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Jeffrey A. Meyers
Commissioner

Henry D. Lipman
Director

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF MEDICAID SERVICES

129 PLEASANT STREET, CONCORD, NH 03301
603-271-9422 1-800-852-3345 Ext. 9422
Fax: 603-271-8431 TDD Access: 1-800-735-2964
www.dhhs.nh.gov

November 25, 2019

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division of Medicaid Services to amend an existing **sole source** agreement with Magellan Medicaid Administration, Inc., 110113 West Broad Street Glen Allen, VA 23060 (Vendor # 175784), to manage the Pharmacy Benefits Management system by increasing the price limitation by \$12,017,122 from \$25,985,837 to \$38,002,959 and by extending the completion date from December 31, 2019 to December 31, 2023, effective upon Governor and Executive Council approval or January 1, 2020, whichever is later. 67% Federal Funds, 22% General Funds for Medicaid and 11% Other Funds.

The agreement was originally approved by the Governor and Executive Council on June 9, 2010 (Item #82), and subsequently amended on June 20, 2012 (Item #65), June 5, 2013 (Item # 87), November 6, 2013 (Item #54), September 3, 2014 (Item #12), December 16, 2015 (Item #12), and November 8, 2017 (Item #23).

Funds are available in the following accounts for State Fiscal Years 2020 and 2021, and are anticipated to be available in State Fiscal Years 2022, 2023, and 2024, with authority to adjust amounts within the price limitation and adjust encumbrances between State Fiscal Years through the Budget Office, if needed and justified.

05-95-95-956010-6143 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: COMMISSIONER, OFFICE OF MEDICAID BUSINESS AND POLICY, PHARMACY SERVICES

05-095-047-470010-79370000 HEALTH AND SOCIAL SERVICES, DEPT. OF HEALTH AND HUMAN SVSC, HHS: COMMISSIONER, OFFICE OF MEDICAID BUSINESS AND POLICY, MEDICAID ADMINISTRATION

05-95-90-902510-2229 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: DIVISION OF PUBLIC HEALTH, BUREAU OF INFECTIOUS DISEASE CONTROL, PHARMACEUTICAL REBATES

See attached fiscal details.

EXPLANATION

This request is **sole source** because there are no renewal options available in the current contract and there is no other system currently available to efficiently provide Pharmacy Benefit Management services to the New Hampshire Department of Health and Human Services ("Department"). The purpose of this **sole source** amendment is to extend the completion date of the agreement, increase the price limitation, and modify the scope of services. The scope of services is being modified to conform to current DOIT standards and to incorporate services currently provided by the Contractor under a separate agreement with the Department for the AIDS Drug Assistance Pharmacy Benefit Management System (ADAP), which was originally approved by the Governor and Executive Council on June 19, 2013 (Item #90) and expires on December 31, 2019.

Approximately 174,000 Medicaid and 550 ADAP clients will be served from January 1, 2020 through December 31, 2023.

The Contractor provides the Department with Pharmacy Benefit Management systems for both Medicaid and ADAP. Each of these implementations have unique as well as common requirements. The Contractor manages pharmacy claims, pharmacy benefits, drug rebates, drug utilization and review program, and prior authorization services. They also provide call center management and formulary management to ensure the availability of the most effective pharmaceuticals at the most efficient price.

The Contractor's current solutions meet the requirements of both the Division of Medicaid Services and the Division of Public Health Services and are similar in nature. In line with the Department's goals to streamline processes and build on economies of scale, through this amendment, the Department will now have a single contract that will provide the following benefits:

- A single contracting process for both programs;
- Better and consistent pricing for both programs;
- Consistent Contractor management and expectations;
- Common processes and systems planning reducing complexity and need for customization; and
- The ability to leverage the current designed, developed and implemented solutions, reducing costs of migration to a different system and associated startup costs of a new system.

The Current Medicaid Pharmacy Benefits Management system was certified by the Centers for Medicaid and Medicare Services in June 2015 as a modular Medicaid system and is managed by the Contractor. By utilizing the existing contract and associated system, the Department will not expend the estimated \$8.5 million dollars, of which \$1.275 million was general funds that was submitted for biennium 20/21, in accordance with contract expiration and subsequent RFP with an anticipated result in a new system for Medicaid and save 450 thousand dollars (\$450,000) in estimated costs to replace the Public Health solution funded from pharmaceutical rebates.

This current system already conforms to the modular requirements from the Centers for Medicaid Services and as a result would be recommended to be staged later in the MMIS re-procurement strategy.

The Contractor will continue to provide pharmacy claims management, pharmacy benefits management, drug rebate management, a call center, drug utilization and review program, prior authorization services, and formulary management to assure the availability of the most effective pharmaceuticals at the most efficient price to New Hampshire Medicaid and ADAP clients. The services provided by the Contractor through this contract will enable the Department to continue improving the quality of beneficiary health while managing the high cost of pharmaceuticals.

The Contractor will continue to manage the Medicaid preferred drug list and supplemental rebates for all Medicaid clients Fee-for-Service (FFS) and Managed Care Organization (MCO). In State Fiscal Year 2019, the State share of the drug rebates collected was \$25.1 million. These funds were used to reduce the General Fund portion for the Provider Payment expenses. The Contractor monitors the new drugs to market and makes recommendations to the Department regarding the most suitable management strategy to ensure clinically appropriate and cost efficient drug utilization.

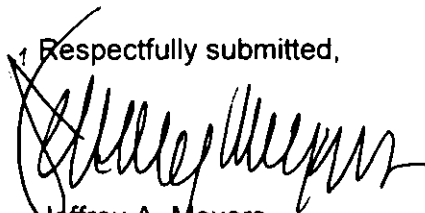
Should the Governor and Executive Council not approve this request, the Department would not be able to process the monthly charges for Administrative reviews, Automatic Prior Authorizations, and Clinical Reviews that are related to the drug claims of the enrolled Medicaid and ADAP population. If the administrative charges are not paid in a timely manner this would cause a delay in processing drug claims for New Hampshire Medicaid and ADAP recipients.

Area served: Statewide

Source of Funds: 11% Other Funds (340B Pharamaceutical Rebates), 67% Federal Funds, and 22% General Funds

In the event that the Federal (or Other) Funds become no longer available, no additional General Funds will not be requested to support this program.

Respectfully submitted,



Jeffrey A. Meyers
Commissioner

DHHS-ADAP Magellan Contract Fiscal Details

05-95-95-956010-6143 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: COMMISSIONER, OFF MEDICAID & BUSINESS POLICY, PHARMACY SERVICES						
State Fiscal Year	Class/ Account	Class Title	Job Number	Current Modified Budget	Increase/ (Decrease)	Revised Modified Budget
2011	102-500731	Contracts for Program Services	9560000175	\$2,640,669	\$0	\$2,640,669
2012	102-500731	Contracts for Program Services	9560000175	\$3,110,697	\$0	\$3,110,697
2013	102-500731	Contracts for Program Services	9560000175	\$3,578,034	\$0	\$3,578,034
<i>SFY 2011 through SFY 2013 Subtotal:</i>				\$9,329,400	\$0	\$9,329,400

05-095-047-470010-79370000 HEALTH AND SOCIAL SERVICES, DEPT. OF HEALTH AND HUMAN SVSC, HHS: COMMISSIONER, OFF MEDICAID & BUSINESS POLICY, MEDICAID ADMINISTRATION						
State Fiscal Year	Class- Account	Class Title	Job Number	Current Modified Budget	Increase- (Decrease)	Revised Modified Budget
2014	102-500731	Contracts for Program Services	47000075	\$3,002,203	\$0	\$3,002,203
2015	102-500731	Contracts for Program Services	47000075	\$2,610,300	\$0	\$2,610,300
2016	102-500731	Contracts for Program Services	47000075	\$2,501,700	\$0	\$2,501,700
2017	102-500731	Contracts for Program Services	47000075	\$2,407,800	\$0	\$2,407,800
2018	102-500731	Contracts for Program Services	47000075	\$2,369,370	\$0	\$2,369,370
2019	102-500731	Contracts for Program Services	47000075	\$2,365,902	\$0	\$2,365,902
2020	102-500731	Contracts for Program Services	47000075	\$1,200,432	\$1,296,450	\$2,496,882
2021	102-500731	Contracts for Program Services	47000075	\$0	\$2,509,991	\$2,509,991
2022	102-500731	Contracts for Program Services	47000075	\$0	\$2,585,291	\$2,585,291
2023	102-500731	Contracts for Program Services	47000075	\$0	\$2,662,850	\$2,662,850
2024	102-500731	Contracts for Program Services	47000075	\$0	\$1,351,102	\$1,351,102
<i>SFY 2014 through 2024 Subtotal:</i>				\$16,457,707	\$10,405,684	\$26,863,391

05-95-90-902510-2229 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS HHS: DIVISION OF PUBLIC HEALTH, BUREAU OF INFECTIONS DISEASE CONTRACT PHARMACEUTICAL REBATES.						
State Fiscal Year	Class/ Account	Class Title	Job Number	Current Modified Budget	Increase/ (Decrease)	Revised Modified Budget
2020	103-502664	Contracts for Program Services	90024603	\$198,730	\$194,031	\$392,761
2021	103-502664	Contracts for Program Services	90024603	\$0	\$392,914	\$392,914
2022	103-502664	Contracts for Program Services	90024603	\$0	\$402,737	\$402,737
2023	103-502664	Contracts for Program Services	90024603	\$0	\$412,805	\$412,805
2024	103-502664	Contracts for Program Services	90024603	\$0	\$208,951	\$208,951
<i>SFY 2014 through 2024 Subtotal:</i>				\$198,730	\$1,611,438	\$1,810,168
<i>Contract Total:</i>				\$25,985,837	\$12,017,122	\$38,002,959



STATE OF NEW HAMPSHIRE
DEPARTMENT OF INFORMATION TECHNOLOGY

27 Hazen Dr., Concord, NH 03301
Fax: 603-271-1516 TDD Access: 1-800-735-2964
www.nh.gov/doit

Denis Goulet
Commissioner

December 6, 2019

Jeffrey A. Meyers, Commissioner
Department of Health and Human Services
State of New Hampshire
129 Pleasant Street
Concord, NH 03301

Dear Commissioner Meyers:


This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to enter into a **sole source** contract amendment with Magellan Medicaid Administration, Inc., of Glen Allen, VA as described below and referenced as DoIT No. 2010-038G.

The purpose of this request is to enter into a **sole source** contract amendment with Magellan Medicaid Administration, Inc. to continue to manage pharmacy benefits for the Medicaid Program. The PBM System provides automated capabilities needed to support the clinical drug program management objectives of DHHS (processing drug/medical equipment claims), ensure uninterrupted service to members and providers, support program operational needs, and maximize cost savings potential. Pharmacy management services include claims management, benefits management, drug rebate management, prior authorization services, and manage the Medicaid preferred drug list.

The funding amount for this amendment is \$12,017,122.00, increasing the current contract from \$25,985,837.00 to \$38,002,959.00, and extends the completion date from December 31, 2019 to December 31, 2023. The amendment shall become effective upon Governor and Council approval, or January 1, 2020, whichever is later, through December 31, 2023.

A copy of this letter should accompany the Department of Health and Human Services' submission to the Governor and Executive Council for approval.

Sincerely,


Denis Goulet

DG/kaf
DoIT #2010-038G

cc: Bruce Smith, IT Manager, DoIT



State of New Hampshire
Department of Health and Human Services
Amendment #7 to the Magellan Medicaid Administration, Inc. Contract

This 7th Amendment to the Magellan Medicaid Administration, Inc. contract (hereinafter referred to as "Amendment #7") is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Magellan Medicaid Administration, Inc., (hereinafter referred to as "the Contractor"), a Virginia corporation with a place of business at 11013 West Broad Street, Glen Allen, VA 23060.

WHEREAS, pursuant to the "Magellan Medicaid Administration, Inc. Contract" (the "Contract") approved by the Governor and Executive Council on June 9, 2010 (Item #82), and amended by an agreement (Amendment #1 to the Contract) approved on June 20, 2012 (Item # 65), and amended by an agreement (Amendment #2 to the Contract) approved on June 5, 2013 (Item # 87), and amended by an agreement (Amendment #3 to the Contract) approved on November 6, 2013 (Item #54), and amended by an agreement (Amendment #4 to the Contract) approved on September 3, 2014 (Item #12), and amended by an agreement (Amendment #5 to the Contract) approved on December 16, 2015 (Item #12), and amended by an agreement (Amendment #6 to the Contract) approved on November 8, 2017 (Item #9), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 18, the Contract may be amended upon written agreement of the parties and approval from the Governor and Executive Council; and

WHEREAS, the parties agree to extend the term of the Contract, increase the price limitation, and modify the scope of services to support continued delivery of services; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree to amend the Contract as follows:

1. Form P-37 General Provisions, Block 1.7, Completion Date, to read:
December 31, 2023.
2. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:
\$38,002,959.
3. Modify Exhibit A, Scope of Services, by replacing it in its entirety with Exhibit A – Amendment #7, Scope of Services, which is attached hereto and incorporated by reference herein.
4. Modify Exhibit B, Methods and Conditions Precedent to Payment, from Amendment #6 by replacing it in its entirety with Exhibit B – Amendment #7, Methods and Conditions Precedent to Payment, which is attached hereto and incorporated herein.
5. Modify Standard Exhibit C-1, Additional Special Provisions, by replacing it in its entirety with Exhibit C-1 – Amendment #7, Revisions to Standard Contract Language, which is attached hereto and incorporated by reference herein.
6. Modify Exhibit D, Certification Regarding Drug Free Workplace, by replacing it in its entirety with Exhibit D – Amendment #7, Certification Regarding Drug Free Workplace, which is attached hereto and incorporated by reference herein.
7. Modify Exhibit E, Certification Regarding Lobbying, by replacing it in its entirety with Exhibit E – Amendment #7, Certification Regarding Lobbying, which is attached hereto and incorporated by reference herein.
8. Modify Standard Exhibit I, Health Insurance Portability and Accountability Act Business Associate Agreement, by replacing it in its entirety with the attached Exhibit I – Amendment # 7,



Health Insurance Portability and Accountability Business Associate Agreement, which is attached hereto and incorporated by reference herein.

9. Modify Exhibit J, Certification Regarding the Federal Funding Accountability and Transparency Act (FFATA) Compliance, by replacing it in its entirety with the attached Exhibit J- Amendment # 7, which is attached hereto and incorporated by reference herein.
10. Add Exhibit K, DHHS Information Security Requirements.
11. All terms and conditions of the Contract and prior amendments not inconsistent with this Amendment #7 remain in full force and effect.

Handwritten initials, possibly 'WJ', in black ink.

