments that are legally required to finance OPEB for*

*employees of other governments, and will apply for fiscal years beginning after June 15, 2017.*  
MCHCP's actuarial firm, Willis Towers Watson, will prepare the GASB valuation.

- A3.6 MCHCP has employed an internal audit function since September, 2006. The internal auditor is supervised by the Chief Financial Officer. Internal audit reports will be available to the winning bidder.
- A3.7 Banking and investment services are contracted through Central Bank, 238 Madison, Jefferson City, MO. Actuarial services are performed by Willis Towers Watson.

SECTION B  
SCOPE OF WORK

B1. GENERAL REQUIREMENTS

B1.1 The contractor shall provide audit services for MCHCP in accordance with the terms and conditions of this document.

B1.1.1 General Fiscal Year End Audit of Financial Statements – The audit shall include an examination of the financial statements of all accounts and funds of MCHCP. Such examination shall be made in accordance with Generally Accepted Auditing Standards promulgated by the American Institute of Certified Public Accountants (AICPA) and in accordance with the laws of the State of Missouri. These standards require that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements and to provide an opinion regarding the fair presentation of the financial position of each major fund of the Plan. A written report, upon completion of the audit, will be addressed to the Board of Trustees

B1.1.2 Audit of the Schedules of Other Postemployment Benefits for participating employers of Missouri Consolidated Health Care Plan – The audit shall include the expression of an opinion about whether the schedules of other postemployment benefits for participating employers are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. A written report, upon completion of the audit, will be addressed to the Board of Trustees.

B1.1.3 Additional Auditing/Professional Services – MCHCP reserves the right, and it shall be a term and condition of the final agreement, that MCHCP may request the auditor to perform additional consultant work, of the same general nature as described above, during the contract period. For any additional work requested, the type of work should be within the parameters established by Generally Accepted Auditing Standards and should not impair the independence of the auditor related to the annual audit of MCHCP's financial statements. Should MCHCP request the auditor to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an amendment to the contract between MCHCP and the auditor. Any such additional work agreed to between MCHCP and the auditor shall be performed at the same rates set forth in the schedule of fees included in the bid.

B2. SPECIFIC REQUIREMENTS

B2.1 General Fiscal Year End Audit

B2.1.1 Reports to be Issued

1. MCHCP ACFR– A report on the fair presentation of the financial statements, in conformity with generally accepted accounting principles, shall be prepared by the contractor. MCHCP retains responsibility for the preparation and printing of the ACFR. Reports of examination of the financial statements shall be addressed to the Board of Trustees:

- a. State the scope of the examination and that the audit was performed in accordance with Generally Accepted Auditing Standards, and
- b. Include an opinion as to whether the statements conform to Generally Accepted Accounting Principles.

2. Management Letter

- a. The management letter shall detail audit findings and recommendations regarding the financial statements and internal controls of MCHCP. If no reportable conditions are noted during the audit, the auditor will state so in writing.
- b. The management letter shall be reviewed in draft form with the Executive Director, Chief Financial Officer (CFO) and Internal Auditor to ensure the observations reflect an accurate understanding of the MCHCP policies and procedures.
- c. The auditor shall report any significant deficiencies in the design or operation of the internal control structure which could adversely affect MCHCP's ability to record, process, summarize and report financial data consistent with assertions of management in the financial statements.
- d. The auditor shall be required to prepare immediate written notice to the MCHCP Executive Director of any material irregularities and or illegal acts of which they become aware.
- e. The auditor shall ensure the MCHCP Board of Trustees is informed of the following:
  - i. The auditor's responsibility under (GAAP);
  - ii. Significant accounting policies;
  - iii. Management judgments and accounting estimates;
  - iv. Significant audit adjustments;
  - v. Disagreements with management;
  - vi. Major issues discussed with management prior to retention; and
  - vii. Any difficulties encountered in performing the audit.

B2.2 Audit of the Schedules of Other Postemployment Benefits for participating employers of Missouri Consolidated Health Care Plan

B2.1.1 Reports to be Issued

1. A written report upon the completion of the audit, expressing an opinion about whether the schedules of postemployment benefits for participating employers are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and conducted in accordance with auditing standards generally accepted in the United States of America. The report will be addressed to the Board of Trustees.

2. Management Letter

- a. The management letter shall detail audit findings and recommendations regarding the Schedules of Other Postemployment Benefits for participating employers of Missouri Consolidated Health Care Plan. If no reportable conditions are noted during the audit, the auditor will state so in writing.
- b. The management letter shall be reviewed in draft form with the Executive Director, Chief Financial Officer (CFO) and Internal Auditor to ensure the observations reflect an accurate understanding of the MCHCP policies and procedures.
- c. The auditor shall report any significant deficiencies in the design or operation of the internal control structure which could adversely affect MCHCP's ability to record, process, summarize and report financial data consistent with assertions of management in the Schedules of Other Postemployment Benefits for participating employers of Missouri Consolidated Health Care Plan.
- d. The auditor shall be required to prepare immediate written notice to the MCHCP Executive Director of any material irregularities and or illegal acts of which they become aware.
- e. The auditor shall ensure the MCHCP Board of Trustees is informed of the following:
  - i. The auditor's responsibility under (GAAP);
  - ii. Significant accounting policies;
  - iii. Management judgments and accounting estimates;
  - iv. Significant audit adjustments;
  - v. Disagreements with management;
  - vi. Major issues discussed with management prior to retention; and
  - vii. Any difficulties encountered in performing the audit.

### B2.3 Special Considerations

B2.3.1 MCHCP has earned the Certificate of Achievement for Excellence in Financial Reporting awarded by the GFOA for the past twenty-six consecutive fiscal periods. The auditor shall provide all reasonable assistance and advice to MCHCP to adhere to the guidelines of the certificate program.

### B2.4 Work Paper Retention and Access to Work Papers

B2.4.1 All work papers and reports shall be retained, at the auditor's expense, for a minimum of seven years unless the auditor is notified in writing by MCHCP of the need to extend the retention period. The auditor shall be required to make the work papers available upon request of representatives of federal and state agencies, including the Missouri State Auditor's Office. In addition, the auditor shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review work papers relating to matters of continuing accounting significance.



**B3. INVOICE AND PAYMENT REQUIREMENTS**

**B3.1** Progress payments shall be made on the following schedule:

- 25% upon conclusion of interim work
- 25% upon conclusion of fieldwork
- Remaining 50% upon delivery of report

**B3.2** The contractor shall submit invoices which include detailed information regarding the services performed, the level of the staff that performed the services, the number of hours charged for the service, and the applicable rate per hour.

**B3.3** The invoice shall be submitted to:

Missouri Consolidated Health Care Plan  
Attention: Stacia Fischer, CFO  
P.O. Box 104355  
Jefferson City, MO 65110

**B3.4** The contractor's invoice must identify the project being billed and shall at no time exceed the maximum cost offered in the RFP response.

SECTION C  
GENERAL PROVISIONS

**C1. TERMINOLOGY AND DEFINITIONS**

Whenever the following words and expressions appear in this Request for Proposal (RFP) document or any amendment thereto, the definition or meaning described below shall apply.

- C1.1 **Amendment** means a written, official modification to an RFP or to a contract.
- C1.2 **Bidder** means a person or organization who submitted an offer in response to this RFP.
- C1.3 **Breach** shall mean the acquisition, access, use or disclosure of PHI in a manner not permitted by the Privacy Rule that compromises the security or privacy of the PHI as defined, and subject to the exceptions set forth, in 45 C.F.R. 164.402.
- C1.4 **Contract** means a legal and binding agreement between two or more competent parties, in consideration for the procurement of services as described in this RFP.
- C1.5 **Contractor** means a person or organization who is a successful bidder as a result of an RFP and/or who enters into a contract or any subcontract of a successful bidder.
- C1.6 **Employee** means a benefit-eligible person employed by the state and present and future retirees from state employment who meet the plan eligibility requirements.
- C1.7 **May** means that a certain feature, component, or action is permissible, but not required.
- C1.8 **Member** means any person covered as either a subscriber or a dependent in accordance with the terms and conditions of the plan.
- C1.9 **Must** means that a certain feature, component, or action is a mandatory condition. Failure to provide or comply may result in a proposal being considered non-responsive.
- C1.10 **Off-shore** means outside of the United States.
- C1.11 **Participant** has the same meaning as the word member.
- C1.12 **PHI** shall mean Protected Health Information, as defined in 45 C.F.R. 160.103, as amended.
- C1.13 **Pricing Pages** apply to the form(s) on which the bidder must state the price(s) applicable for the services required in the RFP. The pricing pages must be completed and uploaded by the bidder prior to the specified proposal filing date and time.
- C1.14 **Privacy Regulations** shall mean the federal privacy regulations issued pursuant to the Health Insurance Portability and Accountability Act of 1996, as amended from time to time, codified at 45 C.F.R. Parts 160 and 164 (Subparts A & E).
- C1.15 **Proposal Filing Date and Time** and similar expressions mean the exact deadline required by the RFP for the physical receipt of sealed proposals by MCHCP in its office.

- C1.16 **Provider** means a physician, hospital, medical agency, specialist or other duly licensed health care facility or practitioner certified or otherwise authorized to furnish health care services pursuant to the law of the jurisdiction in which care or treatment is received. A doctor/physician as defined in 22 CSR 10-2010(22). Other providers include but are not limited to:
- C1.16.1 Audiologist (AUD or PhD);
  - C1.16.2 Certified Addiction Counselor for Substance Abuse (CAC);
  - C1.16.3 Certified Nurse Midwife (CNM) – when acting within the scope of his/her license in the state in which s/he practices and performing a service which would be payable under this plan when performed by a physician;
  - C1.16.4 Certified Social Worker or Masters in Social Work (MSW)
  - C1.16.5 Chiropractor;
  - C1.16.6 Licensed Clinical Social Worker
  - C1.16.7 Licensed Professional Counselor (LPC);
  - C1.16.8 Licensed Psychologist (LP);
  - C1.16.9 Nurse Practitioner (NP);
  - C1.16.10 Physician Assistant (PA);
  - C1.16.11 Occupational Therapist;
  - C1.16.12 Physical Therapist;
  - C1.16.13 Speech Therapist;
  - C1.16.14 Registered Nurse Anesthetist (CRNA);
  - C1.16.15 Registered Nurse Practitioner (ARNP); or
  - C1.16.16 Therapist with a PhD or Master’s Degree in Psychology or Counseling.
- C1.17 **Request for Proposal (RFP)** means the solicitation document issued by MCHCP to potential bidders for the purchase of services as described in the document. The definition includes these Terms and Conditions as well as all Pricing Pages, Exhibits, Attachments, and Amendments thereto.
- C1.18 **Retiree** means a former employee who, at the time of termination of employment, met the eligibility requirements as outlined in subsection 22 CSR 10-2.020(2)(B) and is currently receiving a monthly retirement benefit from a retirement system listed in such rule.
- C1.19 **RSMo (Revised Statutes of Missouri)** refers to the body of laws enacted by the Legislature, which govern the operations of all agencies of the State of Missouri. Chapter 103 of the statutes is the primary chapter governing the operations of MCHCP.
- C1.20 **Shall** has the same meaning as the word must.
- C1.21 **Should** means that certain feature, component and/or action is desirable but not mandatory.
- C1.22 **Subscriber** means the person who elects coverage under the plan.

## **C2. GENERAL BIDDING PROVISIONS**

- C2.1 It shall be the bidder’s responsibility to ask questions, request changes or clarification, or otherwise advise MCHCP if any language, specifications or requirements of an RFP appear to be ambiguous, contradictory, and/or arbitrary, or appear to inadvertently restrict or limit the requirements stated in the RFP to a single source. Any and all communication from bidders regarding specifications, requirements, competitive procurement process, or any other RFP-related matter must be emailed to MCHCP as indicated on the first page of the RFP. Such communication should be received no later than the date noted in Section A.

Every attempt shall be made to ensure that the bidder receives an adequate and prompt response. However, in order to maintain a fair and equitable procurement process, all bidders will be advised, via the issuance of an amendment or other official notification to the RFP, of any relevant or pertinent information related to the procurement. Therefore, bidders are advised that unless specified elsewhere in the RFP, any questions received by MCHCP after the date noted in Section A might not be answered.

It is the responsibility of the bidder to identify and explain any part of their response that does not conform to the requested services described in this document. Bidders must use Exhibit B for this purpose. Without documentation provided by the bidder, it is assumed by MCHCP that the bidder can provide all services as described in this document.

- C2.2 Bidders are cautioned that the only official position of MCHCP is that position which is stated in writing and issued by MCHCP in the RFP or an amendment thereto. No other means of communication, whether oral or written, shall be construed as a formal or official response or statement.
- C2.3 MCHCP monitors all procurement activities to detect any possibility of deliberate restraint of competition, collusion among bidders, price-fixing by bidders or any other anticompetitive conduct by bidders which appears to violate state and federal antitrust laws. Any suspected violation shall be referred to the Missouri Attorney General's Office for appropriate action.
- C2.4 No contract shall be considered to have been entered into by MCHCP until the contract has been awarded by the MCHCP Board of Trustees and all material terms have been finalized. An award will not be made until the contract has been signed by duly authorized representatives of the selected bidder and MCHCP.

### **C3. PREPARATION OF PROPOSALS**

- C3.1 Bidders must examine the entire RFP carefully. Failure to do so shall be at the bidder's risk.
- C3.2 Unless otherwise specifically stated in the RFP, all specifications and requirements constitute minimum requirements. All proposals must meet or exceed the stated specifications and requirements.
- C3.3 Unless otherwise specifically stated in the RFP, any manufacturer's names, trade names, brand names, and/or information listed in a specification and/or requirement are for informational purposes only and are not intended to limit competition. Proposals that do not comply with the requirements and specifications are subject to rejection without clarification.

### **C4. DISCLOSURE OF MATERIAL EVENTS**

- C4.1 The bidder agrees that from the date of the bidder's response to this RFP through the date for which a contract is awarded, the bidder shall immediately disclose to MCHCP:
  - C4.1.1 Any material adverse change to the financial status or condition of the bidder;
  - C4.1.2 Any merger, sale or other material change of ownership of the bidder;

C4.1.3 Any conflict of interest or potential conflict of interest between the bidder's engagement with MCHCP and the work, services or products that the bidder is providing or proposes to provide to any current or prospective customer; and

C4.1.4 (1) Any material investigation of the bidder by a federal or state agency or self-regulatory organization; (2) Any material complaint against the bidder filed with a federal or state agency or self-regulatory organization; (3) Any material proceeding naming the bidder before any federal or state agency or self-regulatory organization; (4) Any material criminal or civil action in state or federal court naming the bidder as a defendant; (5) Any material fine, penalty, censure or other disciplinary action taken against the bidder by any federal or state agency or self-regulatory organization; (6) Any material judgment or award of damages imposed on or against the bidder as a result of any material criminal or civil action in which the bidder was a party; or (7) Any other matter material to the services rendered by the bidder pursuant to this RFP.

C4.1.4.1 For the purposes of this paragraph, "material" means of a nature, or of sufficient monetary value, or concerning a subject which a reasonable party in the position of and comparable to MCHCP would consider relevant and important in assessing the relationship and services contemplated by this RFP. It is further understood that in fulfilling its ongoing responsibilities under this paragraph, the bidder is obligated to make its best faith efforts to disclose only those relevant matters which come to the attention of or should have been known by the bidder's personnel involved in the engagement covered by this RFP and/or which come to the attention of or should have been known by any individual or office of the bidder designated by the bidder to monitor and report such matters.

C4.2 Upon learning of any such actions, MCHCP reserves the right, at its sole discretion, to either reject the proposal or continue evaluating the proposal.

## **C5. COMPLIANCE WITH APPLICABLE FEDERAL LAWS**

C5.1 In connection with the furnishing of equipment, supplies, and/or services under the contract, the contractor and all subcontractors shall comply with all applicable requirements and provisions of the Health Insurance Portability and Accountability Act (HIPAA) and The Patient Protection and Affordable Care Act (PPACA), as amended.

C5.2 Any bidder offering to provide services must sign a Business Associate Agreement (BAA) (see Exhibit E) due to the provisions of HIPAA. Any requested changes shall be noted and returned with the RFP. **The changes are accepted only upon MCHCP signing a revised BAA after contract award.**

C5.3 Upon awarding of the contract by the Board, the BAA shall be signed by both parties within five (5) working days of the request to sign, or the award of the contract may be rescinded.