New Hampshire Department of Health and Human Services
Magellan Medicaid Administration, Inc. Contract



This Amendment #7 shall be effective upon the date of Governor and Executive Council approval or January 1, 2020, whichever is later.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire
Department of Health and Human Services

12/6/19
Date

[Signature]
Henry Lipman
Director

Magellan Medicaid Administration, Inc.

12/4/19
Date

[Signature]
Name: Meredith Delk
Title: GM & SVP Government Markets

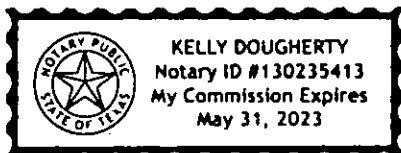
Acknowledgement of Contractor's signature:

State of Texas, County of Travis on December 4th, 2019, before the undersigned officer, personally appeared the person identified directly above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

[Signature]
Signature of Notary Public or Justice of the Peace

Kelly Dougherty - Notary Public
Name and Title of Notary or Justice of the Peace

My Commission Expires: May 31, 2023






The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

12/5/19
Date


Name: CATHERINE PINOS
Title: Attorney

I hereby certify that the foregoing Amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: _____ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:




STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
PHARMACY BENEFITS MANAGEMENT SYSTEM
EXHIBIT A – SCOPE OF SERVICES

1. Provisions Applicable to All Services

- 1.1. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.
- 1.2. For the purposes of this Agreement, the Department has identified Magellan Medicaid Administration, Inc. as a Contractor in accordance with 2 CFR 200.300.

Contract Definitions

- I. The term "Adjudicated Claim" means a transaction, as defined by the then current NCPDP Transaction Code, that is received, processed, and responded to by The Contractor. A transaction can be received in multiple media as: (1) Point of Service (POS) - a transaction received electronically via telephone lines from the Providers' Point of Service (2) Electronic Media - A batch of transactions received by The Contractor in electronic media (tape, diskette or electronic bulletin board) and submitted to The Contractor System for processing, and (3) Paper - a transaction received on paper and data entered by The Contractor and submitted to The Contractor System for processing, but does not include a rejected claim.
- II. The term "Administrative Fees" means all fees and reimbursements paid or payable to The Contractor for Services provided pursuant to this contract, except for the actual costs of the drugs prescribed and dispensing fees paid to network pharmacies.
- III. The term "Contractor" means The Contractor Magellan Medicaid Administration, Inc.
- IV. The terms "Department", "DHHS", "DPHS" or "State" means The State of New Hampshire, Department of Health and Human Services, Office of Medicaid Business and Policy and the Department of Information Technology (DOIT).
- V. The term "Federal Upper Limit" means the maximum amount that Medicaid can reimburse for a drug product as established by CMS.
- VI. The term "Fiscal Pend" means adjudicated claims and financial transactions, based on user-defined parameters for exclusion from payment during selected future financial cycles.
- VII. The term "Lock In" means to identify clients who are restricted, when obtaining drugs, medical Services or supplies, to one or more specified Providers.
- VIII. The term "Maximum Allowable Cost" means the maximum amount NH Medicaid shall reimburse for a drug product as established by the Contractor in accordance with Centers for Medicare and Medicaid Services (CMS) guidelines.
- IX. "Paid Adjudicated claim" is claim for which a check or payment has actually been sent to the Provider or state approved payees.
- X. The term "Preferred Drug List" or "PDL" means is a list of preferred drugs and non-preferred drugs. The preferred drugs have been reviewed and are

Exhibit A – Scope of Services
Contractor's Initials 

12/4/2019

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
PHARMACY BENEFITS MANAGEMENT SYSTEM
EXHIBIT A – SCOPE OF SERVICES

Medicaid's recommended first choice drugs. Doctors and pharmacists have reviewed preferred drugs. Preferred drugs are as safe and effective as non-preferred drugs but can cost the Medicaid program less. The term "Prior Authorization" or "PA" means the pre-claim submission approval that shall be given to Providers by the Contractor's clinical call center for a specified client for any drug that is subject to PA restrictions.

- XI. The term "Provider" means an enrolled NH Medicaid Provider.
- XII. The term "Payee" means a State authorized Medicaid Recipient (or designated agent) or Medicaid Provider that is issued a check paid through the NH Medicaid Drug Payment Custodial Bank Account.
- XIII. The term "Prescriber" means the individual writing the prescription for the recipient and who is authorized to do so.
- XIV. The term "Recipient" or "client" or "beneficiary" or "member" means a person or persons eligible for New Hampshire Medicaid.
- XV. The term "Third Party Liability" or "TPL" means any source of payment or potential source of payment for prescription drugs, other than Medicaid.

Scope of Services for Pharmacy Benefits Management System for Medicaid Services

I. OVERVIEW

The Contractor shall be responsible for the design, development, and implementation of the State's Pharmacy Benefits Management (PBM) system and shall act as the State's Fiscal Agent for these services. The Contractor shall provide for all of the systems functional components and requirements, including services and deliverables, outlined within this contract.

1. The Contractor shall provide the State with secure, on-line access to any and all components that comprise the NH PBM system solution. Additionally, the Contractor shall provide secure, restricted access to NH Medicaid Providers and Recipients to selected information as described in the RFP and such other information as Contractor and the State mutually agree in writing.
2. The Contractor shall work collaboratively with the Department, its MMIS fiscal agent, and other interfacing entities to implement effectively the requisite exchanges of data necessary to support the requirements of the RFP.
3. The Contractor is responsible for hosting the NH PBM solution at the Contractor's data center and providing for adequate redundancy, disaster recovery, and business continuity such that in the event of any catastrophic incident, stem availability is restored to the State within 24 hours of incident onset in the event of a catastrophic incident and eight (8) hours in the event of an unscheduled downtime incident

Exhibit A – Scope of Services
Contractor's Initials: NMO

12/4/19

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
PHARMACY BENEFITS MANAGEMENT SYSTEM
EXHIBIT A – SCOPE OF SERVICES

involving the POS functionality.

4. The Contractor shall ensure that the hardware and software supporting the State's solution, and the State's data, data processing and data repositories are securely segregated from any other PBM account or project, and are under configuration management and change management governed through and in support of the State project.

5. The Contractor shall implement the necessary telecommunication infrastructure to support the State's PBM solution and shall provide the State with a network diagram depicting the communications infrastructure, including but not limited to, connectivity between the State and Contractor, including any contractor and subcontractor locations supporting the State's PBM project.

6. The Contractor shall utilize data extract, transformation, and load (ETL) methods for data conversion and data interface handling, that, to the maximum extent possible, automate the extract, transformation and load processes, and that provide for source to target or source to specification mappings, all business rules and transformations where applied, summary and detailed counts, and any, data that cannot be loaded.

7. The Contractor shall provide for a common, centralized electronic project repository, providing for secure access to authorized Contractor and State staff to project plans, documentation, issues tracking, deliverables, and other project related artifacts, that shall be turned over to the State after certification.

A. Systems Capability and Performance Standards

1. The Contractor shall ensure the following system availability and access:

- a. Twenty-four hours per day, seven days a week, three hundred and sixty five days per year, except for scheduled maintenance;
- b. Provider network connectivity;
- c. Documented scheduled down time and maintenance windows;
- d. DHHS on-line access to all components of the system;
- e. DHHS access to user acceptance environment;
- f. Documented instructions and user manuals for each component;
- g. Secure access.

2. The Contractor shall ensure the following systems operations support:

- a. Twenty-four hours per day, seven days a week, three hundred and sixty five days per year, except for scheduled

Exhibit A – Scope of Services
Contractor's Initials: WJD

12/4/19

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
PHARMACY BENEFITS MANAGEMENT SYSTEM
EXHIBIT A – SCOPE OF SERVICES**

- maintenance;
 - b. On-call procedures and contacts;
 - c. Job scheduling and failure notification documentation;
 - d. Secure data transmission methodology;
 - e. Interface acknowledgements and error reporting;
 - f. Technical issue escalation procedures;
 - g. Business and customer notification;
 - h. Change control management;
 - i. Assistance with user acceptance testing and implementation coordination;
 - j. Documented interface specifications-data imported and extracts exported; and
 - k. Disaster recovery plan.
3. Automated data files and interfaces. The State will send to the Contractor all of the files (with periodicity noted) below (except those noted with a *) that the Contractor will send to the State:
- a. Third party liability (TPL) extract to the Contractor (Daily);
 - b. Provider extract to the Contractor-Pharmacy Only (Daily);
 - c. Recipient Eligibility Extract to the Contractor (Daily);
 - d. Recipient Refresh Data Extract to the Contractor (Monthly);
 - e. Paid, voided, denied drug claims processed from the contractor (biweekly or as scheduled following the financial cycle)-(from Contractor to State)*
 - f. Medical claims to the Contractor-claims types medical, outpatient, nursing home and inpatient (Monthly);
 - g. Provider, all EXCEPT pharmacy (Monthly);
 - h. Fee-for-Service and managed care medical claims for physician-administered drugs processed by the MMIS and the managed care organizations to the Contractor- "J" and "S" Codes only (Quarterly) for quarterly rebate processing.
 - i. A copy of the First Data Bank file, including a clear designation of brand vs. generic drugs and incorporating State Maximum Allowable Cost (SMAC) pricing (from the Contractor to the Medicaid Management Information System (MMIS)); and
 - j. HIPAA compliant Electronic Data Interchange (EDI) transaction files-incoming and outgoing to providers and trading partners.
 - k. Managed care pharmacy data to the Contractor for quarterly rebate processing.
4. Provider and Patient Pharmacy Web Access. The Contractor will create secure web access for Medicaid providers and Medicaid recipients to access case-specific pharmacy information. The Contractor shall manage provider and beneficiary access to the system, providing for the applicable secure access management, password and Personal

Exhibit A – Scope of Services
Contractor's Initials: HMO

12/4/19

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
PHARMACY BENEFITS MANAGEMENT SYSTEM
EXHIBIT A – SCOPE OF SERVICES

Identification Number (PIN) communication, and operational services necessary to assist the providers and beneficiaries with gaining access and utilizing the web portal.

5. Provider access shall be made available through a secure provider website and shall include, but not be limited to: the ability to electronically submit prior authorization requests and access and utilize other utilization management tools; the ability to download and print any needed Medicaid program forms and other information; to e-prescribe as an option for providers without electronic medical records or hand held devices; provider support to request and receive general program information with contact information for phone numbers, mailing and e-mail address(es); provide drug information appropriate to providers; and to access drug history through paid patient claims.

6. Recipient access should include patient relevant pharmacy program information, access to appropriate drug information, access to available pharmacy locations within a specified radius of a given location and access to their pharmacy claims information.

7. The Contractor shall provide a real-time web based formulary search tool to view formulary information. This tool shall identify drug (generic or brand) availability by strength, formulation, co-payment, formulary status, quantity limits, formulary alternatives, other utilization management tools agreed upon by the parties, and requirement for prior authorization. The tool shall also provide links to prior authorization or other necessary prescriber forms.

8. All costs associated with the development and maintenance of these websites shall be borne by the Contractor and must be incorporated in the transaction fee.

9. The website shall provide an e-mail link to the Contractor to allow Medicaid recipients or other interested parties to e-mail inquiries or comments. This website shall also provide a link to the State's Medicaid website and these services shall be provided at no cost to the provider or recipients.

- a. Performance standards shall include but not be limited to: e-mail inquiries responded to within two (2) business days; new information posted within, one (1) business day of receipt of that information from the State; and routine website maintenance to ensure that all website content remains accurate no less than once per month.

10. The Contractor will provide reports to include but not be limited to: number of "hits" per month by provider/recipient; number and type of provider and recipient e-mail inquiries and requests; the turnaround time for all responses to e-mail inquiries; and website maintenance report to include a summary of any updates or other changes made and the date completed. The website and any associated electronic transmissions shall be secure and HIPAA compliant in order to protect Medicaid

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
PHARMACY BENEFITS MANAGEMENT SYSTEM
EXHIBIT A – SCOPE OF SERVICES

recipient confidentiality and to protect against the exposure of protected health information. Access shall be limited to authorized and authenticated users via secure user logins and passwords. The Contractor is responsible for ensuring that the website and any component of the Contractor's solution meets the applicable privacy and security standards required for a component of the MMIS under Chapter 11 of the Centers for Medicare and Medicaid Services' (CMS) State Medicaid Manual, the Health Insurance Portability and Accountability Act (HIPAA), the American Recovery and Reinvestment Act (ARRA), and any other applicable State or Federal required standard for data security.

11. Contractor shall be responsible for all of the duties of program implementation and maintenance including any duties that may be the responsibility of any subcontractor.

B. Claims Requirements

Contractor shall be responsible for meeting the following claims requirements:

1. Accept and process POS, batch and paper claims;
2. Accept and process member submitted, home infusion and long-term care pharmacy claims;
3. Claims edits and audits consistent with State business logic including editing for PA's and Lock-in;
4. Prospective drug utilization review (ProDUR) edits;
5. Pricing consistent with State pricing, methodologies and any CMS updates;
6. Paid, denied, reversals and adjustments;
7. Coordination of benefits (TPL cost avoidance) including Medicare Parts A, B, C and D
8. Timely management of the Contractor's MAC list.
9. Timely and accurate claims processing that meets the requirements of the CMS State Medicaid Manual and the Prompt Payment timely processing and reporting of clean claim requirements of the American Reinvestment and Recovery Act (ARRA) of 2009 throughout its timeframe and including any extensions.

C. Financial Processing and Provider Payment

Contractor shall meet the following standards and conditions:

1. Flexible financial and check cycle processing to support a biweekly financial cycle initially, but at the State's discretion, change to weekly processing, including warrant processing and fund code reporting;

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2. Non-claim specific financial transactions capability including recoupments, payouts, voids, refunds and returned checks;
3. Flexible maintenance capability in support of assigning claims and financial transactions to State fund codes and associated appropriation account numbers; being able to add new fund codes at no additional cost to the State;
4. Transactions assigned to appropriate fund codes at the claim and financial transaction level based on State business logic, provide the Department with manual invoice within two (2) business days after last adjudicated date for the biweekly check cycle;
5. Complete funds transfer request based on invoice amount;
6. Reconciliation to assure data integrity claim and financial transaction levels;
7. Bank account management and provisions of monthly bank reconciliation statements;
 - a. The Contractor shall use Wells Fargo, or a mutually agreed upon successor, for the custodial bank account. The Contractor shall obtain approval from the Department prior to using any other bank or other financial institution for this purpose.
 - b. The Contractor shall be responsible for producing checks, printing remittance advices and mailing these documents to State approved payees.
 - c. The Contractor shall monitor the daily activities of the New Hampshire Medicaid Drug Payment Custodial Account to ensure that transactions are completed accurately and in compliance with generally accepted accounting principles (GAAP).
 - d. The Contractor shall monitor outstanding checks and contact payees to resolve issues regarding outstanding checks. At the direction of the Department, the Contractor shall stop payments and re-issue checks to payees.
 - e. Subject to the Department's review and approval of the manual invoice, the State shall make an Electronic Funds Transfer deposit into the New Hampshire Medicaid Drug Payment Custodial Account.
 - f. The Contractor shall prepare documentation and transfer funds to the State of New Hampshire, Department of Health and Human Services, Division of Medicaid Services so it may provide restitution of the federal share, through the CMS 64 filing, that is compliant with federal 42 C.F.R & 433.40, Treatment of uncashed, or cancelled (voided) Medicaid checks.
 - g. The Contractor shall provide monthly bank account management reports that meet GAAP. The reports shall include

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bank statements for the custodial account and a bank reconciliation statement and a comprehensive listing of outstanding checks to date. In addition, the Contractor shall provide a monthly stale dated check report that includes check number, check amount, amount invoiced, batch date, date issued, payee identification number, payee name and payee address.

- h. Generation of HIPAA compliant electronic remittance advice (RA);
- i. Generation of checks or Electronic Funds Transfer (EFT) and mail checks with paper RA to providers;
- j. Negative balance tracking and collection according to State policies;
- k. Allocation of drug rebate collections across fund codes and counties based on claims paid;
- l. Support electronic funds transfer (EFT), allowing providers to elect EFT or check payment; and
- m. The capability to fiscally pend both administrative fees and claim payments at the request of the State.


D. Member Claims

The Contractor shall accept and process Member Claims submitted by the Department to reimburse individual recipients or other entities in cases of retroactive eligibility and administrative appeal. Member claims shall be submitted to the Contractor in a format mutually acceptable to the Contractor and the Department. The Contractor shall enter these claims into the processing system. Member claims shall be exempt from all system edits and audits except recipient eligibility; product coverage, and third party liability. Payment for Member Claims shall be made to the payee indicated on the claim form submitted by the Department at the Medicaid rate.

E. Fiscal Pend

The Contractor's PBM solution for the State shall include these components:

- 1. Provide the capability to select adjudicated claims and financial transactions, based on user-defined parameters for exclusion from payment during selected future financial cycles. This functionality is referred to as "fiscal pend", and is primarily used to delay disbursement of funds until a future date when funding becomes available or is used on a more limited basis for withholding payment to targeted providers pending further investigation;
- 2. Provide the capability for authorized users to set specific pend

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criteria or combinations of parameters for a selected financial cycle, including at a minimum: provider number(s); provider type(s), fund code(s); number of days pended (to select older pended claims); and dollar limit(s), including zero (0) and unlimited dollars;

3. Provide the capability to define and set multiple combinations of parameters, to set the dollar cap for each combination including zero (0) and unlimited dollars, and to define the priority order of the various combinations for fiscal pend during the financial cycle. The dollar cap represents the maximum total payable limit allowed for transactions meeting the pend criteria for that financial cycle;

4. Provide the capability to include or exclude financial transactions from the pend for a particular financial cycle;

5. Perform a check for the existence of applicable fiscal-pend criteria during each financial cycle and complete financial cycle processing accordingly, restricting payment processing to any pend limits established;

6. Provide the capability to report pended claims on a provider RA and include the capability to suppress reporting of pended transactions at the discretion of the State;

7. Maintain a complete date-sensitive audit trail of fiscal pend activity, including the pend criteria identified, the authorized user identification for each combination, and all reports run in support of fiscal pend;

8. Provide the requisite support and capability to run iterative preview reports, in advance of a financial cycle; to inform the State's contract manager regarding the need to fiscal pend and to inform the State of the final financial impact of the fiscal pend criteria on the financial cycle. These review reports mimic the financial cycle reports but are run during the pend process; and

9. Provide and maintain reporting and requisite operations support to validate the results of fiscal pend processing, to verify that pend and financial cycle processes have been completed with the integrity of the payment intact, and all inputs and outputs are accounted for and balance.

F. Custodial New Hampshire Medicaid Bank Account and Check Processing

Contractor shall provide cash management services for the Custodial New Hampshire Bank Account used for payment of drug claims. Check processing services include: creation of remittance advices (RA); printing of checks or creation of debits, mailing the RA with the check or transmitting an Electronic Remittance Advice (835) and resolution of outstanding checks including reporting and remitting to the State Treasury escheated funds. Financial reporting of bank account and check processing activity is required

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that meets Generally Acceptable Accounting Principles (GAAP) and is approved by the State. The Contractor is responsible for responding to and resolving auditor inquiries and funding relative to the Contractor's custodial bank account and check processing activities. The State reserves the right to change its check processing services pending the implementation of the State's new MMIS claims processing system.

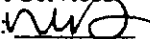
G. Financial Reconciliation

Contractor's efforts to support financial cycle reconciliation activities must be thorough and detailed. Such activities include the reconciliation and handling of errored transactions from the flow of claim and non-claim transaction processing through various control points, including claims entry, extract handling between components of the system, fund code assignment, financial processing, fund transfer invoicing, check generation, provider payment and provider remittance advice. The Contractor is required to conduct monthly bank account reconciliations and report to the State's contract manager.

H. Third Party Liability

1. The Contractor shall comply with the Department's stipulations for coordination of benefits. Through the POS system, Contractor shall ensure that the pharmacy shall pursue payment through other available coverage. Contractor shall capture any payment or denial of payment by the carrier of other coverage, along with any provided reason codes. The Contractor shall identify the carrier and the Department's carrier code, if known.
2. The Contractor must itemize at the claim level and report instances where the following occurred: third party insurers denied coverage for a person identified by the State as having third party coverage; third party insurers denied coverage for a person because the coverage allegedly was not in effect on the date of service; third party insurers paid a portion of a claim and Medicaid paid the balance; third party insurers denied coverage for a pharmaceutical because it is not a covered drug; and third party insurers denied coverage because the pharmacy/pharmaceutical provider is outside of the carrier's network.
 - a. Reports shall be provided electronically. The specific content, format and file layout of each report will include, at a minimum, the recipient's name, Medicaid Identification Number (MID), Contractor's transaction number, date of service, reason for denial (if any), drug name, NDC#, prescription number, pharmacy name, pharmacy location, and pharmacy National Provider Identifier (NPI) number and any paid amount (if any).

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The information must be provided in a format compatible with
Microsoft Excel and Microsoft Access.

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I. Auditing

1. General: The State reserves the right to audit any elements of the Contractor's program including claims processing and rebates and any function performed by subcontractors, including but not limited to the TPL subcontractor. The Contractor shall provide the Department with information sufficient for the Department to conduct its own independent audit of the pharmacy program.

a. SSAE-16, Statement on Standards for Attestation Engagements: The Contractor shall provide and bear the cost of an independent auditor (service auditor) to perform procedures that will supply the auditors for the State and/or the DHHS (user auditors) with information needed to obtain a sufficient understanding of the Contractor (service organization), internal controls over services provided to DHHS, to plan their audit for DHHS and the State. Contractor's selection of the independent auditors shall be subject to the prior written approval of DHHS. The audit procedures and reports are to be completed in accordance with guidance provided in the SSAE-16, as issued by the American Institute of Certificate Public Accountants. The independent auditor is required to complete a SSAE-16 (SOC-1) Audit that includes the service organization's description of controls, and detailed testing of the service organization's controls over a minimum of six (6) month period. The SSAE-16 audit must be completed for each year of the Contract period. The SSAE-16 Audit shall be provided to the State's Contract Manager. The minimum contents of the SSAE-16 Audit are as follows: The independent auditor will perform on-site fieldwork to test system controls each quarter during the audit period.

b. The service organization's description of the controls that may be relevant to DHHS internal control as it relates to the audit of the State's financial statements.

c. The service auditor's opinion on whether the description presents fairly, in all material respects, the relevant aspects of the service organization's controls that had been placed in operation during the fiscal year.

d. The service auditor's opinion on whether such controls were suitably designed to provide reasonable assurance that the specified control objective would be achieved if those controls were complied with satisfactorily.

e. A description of the service auditor's tests of controls and its opinion on whether the controls that were tested were operating with sufficient effectiveness to provide reasonable assurance that the related control objectives were achieved during the fiscal year.

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f. The service auditor's procedures shall include, but are not necessarily limited to the following:

- i. Information on the description of controls for the report through discussions with appropriate service organization's personnel, through reference to various forms of documentation, such as system flow charts and narratives and through the performance of tests of controls;
- ii. A determination of whether the description provides sufficient information for auditors to obtain an understanding of those aspects of the service organization's controls that may be relevant to DHHS internal control;
- iii. The control environment, such as hiring practices, key areas of authority, etc.;
- iv. Risk assessment, such as those associated with processing specific transactions;
- v. Control activities, such as procedures on modifications to software;
- vi. Communications, such as the way user transactions are initiated;
- vii. Control monitoring, such as involvement of internal auditors;
- viii. Evidence of whether controls have been placed in operation;
- ix. Inquiry of appropriate service organization management and staff;
- x. Inspection of service organization documents and records;
- xi. Observation of service organization activities and operations;
- xii. Testing controls to determine that the service organization is operating with sufficient effectiveness to provide reasonable assurance that the related control objectives were achieved during the fiscal year; and
- xiii. Determine that significant changes in the service organization's controls that may have occurred before the beginning of fieldwork are included in the service organization's description of the controls.

J. **Medicaid Omnibus Budget Reconciliation Act 1990 (OBRA 90) Rebates and Supplemental Rebates**

1. All Medicaid drug rebates processed by the Contractor shall be paid to the State. The Contractor shall not retain any portion of the

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rebates. The Contractor shall abide by three separate sets of requirements. Medicaid (OBRA '90) Rebate requirements, PDL requirements and State Supplemental Rebate requirements for all Medicaid pharmacy claims inclusive of both fee-for-services and managed care.

2. Medicaid (OBRA '90) Requirements:

a. Contractor shall implement all accounting functions that are part of the drug rebate program including, but not limited to, preparing and submitting manufacturer invoices quarterly. Financial reporting of drug rebate activities that complies with GAAP is required. These reports are to include but not be limited to: accounts receivable aging reports; dunning letters and reports; prior period adjustment reports; and outstanding accounts receivable.

b. The Contractor is responsible for establishing audit trails and internal controls for all drug rebate activities. Invoices shall include the following data as required by CMS guidelines: National Drug Code (NDC), drug name; CMS unit, unit rebate amount, total units reimbursed; total amount claimed; number of prescriptions; total reimbursed amount; correction record flag; TPL prescriptions and TPL payment amount.

c. The Contractor shall invoice based on the date of payment. The State's invoices shall be issued within sixty (60) calendar days after the close of each rebate period for Medicaid beneficiaries.

d. Dunning letters shall be mailed for accounts in arrears ninety (90) calendar days or greater.

e. Contractor shall maintain quarterly unit rebate amount data supplied by CMS from 1991 forward.

f. Contractor shall maintain an accounting procedure for prior period adjustments for manufacturers.


g. Contractor shall be capable of and shall calculate interest due on overdue payments per CMS guidelines.

h. The pharmacies shall be allowed to submit claims for obsolete NDC's for two (2) years post obsolete data to allow for its shelf life. After two (2) years from the obsolete date have passed, pharmacies shall receive an on-line message indicating denial is due to "NDC obsolete".

i. If a claim is reversed after invoicing a manufacturer for the rebate, the State staff shall be able to see all transactions, including but not limited to: the initial payment, the reversal, and the possible subsequent re-bill.

j. Contractor shall perform quarterly posting of the reconciliation of the State's invoice from manufacturers and transmit reports of payment receipts.

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- k. Contractor shall perform posting of the prior quarter adjustment statement.
 - l. Contractor shall provide all appropriate quarterly and annual reporting to CMS, in both electronic and paper form.
 - m. Contractor shall implement all dispute resolution functions that are part of the drug rebate program, including but not limited to researching and resolving discrepancies between the State and manufacturer records.
 - n. Contractor shall respond to any CMS change in requirements in a reasonable time frame.
 - o. Contractor shall maintain claims paid and rebates collected and shall report the distribution across counties by fund code on a quarterly basis.
3. Medicaid Supplemental Manufacturer Rebate Requirements:
- a. The Contractor shall be required to: report the rebate recovery per NDC; conduct monthly reconciliation of rebates collected by the State and will allocate all rebate monies to the correct NDC and labeler. The State shall report to the Contractor the rebate amounts collected. One hundred percent (100%) of the rebates collected belong to the State.
 - b. Contractor shall invoice for rebates based on the date of payment. The State's invoices shall be issued within sixty (60) calendar days after the close of each rebate period for Medicaid beneficiaries.

K. NMPI:

- 1. At the option of the Department, which may be exercised no less often than annually, the Contractor shall negotiate Medicaid Supplemental rebates with pharmaceutical manufactures on behalf of fee for service and Medicaid managed care populations, conduct supplemental rebate analysis and, at the direction of the Department submit PDL classes to DUR Board for review and approval.

L. Analysis and Reporting

- 1. The Contractor shall provide a Reporting Specialist dedicated 70% to DMS who shall be located within 120 minutes of Concord, NH.
- 2. The Contractor shall provide standard reports monthly, which shall include:
 - a. Accounts payable;
 - b. Claim payment reports;
 - c. RA Reports in both hard copy and electronic formats;
 - d. Rebate reports including, at a minimum, the Federal 64.9R and County Rebate Reimbursement Report and Supplemental Rebate Reports;
 - e. Management and utilization reports. Reports shall

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compare utilization and other trends between and among the various Medicaid programs and private sector organizations;

f. Notification of System Disruption Reports to be e-mailed to designated state and Contractor employees. Each report shall identify: issue; status (problem identified, resolution being developed, resolution being implemented, problem resolved); person responsible for resolution; date and time; description; impact; resolution; use of contingency plan; date and time contingency plan invoked; comments;

g. Cost savings reports;

h. Claims history reports;

3. Additional reporting requirements: Contractor shall provide electronically a complete package of management and utilization reports that shall be mutually agreed upon by the State and the Contractor. The State shall work with the Contractor to develop subpopulation categories, including but not limited to, long term care (LTC) and TPL, for reporting.

a. Monthly reporting requirements are as follows:

i. Total number of approved or denied claims;

ii. Total number of claims and associated dollars by eligibility type;

iii. Total number of PA requests;

iv. Total number of PA approved;

v. Total number of PA denied;

vi. Total number of PA renewal requests;

vii. By each initiative (i.e. PA, Quantity Limits, State MAC, etc.);

viii. Benchmark relative to industry;

ix. Annualized savings per drug category;

x. Total dollar amount of claims by eligibility type;

xi. Top ten reasons for denial;

xii. Generic substitution rate;

xiii. Generic dispensing rate;

xiv. Average time and range for adjudication of claims by mode of processing;

xv. Average time and range for PA approvals and denials;

xvi. Number of seventy-two (72) hour overrides;

xvii. Number of PA not resolved within 24 hours;

xviii. Reasons for PA resolved in greater than 24 hours;


xix. Cost savings for each PBM initiative;

xx. Administrative cost by initiative for PBM program;

xxi. Analysis of cost shifting;

xxii. Volume of claims paid for preferred drugs vs. non-preferred drugs;

xxiii. PA as a percent of total claims;

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- xxiv. Lock in program;
- xxv. MCO Compliance with State PDL; and
- xxvi. Any other reports referred through the RFP.