MANDATORY CONTRACT PROVISIONS

Bidders are expected to closely read the Mandatory Contract Provisions and provide a binding signature of intent to comply with such terms and conditions. **Rejection of these provisions may be cause for rejection of a bidder’s proposal.**

A draft contract will be presented to the bidder selected by the MCHCP Board of Trustees for review, minor modifications if appropriate, and executed by both parties before the award is final and announced. The contract will include, among other things, the following Mandatory Contract Provisions.

Additionally, bidders must utilize Exhibit B to clearly identify by subsection number, any exceptions to the RFP provisions, and include an explanation as to why the bidder cannot comply with the specific provision, and a statement recommending terms and conditions the bidder would find acceptable.

MANDATORY CONTRACT PROVISIONS	Accept and Initial
<p><b>C1. Term of Contract:</b> The term of this contract is for a period of one (1) year with MCHCP’s sole right to renew for four (4) additional one-year periods. The initial contract period will begin with date of contract award through the completion of the FY2023 audit including all audit deliverables. Prices for audits of FY2023, FY2024, and FY2025 must be submitted with this RFP. The submitted prices for the first and second renewal periods (FY2026 audit and FY2027 audit) are not-to-exceed prices and are subject to negotiation. Pricing arrangements for the last two one-year renewal periods of the contract (FY2026 audit and FY2027 audit respectively) will be negotiated. Pricing for the one-year renewal options are due to MCHCP by February 1 for the following years’ renewal.</p>	
<p><b>C2. Contract Documents:</b> The following documents will be hereby incorporated by reference as if fully set forth within the contract entered into by MCHCP and the contractor:</p> <ol style="list-style-type: none"> <li>1. Written and duly executed contract (which will be provided to bidder selected by the Board of Trustees for minor negotiations if necessary prior to award)</li> <li>2. Amendments to the executed contract;</li> <li>3. The Exhibits set forth in this RFP after being duly executed by both parties; and</li> <li>4. This Request for Proposal.</li> </ol> <p>An award will not be made until the contract has been signed by duly appointed representative(s) of the selected bidder and MCHCP.</p>	
<p><b>C3. Contract Formation:</b> No contract shall be considered to have been entered into by the MCHCP until a written contract has been signed by both parties.</p>	
<p><b>C4. Audit Rights:</b> MCHCP and its designated auditors shall have access to and the right to examine any and all pertinent books, documents, papers, files, or records of Contractor involving any and all transactions related to the performance of this Contract. Contractor shall furnish all information necessary for MCHCP to comply with all Missouri and/or federal laws and regulations. MCHCP shall bear the cost of any such audit or review. MCHCP and Contractor</p>	

MANDATORY CONTRACT PROVISIONS	Accept and Initial
shall agree to reasonable times for Contractor to make such records available for audit.	
<p><b>C5. Breach and Waiver:</b> Waiver or any breach of any contract term or condition shall not be deemed a waiver of any prior or subsequent breach. No contract term or condition shall be held to be waived, modified, or deleted except by a written instrument signed by the parties thereto. If any contract term or condition or application thereof to any person(s) or circumstances is held invalid, such invalidity shall not affect other terms, condition or application. To this end, the contract terms and conditions are severable.</p>	
<p><b>C6. Confidentiality:</b> Contractor will have access to private and/or confidential data maintained by MCHCP to the extent necessary to carry out its responsibilities under this Contract. No private or confidential data received, collected, maintained, transmitted or used in the course of performance of this Contract shall be disseminated by Contractor except as authorized by MCHCP, either during the period of this Contract or thereafter. Contractor must agree to return any or all data furnished by MCHCP promptly at the request of MCHCP in whatever form it is maintained by Contractor. On the termination or expiration of this Contract, Contractor will not use any of such data or any material derived from the data for any purpose and, where so instructed by MCHCP, will destroy or render it unreadable.</p>	
<p><b>C7. Electronic Transmission Protocols:</b> The contractor and all subcontractors shall maintain encryption standards of 2048 bits or greater for RSA key pairs, and 256 bit session key strength for the encryption of confidential information and transmission over public communication infrastructure. Batch transfers of files will be performed using SFTP or FTPS with similar standards and refined as needed to best accommodate provider configurations (i.e. port assignment, access control, etc.).</p>	
<p><b>C8. Force Majeure:</b> Neither party will incur any liability to the other if its performance of any obligation under this Contract is prevented or delayed by causes beyond its control and without the fault or negligence of either party. Causes beyond a party's control may include, but aren't limited to, acts of God or war, changes in controlling law, regulations, orders or the requirements of any governmental entity, severe weather conditions, civil disorders, natural disasters, fire, epidemics and quarantines, and strikes other than by Contractor's or its subcontractor's employees.</p>	
<p><b>C9. Governing Law:</b> This Contract shall be governed by the laws of the State of Missouri and shall be deemed executed at Jefferson City, Cole County, Missouri. All contractual agreements shall be subject to, governed by, and construed according to the laws of the State of Missouri.</p>	
<p><b>C10. Jurisdiction:</b> All legal proceedings arising hereunder shall be brought in the Circuit Court of Cole County in the State of Missouri.</p>	
<p><b>C11. Independent Contractor:</b> Contractor represents itself to be an independent contractor offering such services to the general public and shall not represent itself or its employees to be an employee of MCHCP. Therefore, Contractor shall assume all legal and financial responsibility for taxes, FICA, employee fringe benefits, worker's compensation, employee insurance, minimum wage</p>	

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<p>requirements, overtime, etc. and agrees to indemnify, save, and hold MCHCP, its officers, agents, and employees, harmless from and against, any and all loss; cost (including attorney fees); and damage of any kind related to such matters. Contractor assumes sole and full responsibility for its acts and the acts of its personnel.</p>	
<p><b>C12. Injunctions:</b> Should MCHCP be prevented or enjoined from proceeding with this Contract before or after contract execution by reason of any litigation or other reason beyond the control of MCHCP, Contractor shall not be entitled to make or assess claim for damage by reason of said delay.</p>	
<p><b>C13. Integration:</b> This Contract, in its final composite form, shall represent the entire agreement between the parties and shall supersede all prior negotiations, representations or agreements, either written or oral, between the parties relating to the subject matter hereof. This Contract between the parties shall be independent of and have no effect on any other contracts of either party.</p>	
<p><b>C14. Modification of the Contract:</b> This Contract shall be modified only by the written agreement of the parties. No alteration or variation in terms and conditions of the Contract shall be valid unless made in writing and signed by the parties. Every amendment shall specify the date on which its provisions shall be effective.</p>	
<p><b>C15. Notices:</b> All notices, demands, requests, approvals, instructions, consents or other communications (collectively "notices") which may be required or desired to be given by either party to the other during the course of this contract shall be in writing and shall be made by personal delivery or by overnight delivery, prepaid, to the other party at a designated address or to any other persons or addresses as may be designated by notice from one party to the other. Notices to MCHCP shall be addressed as follows: Missouri Consolidated Health Care Plan, ATTN: Executive Director, P.O. Box 104355, Jefferson City, MO 65110-4355.</p>	
<p><b>C16. Ownership:</b> All data developed or accumulated by Contractor under this Contract shall be owned by MCHCP. Contractor may not release any data without the written approval of MCHCP. MCHCP shall be entitled at no cost and in a timely manner to all data and written or recorded material pertaining to this Contract in a format acceptable to MCHCP. MCHCP shall have unrestricted authority to reproduce, distribute, and use any submitted report or data and any associated documentation that is designed or developed and delivered to MCHCP as part of the performance of this Contract.</p>	
<p><b>C17. Payment:</b> Upon implementation of the undertaking of this Contract and acceptance by MCHCP, Contractor shall be paid as stated in this Contract.</p>	
<p><b>C18. Rights and Remedies:</b> If this Contract is terminated, MCHCP, in addition to any other rights provided for in this Contract, may require Contractor to deliver to MCHCP in the manner and to the extent directed, any completed materials. In the event of termination, Contractor shall receive payment prorated for that portion of the contract period services were provided to and/or goods were accepted by MCHCP subject to any offset by MCHCP for actual damages. The rights and remedies of MCHCP provided for in this Contract shall not be exclusive and are in addition to any other rights and remedies provided by law.</p>	
<p><b>C19. Solicitation of Members:</b> Contractor shall not use the names, home addresses or any other information contained about members of MCHCP for the purpose</p>	



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of offering for sale any property or services which are not directly related to services negotiated in this RFP without the express written consent of MCHCP's Executive Director.	
<p><b>C20. Statutes:</b> Each and every provision of law and clause required by law to be inserted or applicable to the services provided in the Contract shall be deemed to be inserted herein and the Contract shall be read and enforced as though it were included herein. If through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then on the application of either party the Contract shall be amended to make such insertion or correction.</p>	
<p><b>C21. Termination Right:</b> Notwithstanding any other provision, MCHCP reserves the right to terminate this Contract at the end of any month by giving thirty (30) days' notice.</p>	
<p><b>C22. Off-shore Services:</b> All services under this Contract shall be performed within the United States. Contractor shall not perform, or permit subcontracting of services under this Contract, to any off-shore companies or locations outside of the United States. Any such actions shall result in the Contractor being in breach of this Contract.</p>	
<p><b>C23. Compliance with Laws:</b> Contractor shall comply with all applicable federal and state laws and regulations and local ordinances in the performance of this Contract, including but not limited to the provisions listed below.</p>	
<p><b>C24. Non-discrimination, Sexual Harassment and Workplace Safety:</b> Contractor agrees to abide by all applicable federal, state and local laws, rules and regulations prohibiting discrimination in employment and controlling workplace safety. Contractor shall establish and maintain a written sexual harassment policy and shall inform its employees of the policy. Contractor shall include the provisions of this Nondiscrimination/Sexual Harassment Clause in every subcontract so that such provisions will be binding upon each subcontractor. Any violations of applicable laws, rules and regulations may result in termination of the Contract.</p>	
<p><b>C25. Americans with Disabilities Act (ADA):</b> Pursuant to federal regulations promulgated under the authority of The Americans with Disabilities Act (ADA), Contractor understands and agrees that it shall not cause any individual with a disability to be excluded from participation in this Contract or from activities provided for under this Contract on the basis of such disability. As a condition of accepting this Contract, Contractor agrees to comply with all regulations promulgated under ADA which are applicable to all benefits, services, programs, and activities provided by MCHCP through contracts with outside contractors.</p>	
<p><b>C26. Patient Protection and Affordable Care Act (PPACA):</b> If applicable, Contractor shall comply with the Patient Protection and Affordable Care Act (PPACA) and all regulations promulgated under the authority of PPACA, including any future regulations promulgated under PPACA, which are applicable to all benefits, services, programs, and activities provided by MCHCP through contracts with outside contractors.</p>	
<p><b>C27. Health Insurance Portability and Accountability Act of 1996 (HIPAA):</b> Contractor shall comply with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and implementing regulations, as amended, including</p>	

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compliance with the Privacy, Security and Breach Notification regulations and the execution of a Business Associate Agreement with MCHCP.	
<b>C28. Genetic Information Nondiscrimination Act of 2008:</b> Contractor shall comply with the Genetic Information Nondiscrimination Act of 2008 (GINA) and implementing regulations, as amended.	
<b>C29.</b> Contractor shall be responsible for and agrees to indemnify and hold harmless MCHCP from all losses, damages, expenses, claims, demands, suits, and actions brought by any party against MCHCP as a result of Contractor's, or any associate's or subcontractor's of Contractor, failure to comply with paragraphs C24, C25, C26, C27, and C28 above.	
<b>C30. Prohibition of Gratuities:</b> Neither Contractor nor any person, firm or corporation employed by Contractor in the performance of this Contract shall offer or give any gift, money or anything of value or any promise for future reward or compensation to any employee of MCHCP at any time.	
<b>C31. Subcontracting:</b> Subject to the terms and conditions of this section, this Contract shall be binding upon the parties and their respective successors and assigns. Contractor shall not subcontract with any person or entity to perform all or any part of the work to be performed under this Contract without the prior written consent of MCHCP. Contractor may not assign, in whole or in part, this Contract or its rights, duties, obligations, or responsibilities hereunder without the prior written consent of MCHCP. Contractor agrees that any and all subcontracts entered into by Contractor for the purpose of meeting the requirements of this Contract are the responsibility of Contractor. MCHCP will hold Contractor responsible for assuring that subcontractors meet all the requirements of this Contract and all amendments thereto. Contractor must provide complete information regarding each subcontractor used by Contractor to meet the requirements of this Contract.	
<b>C32. Industry Standards:</b> If not otherwise provided, materials or work called for in this Contract shall be furnished and performed in accordance with best established practice and standards recognized by the contracted industry and comply with all codes and regulations which shall apply.	
<b>C33. Hold Harmless:</b> Contractor shall hold MCHCP harmless from and indemnify against any and all claims for injury to or death of any persons; for loss or damage to any property; and for infringement of any copyright or patent to the extent caused by Contractor or Contractor's employee or its subcontractor. MCHCP shall not be precluded from receiving the benefits of any insurance Contractor may carry which provides for indemnification for any loss or damage to property in Contractor's custody and control, where such loss or destruction is to MCHCP's property. Contractor shall do nothing to prejudice MCHCP's right to recover against third parties for any loss, destruction or damage to MCHCP's property	
<b>C34. Insurance and Liability:</b> Contractor must maintain sufficient liability insurance, including but not limited to general liability, professional liability, and errors and omissions coverage, to protect MCHCP against any reasonably foreseeable recoverable loss, damage or expense under this engagement. Contractor shall provide proof of such insurance coverage upon request from MCHCP. MCHCP shall not be required to purchase any insurance against loss or damage to any	

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<p>personal property to which this Contract relates. Contractor shall bear the risk of any loss or damage to any personal property in which Contractor holds title.</p>	
<p><b>C35. Access to Records:</b> Upon reasonable notice, Contractor must provide, and cause its subcontractors to provide, the officials and entities identified in this Section with prompt, reasonable, and adequate access to any records, books, documents, and papers that are directly pertinent to the performance of the services. Such access must be provided to MCHCP and, upon execution of a confidentiality agreement, to any independent auditor or consultant acting on behalf of MCHCP; and any other entity designated by MCHCP. Contractor agrees to provide the access described wherever Contractor maintains such books, records, and supporting documentation. Further, Contractor agrees to provide such access in reasonable comfort and to provide any furnishings, equipment, or other conveniences deemed reasonably necessary to fulfill the purposes described in this section. Contractor shall require its subcontractors to provide comparable access and accommodations. MCHCP shall have the right, at reasonable times and at a site designated by MCHCP, to audit the books, documents and records of Contractor to the extent that the books, documents and records relate to costs or pricing data for this Contract. Contractor agrees to maintain records which will support the prices charged and costs incurred for performance of services performed under this Contract. To the extent described herein, Contractor shall give full and free access to all records to MCHCP and/or their authorized representatives.</p>	
<p><b>C36. Acceptance:</b> No contract provision or use of items by MCHCP shall constitute acceptance or relieve Contractor of liability in respect to any expressed or implied warranties.</p>	
<p><b>C37. Termination for Cause:</b> MCHCP may terminate this contract, or any part of this contract, for cause under any one of the following circumstances: 1) Contractor fails to make delivery of goods or services as specified in this Contract; 2) Contractor fails to satisfactorily perform the work specified in this Contract; 3) Contractor fails to make progress so as to endanger performance of this Contract in accordance with its terms; 4) Contractor breaches any provision of this Contract; 5) Contractor assigns this Contract without MCHCP's approval; or 6) Insolvency or bankruptcy of the Contractor. MCHCP shall have the right to terminate this Contract, in whole or in part, if MCHCP determines, at its sole discretion, that one of the above listed circumstances exists. In the event of termination, Contractor shall receive payment prorated for that portion of the contract period services were provided to and/or goods were accepted by MCHCP, subject to any offset by MCHCP for actual damages including loss of any federal matching funds. Contractor shall be liable to MCHCP for any reasonable excess costs for such similar or identical services included within the terminated part of this Contract.</p>	
<p><b>C38. Arbitration, Damages, Warranties:</b> Notwithstanding any language to the contrary, no interpretation shall be allowed to find MCHCP has agreed to binding arbitration, or the payment of damages or penalties upon the occurrence of a contingency. Further, MCHCP shall not agree to pay attorney fees and late payment charges beyond those available under this Contract, and no provision will be given effect which attempts to exclude, modify, disclaim or</p>	