- b. Annual reporting requirements:
 - i. Report indicating State expenditures are, in aggregate, at or below the FUL prices annually as required by federal regulations;
 - ii. Summary data including but not limited to, an overview of clinical impact including an analysis of any unintended or adverse clinical consequences that occurred as a result of any pharmacy initiatives, annualized savings and basis for savings, performance standards experience, a recitation of the prior year's accomplishments and recommendations for new opportunities to improve pharmacy management, save money, or improve beneficiary clinical care. This report shall be due no later than thirty (30) calendar days after the end of each State Fiscal Year.
- c. Contractor shall provide access to Contractor's operational data store, for on-line, ad hoc and administrative reporting and tracking, no later than three (3) months prior to program launch. Training and support throughout the contract period shall be provided for up to five (5) employees, designated by the State, in the use of this software. The software shall be compatible with the State's internal system requirements and shall afford State employees the opportunity to query Contractor claim files through the use of parameter values such as, but not limited to, Medicaid Identification (MID), date span, provider identification number, and NDC. Any costs for establishing connectivity between the Department and the Contractor and Contractor's Department-authorized sub-contractors, if any, shall be borne by the Contractor.
- d. The Contractor shall provide ad hoc reports needed for legislative compliance, as required.
- e. The Contractor shall provide up to three (3) reports per quarter or twelve (12) reports per year that require advanced technical assistance ad hoc reporting for which modification cost shall not be assessed.
- f. The Contractor's system shall provide data and reports that shall comply with all Federal and State Medicaid reporting requirements as requested by the State.

M. Medicaid Drug Coverage Management

- 1. Contractor shall administer the drug coverage program with the

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approval of the Department and in accordance with the statutes and administrative rules of the State of New Hampshire. The pharmaceutical services rule includes provisions for covered and non-covered drugs, prior authorization requirements, the pharmacy lock-in program, certification of prescriptions and dispensing limitations.

Contractor shall do the following:

- a. Implement the drug coverage parameters established by DHHS with input from the Contractor;
- b. Assign a Clinical Manager who shall be responsible for daily oversight of drug coverage parameters, all clinical programs and the provider network and interfaces with the Drug Use Review (DUR) Board;
- c. The Clinical Manager shall attend each DUR Board meeting and present the Board with a written report containing the following information:
- d. Recommendations for additions or changes in drug coverage and PA, dispensing limitations, generic substitution protocols, and other relevant or innovative suggestions to improve the clinical use of medications for Medicaid recipients.
- e. Provide supportive evidence-based clinical research, documentation, financial impact analysis, and recommendations for newly approved therapies and indications to the Committee for consideration.
- f. Contractor shall update its drug prices and other supporting drug data on a weekly basis using a recognized Contractor. Current coverage is keyed by FDB's generic sequence number (GSN) and the NDC.
- g. The Contractor shall provide the State the ability to review and approve changes in NDC's or GSN's supporting data on a weekly basis, including: changes to Specific Therapeutic Drug Class, GSN or Drug Form, which is an exception report now generated by FDB to assure valid drug coverage; and reports of new generic sequence numbers added to FDB file, which is generated weekly and taken to Pharmacy Services for consideration and inclusion into the Medicaid Drug List.

N. Drug Utilization Review (DUR)

1. The Contractor shall perform Drug Utilization Review as defined by the RFP, to include ProDUR, Concurrent DUR, RetroDUR, and educational programs.
2. The Contractor shall provide a clinical manager (RPh or PharmD 70% dedicated to the NH Medicaid program) to coordinate with State DUR Board. The Contractor shall present an annual DUR plan to the Department and DUR Board including a profile of all

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proposed DUR programs and dates for execution, as well as expert advice regarding standards for pharmacist counseling of beneficiaries or other means of improved clinical utilization review.

3. The Contractor shall prepare and provide the documentation for the annual DUR report for both the Department and CMS as mandated by CMS. The annual report shall include a description of the DUR activities (part of annual clinical plan), scope and nature of the ProDUR and RetroDUR programs, a summary of the interventions used, and an assessment of the impact of the interventions used, and an assessment of the impact of these interventions on the quality of care and an estimate of the cost savings generated as a result. The report shall also compare the current Medicaid results to the industry benchmarks including other Medicaid or private sector programs.

4. The Contractor shall attend each DUR Board meeting and present a written report to the DUR board, including meeting minutes and additionally containing the following information: based on pharmacy claims, present at least one (1) top therapeutic class and top five (5) high growth therapeutic classes, their current DUR protocol and recommendations for additions or changes in the DUR program; provide educational materials including supportive clinical research, protocols and financial analysis for newly approved therapies and indications to the DUR Board for consideration. Upon approval, this information shall be included as part of the ProDUR and RetroDUR program to targeted physicians.

5. The Contractor's DUR programs must evaluate drug use patterns among physicians, pharmacists and beneficiaries, and those associated with specific drugs or groups of drugs. DUR accesses data on drug use by comparing it to predetermined standards, consistent with evidence-based and peer-reviewed literature and the recommendations of the State DUR Board. Contractor is responsible for all costs involving travel for meeting attendance and provider education. The Contractor's assessment shall include, but shall not be limited to:

- a. Monitoring for therapeutic appropriateness;
- b. Over-utilization and under-utilization;
- c. Appropriate use of generic products;
- d. Therapeutic duplication;
- e. Drug-disease contraindications;
- f. Drug-drug interactions;
- g. Drug-age contraindications;
- h. Drug-pregnancy contraindications;
- i. Incorrect drug dosage or duration of drug treatment;
- j. Clinical abuse/misuse.

O. ProDUR

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1. The Contractor shall provide a ProDUR process that is linked to the electronic claims management network, so as to furnish medical and drug history information for each beneficiary. This process shall be subject to the review and recommendation of the DUR Board. This process shall have the flexibility to adjust to changes in criteria or procedures as recommended by the DUR Board.
2. Concurrent DUR the Concurrent DUR system shall have the following minimum capabilities: a table with days' supply limits by drug; quantity limits by drug; a dual-tracking system for early refills that tracks both current and cumulative usage; age and gender edits; and triggers for intervention regarding compliance and persistency gaps.
3. RetroDUR
 - a. The Contractor shall analyze pharmacy and non-pharmacy claims on an ongoing basis and present recommendations quarterly for additions or changes to the RetroDUR programs and interventions. The State shall provide non-pharmacy claims data from its MMIS application. The proposed DUR programs shall address high risk, high cost and high utilization drug therapies and shall tie to the top drugs or disease states.
 - b. The program shall routinely assess data on drug use against explicit predetermined standards including but not limited to monitoring for therapeutic appropriateness, over-utilization and under-utilization, incorrect drug dosage, or duration of drug treatment and clinical abuse, misuse and introduce remedial strategies to improve the quality of care and to assure the appropriate utilization of program funds.
 - c. The RetroDUR program shall provide ongoing interventions for physicians and pharmacists targeted toward therapy problems or beneficiaries identified in the course of RetroDUR activities.
 - d. The RetroDUR program shall include written, oral or electronic reminders containing beneficiary-specific or drug-specific information and suggested changes in prescribing or dispensing practices, communicated in a manner designed to ensure the privacy of beneficiary-related information.
 - e. The Contractor's process shall include an evaluation of interventions to determine if the interventions improved the quality of drug therapy or improve appropriate utilization. The Contractor shall evaluate the success of interventions and make modifications as necessary. The criteria used to evaluate the success of the interventions shall include: changes in utilization patterns; decrease or elimination of opportunities to continue to

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perform a given intervention; impact on costs, either to the Medicaid program or beneficiaries; and any unexpected or adverse clinical outcomes.

4. Additional DUR Activities
 - a. The Contractor shall provide educational materials including supportive evidence based and peer reviewed clinical research, protocols and financial analyses for newly approved therapies and indications to the DUR Board for consideration.
 - b. The DUR Program shall integrate with edits (POS, batch or paper claims processing) and provide communications and education to pharmacies that are not appropriately complying with these edits.

P. Utilization Management

1. The Contractor shall provide a dedicated Clinical Manager who shall be responsible for daily oversight of the PDL program and provide clinical review and analysis of beneficiaries, physicians and pharmacists, with guidance and recommendations to DMS. The Clinical Manager shall maintain the clinical integrity of the POL so that recommended therapeutic classes and preferred drugs accurately reflect evidence-based drug use.
2. The Clinical Manager shall educate and support providers on the efficient and accurate use of the Medicaid pharmacy benefits program to promote appropriate drug utilization by Medicaid providers. The Clinical Manger will also conduct periodic utilization management provider contact as needed. All travel costs associated with provider education shall be Contractor's responsibility. The Contractor's Clinical Manager shall coordinate with the Department, which shall be responsible for approving all UM programs.
3. The Contractor shall analyze claims and present recommendations for utilization management programs to the Department on a monthly basis. The proposed UM program shall include review of both high risk and high cost/utilization therapies for integration with PA, POS edits, and DUR programs or other UM strategies.
4. The Contractor shall consider UM strategies that are the least administratively burdensome to prescribers, in accordance with federal law 42USC1396a(a)(19).
5. The Contractor shall, to the fullest extent possible, use evidence based and peer reviewed literature to support discussions regarding rational drug therapy and the decision to focus on the selected prescribers and pharmacies that have been targeted for UM.
6. UM shall include written, oral or electronic (fax, e-mail, or web-based) reminders and other interventions containing information to improve UM and suggest changes in prescribing or dispensing

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practices, communicated in a manner designed to ensure the privacy of recipient-related information.

Q. Prior Authorization

1. The Contractor shall have a prior authorization (PA) program.
2. The Contractor shall provide a secure Internet based physician access to recipient drug history.
3. Contractor shall allow providers the ability to submit PA information via the secure Internet portal.
4. The Contractor shall allow for automated approval of all PA requests submitted via the secure Internet portal.
5. The Contractor shall provide a secure Internet portal for the application of full electronic prescribing and the ability to auto adjudicate PA against clinical criteria and/or other UM tools in real time. Any transaction fees associated with electronic submissions must be included in the cost per transaction.
6. The Contractor shall provide regular reporting to the Department to summarize PA activity on a monthly basis.

R. Specialty Pharmacy

1. Contractor shall establish a specialty pharmacy program that ensures that Medicaid beneficiaries have access to specialty pharmaceuticals. The Specialty Pharmacy Services program shall address the use of high-cost injectable, infused, oral or inhaled drugs that are generally more complex to distribute, administer and monitor than traditional drugs.
2. The Contractor may provide specialty pharmaceuticals through a specialty pharmacy, either owned or subcontracted.
3. The Contractor shall operate the Specialty Pharmacy program in a way that maximizes the extent to which Medicaid beneficiaries obtain specialty pharmaceuticals from the specialty pharmacy rather than from retail pharmacies or physician offices.
4. The Contractor shall provide a dedicated toll free number for Medicaid beneficiaries and providers to call for assistance relating to specialty pharmaceuticals and services.
5. The Contractor shall provide specialty pharmacy services in conjunction with the specialty pharmaceuticals it provides through the specialty pharmacy for Medicaid beneficiaries who have agreed to receive specialty pharmacy services.
6. The Contractor shall document and report to the State no less than quarterly the specialty pharmacy services provided.
7. Specialty Pharmacy services shall include, but not be limited to, the following:
 - a. Consultations and communications with prescribing

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providers and educating beneficiaries regarding specialty pharmaceuticals in a manner that optimizes therapeutic outcomes;

- b. Minimizes unnecessary and/or inappropriate use;
- c. Maximizes beneficiary compliance with prescribed drug regimens;
- d. Minimizes waste;
- e. Minimizes adverse clinical events; and
- f. Achieves a high level of Medicaid beneficiaries' satisfaction.
- g. Maximizes the state and federal fiscal resources.

8. The following is a list of conditions with pharmaceuticals subject to the Specialty Pharmacy Services:

- a. Self-administered;
 - i. Rheumatoid arthritis;
 - ii. Psoriasis;
 - iii. Multiple Sclerosis;
 - iv. Growth disorders;
 - v. Hepatitis C;
 - vi. Hematopoietics;
 - vii. HIV wasting;
 - viii. Other as mutually agreed upon.
- b. Office-Administered:
 - i. Muscular sclerosis;
 - ii. Rheumatoid arthritis;
 - iii. Psoriasis;
 - iv. Respiratory syncytial virus;
 - v. Primary pulmonary hypertension;
 - vi. Hemophilia;
 - vii. Immune disorders;
 - viii. Miscellaneous such as: interferon, botulinum toxin, imiglucerase, levprolide, amalizumab and goserlin;
 - ix. Other as mutually agreed upon.

S. E-Prescribing

- 1. The State requires that the Contractor participate fully in e-prescribing and enable the prescriber to participate fully as well in a system that shall be fully automated and an integral part of the POS and ProDUR.
- 2. Contractor shall ensure that all electronically submitted prescriptions are compliant with any existing pharmacy service utilization management programs, including but not limited to PA, PDL and quantity limits.
- 3. The Contractor shall ensure that the e-prescribing program has

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the ability to support and perform real time eligibility verifications.

T. Recipient and Provider Telephone Support

1. The Contractor shall provide toll-free telephone support for providers, recipients, state employees, and representatives.
2. Contractor shall provide all required information systems, telecommunications, and personnel to perform these operations. The telephone system shall be appropriately staffed with positions such as a manager, team leaders, and hotline representatives, all of whom shall be extensively trained.
3. At a minimum, customer service activities shall include:
 - a. A toll free number(s) for beneficiaries, prescribers, and pharmacists with touch-tone routing to respond to requests for pharmacy locations, inquiries on claims, assistance with accessing the web site including password/PIN management, and complaints about prescriber or pharmacist practices or services. Voice response unit use is allowed, however, immediate one touch access to a live operator is required during normal business hours; and
 - b. For prescribers, access to an on-call pharmacist consultant and technical assistance twenty-four (24) hours per day x 7 days x 365 days.
4. Contractor's telephone staff shall have complete on-line access to all computer files and databases that support the system for applicable pharmacy programs.
5. The Contractor's telephone staff shall log and categorize all incoming and outgoing telephone calls with clients, prescribers, other providers and pharmacists. This data shall be made available routinely in an aggregated format to the State on a monthly, quarterly and annual basis and daily or weekly (if needed) after a sensitive addition or change to the Medicaid pharmacy program. The Contractor's telephone services shall provide sufficient telecommunications capacity to meet the State's needs with acceptable call completion and abandonment rates. It shall be scalable to future demand. It shall also possess an advanced telephone system that provides the State with an extensive management tracking and reporting capabilities. A quality assurance program shall be in place that samples calls and follows up to confirm efficient handling and caller satisfaction.
6. For PA purposes, the Contractor shall maintain toll-free telephone access (available for in-state and out of state providers). Contractor must have telephone services staffed no less than from 8:00 AM through 9:00 PM, Eastern Time.
7. Contractor shall have professional (licensed) medical and

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pharmacological advisory staff and other resources necessary to provide pharmacists at the POS, and prescribers during the prescribing process, with advice pertaining to the proper use of prescription drugs, consistent with ProDUR and other medical standards, as they apply to each recipient's unique needs and medical conditions.

8. Contractor shall produce reports on usage of the telephone service(s), including number of inquiries, types of inquiries, average speed to answer, abandonment rates, blocked call rates and timeliness of responses.

9. The Contractor's process shall allow beneficiaries to locate nearby pharmacies for special situations, such as twenty-four (24) hour pharmacies or those dispensing compounded drugs, etc.

10. Contractor shall provide additional, secured web-based communications in accordance with the specifications set forth in Systems Capability and Performance Standards set forth above.

U. Provider Network and External Stakeholders

1. The State shall continue to enroll and credential its Medicaid pharmacy provider network. The Contractor shall provide the following services in support of the State's efforts:

- a. Provider eligibility verification;
- b. Maintaining a history of eligible providers;
- c. Communicating with the network via US mail, e-mail, fax or other modes of communication regarding State approved operating manuals, routine updates and special memos; and
- d. Provider outreach and education to include provider profiling, education visits and other communications and provider customer service.
- e. The Contractor shall maintain working and contractual relations with pharmaceutical manufacturers.
- f. The Contractor shall assist the Department in maintaining strong working relations with professional pharmacy association such as New Hampshire Pharmacists Association (NHPA) and the National Association of Chain Drug Stores (NACDS) in order to achieve an effective and efficient PBM program.
- g. The Contractor shall cooperate with the Department's Fiscal Agent in order to achieve an effective and efficient PBM program.
- h. The Contractor shall respond to provider billing questions/problems received by telephone within twenty-four (24) hours and use reasonable efforts to resolve them within twenty (20) business days.

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i. The Contractor shall respond to all written inquiries within five (5) days of receipt and use reasonable efforts to resolve them within twenty (20) business days.

V. Staffing Requirements

1. The Contractor shall provide two (2) staff members located within 120 minutes of Concord, New Hampshire; one 70% FTE Clinical Manager and one 70% FTE Reporting Specialist. The Contractor shall provide a Clinical Manager (Registered Pharmacist or Doctor of Pharmacy) with at least five (5) years clinical experience, prior public sector experience with a preference for Medicaid experience and, at a minimum, two (2) years of clinical pharmacy management experience.

2. The Contractor shall provide a Reporting Specialist familiar with pharmacy data management and reporting and with a minimum of two (2) years' experience in the pharmacy industry.

3. The Contractor shall solicit feedback from the Department on candidates for Clinical Manager and Reporting Specialist and obtain approval prior to hiring or deploying these individuals.

4. The Contractor shall provide an Account Manager, through its central office, who will be available five (5) days per week, and dedicated to the State at minimum, 25% of a full time equivalent. The Account Manager must have the ability to travel to Concord, NH, when necessary. The Account Manager shall have a pharmacy degree, either Bachelor of Pharmacy or Doctor of Pharmacy, or a Master of Business Administration degree, five (5) years of pharmacy related experience, is knowledgeable in state government affairs, and have prior Medicaid experience working with a Medicaid program.


W. MMIS Federal Certification

1. The Contractor's PBM system including all of its components delivered to satisfy the requirements of this contract shall meet all applicable requirements to achieve federal MMIS certification from the Centers for Medicare and Medicaid Services. The Contractor shall assist the State with preparing for and achieving timely federal certification and shall make system modifications or corrections requisite for achieving timely certification.

X. Innovation

1. Contractor shall provide the following program innovations which are described in detail in Exhibit A2, at section 3.25, page 74 and in Addendum 7:

a. Enhanced MAC Program to include specialty pharmacy

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- products/specialty MAC;
- b. Use of interactive voice response (IVR) PA;
 - c. Denied PA follow-up;
 - d. Web claim submission/web-based remittance advices;
 - e. Diabetic supply procurement program; and
 - f. Distribution Services surrounding hemophilia factor (part of proposal, section 3.19, page 67).

Y. Performance Bond and Insurance

The Contractor shall furnish a performance bond satisfactory to the State in an amount of one million dollars (\$1,000,000) as security for the faithful performance of the Contract. The bond furnished by the Contractor shall incorporate by reference the terms of the Contract as fully as though they were set forth verbatim in such bonds. In the event the Contract is amended, the penal sum of the performance bond shall be increased by like amount.

Z. Department Contract Officer

The DMS shall designate a Contract Officer who shall be the State's representative with regard to contract administration and who will have authority to act on behalf of the DMS in regard to authorizing modifications, maintenance requests, resolving staffing issues, or other contractual responsibilities. This person shall be:

Name: Margaret Clifford, R.Ph.
Title: Medicaid Pharmacy Director
Mailing Address: Division of Medicaid Services
Department of Health and Human Services
129 Pleasant Street, Concord, NH 03301-3857
Telephone: (603) 271-9098
Fax: (603) 271-8431
Email: margaret.clifford@dhhs.nh.gov or a designated successor.

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Scope of Services for for Pharmacy Benefits Management System for AIDS Drug Assistance Program (ADAP)

L OVERVIEW

The Contractor shall be responsible for the maintenance of the NH AIDS Drug Assistance Program (ADAP) Pharmacy Benefits Management (PBM) system and shall act as the State's Fiscal Agent for these Services. The Contractor shall provide all of the system's functional components and requirements, including Services and deliverables, outlined within this contract.

The NH AIDS Drug Assistance Program (ADAP) is funded primarily by the federal Ryan White Program, administered by the Health Resources and Services Administration. The Ryan White Treatment Extension Act of 2009 allocates funding to states to provide core medical and support Services to persons living with HIV within their state, titled Ryan White Part B (RWPB). The largest funded service category is ADAP, which provides lifesaving medications to eligible HIV+ NH residents.


AA. Claims Requirements

The Contractor shall be responsible for meeting the following claims requirements:

1. Accept and process Point Of Sale, batched and paper claims;
2. Accept and process member submitted, home infusion and long-term care pharmacy claims;
3. Perform claims edits and audits consistent with NH ADAP business logic including editing for PA's;
4. Perform Prospective Drug Utilization Review (ProDUR) edits; The Contractor shall conduct claims edits in the POS system to support ADAP in the detection of fraud and abuse. ProDUR shall include edits such early refill, duplicate therapy, incorrect days supply, patient's gender incorrect, and incorrect date of birth;
5. Implement pricing consistent with State pricing methodologies and any CMS updates;
6. Coordinate with all other benefits (TPL cost avoidance) including NH Medicaid, Medicare Parts A, B, and D and any other private insurance coverage applicable;
7. Deliver timely management of the Contractor's MAC list;
8. Reimburse mail order pharmacies;

The Contractor must provide a description, including applicable screen shots, as to how the PBM System solution meets or exceeds the technical and system processing requirements and capabilities as listed below. The Contractor shall describe their capability for maintaining all items and sub-items listed below.

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1. Management of Recipient Eligibility and Enrollment History and maintenance of eligibility data
2. Data Maintenance and Updates for eligible Providers
3. Eligibility Verification
4. Weekly Reference File Updates, e.g. First Data Bank (FDB)
5. Prior Authorization Tracking, Support and Management
6. Claims and Financial Requirements
7. Management of other third party insurance data

BB. Systems Capability and Performance Standards

1. System Availability and Access

The Contractor shall ensure the following system availability and access:

- Twenty four hours per day, seven days per week, r three hundred and sixty five days per year, except for scheduled maintenance
- Provider Network Connectivity
- Documented scheduled down time and maintenance windows
- ADAP on-line access to all components of the system
- Documented instructions and user manuals for each component
- Secure Access

2. Systems Operations Support

- Twenty four hours per day, seven days per week, three hundred and sixty five days per year operating support, except for scheduled maintenance
- User Acceptance Testing (UAT)
- On-Call procedures and contacts
- Job Scheduling and failure notification documentation
- Secure data transmission methodology
- Error reporting
- Technical Issue Escalation Procedures
- Business and Customer Notification
- Change Control Management
- Assistance with User Acceptance Testing and implementation coordination
- Documented interface specifications – data imported and extracts exported
- Disaster Recovery Plan

3. Automated Data Files and Interfaces

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The NH ADAP shall send to the Contractor all of the files (with periodicity noted) below.

- Third Party Liability (TPL) Extract to the Contractor (Daily)
- Provider Extract to the Contractor – Pharmacy Only (Daily)
- Recipient Eligibility Extract to The Contractor (Daily)
- Recipient Refresh Data Extract to the Contractor (Monthly) Contractor must be able to receive periodic updates to the entire client file. ADAP shall provide to the Contractor an entire updated client data file in the format described earlier. Each update shall replace the previous file and Contractor shall accomplish installation of the updated file within 72 hours of its receipt
- Processing and exchange of files with CMS and ADAP per Data Sharing Agreement (DSA).

The Contractor shall send to the NH ADAP all of the files (with periodicity noted) below.

- Paid, Voided, Denied Drug Claims Processed (Biweekly or as scheduled following the financial cycle) the Contractor must provide to ADAP drug purchase transaction data via a secure electronic medium monthly. The timing of this shall be: data from the 1st day to the last day of the month is due by the 15th day of the following month. The Contractor must provide all the transactions for the invoice electronically and must be received within the same period as previously listed above.
- HIPAA compliant EDI transaction files- incoming and outgoing
- CMS data files for reconciliation of Medicare eligibility data.

4. Pharmacy Web Access

- The Contractor shall create web access for NH ADAP to access general program information with contact information as defined by NH ADAP program.
- An e-mail link that shall allow NH ADAP clients or other interested parties to e-mail inquiries or comments. This website shall also provide a link to the State's ADAP website and these Services shall be provided at no cost to the Provider or recipients.

The website and any associated electronic transmissions shall be secure and HIPAA compliant in order to protect ADAP client confidentiality and to protect against the exposure of protected health information. The Contractor is responsible for ensuring that the website and any component of the Contractor's solution meets the applicable privacy and security standards required by the Health Insurance Portability and

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Accountability Act (HIPAA) and any other applicable State or Federal required standard for data security.

CC. Financial Processing and Provider Payment

The Contractor shall meet the following requirements for:

1. Flexible maintenance capability in support of assigning claims and financial transactions to State fund codes and associated appropriation account numbers; being able to add new fund codes at no additional cost to the NH ADAP;
2. Flexible financial and check cycle processing to support a biweekly financial cycle initially, but at the State's discretion change to weekly processing, including warrant processing and fund code reporting.
3. Transactions assigned to appropriate fund codes at the claim and financial transaction level based on State business logic, provide the NH ADAP with manual invoice within two (2) business days after last adjudicated date for the biweekly check cycle; Non-claim specific financial transactions capability including recoupments, payouts, voids, refunds, returned checks
4. Complete funds transfer request based on invoice amount;
5. Reconciliation to assure data integrity claim and financial transaction levels;
6. Bank account management and provisions of monthly bank reconciliation statements;
7. Generation of HIPAA compliant electronic RA and also a paper RA for Providers
8. The Contractor shall use a designated custodial bank account. The Contractor shall obtain approval from the NH ADAP prior to using any other bank or other financial institution for this purpose.
 - a. The Contractor shall be responsible for producing checks, printing remittance advices and mailing these documents to State approved payees.
 - b. The Contractor shall monitor the daily activities of the New Hampshire ADAP Drug Payment Custodial Account to ensure that transactions are completed accurately and in compliance with generally accepted accounting principles (GAAP).
 - c. The Contractor shall monitor outstanding checks and contact payees to resolve issues regarding outstanding checks. At the direction of the NH ADAP, The Contractor shall stop payments and re-issue checks to payees.
 - d. The Contractor shall provide the NH ADAP with a manual invoice for the bi-weekly check cycle. Subject to NH ADAP review and approval of the manual invoice, the State shall make an Electronic Funds Transfer deposit into the New Hampshire ADAP Drug Payment Custodial Account or any subsequent accounts as approved by the NH ADAP.
 - e. The Contractor shall provide monthly bank account management

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reports that meet GAAP. The reports shall include bank statements for the custodial account and a bank reconciliation statement and a comprehensive listing of outstanding checks to date. In addition, The Contractor shall provide a monthly stale dated check report that includes check number, check amount, amount invoiced, batch date, date issued, payee identification number, payee name and payee address.

9. Negative balance tracking and collection according to State policies
10. Support Electronic Funds Transfer (EFT), allowing Providers to elect EFT or check payment
11. The capability to fiscally pend both administrative fees and claim payment at the request of ADAP.

DD. Fiscal Pend

The Contractor's PBM solution for NH ADAP shall include these components:

1. Provide the capability to select adjudicated claims and financial transactions, based on user-defined parameters for exclusion from payment during selected future financial cycles. This functionality is referred to as "fiscal pend", and is primarily used to delay disbursement of funds until a future date when funding becomes available or is used on a more limited basis for withholding payment to targeted Providers pending further investigation;
2. Provide the capability for authorized users to set specific pend criteria or combinations of parameters for a selected financial cycle, including at a minimum: Provider number; Provider type, fund code; number of days pended (to select older pended claims); and dollar limit, including zero (0) and unlimited dollars;
3. Provide the capability to define and set multiple combinations of parameters, to set the dollar cap for each combination including zero (0) and unlimited dollars, and to define the priority order of the various combinations for fiscal pend during the financial cycle. The dollar cap represents the maximum total payable limit allowed for transactions meeting the pend criteria for that financial cycle;
4. Provide the capability to include or exclude financial transactions from the pend for a particular financial cycle;
5. Perform a check for the existence of applicable fiscal pend criteria during each financial cycle and complete financial cycle processing accordingly, restricting payment processing to any pend limits established;
6. Provide the capability to report pended claims on a Provider RA and include the capability to suppress reporting of pended transactions at the discretion of the State;
7. Maintain a complete date-sensitive audit trail of fiscal pend activity,

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including the pend criteria identified, the authorized user identification for each combination, and all reports run in support of fiscal pend;

8. Provide the requisite support and capability to run iterative preview reports, in advance of a financial cycle; to inform the NH ADAP contract manager regarding the need to fiscal pend and to inform the NH ADAP of the final financial impact of the fiscal pend criteria on the financial cycle. These review reports mimic the financial cycle reports but are run during the pend process; and

9. Provide and maintain reporting and requisite operations support to validate the results of fiscal pend processing, to verify that pend and financial cycle processes have been completed with the integrity of the payment intact, and all inputs and outputs are accounted for and balance.