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<p>otherwise attempt to limit implied warranties of merchantability and fitness for a particular purpose.</p>	
<p><b>C39. Assignment:</b> Contractor shall not assign, convey, encumber, or otherwise transfer its rights or duties under this Contract without prior written consent of MCHCP. This Contract may terminate in the event of any assignment, conveyance, encumbrance or other transfer by Contractor made without prior written consent of MCHCP. Notwithstanding the foregoing, Contractor may, without the consent of MCHCP, assign its rights to payment to be received under this Contract, provided that Contractor provides written notice of such assignment to MCHCP together with a written acknowledgment from the assignee that any such payments are subject to all of the terms and conditions of this Contract. For the purposes of this Contract, the term "assign" shall include, but shall not be limited to, the sale, gift, assignment, pledge, or other transfer of any ownership interest in the Contractor provided, however, that the term shall not apply to the sale or other transfer of stock of a publicly traded company. Any assignment consented to by MCHCP shall be evidenced by a written assignment agreement executed by Contractor and its assignee in which the assignee agrees to be legally bound by all of the terms and conditions of this Contract and to assume the duties, obligations, and responsibilities being assigned. A change of name by Contractor, following which Contractor's federal identification number remains unchanged, shall not be considered to be an assignment hereunder. Contractor shall give MCHCP written notice of any such change of name.</p>	
<p><b>C40. Compensation/Expenses:</b> Contractor shall be required to perform the specified services at the price(s) quoted in this Contract. All services shall be performed within the time period(s) specified in this Contract. Contractor shall be compensated only for work performed to the satisfaction of MCHCP. Contractor shall not be allowed or paid travel or per diem expenses except as specifically set forth in this Contract.</p>	
<p><b>C41. Contractor Expenses:</b> Contractor will pay and will be solely responsible for Contractor's travel expenses and out-of-pocket expenses incurred in connection with providing the services. Contractor will be responsible for payment of all expenses related to salaries, benefits, employment taxes, and insurance for its staff.</p>	
<p><b>C42. Conflicts of Interest:</b> Contractor shall not knowingly employ, during the period of this Contract or any extensions to it, any professional personnel who are also in the employ of the State of Missouri or MCHCP and who are providing services involving this Contract or services similar in nature to the scope of this Contract to the State of Missouri. Furthermore, Contractor shall not knowingly employ, during the period of this Contract or any extensions to it, any employee of MCHCP who has participated in the making of this Contract until at least two years after his/her termination of employment with MCHCP.</p>	

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<p><b>C43. Patent, Copyright, and Trademark Indemnity:</b> Contractor warrants that it is the sole owner or author of, or has entered into a suitable legal agreement concerning either: a) the design of any product or process provided or used in the performance of this Contract which is covered by a patent, copyright, or trademark registration or other right duly authorized by state or federal law or b) any copyrighted matter in any report document or other material provided to MCHCP under this Contract. Contractor shall defend any suit or proceeding brought against MCHCP on account of any alleged patent, copyright or trademark infringement in the United States of any of the products provided or used in the performance of this Contract. This is upon condition that MCHCP shall provide prompt notification in writing of such suit or proceeding; full right, authorization and opportunity to conduct the defense thereof; and full information and all reasonable cooperation for the defense of same. As principles of governmental or public law are involved, MCHCP may participate in or choose to conduct, in its sole discretion, the defense of any such action. If information and assistance are furnished by MCHCP at the Contractor's written request, it shall be at Contractor's expense, but the responsibility for such expense shall be only that within Contractor's written authorization. Contractor shall indemnify and hold MCHCP harmless from all damages, costs, and expenses, including attorney's fees that the Contractor or MCHCP may pay or incur by reason of any infringement or violation of the rights occurring to any holder of copyright, trademark, or patent interests and rights in any products provided or used in the performance of this Contract. If any of the products provided by Contractor in such suit or proceeding are held to constitute infringement and the use is enjoined, Contractor shall, at its own expense and at its option, either procure the right to continue use of such infringement products, replace them with non-infringement equal performance products or modify them so that they are no longer infringing. If Contractor is unable to do any of the preceding, Contractor agrees to remove all the equipment or software which are obtained contemporaneously with the infringing product, or, at the option of MCHCP, only those items of equipment or software which are held to be infringing, and to pay MCHCP: 1) any amounts paid by MCHCP towards the purchase of the product, less straight line depreciation; 2) any license fee paid by MCHCP for the use of any software, less an amount for the period of usage; and 3) the pro rata portion of any maintenance fee presenting the time remaining in any period of maintenance paid for. The obligations of Contractor under this paragraph continue without time limit. No costs or expenses shall be incurred for the account of Contractor without its written consent.</p>	
<p><b>C44. Tax Payments:</b> Contractor shall pay all taxes lawfully imposed on it with respect to any product or service delivered in accordance with this Contract. MCHCP is exempt from Missouri state sales or use taxes and federal excise taxes for direct purchases. MCHCP makes no representation as to the exemption from liability of any tax imposed by any governmental entity on Contractor.</p>	

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<p><b>C45. Disclosure of Material Events:</b> Contractor agrees to immediately disclose any of the following to MCHCP to the extent allowed by law for publicly traded companies:</p> <ul style="list-style-type: none"> <li>(*) Any material adverse change to the financial status or condition of Contractor;</li> <li>(*) Any merger, sale or other material change of ownership of Contractor;</li> <li>(*) Any conflict of interest or potential conflict of interest between Contractor's engagement with MCHCP and the work, services or products that Contractor is providing or proposes to provide to any current or prospective customer; and (1) Any material investigation of Contractor by a federal or state agency or self-regulatory organization; (2) Any material complaint against Contractor filed with a federal or state agency or self-regulatory organization; (3) Any material proceeding naming Contractor before any federal or state agency or self-regulatory organization; (4) Any material criminal or civil action in state or federal court naming Contractor as a defendant; (5) Any material fine, penalty, censure or other disciplinary action taken against Contractor by any federal or state agency or self-regulatory organization; (6) Any material judgment or award of damages imposed on or against Contractor as a result of any material criminal or civil action in which Contractor was a party; or (7) Any other matter material to the services rendered by Contractor pursuant to this Contract.</li> </ul> <p>For the purposes of this paragraph, "material" means of a nature or of sufficient monetary value, or concerning a subject which a reasonable party in the position of and comparable to MCHCP would consider relevant and important in assessing the relationship and services contemplated by this Contract. It is further understood that in fulfilling its ongoing responsibilities under this paragraph, Contractor is obligated to make its best faith efforts to disclose only those relevant matters which to the attention of or should have been known by Contractor's personnel involved in the engagement covered by this Contract and/or which come to the attention of or should have been known by any individual or office of Contractor designated by Contractor to monitor and report such matters.</p> <p>Upon learning of any such actions, MCHCP reserves the right, at its sole discretion, to terminate this Contract.</p>	
<p><b>C46. MCHCP's rights Upon Termination or Expiration of Contract:</b> If this Contract is terminated, MCHCP, in addition to any other rights provided under this Contract, may require Contractor to transfer title and deliver to MCHCP in the manner and to the extent directed, any completed materials. MCHCP shall be obligated only for those services and materials rendered and accepted prior to termination.</p>	
<p><b>C47. Termination by Mutual Agreement:</b> The parties may mutually agree to terminate this Contract or any part of this Contract at any time. Such termination shall be in writing and shall be effective as of the date specified in such agreement.</p>	

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<p><b>C48. Retention of Records:</b> Unless MCHCP specifies in writing a shorter period of time, Contractor agrees to preserve and make available all of its books, documents, papers, records and other evidence involving transactions related to this contract for a period of seven (7) years from the date of the expiration or termination of this contract. Matters involving litigation shall be kept for one (1) year following the termination of litigation, including all appeals, if the litigation exceeds seven (7) years. Contractor agrees that authorized federal representatives, MCHCP personnel, and independent auditors acting on behalf of MCHCP and/or federal agencies shall have access to and the right to examine records during the contract period and during the seven (7) year post contract period. Delivery of and access to the records shall be at no cost to MCHCP.</p>	
<p><b>C49. Change in Laws:</b> Contractor agrees that any state and/or federal laws, applicable rules and regulations enacted during the terms of the Contract which are deemed by MCHCP to necessitate a change in the contract shall be deemed incorporated into the Contract. MCHCP will review any request for additional fees resulting from such changes and retains final authority to make any changes. In consultation with Contractor, a consultant may be utilized to determine the cost impact.</p>	
<p><b>C50. Response/Compliance with Audit or Inspection Findings:</b> Contractor must take action to ensure its subcontractors' compliance with or correction of any finding of noncompliance with any law, regulation, audit requirement, or generally accepted accounting principle relating to the services or any other deficiency contained in any audit, review, or inspection. This action will include Contractor's delivery to MCHCP, for MCHCP's approval, a corrective action plan that address deficiencies identified in any audit(s), review(s), or inspection(s) within thirty (30) calendar days of the close of the audit(s), review(s), or inspection(s).</p>	
<p><b>C51. Inspections:</b> Upon notice from MCHCP, Contractor will provide, and will cause its subcontractors to provide, such auditors and/or inspectors as MCHCP may from time to time designate, with access to Contractor service locations, facilities or installations. The access described in this section shall be for the purpose of performing audits or inspections of the Services and the business of MCHCP. Contractor must provide as part of the services any assistance that such auditors and inspectors reasonably may require to complete such audits or inspections.</p>	

**ACKNOWLEDGE AND ACCEPT**

I have reviewed the Request for Proposal (RFP). I hereby acknowledge and accept all of the provisions, requirements, and conditions stated in this section of the RFP, subject to any modifications, conditions and limitations as defined in Exhibit B. I further acknowledge that rejection of the above listed mandatory contract provisions may be cause for rejection of my company's proposal.

\_\_\_\_\_

Authorized Signature

\_\_\_\_\_

Date

\_\_\_\_\_

Title

SECTION D  
PROPOSAL SUBMISSION INFORMATION

D1. SUBMISSION OF PROPOSALS

- D1.1 A proposal submitted by a bidder must (1) be signed by a duly authorized representative of the bidder's organization; (2) contain all information required by the RFP; (3) be priced as required; (4) be sealed in an envelope or container; and (5) be mailed or hand-delivered (not faxed) to the office of MCHCP and officially clocked in no later than the exact filing time and date specified in the RFP.
- D1.1.1 Specifically, any form containing a signature line, including any amendments and all Exhibits must be manually signed and returned (two originals of Exhibits A and B) as part of the proposal.
- D1.1.2 The bidder must provide an original and three (3) copies of their proposal. Responses to the questionnaire should be in a separate section of the proposal and the questions must be answered in the order in which they are presented. The bidder must also provide two originals of all signature pages and Exhibits A and B.
- D1.1.3 Exhibit C must be completed, signed and returned with the proposal by the proposal due date. Exhibit D, if applicable, must be completed, signed and returned with the proposal by the proposal due date.
- D1.1.4 Exhibit E must be reviewed and the bidder provide any suggested red-lined changes to the document using Microsoft Word Track Changes functionality. Changes proposed may or may not be accepted by MCHCP.
- D1.2 The bidder must respond to this RFP by submitting all data required herein in order for their proposal to be evaluated and considered for award. Failure to submit such data shall be deemed sufficient cause for disqualification of a proposal from further consideration for award.
- D1.3 A signed and submitted proposal assumes that the bidder agrees with all provisions of the RFP unless specifically stated otherwise. Any and all exceptions or proposed deviations by the bidder from the RFP and its requirements must be stated in Exhibit B and submitted with the proposal.
- D1.4 Proposals must be valid until April 30, 2023. If a contract is awarded, prices for the FY2023 audit shall remain firm.
- D1.5 The sealed envelope or container containing a proposal should be clearly marked "**Attn: Stacia Fischer, Chief Financial Officer - Auditing Services RFP – Filing Date October 7, 2022.**"
- D1.6 A proposal may only be modified or withdrawn by signed, written notice, which has been received by MCHCP prior to the official filing date and time specified. A proposal may also be withdrawn or modified in person by the bidder or its authorized representative, provided proper identification is presented before the official filing date and time.
- D1.7 Bidders must sign and return the RFP signature page or, if applicable, the signature page of the last amendment thereto, in order to constitute acceptance by the bidder of all RFP terms and conditions. Failure to do so shall result in rejection of the proposal unless the bidder's full compliance with those documents is indicated elsewhere within the bidder's response.



D1.8 All responses to this RFP and amendments to this RFP, including “no bid” responses and requests to modify a proposal, must be delivered to the office of MCHCP in a sealed envelope or container. Submission by unsealed facsimile, telegram, telephone or email is not acceptable. However, sealed proposals containing faxed pages are acceptable. In addition, requests to withdraw proposals may be submitted by facsimile but must be received by MCHCP prior to the official filing date and time specified.

## D2. CLARIFICATION OF REQUIREMENTS

D2.1 It is assumed that bidders have read the entire RFP prior to the submission of a signed proposal and submission of a signed proposal indicates that the bidder will meet all requirements stated herein.

D2.2 Unless otherwise noted, any and all questions regarding specifications, requirements, competitive procurement process, etc., must be in writing and directed by email to [rfp@mchcp.org](mailto:rfp@mchcp.org) no later than the deadline as indicated on the first page of this RFP. There will be no bidder’s conference.

D2.3 The bidder is advised that the only official position of MCHCP is that position which is stated in writing and issued by MCHCP in the RFP and any amendments or clarifications thereto. No other means of communication, whether oral or written, shall be construed as a formal or official response or statement.

## D3. EVALUATION PROCESS

D3.1 Any clerical error, apparent on its face, may be corrected by the bidder before contract award. Upon discovering an apparent clerical error, MCHCP shall contact the bidder and request written clarification of the intended proposal. The correction shall be made in the notice of award. Examples of apparent clerical errors are: 1) misplacement of a decimal point; and 2) obvious mistake in designation of unit.

D3.2 Any pricing information submitted by a bidder must be disclosed on the pricing pages as designated in this RFP. Any pricing information which appears elsewhere in the bidder’s proposal shall not be considered by MCHCP.

D3.3 To be eligible to receive an award, the bidder must comply with all mandatory specifications and requirements of the RFP. MCHCP reserves the right to evaluate all offers and, based upon that evaluation, to reject all offers.

D3.4 MCHCP reserves the right to request written clarification of any portion of the bidder’s response in order to verify the intent of the bidder. The bidder is cautioned, however, that its response shall be subject to acceptance or rejection without further clarification.

D3.5 After determining that a proposal satisfies the mandatory requirements stated in the RFP, the comparative assessment of the relative benefits and deficiencies of the proposal in relationship to the published evaluation criteria shall be made. The award of a contract resulting from this RFP shall be based on the lowest and best proposal received in accordance with the evaluation criteria stated below:

Evaluation Criteria

Cost	40 points
Experience and Reliability	25 points
Expertise of Personnel	20 points
Proposed Method of Performance	<u>15 points</u>
	100 points

Bonus Points – MBE/WBE Participation Commitment 10 points

Finalist Points

Project Team Interview and References 10 points

MCHCP will limit the number of finalists to the bidders receiving 80 percent (48 points) of the possible 60 non-financial points available or the top two bidders if less than two bidders receive 80 percent of the possible 60 non-financial points.

The bidder’s proposed participation of MBE/WBE firms in meeting the targets of the RFP will be considered in the evaluation process. A maximum of MBE/WBE participation points of 10 points will be awarded based on the participation amount proposed by the bidder. Awarded MBE/WBE participation points will be added to the non-financial points earned by the bidder and will be included to determine if a bidder meets the 80 percent threshold to obtain finalist status.

**Minority Business Enterprise (MBE)/Women Business Enterprise (WBE) Participation**

The bidder should secure participation of certified MBEs and WBEs in provider products/services required in this RFP. The targets of participation recommended by the State of Missouri are 10% MBE and 5% WBE of the total dollar value of the contract.

- a) These targets can be met by a qualified MBE/WBE vendor themselves and/or through the use of qualified subcontractors, suppliers, joint ventures, or other arrangements that afford meaningful opportunities for MBE/WBE participation.
- b) The services performed or the products provided by MBE/WBEs must provide a commercially useful function related to the delivery of the contractually-required service/product in a manner that will constitute an added value to the contract and shall be performed/provided exclusive to the performance of the contract. Therefore, if the services performed or the products provided by MBE/WBEs is utilized, to any extent, in the bidder’s obligations outside of the contract, it shall not be considered a valid added value to the contract and shall not qualify as participation in accordance with this clause.
- c) In order to be considered as meeting these targets, the MBE/WBEs must be “qualified” by the proposal opening date (date the proposal is due). (See below for a definition of a qualified MBE/WBE.)
- d) If the bidder is proposing MBE/WBE participation, in order to receive evaluation consideration for MBE/WBE participation, the bidder must provide the following information with the proposal.
  - a. Participation Commitment - If the bidder is proposing MBE/WBE participation, the vendor must complete Section E4 of the Questionnaire (MBE-WBE Participation Commitment), by listing each proposed MBE and WBE, the committed percentage of participation for each MBE and WBE, and the commercially useful products/services to be provided by the listed

MBE and WBE. If the vendor submitting the proposal is a qualified MBE and/or WBE, the vendor must include the vendor in the appropriate table on the Participation Commitment Form.

- b. Documentation of Intent to Participate – The bidder must either provide a properly completed Exhibit D, Documentation of Intent to Participate Form, signed and dated no earlier than the RFP issuance date by each MBE and WBE proposed or must provide a letter of intent signed and dated no earlier than the RFP issuance date by each MBE and WBE proposed which: (1) must describe the products/services the MBE/WBE will provide and (2) should include evidence that the MBE/WBE is qualified, as defined herein (i.e., the MBE/WBE Certification Number or a copy of MBE/WBE certificate issued by the Missouri OEO). If the bidder submitting the proposal is a qualified MBE and/or WBE, the bidder is not required to complete Exhibit D, Documentation of Intent to Participate Form or provide a recently dated letter of intent.
- e) Commitment – If the bidder’s proposal is awarded, the percentage level of MBE/WBE participation committed to by the bidder on Exhibit D, Participation Commitment, shall be interpreted as a contractual requirement.

Definition -- Qualified MBE/WBE:

To be considered a qualified MBE or WBE for purposes of this RFP, the MBE/WBE must be certified by the State of Missouri, Office of Administration, Office of Equal Opportunity (OEO) by the proposal opening date.

MBE or WBE means a business that is a sole proprietorship, partnership, joint venture, or corporation in which at least fifty-one percent (51%) of the ownership interest is held by minorities or women and the management and daily business operations of which are controlled by one or more minorities or women who own it.

Minority is defined as belonging to one of the following racial minority groups: African Americans, Native Americans, Hispanic Americans, Asian Americans, American Indians, Eskimos, Aleuts, and other groups that may be recognized by the Office of Advocacy, United States Small Business Administration, Washington D.C.

A listing of several resources that are available to assist bidders in their efforts to identify and secure the participation of qualified MBEs and WBEs is available at the website shown below or by contacting the Office of Equal Opportunity (OEO) at:

Office of Administration, Office of Equal Opportunity (OEO)  
Harry S Truman Bldg., Room 630, P.O. Box 809, Jefferson City, MO 65102-0809  
Phone: (877) 259-2963 or (573) 751-8130  
Fax: (573) 522-8078  
Web site: <http://o eo .mo .gov>

- D3.6 MCHCP reserves the right to consider historic information and fact, whether gained from the bidder's proposal, question and answer conferences, references, site visits or any other source, in the evaluation process.
- D3.7 The bidder is cautioned that it is the bidder's sole responsibility to submit information related to the evaluation categories and that MCHCP is under no obligation to solicit such information if it is not included with the bidder's proposal. Failure of the bidder to submit such information may cause an adverse impact on the evaluation of the bidder's proposal.

D3.8 The bidder is advised that under the provisions of this RFP, MCHCP reserves the right to conduct negotiations of the proposals received or to award a contract without negotiations. If such negotiations are conducted, the following conditions shall apply:

- Negotiations may be conducted in person, in writing, or by telephone.
- Negotiations will only be conducted with potentially acceptable proposals. MCHCP reserves the right to limit negotiations to those proposals which received the highest rankings during the initial evaluation phase. All bidders involved in the negotiation process will be invited to submit a best and final offer.
- Terms, conditions, prices, methodology, or other features of the bidder's proposal may be subject to negotiation and subsequent revision. As part of the negotiations, the bidder may be required to submit supporting financial, pricing, and other data in order to allow a detailed evaluation of the feasibility, reasonableness, and acceptability of the proposal.
- The mandatory requirements of the RFP shall not be negotiable and shall remain unchanged unless MCHCP determines that a change in such requirements is in the best interest of MCHCP and its members.
- Bidder understands that the terms of any negotiation are confidential until an award is made or all proposals are rejected.

D3.9 After an initial screening process, a technical question and answer conference or interview may be conducted, if deemed necessary by MCHCP, to clarify or verify the bidder's proposal and to develop a comprehensive assessment of the proposal. MCHCP intends to interview the finalists' key personnel.

#### D4. PRICING

D4.1 The bidder must provide a firm, fixed price per hour by job title for all requirements set forth in this RFP. In addition, the bidder must provide a total price for the project for which the project will not exceed.

D4.1.1 The bidder's firm, fixed price per hour and the total price for which the project shall not exceed must be shown on Exhibit A of this RFP which must be completed, signed, and returned (two copies) with the bidder's proposal. Be sure to complete all tabs in the workbook.

D4.1.2 All information contained in Exhibit A may be utilized in the evaluation of the specified evaluation criteria related to such information including the proposed method of performance.

D4.2 For evaluation purposes, the bidder's firm, fixed price per hour and the total "not to exceed" price for each project shall be considered in the evaluation of cost and shall include all travel and incidental expenses in the not-to-exceed total

D4.3 In determining pricing points, MCHCP will consider the potential three-year cost of the program including the full not-to-exceed price for the FY2024 and FY2025 audits as provided in Exhibit A.

#### D5. NEGOTIATION AND CONTRACT AWARD

D5.1 The bidder is advised that under the provisions of this RFP, MCHCP reserves the right to conduct negotiations of the proposals received or to award a contract without negotiations. If such negotiations are conducted, the following conditions shall apply:

- Negotiations may be conducted in person, in writing, or by telephone.
- Negotiations will only be conducted with bidders who provide potentially acceptable proposals. MCHCP reserves the right to limit negotiations to those bidders which received the highest rankings during the initial evaluation phase. All bidders involved in the negotiation process will be invited to submit a best and final offer.
- Terms, conditions, prices, methodology, or other features of the bidder’s proposal may be subject to negotiation and subsequent revision. As part of the negotiations, the bidder may be required to submit supporting financial, pricing, and other data in order to allow a detailed evaluation of the feasibility, reasonableness, and acceptability of the proposal.
- The mandatory requirements of the RFP shall not be negotiable and shall remain unchanged unless MCHCP determines that a change in such requirements is in the best interest of MCHCP and its members.
- Bidder understands that the terms of any negotiation are confidential until an award is made or all proposals are rejected.

D5.2 Any award of a contract resulting from this RFP will be made only by written authorization from MCHCP.

## D6. CONFIDENTIALITY AND PROPRIETARY MATERIALS

D6.1 Pursuant to Section 610.021 RSMo, proposals and related documents shall not be available for public review until a contract has been awarded or all proposals are rejected. MCHCP maintains copies of all proposals and related documents.

D6.2 MCHCP is a governmental body under Missouri Sunshine Law (Chapter 610 RSMo). Section 610.011 requires that all provisions be “liberally construed and their exceptions strictly construed to promote” the public policy that records are open unless otherwise provided by law. Regardless of any claim by a bidder as to material being proprietary and not subject to copying or distribution, or how a bidder characterizes any information provided in its proposal, all material submitted by the bidder in conjunction with the RFP is subject to release after the award of a contract in relation to a request for public records under the Missouri Sunshine Law (see Chapter 610 of the Missouri Revised Statutes). Only information expressly permitted by the provisions of Missouri’s Sunshine Law to be closed – strictly construed – will be redacted by MCHCP from any public request submitted to MCHCP after an award is made. Bidders should presume information provided to MCHCP in a proposal will be public following the award of the bid and made available upon request in accordance with the provisions of state law.

## SECTION E QUESTIONNAIRE

**The bidder must complete the following questionnaire. Responses to the questionnaire must be in a separate section of the proposal and the questions must be repeated and answered in the order in which they are presented. In addition to an original and three hard copies of the proposal, provide a copy of the complete proposal on electronic media.**

- E1. EXPERIENCE AND RELIABILITY – The experience and reliability of the bidder’s organization will be considered in the evaluation. The bidder is advised to submit any information which documents successful and reliable experience in past performances, especially those performances related to the requirements of this RFP.
- E1.1 Provide the following information related to previous and current contracts which are considered identical or similar to the requirements of this RFP. Specifically, the offeror is to submit specific information to document successful and reliable experience in the most recent five (5) years related to the audit of similar governmental organizations to MCHCP.
- a. Name, address, and telephone number of contracting agency and a contact person who may be contacted for verification of all data submitted.
  - b. Dates of the contract
  - c. Brief description of the specific prior services performed and requirements thereof
- E1.2 Describe your relevant technical experience related to the auditor’s experience in both the reporting and auditing requirements of GASB Statement 68, *Accounting and Financial Reporting for Pensions*, and GASB Statements 74/75 that superseded the original GASB 43/45 OPEB pronouncements. Include contact information for any governmental entities for whom you have provided this service.
- E1.3 Provide a copy of the most recent peer review received.
- E1.4 Provide documentation affirming that the firm is properly licensed with the Missouri State Board of Accountancy.
- E1.5 Describe the nature and extent of any disciplinary action taken against the firm by the American Institute of Certified Public Accountants, any state board or society of Certified Public Accountants, or any federal, state or local government authority.
- E1.6 Describe the economic advantages that will be realized as a result of your organization performing the required services by providing responses to each item below:
- E1.6.1 Provide a description of the proposed services that will be performed and/or the proposed products that will be provided by Missourians and/or Missouri products.
  - E1.6.2 Provide a description of the economic impact returned to the State of Missouri through tax revenue obligations.
  - E1.6.3 Provide a description of the company’s economic presence within the State of Missouri (e.g. type of facilities: sales offices; sales outlets; divisions; manufacturing; warehouse; other), including Missouri employee statistics.

- E2. EXPERTISE OF BIDDER'S PERSONNEL - The qualifications of the personnel proposed by the bidder to perform the requirements of this RFP will be considered in the evaluation. Therefore, the bidder should submit detailed information related to the experience and qualifications of the staff proposed.
- E2.1 Provide a resume including references detailing educational qualifications and previous work assignments as may relate to this RFP for key personnel to be assigned to this project. Identify whether the personnel proposed are licensed Certified Public Accountants and, if so, the State Board of Accountancy with which each is currently licensed.
- E2.2 Describe any disciplinary action taken against the proposed personnel by the American Institute of Certified Public Accountants, any state board or society of Certified Public Accountants, or any federal, state or local governmental authority.
- E2.3 Provide the following information for any staff that have yet to be hired that will serve on the MCHCP engagement:
- a. Detailed description of the required employment qualifications; and
  - b. Detailed job description of the position to be filled, including the type of individual proposed to be hired.
- E2.4 What is your firm's continuing professional education policy?
- E3. PROPOSED METHOD OF PERFORMANCE
- E3.1 Provide a sequential step-by-step description of the events that are proposed to accomplish each project contained in Scope of Work and the number of work hours required to perform the task or event. In addition, specify the personnel who are proposed to perform the audit and the number of work hours each person will be working on the audit. Historically, audit field work has been performed in May/June for the Schedules of Other Postemployment Benefits and in September/October following the fiscal year end of June 30 for the General Fiscal Year End Audit. Work hours proposed in this Schedule of Events may be compared with the work hours proposed in the price analysis. Discrepancies may be deemed disqualifying.
- E3.2 Provide an organizational chart showing the lines of authority for the key personnel to be used. The relationship of the project leader to management and to support personnel should be clearly illustrated.
- E3.3 Provide the approach your organization will utilize to audit the implementation of any new auditing standards applicable to MCHCP.
- E4. MBE/WBE PARTICIPATION COMMITMENT – If the bidder is committing to participation by or if the bidder is a qualified MBE/WBE, the bidder must provide the required information in the appropriate table(s) below for the organization proposed and must submit the completed Exhibit D with the bidder's proposal. For Minority Business Enterprise (MBE) and/or Women Business Enterprise (WBE) Participation, if proposing an entity certified as both MBE and WBE, the bidder must either (1) enter the participation percentage under MBE or WBE, or must (2) divide the participation between both MBE and WBE. If dividing the participation, do not state the total participation on both the MBE and WBE Participation Commitment tables below. Instead, divide the total participation as proportionately appropriate between the tables below.

E4.1 MBE Participation Commitment Table

	<b>Name of Qualified Minority Business Enterprise (MBE) Proposed</b>	<b>Committed Percentage of Participation for MBE</b>	<b>Description of Products/Services to be Provided by MBE</b>
<b>Company 1</b>			
<b>Company 2</b>			
<b>Company 3</b>			
<b>Total MBE Percentage</b>			

E4.2 WBE Participation Commitment Table

	<b>Name of Qualified Women Business Enterprise (WBE) Proposed</b>	<b>Committed Percentage of Participation for WBE</b>	<b>Description of Products/Services to be Provided by WBE</b>
<b>Company 1</b>			
<b>Company 2</b>			
<b>Company 3</b>			
<b>Total WBE Percentage</b>			



**Exhibit A  
Pricing Page (Page 1 of 3)**

**PROJECT: General Fiscal Year End Audit**

FY2023 Audit					
Job Title/Classification	Name	Hours	Price per Hour	Total Price	Guaranteed Not to Exceed
Audit Manager				\$0.00	
Senior Auditor				\$0.00	
Auditor				\$0.00	
Junior/Assistant Auditor				\$0.00	
Clerical				\$0.00	
Other (list job title)				\$0.00	
				\$0.00	
				\$0.00	
				\$0.00	
				\$0.00	
<b>TOTAL</b>		<b>0.00</b>		<b>\$0.00</b>	<b>\$0.00</b>

FY2024 Audit					
Job Title/Classification	Name	Hours	Price per Hour	Total Price	Guaranteed Not to Exceed
Audit Manager				\$0.00	
Senior Auditor				\$0.00	
Auditor				\$0.00	
Junior/Assistant Auditor				\$0.00	
Clerical				\$0.00	
Other (list job title)				\$0.00	
				\$0.00	
				\$0.00	
				\$0.00	
				\$0.00	
<b>TOTAL</b>		<b>0.00</b>		<b>\$0.00</b>	<b>\$0.00</b>

FY2025 Audit					
Job Title/Classification	Name	Hours	Price per Hour	Total Price	Guaranteed Not to Exceed
Audit Manager				\$0.00	
Senior Auditor				\$0.00	
Auditor				\$0.00	
Junior/Assistant Auditor				\$0.00	
Clerical				\$0.00	
Other (list job title)				\$0.00	
				\$0.00	
				\$0.00	
				\$0.00	
				\$0.00	
<b>TOTAL</b>		<b>0.00</b>		<b>\$0.00</b>	<b>\$0.00</b>

\_\_\_\_\_  
Bidder's Signature

\_\_\_\_\_  
Bidder's Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**Exhibit A  
Pricing Page (Page 2 of 3)**

**PROJECT: Schedules of Other Postemployment Benefits for Participating Employers**

<b>FY2023 Schedules of Other Postemployment Benefits for Participating Employers</b>					
<u>Job Title/Classification</u>	<u>Name</u>	<u>Hours</u>	<u>Price per Hour</u>	<u>Total Price</u>	<u>Guaranteed Not to Exceed</u>
Audit Manager				\$0.00	
Senior Auditor				\$0.00	
Auditor				\$0.00	
Junior/Assistant Auditor				\$0.00	
Clerical				\$0.00	
Other (list job title)				\$0.00	
				\$0.00	
				\$0.00	
				\$0.00	
				\$0.00	
<b>TOTAL</b>		<b>0.00</b>		<b>\$0.00</b>	<b>\$0.00</b>

<b>FY2024 Schedules of Other Postemployment Benefits for Participating Employers</b>					
<u>Job Title/Classification</u>	<u>Name</u>	<u>Hours</u>	<u>Price per Hour</u>	<u>Total Price</u>	<u>Guaranteed Not to Exceed</u>
Audit Manager				\$0.00	
Senior Auditor				\$0.00	
Auditor				\$0.00	
Junior/Assistant Auditor				\$0.00	
Clerical				\$0.00	
Other (list job title)				\$0.00	
				\$0.00	
				\$0.00	
				\$0.00	
				\$0.00	
<b>TOTAL</b>		<b>0.00</b>		<b>\$0.00</b>	<b>\$0.00</b>

<b>FY2025 Schedules of Other Postemployment Benefits for Participating Employers</b>					
<u>Job Title/Classification</u>	<u>Name</u>	<u>Hours</u>	<u>Price per Hour</u>	<u>Total Price</u>	<u>Guaranteed Not to Exceed</u>
Audit Manager				\$0.00	
Senior Auditor				\$0.00	
Auditor				\$0.00	
Junior/Assistant Auditor				\$0.00	
Clerical				\$0.00	
Other (list job title)				\$0.00	
				\$0.00	
				\$0.00	
				\$0.00	
				\$0.00	
<b>TOTAL</b>		<b>0.00</b>		<b>\$0.00</b>	<b>\$0.00</b>

\_\_\_\_\_  
Bidder's Signature

\_\_\_\_\_  
Bidder's Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**Exhibit A**  
**Pricing Page (Page 3 of 3)**

Not-to-Exceed Pricing			
	General Fiscal Year End Audit	Schedule of Other Post Employment Benefits for Participating Employers	Total
FY2023	\$0.00	\$0.00	<b>\$0.00</b>
FY2024	\$0.00	\$0.00	<b>\$0.00</b>
FY2025	\$0.00	\$0.00	<b>\$0.00</b>

\_\_\_\_\_  
Bidder's Signature

\_\_\_\_\_  
Bidder's Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**EXHIBIT B  
BIDDER'S PROPOSED MODIFICATIONS TO THE RFP  
2023 AUDITING RFP**

The bidder must utilize this document to clearly identify by subsection number any exceptions to the provisions of the Request for Proposal (RFP) and include an explanation as to why the bidder cannot comply with the specific provision. Any desired modifications should be kept as succinct and brief as possible. **Failure to confirm acceptance of the mandatory contract provisions will result in the bidder being eliminated from further consideration as its proposal will be considered non-compliant.**

**Any modification proposed shall be deemed accepted as a modification of the RFP if and only if this proposed modification exhibit is countersigned by an authorized MCHCP representative on or before the effective date of the contract awarded under this RFP.**

---

Name/Title of Individual

---

Organization

---

Signature

---

Date

On behalf of MCHCP, the undersigned individual hereby attests that he or she is authorized to enter into this Agreement and agrees to all the terms specified herein.