EE. Custodial New Hampshire ADAP Bank Account and Check Processing

Services are requested from the Contractor for cash management of the Custodial New Hampshire Bank Account used for payment of drug claims. Check processing Services are requested that include:

1. Creation of remittance advices (RA)
2. Printing of checks or creation of debits
3. Mailing the RA with the check or transmitting an Electronic RA and check
 - i. Resolution of outstanding checks including reporting and remitting to State of New Hampshire Treasury escheated funds.

Financial reporting of bank account and check processing activity is required that meets Generally Acceptable Accounting Principles (GAAP) and is approved by the NH ADAP. Contractor shall be responsible for responding to and resolving auditor inquires and funding relative to the ADAP custodial bank account and check processing activities.

FF. Financial Reconciliation

Reporting to support financial cycle reconciliation activities must be thorough and detailed, and include the reconciling and handling of erroneous transactions from the flow of claim and non-claim transaction processing through various control points, including claims entry, extract handling between components of the system, fund code assignment, financial processing, fund transfer invoicing, check generation, Provider payment and Provider remittance advice. The Contractor is required to

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conduct monthly bank account reconciliations and report to the NH ADAP.

GG. Third Party Liability (TPL)

By law, NH ADAP is the payer of last resort for Services provided to its members. Accordingly, the Contractor shall meet the following conditions and comply fully with the Department's stipulations for Coordination of Benefits:

The Contractor shall comply with NH ADAP stipulations for coordination of benefits. Through the POS system, Contractor shall ensure that the pharmacy shall pursue payment through other available coverage. Contractor shall capture any payment or denial of payment by the carrier of other coverage, along with any provided reason codes. The Contractor shall identify the carrier, if known.

1. The Contractor shall process claims for NH ADAP as the payer of last resort. The Contractor shall configure COB adjudication logic in the POS system and cost avoid in real time. The Contractor POS system shall require the pharmacy provider to bill the member's other insurance carrier(s) before billing a claim to the NH ADAP program. The Contractor shall accept unverified TPL (TPL information is not on member's enrollment record at the time of adjudication) for cost avoidance in the POS system. When the member has other insurance coverage on file, and the incoming claim does not contain the COB segment; or, the data submitted on the incoming claim does not match the member's enrollment record; and/or, is not all inclusive of the information existing on the member's enrollment record, the POS system shall deny the claim and return the appropriate NCPDP Error Code and Message to the submitter. The POS system shall return third party carrier name, carrier code, BIN, and policy number information from the members' enrollment record in the standard message field to the submitter.

2. OTHER COVERAGE CODE (NCPDP Field # 308-C8) = "1" No other coverage identified. The POS system shall deny claims submitted with an OCC = "1" and the member has an active TPL segment on file. If the member does not have other coverage on file, the claim shall continue the adjudication process.

3. OTHER COVERAGE CODE (NCPDP Field # 308-C8) = "2" Other coverage exists. This value shall be required when payment from the primary insurance carrier(s) has been collected. The provider shall enter the payment amount received from the member's other primary/secondary etc., insurance carrier(s), in the Other Payer Amount Paid (NCPDP Field # 431-DV).

4. OTHER COVERAGE CODE (NCPDP Field # 308-C8) = "3" Other coverage exists - claim not covered. This value shall be required when the

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member's primary insurance carrier returns a valid NCPDP denial code. The POS system shall require submission of the OTHER PAYER REJECT CODE (NCPDP Field # 472-6E) for the claim to adjudicate successfully. In addition, if the other payer requires a prior authorization for payment, the other payer's prior authorization procedures must be followed prior to submitting the claim to NH ADAP for payment.

5 OTHER COVERAGE CODE (NCPDP Field # 308-C8) = "4" Other coverage exists - payment not collected. This value shall be required when the primary insurance pays zero.

The Contractor shall provide solutions-based standard reporting package of clinical and utilization reports that serve to meet the programs operational reporting needs.

HH. Auditing

SSAE 16 SOC 1 (formerly the SAS 70) Audit: the Contractor shall provide and bear the cost of an independent auditor (service auditor) to perform procedures that shall supply the auditors for the State and the DHHS (user auditors) with information needed to obtain a sufficient understanding of The Contractor (service organization), internal controls over Services provided to DHHS to plan their audit for DHHS and the State. Contractor's selection of the independent auditors shall be subject to the prior written approval of DHHS. The audit procedures and reports are to be completed in accordance with guidance provided in the SSAE 16 SOC 1, as issued by the American Institute of Certified Public Accountants. The independent auditor is required to complete a SSAE 16 SOC 1 Audit that includes the service organization's description of controls, and detailed testing of the service organization's controls over a minimum six (6) month period. The SSAE 16 SOC 1 must be completed for each year of the Contract period. The SSAE 16 SOC 1 Audit shall be provided to the State's contract manager.

The minimum contents of the SSAE 16 SOC 1 Audit are as follows: The independent auditor shall perform on-site fieldwork to test system controls each quarter during the audit period.

- a. The service organization's description of the controls that may be relevant to DHHS internal control as it relates to the audit of the State's financial statements.
- b. The service auditor's opinion on whether the description presents fairly, in all material respects, the relevant aspects of the service organization's controls that had been placed in operation during the fiscal year.
- c. The service auditor's opinion on whether such controls were suitably designed to provide reasonable assurance that the specified control objective

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would be achieved if those controls were complied with satisfactorily.

d. A description of the service auditor's tests of controls and its opinion on whether the controls that were tested were operating with sufficient effectiveness to provide reasonable assurance that the related control objectives were achieved during the fiscal year.

e. The service auditor's procedures shall include, but are not necessarily limited to the following:

- i. Information on the description of controls for the report through discussions with appropriate service organization's personnel, through reference to various forms of documentation, such as system flow charts and narratives and through the performance of tests of controls;
- ii. A determination of whether the description provides sufficient information for auditors to obtain an understanding of those aspects of the service organization's controls that may be relevant to DHHS internal control;
- iii. The control environment, such as hiring practices, key areas of authority, etc;
- iv. Risk assessment, such as those associated with processing specific transactions;
- v. Control activities, such as procedures on modifications to software;
- vi. Communications, such as the way user transactions are initiated;
- vii. Control monitoring, such as involvement of internal auditors;
- viii. Evidence of whether controls have been placed in operation;
- ix. Inquiry of appropriate service organization management and staff;
- x. Inspection of service organization documents and records;
- xi. Observation of service organization activities and operations;
- xii. Testing controls to determine that the service organization is operating with sufficient effectiveness to provide reasonable assurance that the related control objectives were achieved during the fiscal year
- xiii. Determine that significant changes in the service organization's controls that may have occurred before the beginning of fieldwork are included in the service organization's description of the controls.

II. Utilization Management (UM)

1. The requirements for the Contractor's UM program shall include the following, at a minimum:

- a) Ensure correct payment.
- b) In a Third Party Liability situation, maintain a process for rectifying an incorrect

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payment.

- c) Maintain documentation required for reversing or adjusting a claim.
- d) Demonstrate the ability for a customer representative or help-desk staff person to correctly and fully answer questions and resolve problems of ADAP clients regarding their prescription fills and refills, by telephone, at a minimum: 8am to 4:30pm Eastern Standard Time.
- e) Be able to give the specifics of their mail order program, including order turnaround and carrier(s) used for delivery, and how ADAP clients would use the service. Mail order pharmacies shall need to be registered with the NH Board of Pharmacy.
- f) Additional Providers may be enrolled as necessary.

2. The Contractor shall provide a dedicated Clinical Manager who shall be responsible for daily oversight of the PDL program and provide clinical review and analysis of beneficiaries, physicians and pharmacists, with guidance and recommendations to NH ADAP. The Clinical Manager shall maintain the clinical integrity of the PDL so that recommended therapeutic classes and preferred drugs accurately reflect evidence-based drug use.

- 1. The Clinical Manager shall conduct periodic utilization management visits as needed. All travel costs associated with Provider education shall be the Contractor's responsibility.
- 2. The Contractor's Clinical Manager shall coordinate with ADAP, which shall be responsible for approving all UM programs.
- 3. The Contractor shall analyze claims and present recommendations for utilization management programs to NH ADAP on a monthly basis. The proposed UM program shall include review of both high risk and high cost/utilization therapies for integration with PA, POS edits, and DUR programs or other UM strategies.
- 4. The Contractor shall make recommendations for additions or changes in drug coverage and PA, dispensing limitations, generic substitution protocols, and other relevant or innovative suggestions to improve the clinical use of medications.
- 5. On a quarterly basis, the Contractor shall provide a written report profiling the top one hundred (100) utilizing beneficiaries, Prescribers and pharmacies for NH ADAP. The report shall highlight the percentage of cost (to total) attributed to the top utilizers, the actions taken (including DUR and detailing programs) and future action to be taken.
- 6. The Contractor shall consider UM strategies that are the least administratively burdensome to Prescribers, in accordance with federal law 42USC1396a(a)(19).
- 7. UM shall include written, electronic (fax, e-mail, or web-based) reminders

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and other interventions containing information to improve UM and suggest changes in prescribing or dispensing practices, communicated in a manner designed to ensure the privacy of client-related information.

8. The Contractor shall provide supportive evidence-based clinical research, documentation, financial impact analysis, and recommendations for newly approved therapies and indications to the MAB for consideration.

9. Contractor shall administer the drug coverage program with the approval of NH ADAP and in accordance with the statutes and administrative rules of the State of New Hampshire. The pharmaceutical Services rule includes provisions for covered and non-covered drugs, Prior Authorization requirements, certification of prescriptions and dispensing limitations.

10. Drug Utilization Review (DUR):

a) The Contractor shall provide a clinical manager (RPh or PharmD) to coordinate with the State DUR Board.

b) The Contractor shall prepare an annual DUR report for NH ADAP, a summary of the interventions used, and an assessment of the impact of the interventions used, and an assessment of the impact of these interventions on the quality of care and an estimate of the cost savings generated as a result. The report shall also compare the current NH ADAP results to the industry benchmarks including other ADAP or private sector programs.

12. The Contractor's clinical manager shall:

- Recommend drugs for Prior Authorization and step therapy to NH ADAP's Medical Advisory Board (MAB) at regularly scheduled meetings.
- Provide a quarterly written report to the MAB.
- Attend all MAB meetings.
- Be available to ADAP for consultation and oversight activities related to the management of the ADAP formulary(s) on a daily basis.
- Gather and review information as requested by the MAB in order to facilitate and support formulary management and to assist NH ADAP in determining a course of action with newly introduced drugs into the market.
- The Clinical Manager shall provide recommendations for additions or changes in the programs and provide educational materials including supportive clinical research, protocols, and financial analysis for newly approved therapies and indications.

Prior Authorizations (PA) Requirements for PA Program

- a. The Contractor shall establish a Prior Authorization (PA) program, which shall be fully automated and an integral part of the UM system.
- b. The Contractor shall ensure that all medications requiring PA shall be rejected, if rejection is appropriate, by an on-line adjudication process.
- c. All rejections shall include messaging describing the reason for the denial

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and The Contractor's toll-free telephone number for the pharmacist or the Prescriber.

d. The Contractor shall, subject to the NH ADAP's approval, provide a process by which the Pharmacist may initiate a PA request, which process shall:

- Allow the prescriber or his/her agent to call the Clinical Support Center to request the PA.
- Allow the prescriber or his/her agent to first speak to a certified pharmacy technician who collects the information based on the criteria for that medication or class of medications.
- Allow the technician to grant a PA, if the information furnished by the prescriber satisfies the criteria.
- Provide that, the retail pharmacist can facilitate the process to call the prescriber and collect the information from him/her based on the PA criteria for that particular medication or class of medications.
- Provide that, if the information furnished by the prescriber satisfies the criteria, the technician may grant an approval.
- Provide that, if there is any doubt that the criteria have been met, the telephone call shall be referred to a licensed clinical pharmacist who shall discuss the patient specifics with the prescriber, and:
 1. Approve the request after verifying criteria has been met.
 2. Provide assistance to the prescriber in changing to a more appropriate therapy without denying the initial request.
 3. Provide that, if the prescriber is unwilling to switch the patient to an acceptable therapy, the pharmacist shall issue a denial.

e. The Contractor shall recommend drugs for PA to NH ADAP and to the MAB.

f. The Contractor shall develop clinical guidelines, subject to approval by the Department, prior to implementation.

g. The Contractor shall provide a PA tracking process so that Providers have the ability to submit claims without a PA number.

h. The Contractor shall provide regular reporting to the Department to summarize PA activity on a monthly basis.


i. The Contractor shall provide a certified pharmacy technician and or a pharmacist to review medical necessity on all PA requests.

j. The Contractor shall enable an administrative override for utilization management, for example, a hard edit for an early refill.

k. The Contractor shall use a clinical review for utilization management, to include Prior Authorization review.

l. The Contractor shall provide samples of standard operating procedures for PA, including any system capabilities such as step therapy protocols or automated

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Prior Authorization.

JJ. Client and Provider Telephone Support

1. The Contractor shall provide toll-free telephone support for providers, recipients, state employees, and representatives.
2. Contractor shall provide all required information systems, telecommunications, and personnel to perform these operations. The telephone system shall be appropriately staffed with positions such as a manager, team leaders, and hotline representatives, all of whom shall be extensively trained.
3. At a minimum, customer service activities shall include:
 - a. A toll free number(s) for beneficiaries and pharmacists to respond to requests for pharmacy locations, inquiries on claims, assistance with accessing the web site including password/PIN management, and complaints about prescriber or pharmacist practices or Services. Voice response unit users are allowed, however, immediate access to a live operator and is required during Normal Business Hours.
 - b. For prescribers and pharmacists, access to an on-call pharmacist consultant and technical assistance twenty-four (24) hours per day x 7 days per week x 365 days per year.
4. Contractor's telephone staff shall have complete on-line access to all computer files and databases that support the system for applicable pharmacy programs.
5. The Contractor's telephone staff shall log and categorize all incoming and outgoing telephone calls with clients, prescribers, other Providers and pharmacists. This data shall be made available routinely in an aggregated format to the NH ADAP on a monthly, quarterly and annual basis and daily or weekly if needed.
6. The Contractor shall produce reports on usage of the telephone line(s), including number of inquiries, types of inquiries, complaints received, and timeliness of responses.
7. The Contractor's telephone Services shall provide sufficient telecommunications capacity to meet the State's needs with acceptable call completion and abandonment rates. It shall be scalable to future demand. It shall also possess an advanced telephone system that provides the NH ADAP with an extensive management tracking and reporting capabilities. A quality assurance program shall be in place that samples calls and follows up to confirm efficient handling and caller satisfaction.
8. For PA purposes, the Contractor shall maintain toll-free telephone access (available for in-state and out of state Providers). Contractor must have telephone Services staffed no less than from 8:00 AM through 9:00 PM, Eastern Time.
9. Contractor shall have professional licensed medical and pharmacological

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advisory staff and other resources necessary to provide pharmacists at the POS, and prescribers during the prescribing process, with advice pertaining to the proper use of prescription drugs, consistent with ProDUR and other medical standards, as they apply to each Client's unique needs and medical conditions.

10. Contractor shall produce reports on usage of the telephone service(s), including number of inquiries, types of inquiries, average speed to answer, abandonment rates, blocked call rates and timeliness of responses.

11. The Contractor's process shall allow beneficiaries to locate nearby pharmacies for special situations, such as twenty-four (24) hour pharmacies or those dispensing compounded drugs, etc. (phone only)

12. Contractor shall provide additional, secured web-based communications in accordance with the specifications set forth in Systems Capability and Performance Standards set forth above. Contractor shall provide toll-free telephone support for both Providers and recipients that include interpreter Services.

KK. Contractor Capacity

Contractor must submit a copy of its organizational chart within 120 days of the contract. Contractor will identify the Key Person(s) and departments who support the ADAP program, Contractor shall ensure staff are trained to meet the unique needs of the ADAP program and clients. The Contractor's network pharmacies shall include all those in the New Hampshire Medicaid network. These shall be pharmacies with whom the Contractor is on-line and from whom it can accept and process electronic claims.

The Contractor's network pharmacies shall include all those in the New Hampshire Medicaid network. These shall be pharmacies with whom the Contractor is on-line and from whom it can accept and process electronic claims. The Contractor shall agree to maintain during the term of the contract association with any other pharmacies designated by NH ADAP.

The Contractor shall demonstrate the ability for a customer representative or a help-desk staff person to fully perform duties for ADAP staff and participating pharmacies, by telephone and fax machine, email at a minimum: 8am to 4:30 pm Eastern Standard Time. Duties include adding and removing covered clients, answering any questions and problems that might arise from participating pharmacies and ADAP staff about specific or general electronic transmissions, error messages, overrides, invoices, pharmacy payments, Prior Authorizations, and other similar duties required by ADAP.

The State reserves the right to change the timing of the delivery of the data. ADAP shall notify all parties at least thirty (30) days before any such change

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takes effect.

LL. Analysis and Reporting:

The Contractor shall provide solutions-based standard reporting package of clinical and utilization reports that serve to meet the programs operational reporting needs. The table below summarizes the contents of the various reports provided that support day to operations of the New Hampshire ADAP program.

Functional Area	Report Description
Prior Authorization (PA)	The Contractor PA Reports provide summarization metrics on the disposition of processed authorization requests in order to show the counts and quickly determine percentages of requests that involved changes to existing authorization or new requests that were approved or denied. In addition, the reports provide information on the various clinical decision rules that both our Pharmacist and Pharmacy Technicians use in the process of adjudicating and arriving at a decision for the requests that we receive. The Contractor shall categorize PAs and report on them based on the basis for the PA requirement, such as the product not being on a preferred drug list.
Clinical Utilization	The Contractor Clinical Utilization Reports identify key performance metrics related to drug utilization, utilization within a particular therapeutic class, top drugs and therapeutic classes by utilization and expenditures. These reports shall provide valuable insight into how the pharmacy program is performing.
Call Center	MMA shall utilizes the IP-based version of Avaya Call Management System (CMS) which provides real-time monitoring and historical reporting, including custom reporting, task scheduling, exception notification, threshold warning, administration and configuration, and long term ACD data storage. Reports in CMS shall be distributed via printing the report directly, exporting the reports into a Microsoft Word, Microsoft Excel, HTML or text file. Real-time reports give supervisors snapshots of the call center's performance and status. Standard real-time reports show the current status of Automatic Call Distribution (ACD) activity and data for the current interval for agent, split/skill, trunk/trunk group, vector, and Vector Directory Number (VDN) activities, for example number of ACD calls, abandoned calls, and average talk time.

The Contractor's reporting solutions, coupled with technical, operational and clinical subject matter expertise, shall provide the most accurate and timely reporting services to the New Hampshire ADAP program for effective and efficient management of the pharmacy program. Reports may be generated daily, weekly, monthly, and/or quarterly based on the program's requirements and shall be distributed via a web-based reports library, where they shall be made available to

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only users with secured credentials and authorized access.

In addition to the comprehensive solution-based standard reporting package, the Contractor shall offer report development services for any newly identified or initiative specific reporting needs. Requests for newly developed routine or ad hoc reports shall be submitted through the NH ADAP the Contractor Account Support representatives and forwarded to the Business Intelligence team for an impact analysis, effort level estimate and for development work to commence in the creation of new reports upon request.

Clinical and Utilization Reporting Package

The below is an overview and samples of the Contractor's Standard POS Reporting Package which includes clinical and utilization reports directly from the Contractor's point-of-sale operational system.

Daily Reports

Daily Claims Summary

This report shows the daily claims volume and total paid for claims processed through the system. This report is based on adjudication date.

Daily Claims Denial

This report shows the NCPDP error codes, the corresponding internal error codes, and the total number of denied claims associated with each error code grouping. This report is based on adjudication date.

Daily Denial Report

This report shows the NCPDP error codes and the total number of denied claims associated with each NCPDP error code. This report is based on adjudication date.

Monthly Reports

Twelve Month Summary

This report shows by calendar month a summary of claims processed. This report is based on only paid claims by adjudication date.

Gender Utilization (Male, Female, and Combined)

This report shows the claim distribution by age group and gender. This report is based on only paid claims by adjudication date. The report is generated for male,

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female, and combined.

Generic Analysis

This report shows the claim distribution by drug type classification. This report is based on only paid claims by adjudication date.

Therapeutic Class Analysis by Amount Paid or Claim Volume

This report shows the claim distribution by drug therapeutic class from highest to lowest. This report can be retrieved based on the total amount paid per therapeutic class or total number of claims by therapeutic class. This report is based on only paid claims by adjudication date.

Most Utilized Pharmacies by Amount Paid or Claim Volume

This report ranks the top pharmacies from highest to lowest. This report can be retrieved by total amount paid or total number of claims. This report is based on only paid claims by adjudication date.

Top Members Ranking by Amount Paid or Claim Volume

This report ranks the top members from highest to lowest. This report can be retrieved by total amount paid or total number of claims. This report is based on only paid claims by adjudication date.

Most Prescribed NDCs by Amount Paid or Claim Volume

This report ranks the top NDCs from highest to lowest. This report can be retrieved by total amount paid or total number of claims. This report is based on only paid claims by adjudication date.

On Request Reports

Claim Balancing for Payment Date or Service Date

This is a management report that provides a summary of claims by claim status and type for a selected period of time based on either service date or payment date.

Cost and Utilization Analysis by Drug Type

This is a management report that provides summary of claims by selected service date period showing summary by single source, multisource or generic status of drugs in paid claims.

Cost and Utilization Analysis by Claim Type

This is a management report that provides summary of claims by selected service

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date period showing summary by retail or mail order status.

Denied Claims Analysis

This is a management report that provides summary of claims by selected service date period showing summary of denied claims per NCPDP error code.

Therapeutic Class Summary

This is a management report that provides summary of claims by selected service date period showing summary of paid claims summarized at the specific therapeutic class level.

Top X Drug Ranking

This is a management report that provides summary of claims by selected service date period showing summary of claims at the drug name level. User selects ranking by payment or claim count and number of drugs to be returned in report.

Top X Pharmacy/Prescriber Ranking

This is a management report that provides summary of claims by selected service date period showing summary of claims ranked by a variable selected by user. User can select the number of providers returned and either prescriber or pharmacy.

Top X Recipient Ranking

This is a management report that provides summary of claims by selected service date period showing summary of top recipients. User can select method of ranking. Report can be drilled through to the individual recipient profile report for each recipient listed.

Top 10 Therapeutic Classes by Total Paid, Claim Volume, or Ingredient Cost

This is a management report that provides summary of claims by selected service date periods showing summary at the specific therapeutic class level. Ranking is by total paid, claim volume, or ingredient cost and includes only the top ten classes.

Twelve Month Summary

This is a management report that provides summary of claims by selected service date year showing summary by month of claim utilization data.

CMS Data Sharing Report

This report will show the number of clients for whom the data on Medicare

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eligibility and enrollment did not match that of the CARE Program

Standard Prospective DUR Reporting Package

The below is an overview and samples of the Contractor's Standard Prospective DUR Reporting Package which includes denials, encounters, interventions and messages to appropriately manage processing of pharmacy claims both clinically and fiscally.

Daily Reports

Daily ProDUR Denial Report

This report shows the ProDUR conflict codes and the corresponding number of denied claims associated with each code. This report is based on adjudication date.

Daily ProDUR by HIC3 Denial Report

This report shows the ProDUR conflict codes, HIC3, and the total number of denied claims associated with each grouping of conflict code and HIC3. This report is based on adjudication date.

Monthly/Annual Reports

ProDUR Top Encounters by Problem Type

This report shows the encounter and claim distribution by ProDUR problem type. This report is based on only paid claims by adjudication date.

ProDUR Payment Report

This report shows the ProDUR payments by claim history errors vs. non-history errors as well as DUR error code. The data is broken down into month to date and year to date.

ProDUR Message Report

This report shows the ProDUR encounter messages by severity code. This is based on adjudication date for the claims.

ProDUR Encounters Report

This report lists the ProDUR encounters by type and provides the number of claims associated with each type. This is based on adjudication date.

ProDUR Denied Claims Savings Report

This report shows by provider the number of denied claims due to ProDUR encounters and the subsequent resubmission claims. These claims are then

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calculated to determine a savings amount by provider.

ProDUR Paid Claims Savings Report

This report shows by provider the number of paid claims due to ProDUR encounters and the subsequent reversal and resubmission claims. These claims are then calculated to determine a savings amount by provider.

ProDUR Encounter – Outcomes by Problem Type

This report shows by ProDUR encounter the pharmacy submitted ProDUR outcome codes and number of claims associated with each.

ProDUR Encounter – Interventions by Problem Type

This report shows by ProDUR encounter the pharmacy submitted ProDUR intervention codes and number of claims associated with each.

Active Pharmacy Provider Report

This report shows all active pharmacy providers and their effective and termination dates.

Denied Claims Analysis

This report shows the NCPDP error codes, descriptions, and the number of claims associated with each.

Cost Sharing Savings Report

This report shows the cost sharing breakdown of claims by month. The data is based on adjudication date and a month is a calendar month.

Adjudication Demographics Report

The purpose of this report is show the breakdown of the paid claims and some important metrics associated with these. Some of the metric breakdowns include brand, generic, ingredient cost, gross cost, etc. The data is pulled according to adjudication date and broken down into current month, this month last year, and year-to-date.

Prescriber Ranking Report by Amount Paid or Claim Volume

This report ranks all prescribers based on total amount paid or total number of claims to the prescriber. The data within the report gives an overview of each physician's prescribing habit. The data is based on paid claims by adjudication date.

MM. ADAP Client Eligibility

- The ease and speed of updating individual eligibility information for ADAP clients in The Contractor electronic system is critical. Individuals categorized as "enrolled"

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shall be those who have completed the ADAP enrollment process as required semiannually.

- The Contractor shall update ADAP client eligibility information in its own system within 24 hours of notification by mutually agreed upon method, preferably an electronic file transfer. The Contractor shall notify ADAP to confirm client eligibility updates are received and any changes are processed.
- The Contractor shall terminate ADAP coverage for ineligible clients within 24 hours of notification. Termination of coverage is defined as the removal of an ADAP client from network access, wherein a claim that a pharmacy attempts to electronically transmit for that non-covered client would be rejected.
- A change in ADAP client coverage and/or legibility mid ADAP enrollment period shall be updated in The Contractor's system within 24 hours of receipt of the eligibility notification.

NN. Performance Measures

To measure and improve the quality of public health Services, the Department employs a performance management model. This model, comprised of four components, provides a common language and framework for the Department and its community partners. These four components are:

- 1) Performance standards;
- 2) Performance measurement;
- 3) Reporting of progress; and,
- 4) Quality improvement.

The Department shall apply the following performance measures to the services provided by the Contractor:

Performance Measure #1

Goal: To ensure that NH ADAP Funds are utilized only when all other insurance options have been exhausted.

Target: Annually, 95% of claims are correctly applied to NH ADAP (no other insurance or coverage was available at the prescription fill date).

Numerator: On an annual basis, number of claims applied to NH ADAP correctly.

Denominator: On an annual basis, number of claims applied to NH ADAP.

Data Source: Random sample review of claims applied to NH ADAP collected via

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CAREWare, conducted quarterly.

Performance Measure #2

Goal: To ensure that NH ADAP covers the full price of medications (with exception to items on the NH CARE Program exclusion list) when an item is not covered by Medicare Part D, Medicaid or other insurance.

Target: Annually, 95% of medication insurance denials are correctly paid by NH ADAP at the NH Medicaid rate (includes all medications except for those on the NH CARE Program exclusion list).

Numerator: Annually, number of medication insurance denials correctly paid at NH Medicaid rate.

Denominator: Annually, number of medication insurance denials paid at NH Medicaid rate.

Data Source: Random sample review of claims applied to NH ADAP collected via CAREWare, conducted quarterly.

General Provisions

1. STATE MEETINGS AND REPORTS

The State believes that effective communication and reporting are essential to the program's success. The Contractor key staff shall participate in meetings as requested by the State, in accordance with the requirements and terms of this Contract. The Contractor will conduct Status meetings at least monthly to address overall program status. Participants shall include, at a minimum, the Pharmacist Account Executive, Reporting Analyst, and benefit configuration plan administrator. The Pharmacist Account Executive shall submit monthly status reports and meeting minutes in accordance with the schedule and terms of this Contract which shall serve as the basis for discussion.

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2. STATE-OWNED DOCUMENTS AND DATA

The Contractor shall provide the State access to all documents, state data, materials, reports, and other work in progress relating to the Contract ("State-owned Documents"). Upon expiration or termination of the Contract with the State, the Contractor shall turn over all State-owned documents, material, reports, and work in progress relating to the Contract to the State at no additional cost to the State. State-owned Documents must be provided in both printed and electronic format.