---

Executive Director  
Missouri Consolidated Health Care Plan

---

Date

**EXHIBIT C**

**CONTRACTOR CERTIFICATION  
OF COMPLIANCE WITH FEDERAL EMPLOYMENT LAWS  
2018 MCHCP AUDITING RFP**

\_\_\_\_\_ (hereafter referred to as “Contractor”) hereby certifies that all of Contractor’s employees and its subcontractors’ employees assigned to perform services for Missouri Consolidated Health Care Plan (“MCHCP”) and/or its members are eligible to work in the United States in accordance with federal law.

Contractor acknowledges that MCHCP is entitled to receive all requested information, records, books, forms, and any other documentation (“requested data”) in order to determine if Contractor is in compliance with federal law concerning eligibility to work in the United States and to verify the accuracy of such requested data. Contractor further agrees to fully cooperate with MCHCP in its audit of such subject matter.

Contractor also hereby acknowledges that MCHCP may declare Contractor has breached its Contract if MCHCP has reasonable cause to believe that Contractor or its subcontractors knowingly employed individuals not eligible to work in the United States. MCHCP may then lawfully and immediately terminate its Contract with Contractor without any penalty to MCHCP and may suspend or debar Contractor from doing any further business with MCHCP.

THE UNDERSIGNED PERSON REPRESENTS AND WARRANTS THAT HE/SHE IS DULY AUTHORIZED TO SIGN THIS DOCUMENT AND BIND THE CONTRACTOR TO SUCH CERTIFICATION.

\_\_\_\_\_  
Name/Title of Individual

\_\_\_\_\_  
Organization

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**Exhibit D**

**Documentation of Intent to Participate  
2023 Auditing RFP**

If the bidder is proposing to include the participation of a Minority Business Enterprise/Women Business Enterprise (MBE/WBE) in the provision of the products/services required in the RFP, the bidder must either provide a recently dated letter of intent, signed and dated no earlier than the RFP issuance date, from each organization documenting the following information, or complete and provide this Exhibit with the bidder's proposal.

*~ Copy This Form For Each Organization Proposed ~*

Bidder Name: \_\_\_\_\_

**This Section To Be Completed by Participating Organization:**

*By completing and signing this form, the undersigned hereby confirms the intent of the named participating organization to provide the products/services identified herein for the bidder identified above.*

Name of Organization: \_\_\_\_\_

(Name of MBE, WBE)

Contact Name: \_\_\_\_\_ Email: \_\_\_\_\_

Address: \_\_\_\_\_ Phone #: \_\_\_\_\_

City: \_\_\_\_\_ Fax #: \_\_\_\_\_

State/Zip: \_\_\_\_\_ Certification # \_\_\_\_\_

Type of Organization (MBE or WBE): \_\_\_\_\_ Certification Expiration (or attach copy of certification) \_\_\_\_\_

Date: \_\_\_\_\_

**PRODUCTS/SERVICES PARTICIPATING ORGANIZATION AGREED TO PROVIDE**

Describe the products/services you (as the participating organization) have agreed to provide:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Authorized Signature:**

\_\_\_\_\_  
*Authorized Signature of Participating Organization  
(MBE, WBE)*

\_\_\_\_\_  
*Date  
(Dated no earlier than  
the RFP issuance  
date)*

**EXHIBIT E**  
**BUSINESS ASSOCIATE AGREEMENT**

This Business Associate Agreement (“Agreement”) between the Missouri Consolidated Health Care Plan (hereinafter “Covered Entity” or “MCHCP”) and **Auditing Firm**. (hereinafter “Business Associate”) is entered into as a result of the business relationship between the parties in connection with services requested and performed in accordance with the Auditing Services (“RFP”) released on September XX, 2022, and under the Contract entered into as a result of the RFP, as renewed and amended, (hereinafter the “Contract”).

This Agreement supersedes all other agreements, including any previous business associate agreements, between the parties with respect to the specific matters addressed herein. In the event the terms of this Agreement are contrary to or inconsistent with any provisions of the Contract or any other agreements between the parties, this Agreement shall prevail, subject in all respects to the Health Insurance Portability and Accountability Act of 1996, as amended (the “Act”), and the HIPAA Rules, as defined in Section 2.1 below.

**1 Purpose.**

The Contract is for Auditing Services.

The purpose of this Agreement is to comply with requirements of the Act and the implementing regulations enacted under the Act, 45 CFR Parts 160 - 164, as amended, to the extent such laws relate to the obligations of business associates, and to the extent such laws relate to obligations of MCHCP in connection with services performed by **Auditing Firm** for or on behalf of MCHCP under the Contract. This Agreement is required to allow the parties to lawfully perform their respective duties and maintain the business relationship described in the Contract.

**2 Definitions.**

2.1 For purposes of this Agreement:

“Business Associate” shall generally have the same meaning as the term “business associate” at 45 CFR § 160.103, and in reference to this Agreement, shall mean **Auditing Firm**.

“Covered Entity” shall generally have the same meaning as the term “covered entity” at 45 CFR § 160.103, and in reference to this Agreement, shall mean MCHCP.

“HIPAA Rules” shall mean the Privacy, Security, Breach Notification, and Enforcement Rules set forth in 45 CFR Parts 160 and 164, as amended.

2.2 Unless otherwise expressly stated in this Agreement, all words, terms, specifications, and requirements used or referenced in this Agreement which are defined in the HIPAA Rules shall have the same meanings as described in the HIPAA Rules, including but not limited to: breach; data aggregation; designated record set; disclose or disclosure; electronic media; electronic protected health information (“ePHI”); family member; genetic information; health care; health information; health care operations; individual; individually identifiable health information; marketing; minimum necessary; notice of privacy practices; person; protected health information (“PHI”); required by law;

Secretary; security incident; standard; subcontractor; transaction; unsecured PHI; use; violation or violate; and workforce.

- 2.3 To the extent a term is defined in the Contract and this Agreement, the definition in this Agreement, subject in all material respects to the HIPAA Rules, shall govern.
- 2.4 Notwithstanding the forgoing, for ease of reference throughout this Agreement, Business Associate understands and agrees that wherever PHI is referenced in this Agreement, it shall be deemed to include all MCHCP-related PHI in any format or media including paper, recordings, electronic media, emails, and all forms of MCHCP-related ePHI in any data state, be it data in motion, data at rest, data in use, or otherwise.

### 3 **Obligations and Activities of Business Associate.**

- 3.1 Business Associate agrees to not use or disclose PHI other than as permitted or required by this Agreement or as required by law.
- 3.2 Appropriate Safeguards. Business Associate agrees to implement, maintain, and use appropriate administrative, physical, and technical safeguards, and fully comply with all applicable standards, implementation specifications, and requirements of Subpart C of 45 CFR Part 164 with respect to ePHI, in order to: (i) ensure the confidentiality, integrity, and availability of ePHI created, received, maintained, or transmitted; (ii) protect against any reasonably anticipated threats or hazards to the security or integrity of such information; and (iii) protect against use or disclosure of ePHI by Business Associate, its workforce, and its subcontractors other than as provided for by this Agreement.
- 3.3 Subcontractors. Pursuant to §§ 164.308(b)(2) and 164.502(e)(1)(ii), Business Associate agrees it will not permit any subcontractors to create, receive, access, use, maintain, disclose, or transmit PHI in connection with, on behalf of, or under the direction of Business Associate in connection with performing its duties and obligations under the Contract unless and until Business Associate obtains satisfactory assurances in the form of a written contract or written agreement in accordance with §§ 164.504(e) and 164.314(a)(2) that the subcontractor(s) will appropriately safeguard PHI and in all respects comply with the same restrictions, conditions, and requirements applicable to Business Associate under the HIPAA Rules and this Agreement with respect to such information.

In addition to the forgoing, and in accordance with the Contract, Business Associate agrees it will not permit any subcontractor, or use any off-shore entity, to perform services under the Contract, including creation, use, storage, or transmission of PHI at any location(s) outside of the United States.

- 3.4 Reports to MCHCP. Business Associate agrees to report any use or disclosure of PHI not authorized or provided for by this Agreement, including breaches of unsecured PHI and any security incident involving MCHCP to MCHCP in accordance with the notice provisions prescribed in this Section 3.4. For purposes of the security incident reporting requirement, the term “security incident” shall not include inconsequential incidents that occur on a daily basis, such as scans, “pings,” or other unsuccessful attempts to penetrate computer networks or servers containing ePHI maintained or transmitted by Business Associate.



- 3.4.1 The notice shall be delivered to, and confirmed received by, MCHCP without unreasonable delay, but in any event no later than three (3) business days of Business Associate's first discovery, as discovery is described under § 164.410, of the unauthorized use or disclosure, breach of unsecured PHI, or security incident.
- 3.4.2 The notice shall be in writing and sent to both of the following MCHCP workforce members and deemed delivered only upon personal confirmation, acknowledgement or receipt in any form, verbal or written, from one of the designated recipients:
- MCHCP's Privacy Officer → currently, Jennifer Stilabower, (573) 522-3242, [Jennifer.Stilabower@mchcp.org](mailto:Jennifer.Stilabower@mchcp.org), 832 Weathered Rock Court, Jefferson City, MO 65101
  - MCHCP's Security Officer → currently, Brad Kifer, (573) 526-2858, [brad.kifer@mchcp.org](mailto:brad.kifer@mchcp.org), 832 Weathered Rock Court, Jefferson City, MO 65101

If, and only if, Business Associate receives an email or voicemail response indicating neither of the intended MCHCP recipients are available and no designee(s) confirm receipt within eight (8) business hours on behalf of one or both of the above-named MCHCP Officers, Business Associate shall forward the written notice to their primary MCHCP contact with copies to the Privacy and Security Officers for documentation purposes.

- 3.4.3 The notice shall include to the fullest extent possible:
- a) a detailed description of what happened, including the date, time, and all facts and circumstances surrounding the unauthorized use or disclosure, breach of unsecured PHI, or security incident;
  - b) the date, time, and circumstances surrounding when and how Business Associate first became aware of the unauthorized use or disclosure, breach of unsecured PHI, or security incident;
  - c) identification of each individual whose PHI has been, or is reasonably believed by Business Associate to have been involved or otherwise subject to possible breach;
  - d) a description of all types of PHI known or potentially believed to be involved or affected;
  - e) identification of any and all unauthorized person(s) who had access to or used the PHI or to whom an unauthorized disclosure was made;
  - f) all decisions and steps Business Associate has taken to date to investigate, assess risk, and mitigate harm to MCHCP and all potentially affected individuals;
  - g) contact information, including name, position or title, phone number, email address, and physical work location of the individual(s) designated by Business Associate to act as MCHCP's primary contact for purposes of the notice triggering event(s);

- h) all corrective action steps Business Associate has taken or shall take to prevent future similar uses, disclosures, breaches, or incidents;
- i) if all investigatory, assessment, mitigation, or corrective action steps are not complete as of the date of the notice, Business Associate's best estimated timeframes for completing each planned but unfinished action step; and
- j) any action steps Business Associate believes affected or potentially affected individuals should take to protect themselves from potential harm resulting from the matter.

3.4.4 Business Associate agrees to cooperate with MCHCP during the course of Business Associate's investigation and risk assessment and to promptly and regularly update MCHCP in writing as supplemental information becomes available relating to any of the items addressed in the notice.

3.4.5 Business Associate further agrees to provide additional information upon and as reasonably requested by MCHCP; and to take any additional steps MCHCP reasonably deems necessary or advisable to comply with MCHCP's obligations as a covered entity under the HIPAA Rules.

3.4.6 Business Associate expressly acknowledges the presumption of breach with respect to any unauthorized acquisition, access, use, or disclosure of PHI, unless Business Associate is able to demonstrate otherwise in accordance with § 164.402(2), in which case, Business Associate agrees to fully document its assessment and all factors considered and provide MCHCP no later than ten (10) calendar days following Business Associate's discovery with its complete written risk assessment, conclusion reached, and all documentation supporting a conclusion that the unauthorized acquisition, access, use, or disclosure of PHI presents a low probability that PHI has been compromised.

3.4.7 The parties agree to work together in good faith, making every reasonable effort to reach consensus regarding whether a particular circumstance constitutes a breach or otherwise warrants notification, publication, or reporting to any affected individual, government body, or the public and also the appropriate means and content of any notification, publication, or report. Notwithstanding the foregoing, all final decisions involving questions of breach of PHI shall be made by MCHCP, including whether a breach has occurred, and any notification, publication, or public reporting required or reasonably advisable under the HIPAA Rules and MCHCP's Notice of Privacy Practices based on all objective and verifiable information provided to MCHCP by Business Associate under this Section 3.4

3.4.8 Business Associate agrees to bear all reasonable and actual costs associated with any notifications, publications, or public reports relating to breaches by Business Associate, any subcontractor of Business Associate, and any employee or workforce member of Business Associate and/or its subcontractors, as MCHCP deems necessary or advisable.

3.5 Confidential Communications. Business Associate agrees it will promptly implement and honor individual requests to receive PHI by alternative means or at an alternative location provided such

request has been directed to and approved by MCHCP in accordance with § 164.522(b) applicable to covered entities. If Business Associate receives a request for confidential communications directly from an individual, Business Associate agrees to refer the individual, and promptly forward the individual's request, to MCHCP so that MCHCP can assess, accommodate, and coordinate reasonable requests of this nature in accordance with the HIPAA Rules and prepare a timely response to the individual.

- 3.6 Individual Access to PHI. If an individual requests access to PHI under § 164.524, Business Associate agrees it will make all PHI about the individual which Business Associate created or received for or from MCHCP that is in Business Associate's custody or control available in a designated record set to MCHCP or, at MCHCP's direction, to the requesting individual or his or her authorized designee, in order to satisfy MCHCP's obligations as follows:
- 3.6.1 If Business Associate receives a request for individual PHI in a designated record set from MCHCP, Business Associate will provide the requested information to MCHCP within five (5) business days from the date of the request in a readily accessible and readable form and manner or as otherwise reasonably specified in the request.
- 3.6.2 If Business Associate receives a request for PHI in a designated record set directly from an individual current or former MCHCP member, Business Associate will require that the request be made in writing and will also promptly notify MCHCP that a request has been made verbally. If the individual submits a written request for PHI in a designated record set directly to Business Associate, no later than five (5) business days thereafter, Business Associate shall provide MCHCP with: (i) a copy of the individual's request to MCHCP for purposes of determining an appropriate response to the request; (ii) the designated record sets in Business Associate's custody or control that are subject to access by the requesting individual(s) requested in the form and format requested by the individual if it is readily producible in such form and format, or if not, in a readable hard copy form; and (iii) the titles of the persons or offices responsible for receiving and processing requests for access by individual(s). MCHCP will direct Business Associate in writing within five (5) business days following receipt of the information described in (i), (ii), and (iii) of this subsection 3.6.2 whether Business Associate should send the requested designated data set directly to the individual or whether MCHCP will forward the information received from Business Associate as part of a coordinated response or if for any reason MCHCP deems the response should be sent from MCHCP or another Business Associate acting on behalf of MCHCP. If Business Associate is directed by MCHCP to respond directly to the individual, Business Associate agrees to provide the designated record set requested in the form and format requested by the individual if it is readily producible in such form and format; or, if not, in a readable hard copy form or such other form and format as agreed to by Business Associate and the individual. Business Associate will provide MCHCP's Privacy Officer with a copy of all responses sent to individuals pursuant to § 164.524 and the directives set forth in this subsection 3.6.2 for MCHCP's compliance and documentation purposes.
- 3.7 Amendments of PHI. Business Associate agrees it will make any amendment(s) to PHI in a designated record set as directed or agreed to by MCHCP pursuant to § 164.526, and take other measures as necessary and reasonably requested by MCHCP to satisfy MCHCP's obligations under § 164.526.

- 3.7.1 If Business Associate receives a request directly from an individual to amend PHI created by Business Associate, received from MCHCP, or otherwise within the custody or control of Business Associate at the time of the request, Business Associate shall promptly refer the individual to MCHCP's Privacy Officer, and, if the request is in writing, shall forward the individual's request three (3) business days to MCHCP's Privacy Officer so that MCHCP can evaluate, coordinate and prepare a timely response to the individual's request.
- 3.7.2 MCHCP will direct Business Associate in writing as to any actions Business Associate is required to take with regard to amending records of individuals who exercise their right to amend PHI under the HIPAA Rules. Business Associate agrees to follow the direction of MCHCP regarding such amendments and to provide written confirmation of such action within seven (7) business days of receipt of MCHCP's written direction or sooner if such earlier action is required to enable MCHCP to comply with the deadlines established by the HIPAA Rules.
- 3.8 PHI Disclosure Accounting. Business Associate agrees to document, maintain, and make available to MCHCP within seven (7) calendar days of a request from MCHCP for all disclosures made by or under the control of Business Associate or its subcontractors that are subject to accounting, including all information required, under § 164.528 to satisfy MCHCP's obligations regarding accounting of disclosures of PHI.
- 3.8.1 If Business Associate receives a request for accounting directly from an individual, Business Associate agrees to refer the individual, and promptly forward the individual's request, to MCHCP so that MCHCP can evaluate, coordinate and prepare a timely response to the individual's request.
- 3.8.2 In addition to the provisions of 3.8.1, all PHI accounting requests received by Business Associate directly from the individual shall be acted upon by Business Associate as a request from MCHCP for purposes of Business Associate's obligations under this section. Unless directed by MCHCP to respond directly to the individual, Business Associate shall provide all accounting information subject to disclosure under § 164.528 to MCHCP within seven (7) calendar days of the individual's request for accounting.
- 3.9 Privacy of PHI. Business Associate agrees to fully comply with all provisions of Subpart E of 45 CFR Part 164 that apply to MCHCP to the extent Business Associate has agreed or assumed responsibilities under the Contract or this Agreement to carry out one or more of MCHCP's obligation(s) under 45 CFR Part 164 Subpart E.
- 3.10 Internal Practices, Books, and Records. Upon request of MCHCP or the Secretary, Business Associate will make its internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of MCHCP available to MCHCP and/or the Secretary in a time and manner designated by MCHCP or the Secretary for purposes of determining MCHCP's and/or Business Associate's compliance with the HIPAA Rules.

#### 4 Permitted Uses and Disclosures of PHI by Business Associate.

4.1 Contractual Authorization. Business Associate may access, create, use, and disclose PHI as necessary to perform its duties and obligations required by the Contract, including but not limited to specific requirements set forth in the Scope of Work (as such term is defined in the Contract), as amended. Without limiting the foregoing general authorization, MCHCP specifically authorizes Business Associate to access, create, receive, use, and disclose all PHI which is required to provide the services specified in the Contract. The parties agree that no provision of the Contract permits Business Associate to use or disclose PHI in a manner that would violate Subpart E of 45 CFR Part 164 if used or disclosed in like manner by MCHCP except that:

4.1.1 This Agreement permits Business Associate to use PHI received in its capacity as a business associate of MCHCP, if necessary: (A) for the proper management and administration of Business Associate; or (B) to carry out the legal responsibilities of Business Associate.

4.1.2 This Agreement permits Business Associate to combine PHI created or received on behalf of MCHCP as authorized in this Agreement with PHI lawfully created or received by Business Associate in its capacity as a business associate of other covered entities to permit data analysis relating to the health care operations of MCHCP and other PHI contributing covered entities in order to provide MCHCP with such comprehensive, aggregate summary reports as specifically required by, or specially requested under, the Contract.

4.2 Authorization by Law. Business Associate may use or disclose PHI as permitted or required by law.

4.3 Minimum Necessary. Notwithstanding any other provision in the Contract or this Agreement, with respect to any and all uses and disclosures permitted, Business Associate agrees to request, create, access, use, disclose, and transmit PHI involving MCHCP members subject to the following minimum necessary requirements:

4.3.1 When requesting or using PHI received from MCHCP, a member of MCHCP, or an authorized party or entity working on behalf of MCHCP, Business Associate shall make reasonable efforts to limit all requests and uses of PHI to the minimum necessary to accomplish the intended purpose of the request or use. Business Associate agrees its reasonable efforts will include identifying those persons or classes of persons, as appropriate, in Business Associate's workforce who need access to MCHCP member PHI to carry out their duties under the Contract. Business Associate further agrees to identify the minimally necessary amount of PHI needed by each such person or class and any conditions appropriate to restrict access in accordance with such assessment.

4.3.2 For any type of authorized disclosure of PHI that Business Associate makes on a routine basis to third parties, Business Associate shall implement procedures that limit the PHI disclosed to the amount minimally necessary to achieve the purpose of the disclosure. For all other authorized but non-routine disclosures, Business Associate shall develop and follow criteria for reviewing requests and limiting disclosures to the information minimally necessary to accomplish the purposes for which disclosure is sought.

4.3.3 Business Associate may rely, if such reliance is reasonable under the circumstances, on a requested disclosure as the minimum necessary for the stated purpose if and when:

- a) Making disclosures to public officials as permitted under § 164.512, if the public official represents that the information requested is the minimum necessary for the stated purpose(s); or
- b) The information is requested by a professional who is a member of its workforce or is a business associate of MCHCP for the purpose of providing professional services to MCHCP, if the professional represents that the information requested is the minimum necessary for the stated purpose(s).

4.3.4 Minimum necessary does not apply to: uses or disclosures made to the individual; uses or disclosures made pursuant to a HIPAA-compliant authorization; disclosures made to the Secretary in accordance with the HIPAA Rules: disclosures specifically permitted or required under, and made in accordance with, the HIPAA Rules.

## 5 **Obligations of MCHCP.**

- 5.1 Notice of Privacy Practices. MCHCP shall notify Business Associate of any limitation(s) that may affect Business Associate's use or disclosure of PHI by providing Business Associate with MCHCP's Notice of Privacy Practices in accordance with § 164.520, the most recent copy of which is attached to this Agreement.
- 5.2 Individual Authorization Changes. MCHCP shall notify Business Associate in writing of any changes in, or revocation of, the authorization by an individual to use or disclose his or her PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI.
- 5.3 Confidential Communications. MCHCP shall notify Business Associate in writing of individual requests approved by MCHCP in accordance with § 164.522 to receive communications of PHI from Business Associate by alternate means or at alternative locations, to the extent that such changes may affect Business Associate's use or disclosure of PHI.
- 5.4 Individual Restrictions. MCHCP shall notify Business Associate in writing of any restriction to the use or disclosure of PHI that MCHCP has agreed and, if applicable, any subsequent revocation or termination of such restriction, in accordance with § 164.522, to the extent that such changes may affect Business Associate's use or disclosure of PHI.
- 5.5 Permissible Requests by MCHCP. MCHCP shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the HIPAA Rules if done by MCHCP.

## 6 Term and Termination, Expiration, or Cancellation.

- 6.1 Term. This Agreement is effective upon signature of both parties, and shall terminate upon the termination, expiration, or cancellation of the Contract, as amended, unless sooner terminated for cause under subsection 6.2 below.
- 6.2 Termination. Without limiting MCHCP's right to terminate the Contract in accordance with the terms therein, Business Associate also authorizes MCHCP to terminate this Agreement immediately by written notice and without penalty if MCHCP determines, in its sole discretion, that Business Associate has violated a material term of this Agreement and termination of this Agreement is in the best interests of MCHCP or its members. Without limiting the foregoing authorization, Business Associate agrees that MCHCP may, as an alternative or in addition to termination, require Business Associate to end the violation of the material term(s) and cure the breach of contract within the time and manner specified by MCHCP based on the circumstances presented. With respect to this subsection, MCHCP's remedies under this Agreement and the Contract are cumulative, and the exercise of any remedy shall not preclude the exercise of any other.
- 6.3 Obligations of Business Associate Upon Termination. Upon termination, expiration, or cancellation of this Agreement for any reason, Business Associate agrees to return to MCHCP or deliver to another MCHCP business associate at MCHCP's direction all PHI received from MCHCP, any current or former Business Associate or workforce member of MCHCP, or any current or former member of MCHCP, as well as all PHI created, compiled, stored or accessible to Business Associate or any subcontractor, agent, affiliate, or workforce member of Business Associate, relating to MCHCP as a result of services provided under the Contract. All such PHI shall be securely transmitted in accordance with MCHCP's written directive in electronic format accessible and decipherable by the MCHCP designated recipient. Following confirmation of receipt and usable access of the transmitted PHI by the MCHCP designated recipient, Business Associate shall destroy all MCHCP-related PHI and thereafter retain no copies in any form for any purpose whatsoever. Within seven (7) business days following full compliance with the requirements of this subsection, an authorized representative of Business Associate shall certify in writing addressed to MCHCP's Privacy and Security Officers that Business Associate has fully complied with this subsection and has no possession, control, or access, directly or indirectly, to MCHCP-related PHI from any source whatsoever.

Notwithstanding the foregoing, Business Associate may maintain MCHCP-PHI after the termination of this Agreement to the extent return or destruction of the PHI is not feasible, provided Business Associate: (i) refrains from any further use or disclosure of the PHI; (ii) continues to safeguard the PHI thereafter in accordance with the terms of this Agreement; (iii) does not attempt to de-identify the PHI without MCHCP's prior written consent; and (iv) within seven (7) days following full compliance of the requirements of this subsection, provides MCHCP written notice describing all PHI maintained by Business Associate and certification by an authorized representative of Business Associate of its agreement to fully comply with the provisions of this paragraph.

- 6.4 Survival. All obligations and representations of Business Associate under this Section 6 and subsection 7.2 shall survive termination, expiration, or cancellation of the Contract and this Agreement.

## 7 Miscellaneous.

- 7.1 Satisfactory Assurance. Business Associate expressly acknowledges and represents that execution of this Agreement is intended to, and does, constitute satisfactory assurance to MCHCP of Business Associate's full and complete compliance with its obligations under the HIPAA Rules. Business Associate further acknowledges that MCHCP is relying on this assurance in permitting Business Associate to create, receive, maintain, use, disclose, or transmit PHI as described herein.
- 7.2 Indemnification. Each party shall, to the fullest extent permitted by law, protect, defend, indemnify and hold harmless the other party and its current and former trustees, employees, and agents from and against any and all losses, costs, claims, penalties, fines, demands, liabilities, legal actions, judgments, and expenses of every kind (including reasonable attorneys' fees and expenses, including at trial and on appeal) arising out of the acts or omissions of such party or any subcontractor, consultant, or workforce member of such party to the extent such acts or omissions violate the terms of this Agreement or the HIPAA Rules as applied to the Contract.
- Notwithstanding the foregoing, if Business Associate maintains any MCHCP-related PHI following termination of the Contract and this Agreement pursuant to subsection 6.3, Business Associate shall be solely responsible for all PHI it maintains and, to the fullest extent permitted by law, Business Associate shall protect, defend, indemnify and hold harmless MCHCP and its current and former trustees, employees, and agents from and against any and all losses, costs, claims, penalties, fines, demands, liabilities, legal actions, judgments, and expenses of every kind (including reasonable attorneys' fees and expenses, including at trial and on appeal) arising out of the acts or omissions of Business Associate or any subcontractor, consultant, or workforce member of Business Associate regarding such PHI to the extent such acts or omissions violate the terms of the Act or the HIPAA Rules.
- 7.3 No Third Party Beneficiaries. There is no intent by either party to create or establish third party beneficiary status or rights or their equivalent in any person or entity, other than the parties hereto, that may be affected by the operation of this Agreement, and no person or entity, other than the parties, shall have the right to enforce any right, claim, or benefit created or established under this Agreement.
- 7.4 Amendment. The parties agree to work together in good faith to amend this Agreement from time to time as is necessary or advisable for compliance with the requirements of the HIPAA Rules. Notwithstanding the foregoing, this Agreement shall be deemed amended automatically to the extent any provisions of the Act or the HIPAA Rules not addressed herein become applicable to Business Associate during the term of this Agreement pursuant to and in accordance with any subsequent modification(s) or official and binding legal clarification(s), to the Act or the HIPAA Rules.
- 7.5 Interpretation. Any reference in this Agreement to a section in the HIPAA Rules means the section as in effect or as amended. Any ambiguity in this Agreement shall be interpreted to permit compliance with the HIPAA Rules.



THE UNDERSIGNED PERSONS REPRESENT AND WARRANT THAT WE ARE LEGALLY FREE TO ENTER THIS AGREEMENT, THAT OUR EXECUTION OF THIS AGREEMENT HAS BEEN DULY AUTHORIZED, AND THAT UPON BOTH OF OUR SIGNATURES BELOW THIS SHALL BE A BINDING AGREEMENT TO THE FOREGOING TERMS AND CONDITIONS OF THIS BUSINESS ASSOCIATE AGREEMENT.

**Missouri Consolidated Health Care Plan**

**Auditing Firm**

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: Executive Director

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Missouri Consolidated Health Care Plan  
Responses to Vendor Questions  
2023 Auditing Services RFP  
September 28, 2022**

**These responses are provided by MCHCP to questions received from potential bidders for the 2023 Auditing Services RFP.**

Question	Response
1 Could we please obtain a copy of your prior audit and management letters?	The MCHCP Annual Comprehensive Financial Report (ACFR) includes the opinion letter (OL) for the purpose of forming an opinion on the financial statements that comprise the Plan's basic financial statements. MCHCP did not receive any management letter recommendations.
2 I see that you have an internal audit department. Have they or can they assist in audit procedures?	The internal audit department, consisting of the internal auditor, will provide copies of all final internal audit reports. The internal auditor will not be available to perform external auditor testwork.
3 I see the dates/months of expected work for each audit and wanted to clarify that there typically isn't a "preaudit" fieldwork or "interim" fieldwork?	MCHCP has supplied information prior to the actual onsite/virtual fieldwork dates if requested by the external auditor for audit planning purposes.
4 On a typical year, has the audit team been onsite? Do you know how many weeks the audit team was assigned to the audit? What was the typical number of audit team members that worked on the audits (MCHCP and OPEB)?	In a typical year, MCHCP external auditors have utilized both onsite and virtual fieldwork. Fieldwork team members for the MCHCP audit varied from 3 to 5 when including partner review and final quality control oversight.
5 On your website, I was able to obtain the Annual Report. Is this the final deliverable audit report that we should be using? If there is an audit report that includes the statements, notes and supplemental information, could we obtain a copy?	Yes, the ACRF is the final audit report and includes the statements, notes and supplemental information. Please refer to Q19 for MCHCP's responsibility in preparation of the ACRF.
6 As for the audit of the Other Postemployment Benefits for participating employers of Missouri Consolidated Health Care Plan, can we obtain the latest audited statement of this engagement?	Report of OPEB Schedules is included.
7 Is there an expected fee not to exceed for the audit of MCHCP and OPEB?	The Auditing Services RFP is a competitive bid arrangement. When proposing, the firm should include pricing as requested in D4. Pricing.
8 Do you have a copy of the PBC list that you provide your current auditing firm that you could provide?	MCHCP does not provide a PBC list, but rather responds to the audit requests of the external audit firm during the course of the audits.
9 Could we get a copy of the final trial balance for 2022 so we can see the number of and nature of accounts and how you track these?	The final trial balance is provided to the external audit team annually during the course of the audit fieldwork. Refer to the ACRF for account classifications.
10 Can we get a copy of the actuarial report, management letter and audit of the schedules of OPEB for participating employers for the 2021 year-end?	MCHCP did not receive any management recommendations on the engagement. Report of OPEB Schedules will be included. The 2021 ACRF includes the prior year published actuarial report for an example of work product and can be viewed at <a href="http://www.mchcp.org/aboutus/annualreport.asp">www.mchcp.org/aboutus/annualreport.asp</a>

**Missouri Consolidated Health Care Plan  
Responses to Vendor Questions  
2023 Auditing Services RFP  
September 28, 2022**

<b>Question</b>	<b>Response</b>
11 To what extent have your auditors leveraged internal audit historically to reduce audit work and/or sample size as it relates to the audits under scope?	MCHCP believes the inclusion of an internal audit function supports the MCHCP control environment, but to the extent that the external auditor relies on the internal audit reports for audit planning is unknown to MCHCP.
12 Do you have any litigation against MCHCP that might result in a large contingency?	No
13 What is your ideal timing for both audit fieldwork, testing of OPEB schedules and to finalize your audit and OPEB schedules going forward?	MCHCP's preferred schedule would include a timetable for final audit report, including opinion letter and all required communications by June 1st of each year.
14 How many weeks, number of staff and level of staff have historically worked on the various phases of your audit and testing of OPEB schedules?	Fieldwork team members for the audit and testing of OPEB schedules have varied from 3 to 5 when including partner review and final quality control oversight.
15 Have your auditors historically worked onsite or remote and what is management's preference on this? How many board presentations have the auditor's historically presented in-person?	In a typical year, MCHCP external auditors have utilized both onsite and virtual fieldwork. Board presentations in person have typically included (1) presentation of the audit results of both the annual financial audit and OPEB audit of schedules in December of each year.
16 Are there any disagreements with the current auditors?	No
17 Are there any journal entries that were proposed by the audit firm for the December 31, 2021 audit? If so, can you provide the number and nature of these audit adjustments?	No adjusting entries were proposed for either the annual external audit or OPEB audit of schedules for the previous year ended, June 30, 2021.
18 Have there been any changes in key personnel from the prior year?	No
19 Does management prepare, print and bind the ACFR and if not what is the process for this at the end of the audit?	MCHCP has responsibility for the preparation, printing, and binding of the ACFR. MCHCP will go to final press once the OL is received.
20 Please provide the last 3 years' fees for each of the various segments of the audit and OPEB schedules under SCOPE as well as any out-of-scope services paid to your auditor over the last 3 years.	(1) FY 21 - Financial Statement Audit \$36,783 - Audit of OPEB Schedules \$9,680 (2) FY 20 - Financial Statement Audit \$26,370 - Audit of OPEB Schedules \$6,990 (3) FY 19 - Financial Statement Audit \$25,670 - Audit of OPEB Schedules \$6,690. MCHCP did not procure any out of scope services over the last 3 years.
21 Please explain the process MCHCP has regarding implementing new GASB Standards.	MCHCP's CFO reviews GASB pronouncements and their applicability on an ongoing basis. MCHCP also participates in the Government Finance Officers Association (GFOA) for Excellence in Financial Reporting and conformance with applicable pronouncements is evaluated during the review process of the certificate program.
22 Historically, when are the actuarial valuations and other consultant reports available for review?	All actuarial reporting is performed on a quarterly basis and available in the necessary timelines for the annual financial statement and schedules of OPEB audit.
23 Would you allow a partial remote audit or do you require the audit team be on site the entire duration of fieldwork?	In a typical year, MCHCP external auditors have utilized both onsite and virtual fieldwork. MCHCP does not have a requirement for the audit team to be on site the entire duration of fieldwork.

**Missouri Consolidated Health Care Plan  
Responses to Vendor Questions  
2023 Auditing Services RFP  
September 28, 2022**

<b>Question</b>	<b>Response</b>
24 How many days have the auditors been on site to complete fieldwork?	Onsite fieldwork has varied each year for both the financial statement audit and OPEB audit.
25 Please provide a copy of the prior year adjusting journal entries, if applicable.	No adjusting journal entries were proposed in the prior year by the external auditor.
26 Please provide a copy of your management recommendation letter, if applicable.	MCHCP did not have any management letter recommendations in the prior year.
27 Has the work of the internal auditors been relied on in past audits?	Final internal audit reports are made available to the external auditors on an annual basis. MCHCP believes the inclusion of an internal audit function supports the MCHCP control environment, but to the extent that the external auditor relies on the reports for audit planning is unknown to MCHCP.
28 When are the internally prepared financial statements with applicable footnotes and supplementary information ready for review?	MCHCP prepares draft financial statements for audit fieldwork, with any outstanding items clearly identified to the external auditor during final fieldwork that occurs in late October/November.
29 Please provide a copy of the schedules of other postemployment benefits and audit opinion.	Report of OPEB Schedules is included.

**REPORT OF**

**MISSOURI CONSOLIDATED HEALTH  
CARE PLAN  
STATE RETIREE WELFARE BENEFIT  
TRUST (SRWBT)**

**ON**

**SCHEDULES OF OPEB INFORMATION  
FOR PARTICIPATING EMPLOYERS**

**Fiscal Year Ended June 30, 2021**



Missouri Consolidated Health Care Plan  
State Retiree Welfare Benefit Trust (SRWBT)

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
State Retiree Welfare Benefit Trust, administered by  
Missouri Consolidated Health Care Plan  
Jefferson City, Missouri

### **Opinion**

We have audited the accompanying schedules of employer other post-employment benefits ("OPEB") allocations of the State Retiree Welfare Benefit Trust administered by Missouri Consolidated Health Care Plan (the "Plan") as of and for the fiscal year ended June 30, 2021, and the related notes. We have also audited the total for all entities of the columns titled net OPEB liability, total deferred outflows of resources, total deferred inflows of resources, and total OPEB expense, included in the accompanying schedule of OPEB amounts by employers of the Plan, as of and for the year ended June 30, 2021, and the related notes.

In our opinion, the schedules referred to above presents fairly, in all material respects, the employer's OPEB allocations and net OPEB liability, total deferred outflows of resources, total deferred inflows of resources, and total OPEB expense for the total of all participating entities of the Plan for the fiscal year ended June 30, 2021, in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Information section of our report. We are required to be independent of the State Retiree Welfare Benefit Trust administered by the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Information**

Management is responsible for the preparation and fair presentation of the schedules in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedules that is free from material misstatement, whether due to fraud or error.

In preparing the schedules, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the State Retiree Welfare Benefit Trust administered by the Plan's ability to continue as a going concern within one year after the date that the schedule is available to be issued.



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## **Auditor's Responsibilities for the Audit of the Financial Information**

Our objectives are to obtain reasonable assurance about whether the schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the schedules.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the schedules, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the schedules.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the State Retiree Welfare Benefit Trust administered by the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedules.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the State Retiree Welfare Benefit Trust administered by the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Other Matter**

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Plan, as of and for the year ended June 30, 2021, and our report thereon, dated December 7, 2021, expressed an unmodified opinion on those financial statements.

### **Restriction on Use**

This report is intended solely for the information and use of Missouri Consolidated Health Care Plan management, the Board of Trustees, Missouri Consolidated Health Care Plan employers and their auditors and is not intended to be and should not be used by anyone other than these specified parties.

*Armanino LLP*

Armanino<sup>LLP</sup>  
St. Louis, Missouri

August 16, 2022



Missouri Consolidated Health Care Plan  
 State Retiree Welfare Benefit Trust (SRWBT)  
 Schedule of Employer OPEB Allocations  
 As of and for the Fiscal Year Ended June 30, 2021

Employer Name	Total Required OPEB Employer Contributions	OPEB Proportionate Share
<i>State of Missouri</i>	\$73,731,388	99.1943%
<i>Missouri State Employees' Retirement System (MOSERS)</i>	308,107	0.4145
<i>Missouri Housing Development Commission (MHDC)</i>	228,396	0.3073
<i>Missouri Public Entity Risk Management (MOPERM)</i>	27,151	0.0365
<i>State Environmental and Energy Resource Authority (EIERA)</i>	10,700	0.0144
<i>Missouri Wine and Grape Board (WINEGRAPE)</i>	13,027	0.0175
<i>Missouri Agriculture and Small Business Development Authority (MASBDA)</i>	8,940	0.0120
<i>Missouri Technology Corporation (MTC)</i>	-	0.0000
<i>University of Missouri Rehabilitation (UMREHAB)</i>	2,585	0.0035
<b>Totals</b>	<b>\$74,330,294</b>	<b>100.0000%</b>

See accompanying notes to the schedule.

Missouri Consolidated Health Care Plan  
State Retiree Welfare Benefit Trust (SRWBT)  
Schedule of OPEB Amounts by Employer  
As of and for the Year Ended June 30, 2021

	Net OPEB Liability Beginning of Measurement Period	Net OPEB Liability End of Measurement Period	Deferred Outflows of Resources			
			Expected and Actual Experi- ence Differences	Expected and Actual Plan Investment Differences	Changes in Proportion	Total Deferred Outflows of Resources
Reporting Unit	June 30, 2020	June 30, 2021				
State of Missouri	\$1,766,472,081	\$1,691,960,314	\$68,149,008	-	\$705,620	68,854,628
Missouri State Employees' Retirement System (MOSERS)	7,683,984	7,070,140	297,712	-	229,879	577,591
Missouri Housing Development Commission (MHDC)	5,452,174	5,241,626	211,386	-	98,136	309,522
Missouri Public Entity Risk Management (MOPERM)	716,031	622,581	27,168	-	9,634	36,802
State Environmental and Energy Resource Authority (EIERA)	231,553	245,621	9,254	-	21,536	30,790
Missouri Wine and Grape Board (WINE-GRAPE)	341,986	298,499	12,242	-	36,724	48,966
Missouri Agriculture and Small Business Development Authority (MASBDA)	210,179	204,685	7,880	-	10,110	17,990
Missouri Technology Corporation (MTC)	-	-	-	-	15	15
University of Missouri( Rehabilitation (UMREHAB)	65,903	59,700	2,491	-	3,803	6,294
Totals	\$1,781,173,891	\$1,705,703,166	\$68,717,141	-	\$1,115,457	\$69,832,598

See accompanying notes to the schedules.

Missouri Consolidated Health Care Plan  
State Retiree Welfare Benefit Trust (SRWBT)  
Schedule of OPEB Amounts by Employer (Continued)  
As of and for the Year Ended June 30, 2021

Reporting Unit	Deferred Inflows of Resources					OPEB Expenses		
	Expected and Actual Experience Differences	Assumption Changes	Expected and Actual Plan Investment Differences	Changes in Proportion	Total Deferred Inflows of Resources	Employer's Proportionate Share	Changes in Proportion	Total Employer OPEB Expense
State of Missouri	\$(17,037,237)	\$(209,918,016)	\$(5,100,113)		(232,055,366)	\$93,992,200	\$110,524	\$94,102,724
Missouri State Employees' Retirement System (MOSERS)	(74,761)	(898,927)	(20,671)	(346,419)	(1,340,778)	392,762	(9,299)	383,463
Missouri Housing Development Commission (MHDC)	(56,053)	(655,040)	(15,701)	(406,423)	(1,133,217)	291,185	(47,120)	244,065
Missouri Public Entity Risk Management (MOPERM)	(6,267)	(79,999)	(1,780)	(68,684)	(156,730)	34,586	(10,459)	24,127
State Environmental and Energy Resource Authority (EIERA)	(3,315)	(30,823)	(746)	(106,268)	(141,152)	13,644	(14,560)	(916)
Missouri Wine and Grape Board (WINEGRAPE)	(3,045)	(38,107)	(861)	(32,072)	(74,085)	16,583	1,200	17,783
Missouri Agriculture and Small Business Development Authority (MASBDA)	(1,771)	(24,613)	(640)	(1,859)	(28,883)	11,371	596	11,967
Missouri Technology Corporation (MTC)	(145)	-	-	(90,272)	(90,417)	-	(16,738)	(16,738)
University of Missouri Rehabilitation (UMREHAB)	(585)	(7,500)	(174)	(63,460)	(71,719)	3,317	(14,144)	(10,827)
<b>Totals</b>	<b>\$(17,183,179)</b>	<b>\$(211,653,025)</b>	<b>\$(5,140,686)</b>	<b>\$(1,115,457)</b>	<b>\$(235,092,347)</b>	<b>\$94,755,648</b>		<b>\$94,755,648</b>

See accompanying notes to the Schedule.

MISSOURI CONSOLIDATED HEALTH CARE PLAN  
State Retiree Welfare Benefit Trust (SRWBT)  
Notes to the Schedules of Employer OPEB Allocations  
and OPEB Amounts by Employers  
As of and for the Year Ended June 30, 2021

Note 1: Plan Description

Organization

Missouri Consolidated Health Care Plan (MCHCP or the Plan) operates a cost sharing multiple employer, defined benefit Other Post-Employment Benefits Plan (OPEB), the State Retiree Welfare Benefit Trust (SRWBT). Employees may participate at retirement if eligible to receive a monthly retirement benefit from either the Missouri Employees' Retirement System (MOSERS) or another retirement system whose members are grandfathered for coverage under the Plan by law. The terms and conditions governing postemployment benefits, are vested with the MCHCP Board of Trustees within the authority granted under Chapter 103 of the Revised Statutes of Missouri (2000) as amended ("RSMo") 103.003 through 103.178. The SRWBT does not issue a separate stand-alone financial report. Financial activity of the SRWBT is included in MCHCP's annual comprehensive financial report as a fiduciary fund and is intended to present only the financial position of the activities attributable to the SRWBT. Additionally, MCHCP is considered a component unit of the state of Missouri reporting entity and is included in the state's financial report.

The Plan's financial statements are available on MCHCP's website at [www.mchcp.org/aboutUs/annualReport.asp](http://www.mchcp.org/aboutUs/annualReport.asp)

## Note 1: Plan Description: (continued)

### Plan Membership

The SRWBT was established and organized on June 27, 2008, pursuant to the Revised Statutes of Missouri (2000) as amended (“RSMo”) 103.003 through 103.178 to provide health and welfare benefits for the exclusive benefit of current and future retired employees of the state and their dependents who meet eligibility requirements except for those retired members covered by other OPEB plans of the state. MCHCP’s three medical plans offer the same, basic coverage such as preventative care, freedom to choose care from a nationwide network of primary care providers, specialists, pharmacies and hospitals, usually at a lower negotiated group discount and the same covered benefits for both medical and pharmacy. Benefits are the same in all three plans, other aspects differ such as premium, deductible and out of pocket costs. Retiree benefits are the same as for active employees. At the participant census date of July 1, 2021, membership information consisted of the following:

Active employees – 36,083

Participants and Spouses in Payment Status – 21,634

Participants with a deferred benefit – 79

Disabled participants - 64

## Note 2: Summary of Significant Accounting Policies

### Governmental Accounting Standards Board (GASB) Statement 75

Employers participating in the Plan are required to report information about OPEB in their financial statements for the fiscal periods beginning on or after June 15, 2017, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions*.

The requirements of GASB Statement 75 incorporate provisions intended to reflect the effects of transactions and events related to OPEB in the measurement of employer liabilities and recognition of expense and deferred outflows of resources and deferred inflows of resources related to OPEB.

The Schedule of Employer OPEB Allocations recognizes the employers' proportionate share of the collective net OPEB liabilities determined in conformity with GASB Statement 75. The Schedule of OPEB Amounts by Employer recognizes the collective OPEB expense, including ending net OPEB liability, deferred inflows of resources and deferred outflows of resources related to the SRWBT. These schedules were prepared by Missouri Consolidated Health Care contracted actuaries and Plan staff to provide employers with the required information for financial reporting related to the SRWBT as of and for the fiscal year ended June 30, 2021 (the measurement period).

The preparation of these schedules in conformity with U.S. generally accepted accounting principles requires management to make significant estimates and assumptions that affect the reported amounts during the reporting period. Actual results could differ from those estimates.

Note 2: Summary of Significant Accounting Policies  
Governmental Accounting Standards Board (GASB) Statement 75:  
(continued)

#### Basis of Accounting and Presentation

The SRWBT financial statements are prepared using the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States (GAAP). Employer contributions are recognized as revenue when due and payable. Benefits are recognized when due and payable in accordance with the terms of the Plan.

The schedules of Employer OPEB Allocations and OPEB Amounts by Employer present elements of the financial statements of the SRWBT and its participating employers and are not a complete financial presentation of the SRWBT or its participating employers.

Both the schedules of Employer OPEB Allocations and OPEB Amounts by Employer were prepared in conformity with GAAP. The preparation of these schedules required management to make estimates and assumptions that affect certain amounts and disclosures. Actual results could differ from those estimates.

#### Allocation Methodology

In determining the proportionate share allocation, GASB Statement 75 requires the basis for each employer's proportion be consistent with the determination of the OPEB contributions. Utilizing the required employer OPEB contributions based upon reportable compensation during the fiscal year was determined by management to be an appropriate allocation methodology. Each employer's proportionate share allocation is determined by dividing each employer's required contributions to the SRWBT during the measurement period by the percent of contributions required from all applicable employers during the measurement period. MCHCP's contributions of \$122,983 is allocated to the participating entities contributions for the purpose of employer contributions included in the Schedule of Employer Allocations.

Note 2: Summary of Significant Accounting Policies  
Governmental Accounting Standards Board (GASB) Statement 75:  
(continued)

Contributions

Contributions are established and may be amended by the MCHCP Board of Trustees with the authority granted under Chapter 103 of the Revised Statutes of Missouri (2000) as amended (“RSMo”) 103.003 through 103.178. For the fiscal year ended June 30, 2021, employers were required to contribute 4.29% of gross active employee payroll toward their required contributions for the period July 1, 2020 through Dec. 31, 2020 and 4.22% for the period Jan. 15, 2021 through June 30, 2021.

Note 3: Net OPEB Liability

The net OPEB liability is measured as the total OPEB liability, less the amount of the OPEB plan’s fiduciary net position. In actuarial terms, this is the accrued liability less the market value of assets. The components of the net OPEB liability at June 30, 2021, are as follows:

Net OPEB Liability

Net OPEB Liability Components:

Total OPEB Liability	\$1,898,162,988
Plan Fiduciary Net Position	<u>192,459,822</u>
Net OPEB Liability	1,705,703,166



Note 3: Net OPEB Liability: (continued)

Discount Rate

A discount rate of 4.50% was used to measure the total OPEB liabilities. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and the contributions from employers will be made at statutorily required rates, actuarially determined. This discount rate was determined as a blend of the best estimate of the expected return on plan assets and, the 20 year high quality municipal bond rate as of the measurement date. For years where expected benefit payments can be covered by projected trust assets, expected returns are used. For years where payments are not expected to be covered by trust assets, the municipal Bond Buyer 20-Bond General Obligation Index rate is utilized.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

As required by GASB Statement No. 75, the following table presents the SRWBT’s net OPEB liability, calculated using a discount rate of 4.50%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates (in thousands)

	1% Decrease in Discount Rate (3.50%)	Current Discount Rate (4.50%)	1% Increase in Discount Rate (5.50%)
Net OPEB Liability	\$2,038,867	1,705,703	1,442,179
	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Net OPEB Liability	\$1,437,990	1,705,703	2,044,249

### Note 3: Net OPEB Liability: (continued)

#### Long-Term Expected Rate of Return

The target allocation and best estimates of arithmetic real rate of returns for each major asset class are listed below:

Asset Class	Target Allocation	Expected Real Return
Large cap stocks	18%	8.5%
Mid cap stocks	7%	8.8%
Small cap stocks	9%	8.8%
International Stocks	5%	8.9%
BarCap Aggregate bonds	59%	2.7%
Cash equivalents	2%	2.2%

#### Actuarial Assumptions

Actuarial valuations for the SRWBT involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The valuation to determine the SRWBT's total OPEB liability is required to be performed at least every two years. The SRWBT valuation is performed annually, but should the valuation not be performed as of the fiscal year end, the total OPEB liability is required to be rolled forward from the actuarial valuation date to the SRWBT plan's fiscal year end. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of the valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial liabilities and the actuarial value of assets, consistent with the long term perspective of the calculations. The collective total OPEB liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2021. This actuarial valuation used the following actuarial assumptions listed on the next page:

### Note 3: Net OPEB Liability: (continued)

#### Summary of Key Actuarial Methods & Assumptions

##### State Retiree Welfare Benefit Trust

###### Valuation Year

July 1, 2020 - June 30, 2021

Actuarial cost method	Entry age normal, level percentage of payroll
Asset Valuation method	Market value

###### Actuarial Assumptions

Discount rate	4.50%
Projected payroll growth rate	4.0%
Inflation Rate	3.0%

###### Health care cost trend rate (Medical & prescription drugs combined)

Non-Medicare is 6.50% for Fiscal 2022; the rate decreases by 0.25% per year to an ultimate rate of 5.0% in Fiscal 2028 and later. Medicare is 9.00% in fiscal 2022, 13.50% in fiscal 2023, 12.50% in fiscal 2024, 11.50% in fiscal 2025, 10.50% in fiscal 2026, 9.75% in fiscal 2027, 9.00% in fiscal 2028, 8.25% in fiscal 2029, 7.50% in fiscal 2030, 6.75% in fiscal 2031, 6.00% in fiscal 2032, 5.25% in fiscal 2033, then 5.00% in fiscal 2034 and after.

Mortality: Pri-2012 for Employees/Annuitants without collar adjustments using Scale MP-2021.

The last experience study was conducted in 2020. Termination rates and retirement rates are updated based on an experience study conducted in 2020. Participation and dependent coverage assumptions were updated based upon an experience study conducted in July 2020. Per capita claims costs, administrative expenses and retirees contributions were updated based on analysis of 2022 rates.

###### Change in assumptions and methods since prior valuation

The discount rate was changed to 4.50% from 4.38%.

The mortality base tables were changed from RP-2016 to Pri-2012; the mortality projection scales were changed from MP-2016 to MP-2021.

Per capita claims costs, administrative expenses and retiree contributions were updated based on analysis of 2022 rates.

Trend rates were updated based on anticipated future experience.

Note 4: OPEB Expense and Deferred Outflows of Resources and  
Deferred Inflows of Resources Related to OPEB

The following table provides details of the OPEB plan expense for the fiscal year ended June 30, 2021:

The components of collective OPEB expense for the year are as follows:

Service Cost	\$42,307,744
Interest on the Total OPEB Liability	85,571,388
Difference between expected and actual experience	7,398,621
Changes of assumptions	(32,499,485)
Plan amendment	-
Projected earnings on plan investments	(7,513,552)
Differences between projected and actual earnings on plan investments	(509,068)
<b>Total OPEB expense</b>	<b>\$94,755,648</b>

Note 4: OPEB Expense and Deferred Outflows of Resources and  
Deferred Inflows of Resources Related to OPEB: (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in future years' OPEB expense as follows:

The components of collective deferred outflows of resources and deferred inflows of resources are amortized into OPEB expense beginning the year in which the difference occurs. Deferred inflows and outflows, except for the change in proportion, are allocated based on each employer's proportionate share of contributions for the fiscal year. The difference between expected and actual investment earnings on OPEB plan investments is amortized as a component of OPEB expense over 5 years on a straight line basis while the differences between expected and actual experience and changes in assumptions are amortized as a component of OPEB expense over the expected average remaining service lifetime (EARSL) of all participants (8.04 years for the measurement period June 30, 2021). Deferred inflows and outflows related to the change in proportion used for allocation purposes from one fiscal year to the next are estimated by reallocating beginning balances using the ending allocation percentage and amortizing the difference over the EARSL as a component of OPEB expense. The remaining unamortized deferred inflows and outflows are reported in the Schedule of OPEB Amounts by Employer. Each year's layer of deferred inflows and outflows retains its original calculated EARSL. The cumulative amounts of collective net deferred outflows (inflows) of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year ending June 30:	
2023	(25,566,943)
2024	(26,260,633)
2025	(26,466,666)
2026	(27,249,901)
2027	(24,796,881)
Total There after	(34,918,726)

**Missouri Consolidated Health Care Plan**  
Expense by Division

Division	State Environmental Improvement and Energy Resource Authority EIERA	Missouri Agriculture and Small Business Development Authority MASBDA	Missouri Housing Development Commission MHDC	Missouri Public Entity Risk Management MOPERM	Missouri State Employees' Retirement System MOSERS	Missouri state employee (other agencies) MOSTATE	Missouri Technology Corporation MTC	University of MO Rehab UMREHAB	Missouri Wine and Grape Board WINEGRAPE	TOTAL
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Fiscal Year Ending:	06/30/2022	06/30/2022	06/30/2022	06/30/2022	06/30/2022	06/30/2022	06/30/2022	06/30/2022	06/30/2022	06/30/2022
Measurement Period Ending:	06/30/2021	06/30/2021	06/30/2021	06/30/2021	06/30/2021	06/30/2021	06/30/2021	06/30/2021	06/30/2021	06/30/2021
<b>A Net OPEB Liability (NOL) - Beginning of Measurement Period<sup>1</sup></b>										
1 Actuarial Accrued Liability (AAL)	252,339	229,046	5,941,603	780,308	8,373,758	1,925,044,349	-	71,819	372,685	1,941,065,907
2 Fiduciary Net Position (FNP)	20,786	18,867	489,429	64,277	689,774	158,572,268	-	5,916	30,699	159,892,016
3 Net OPEB Liability (1) - (2)	231,553	210,179	5,452,174	716,031	7,683,984	1,766,472,081	-	65,903	341,986	1,781,173,891
<b>B Net OPEB Liability (NOL) - End of Measurement Period</b>										
1 Actuarial Accrued Liability (AAL) - End of Period	273,335	227,780	5,833,055	692,829	7,867,886	1,882,869,488	-	66,436	332,179	1,898,162,988
2 Fiduciary Net Position (FNP)	27,714	23,095	591,429	70,248	797,746	190,909,174	-	6,736	33,680	192,459,822
3 Net OPEB Liability (1) - (2)	245,621	204,685	5,241,626	622,581	7,070,140	1,691,960,314	-	59,700	298,499	1,705,703,166
<b>C Net Periodic Benefit Cost</b>										
1 Employer service cost	6,092	5,077	130,012	15,442	175,366	41,966,870	-	1,481	7,404	42,307,744
2 Interest cost	12,322	10,269	262,961	31,234	354,693	84,881,939	-	2,995	14,975	85,571,388
3 Expected return on assets	(1,082)	(902)	(23,089)	(2,742)	(31,144)	(7,453,015)	-	(263)	(1,315)	(7,513,552)
4 Subtotal	17,332	14,444	369,884	43,934	498,915	119,395,794	-	4,213	21,064	120,365,580
5 Experience (Gain)/Loss	1,065	888	22,736	2,700	30,667	7,339,011	-	259	1,295	7,398,621
6 Changes of assumptions	(4,680)	(3,900)	(99,871)	(11,862)	(134,710)	(32,237,638)	-	(1,137)	(5,687)	(32,499,485)
7 Plan amendment	-	-	-	-	-	-	-	-	-	-
8 Administrative expenses	-	-	-	-	-	-	-	-	-	-
9 Investment (Gain)/Loss	(73)	(61)	(1,564)	(186)	(2,110)	(504,967)	-	(18)	(89)	(509,068)
10 Amortization Subtotal	(3,688)	(3,073)	(78,699)	(9,348)	(106,153)	(25,403,594)	-	(896)	(4,481)	(25,609,932)
11 Proportionate Share of OPEB Plan Expense	13,644	11,371	291,185	34,586	392,762	93,992,200	-	3,317	16,583	94,755,648
12 Changes in proportion and differences between employer contributions and proportionate share of contributions	(14,560)	596	(47,120)	(10,459)	(9,299)	110,524	(16,738)	(14,144)	1,200	-
13 Total Employer OPEB Expense	(916)	11,967	244,065	24,127	383,463	94,102,724	(16,738)	(10,827)	17,783	94,755,648
<b>D Employer Contributions</b>										
1 FY2021 Employer contributions	10,700	8,940	228,396	27,151	308,107	73,731,388	-	2,585	13,027	74,330,294

<sup>1</sup>Net OPEB Liability (NOL) at the beginning of the measurement period is allocated by Fiscal 2020 contributions, with a portion of MCHCP allocated to all divisions; All other items are allocated by Fiscal 2021 contributions, with a portion of MCHCP allocated to all divisions.

**Missouri Consolidated Health Care Plan**  
Expense by Division

Division	State Environmental Improvement and Energy Resource Authority EIERA	Missouri Agriculture and Small Business Development Authority MASBDA	Missouri Housing Development Commission MHDC	Missouri Public Entity Risk Management MOPERM	Missouri State Employees' Retirement System MOSERS	Missouri state employee (other agencies) MOSTATE	Missouri Technology Corporation MTC	University of MO Rehab UMREHAB	Missouri Wine and Grape Board WINEGRAPE	TOTAL
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Fiscal Year Ending:	06/30/2022	06/30/2022	06/30/2022	06/30/2022	06/30/2022	06/30/2022	06/30/2022	06/30/2022	06/30/2022	06/30/2022
Measurement Period Ending:	06/30/2021	06/30/2021	06/30/2021	06/30/2021	06/30/2021	06/30/2021	06/30/2021	06/30/2021	06/30/2021	06/30/2021
<b>E Deferred Inflows of Resources</b>										
1 Differences between expected and actual experience	(3,315)	(1,771)	(56,053)	(6,267)	(74,761)	(17,037,237)	(145)	(585)	(3,045)	(17,183,179)
2 Changes in Assumptions	(30,823)	(24,613)	(655,040)	(79,999)	(898,927)	(209,918,016)	-	(7,500)	(38,107)	(211,653,025)
3 Net difference between projected and actual earnings on plan investments	(746)	(640)	(15,701)	(1,780)	(20,671)	(5,100,113)	-	(174)	(861)	(5,140,686)
4 Changes in proportion and differences between employer contributions and proportionate share of contributions	(106,268)	(1,859)	(406,423)	(68,684)	(346,419)	-	(90,272)	(63,460)	(32,072)	(1,115,457)
5 Plan Amendments	-	-	-	-	-	-	-	-	-	-
6 Total	(141,152)	(28,883)	(1,133,217)	(156,730)	(1,340,778)	(232,055,366)	(90,417)	(71,719)	(74,085)	(235,092,347)
<b>F Deferred Outflows of Resources</b>										
1 Differences between expected and actual experience	9,254	7,880	211,386	27,168	297,712	68,149,008	-	2,491	12,242	68,717,141
2 Changes in Assumptions	-	-	-	-	-	-	-	-	-	-
3 Net difference between projected and actual earnings on plan investments	-	-	-	-	-	-	-	-	-	-
4 Changes in proportion and differences between employer contributions and proportionate share of contributions	21,536	10,110	98,136	9,634	229,879	705,620	15	3,803	36,724	1,115,457
5 Plan Amendments	-	-	-	-	-	-	-	-	-	-
6 Total	30,790	17,990	309,522	36,802	527,591	68,854,628	15	6,294	48,966	69,832,598
<b>G Employers Proportionate Share</b>										
1 FY2020 Employer contributions	0.0130%	0.0118%	0.3061%	0.0402%	0.4314%	99.1746%	0.0000%	0.0037%	0.0192%	100.0000%
2 FY2021 Employer contributions	0.0144%	0.0120%	0.3073%	0.0365%	0.4145%	99.1943%	0.0000%	0.0035%	0.0175%	100.0000%
<b>H NOL at Measurement Period End</b>										
1 1% increase in Discount Rate	207,674	173,061	4,431,816	526,395	5,977,831	1,430,559,232	-	50,476	252,381	1,442,178,866
2 1% decrease in Discount Rate	293,597	244,664	6,265,437	744,186	8,451,102	2,022,439,539	-	71,360	356,802	2,038,866,687
3 1% increase in Trend Rates	294,372	245,310	6,281,979	746,151	8,473,414	2,027,778,933	-	71,549	357,744	2,044,249,452
4 1% decrease in Trend Rates	207,071	172,559	4,418,943	524,866	5,960,468	1,426,403,988	-	50,330	251,648	1,437,989,873
<b>I Recognition of Deferred (Inflows)/Outflows</b>										
1 FY2023	(18,579)	(2,353)	(127,047)	(19,861)	(117,161)	(25,246,731)	(16,773)	(15,038)	(3,400)	(25,566,943)
2 FY2024	(18,710)	(2,422)	(129,298)	(20,111)	(120,197)	(25,934,537)	(16,773)	(15,058)	(3,527)	(26,260,633)
3 FY2025	(18,736)	(2,448)	(129,935)	(20,195)	(121,094)	(26,138,855)	(16,773)	(15,067)	(3,563)	(26,466,666)
4 FY2026	(18,841)	(2,537)	(132,333)	(20,509)	(124,471)	(26,915,631)	(16,773)	(15,095)	(3,711)	(27,249,901)
5 FY2027	(18,175)	(1,521)	(139,606)	(17,713)	(108,812)	(24,488,183)	(16,743)	(3,864)	(2,264)	(24,796,881)
6 FY2028	(13,555)	464	(106,498)	(10,613)	(113,670)	(19,361,782)	(6,562)	(543)	(3,114)	(19,615,873)
7 FY2029	(3,819)	(28)	(57,312)	(10,368)	(103,792)	(14,542,392)	(7)	(720)	(5,277)	(14,723,715)
8 FY2030	53	(48)	(1,667)	(558)	(3,990)	(572,627)	2	(40)	(263)	(579,138)
9 FY2031	-	-	-	-	-	-	-	-	-	-
10 FY2032	-	-	-	-	-	-	-	-	-	-