3. RECORDS RETENTION AND ACCESS REQUIREMENTS

The Contractor shall comply with all applicable State and federal laws and regulations, which are incorporated herein by reference, regarding retention and access requirements, including without limitation, retention policies consistent with the Federal Acquisition Regulations (FAR) Subpart 4.7 *Contractor Records Retention*.

The Contractor and its Subcontractors shall maintain books, records, documents, and other evidence of accounting procedures and practices, which properly and sufficiently reflect all direct and indirect costs invoiced in the performance of their respective obligations under the Contract. The Contractor and its Subcontractors shall retain all such records for three (3) years following termination of the Contract, including any extensions. Records relating to any litigation matters regarding the Contract shall be kept for one (1) year following the termination of all litigation, including the termination of all appeals or the expiration of the appeal period.

Upon prior notice and subject to reasonable time frames, all such records shall be subject to inspection, examination, audit and copying by personnel so authorized by the State and federal officials so authorized by law, rule, regulation or Contract, as applicable. Access to these items shall be provided within Merrimack County of the State of New Hampshire, unless otherwise agreed by the State. Delivery of and access to such records shall be at no cost to the State during the three (3) year period following termination of the Contract and one (1) year term following litigation relating to the Contract, including all appeals or the expiration of the appeal period. The Contractor shall include the record retention and review requirements of this section in any of its subcontracts.

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The State agrees that books, records, documents, and other evidence of accounting procedures and practices related to the Contractor's cost structure and profit factors shall be excluded from the State's review unless the cost of any other Services or Deliverables provided under the Contract is calculated or derived from the cost structure or profit factors.

4. ACCOUNTING REQUIREMENTS

The Contractor shall maintain an accounting system in accordance with generally accepted accounting principles. The costs applicable to the Contract shall be ascertainable from the accounting system and the Contractor shall maintain records pertaining to the services and all other costs and expenditures. **SYSTEM MAINTENANCE**

The Contractor shall maintain and support the Pharmacy Benefits Management System in all material respects as described in the applicable program Documentation for 3 years of maintenance after delivery and the Warranty Period of 3 year(s).

4.1 The Contractor's Responsibility

The Contractor shall maintain the application system in accordance with the Contract. The Contractor shall not be responsible for maintenance or support for Software developed or modified by the State.

4.1.1 Maintenance Releases

The Contractor shall make available to the State the latest program updates, general maintenance releases, selected functionality releases, patches, and documentation that are generally offered to its customers, at no additional cost.

4.1.2 SECURITY

The Contractor shall ensure that appropriate levels of security are implemented and maintained in order to protect the integrity and reliability of the State's Information Technology resources, information, and Services. The Contractor shall provide the State resources, information, and Services on an ongoing basis, with the appropriate infrastructure and security controls to ensure business continuity and to safeguard the confidentiality and integrity of State networks, Systems and Data.

5. SYSTEM SUPPORT

5.1 Contractor's Responsibility

Contractor shall be responsible for performing on-site or remote technical support in accordance with the contract, including without limitation the requirements, terms, and conditions contained herein.

As part of the Software maintenance agreement, ongoing Software maintenance and support levels, including all new Software releases, shall be responded to according to the following:

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5.1.1. Class A Deficiencies - The Contractor shall have available to the users and the State on-call telephone assistance, with issue tracking available to the State, **twenty four (24) hours per day and seven (7) days a week with an email/telephone response within two (2) hours of request**; or the Contractor shall provide support on-site or with remote diagnostic Services, within four (4) business hours of a request;

5.1.2. Class B & C Deficiencies –The users or the State shall notify the Contractor of such Deficiencies during regular business hours and the Contractor shall respond back within 24 hours of notification of planned corrective action;

6. SUPPORT OBLIGATIONS AND TERM

- 6.1 The Contractor shall repair or replace Software, and provide maintenance of the Software in accordance with the Specifications and terms and requirements of the Contract;
- 6.2 The Contractor shall maintain a record of the activities related to warranty repair or maintenance activities performed for the State;
- 6.3 The Contractor must work with the State to identify and troubleshoot potentially large-scale System failures or Deficiencies by collecting the following information: 1) mean time between reported Deficiencies with the Software; 2) diagnosis of the root cause of the problem; and 3) identification of repeat calls or repeat Software problems.
- 6.4 If The Contractor fails to correct a deficiency within the allotted period of time stated above, The Contractor shall be deemed to have committed an Event of Default, and the State shall have the right, at its option, to pursue the remedies in the General Provisions, Form P-37, as well as to return the Contractor's product and receive a refund for all amounts paid to the Contractor, including but not limited to, applicable license fees, within ninety (90) days of notification to the Contractor of the State's refund request
- 6.5 If the Contractor fails to correct a deficiency within the allotted period of time stated above, the Contractor shall be deemed to have committed an Event of Default, and the State shall have the right, at its option, to pursue the remedies in the General Provisions, Form P-37.

The Contractor shall provide all of the system's functional components and requirements, including services and deliverables, outlined within this contract. The ADAP PBM system shall be consistent with the Pharmacy Benefits Management System. The Contractor shall be responsible for the maintenance of the NH AIDS Drug Assistance Program (ADAP) Pharmacy Benefits Management (PBM) system and shall act as the State's Fiscal Agent for these Services.

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The NH AIDS Drug Assistance Program (ADAP) is funded primarily by the federal Ryan White Program, administered by the Health Resources and Services Administration. The Ryan White Treatment Extension Act of 2009 allocates funding to states to provide core medical and support Services to persons living with HIV within their state, titled Ryan White Part B (RWPB). The largest funded service category is ADAP, which provides lifesaving medications to eligible positive Human Immunodeficiency Virus (HIV) NH residents.

7. Minimum Required Services

The Contractor shall provide:

- Maintenance and support of a statewide Pharmacy Benefit Management (PBM) program for NH AIDS Drug Assistance Program (ADAP) clients based upon best practice models;
- The accurate and efficient automated systematic adjudication and payment of pharmacy claims indicated by this Contract;
- Specialty pharmacy management for other public health programs, including the Tuberculosis Financial Assistance (TBFA) program to address sub-populations ensuring appropriate clinical utilization and cost savings among all clients;
- Mail order pharmacy strategies where appropriate;
- Coordination of benefits with Medicare plans, Medicaid and other private payers;
- Secure exchange of eligibility and claims data via Secure FTP or other agreed upon method;
- Integrated reporting systems (between financial and claims data systems, among others), Internet based functionality as applicable, which enables The Contractor to proactively initiate program changes, refinements or enhancements and to ensure successful program management. Key ADAP staff should have ready electronic access to all reporting (both standard and ad hoc) and PBM company materials;
- The application of standardized, streamlined and efficacious administrative processes to enhance service delivery, cost containment and program integrity;
- Internet based functionality, including access to NH ADAP program information.
- Systems On-line Access, Implementation, Maintenance, and Modification of an automated PBM system to support claims processing and payment, data management, call center tracking, and ad hoc reporting providing on-line access to all components;
- Serve as the NH ADAP's liaison to pharmaceutical manufacturers and other industry representatives.
- Maintain and perform all required data processing and data exchange per the Data Sharing Agreement (DSA) with the Centers for Medicare and Medicaid Services (CMS).

The Contractor shall provide the NH ADAP with on-line access to any and all components that comprise the NH ADAP PBM system solution. Additionally, the Contractor shall provide access to NH ADAP Pharmacies and Recipients to selected information and such other information as Contractor and the NH ADAP mutually agreed upon in writing. The Contractor shall work collaboratively with the NH ADAP and other interfacing entities to implement effectively the requisite exchanges of data necessary to support the requirements of the Scope of Services.

The Contractor is responsible for hosting the NH ADAP PBM solution at the Contractor's data

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center and providing for adequate redundancy, disaster recovery, and business continuity such that in the event of any catastrophic incident, system availability is restored to the NH ADAP within 24 hours of incident onset and eight (8) hours in the event of an unscheduled downtime incident involving the POS functionality.

The Contractor shall ensure that the NH ADAP data are securely segregated, using role based security, from other PBM accounts or Projects, and are under configuration management and change management in support of NH ADAP.

The Contractor shall implement the necessary telecommunication infrastructure to support the NH ADAP's PBM solution and shall provide the NH ADAP with a network diagram depicting the communications infrastructure, including but not limited to, connectivity between ADAP and The Contractor, including any contractor and subcontractor locations supporting the ADAP PBM Project.

The Contractor shall utilize methods for data conversion and data interface handling, that, to the maximum extent possible, automate the process, and that provide for source to target or source to specification mappings, all business rules and transformations where applied, summary and detailed counts, and any data that cannot be loaded.

The Contractor shall provide for a common, centralized electronic Project repository, providing for secure access to authorized Contractor and ADAP staff to project plans, documentation, issues tracking, deliverables, and other project related artifacts.

8. TECHNICAL REQUIREMENTS

Information Technology (IT) Systems Requirements

The Contractor shall be responsible for the maintenance of the State's Pharmacy Benefits Management system, providing for all of the system functional components and requirements, including but not limited to:

1. Point of Sale (POS) Pharmacy Claims Adjudication (Paid, Denied, Reversed, Adjusted, Voids);
2. Prior Authorization Management;
3. Interface Management;
4. Third Party Coverage and Cost Avoidance Management;
5. Financial Management (Financial Transactions, Fund Codes, Fiscal Pend);
6. Payment Management;
7. Reference Data Management (Drug Codes, Rates, Edits, Audits);
8. Reporting (Ad hoc and Pre-Defined/Scheduled and On-Demand);
9. Call Center Management;
10. Other components as necessary to meet requirements.

The Contractor shall provide the State with secure, on-line access to any and all components that comprise the NH PBM system solution. Additionally, the Contractor shall provide access to NH Medicaid Providers and Recipients to selected information as the Contractor and the State

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mutually agree in writing.

The Contractor shall work collaboratively with the Department, its MMIS fiscal agent, and other interfacing entities to implement effectively the requisite exchanges of data necessary to support the requirements of the Contract.

The Contractor is responsible for hosting the NH PBM solution at the Contractor's data center and providing for adequate redundancy, disaster recovery, and business continuity such that in the event of any catastrophic incident, system availability is restored to the State within 24 hours of incident onset in the event of a catastrophic incident and eight (8) hours in the event of an unscheduled downtime incident involving the POS functionality.

The Contractor shall ensure that the hardware and software supporting the State's solution, and the State's data, data processing, and data repositories are securely segregated from any other PBM account or project, and are under configuration management and change management governed through and in support of the State project.

The Contractor shall implement the necessary telecommunication infrastructure to support the State's PBM solution and shall provide the State with a network diagram depicting the communications infrastructure, including but not limited to, connectivity between the State and The Contractor, including any contractor and subcontractor locations supporting the State's PBM project.

The Contractor shall utilize data extract, transformation, and load (ETL) methods for data conversion and data interface handling, that, to the maximum extent possible, automate the extract, transformation and load processes, and that provide for source to target or source to specification mappings, all business rules and transformations where applied, summary and detailed counts, and any data that cannot be loaded.

9. ASSUMPTIONS

A. Logistics

- The Contractor Team shall honor all holidays observed by the Contractor or the State, although with permission, may choose to work on holidays and weekends.

B. Reporting

The Contractor shall conduct monthly status meetings, and provide reports that include, but are not limited to, minutes, action items, test results and documentation.

C. User Training and Change Management

- The Contractor Team shall lead the development of the end-user training plan.
- A train the trainer approach shall be used for the delivery of end-user training.
- The State is responsible for the delivery of end-user training.
- The State shall schedule and track attendance on all end-user training classes.

D. Performance and Security Testing

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The Contractor shall monitor the systems constantly to maintain uptime and performance. System capacity shall be forecasted regularly to ensure adequate system resources are available to support current and future business. Metrics shall be systematically collected and evaluated to ensure that all service level agreements and key performance indicators are met or exceeded. Testing and monitoring results shall be made available the State upon request.

10. DOCUMENTATION COPIES

The Contractor shall provide the State with a sufficient number of hard copy versions of the Software's associated Documentation and one (1) electronic version in Microsoft WORD and PDF format. The State shall have the right to copy the Software and its associated Documentation for its internal business needs. The State agrees to include copyright and proprietary notices provided to the State by the Contractor on such copies.

11. RESTRICTIONS

Except as otherwise permitted under the Contract, the State agrees not to:

- a. Remove or modify any program markings or any notice of The Contractor's proprietary rights;
- b. Make the programs or materials available in any manner to any third party for use in the third party's business operations, except as permitted herein; or
- c. Cause or permit reverse engineering, disassembly or recompilation of the programs.

12. TITLE

Title, right, and interest (including all ownership and intellectual property rights) in the Software, and its associated Documentation, shall remain with the Contractor.

13. VIRUSES

The Contractor shall provide Software that shall not contain any viruses, destructive programming, or mechanisms designed to disrupt the performance of the Software in accordance with the Specifications.

As a part of its internal development process, the Contractor shall use reasonable efforts to test the Software for viruses. The Contractor shall also maintain a master copy of the appropriate versions of the Software, free of viruses. If the State believes a virus may be present in the Software, then upon its request, the Contractor shall provide a master copy for comparison with and correction of the State's copy of the Software.

14. AUDIT

Upon forty-five (45) days written notice, the Contractor may audit the State's use of the programs at the Contractor's sole expense. The State agrees to cooperate with The Contractor's audit and provide reasonable assistance and access to information. The State agrees that the Contractor shall not be responsible for any of the State's reasonable costs incurred in cooperating with the audit. Notwithstanding the foregoing, the Contractor's audit rights are subject to applicable State and federal laws and regulations.

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15. SOFTWARE NON-INFRINGEMENT

The Contractor warrants that it has good title to, or the right to allow the State to use all Services, equipment, and Software ("Material") provided under this Contract, and that such Services, equipment, and Software do not violate or infringe any patent, trademark, copyright, trade name or other intellectual property rights or misappropriate a trade secret of any third party.

The warranty of non-infringement shall be an on-going and perpetual obligation that shall survive termination of the Contract. In the event that someone makes a claim against the State that any Material infringe their intellectual property rights, the Contractor shall defend and indemnify the State against the claim provided that the State:

- a. Promptly notifies the Contractor in writing, not later than 30 days after the State receives actual written notice of such claim;
- b. Gives the Contractor control of the defense and any settlement negotiations; and
- c. Gives the Contractor the information, authority, and assistance reasonably needed to defend against or settle the claim.

Notwithstanding the foregoing, the State's counsel may participate in any claim to the extent the State seeks to assert any immunities or defenses applicable to the State.

If the Contractor believes or it is determined that any of the material may have violated someone else's intellectual property rights, the Contractor may choose to either modify the material to be non-infringing or obtain a license to allow for continued use, or if these alternatives are not commercially reasonable, the Contractor may end the license, and require return of the applicable Material and refund all fees the State has paid the Contractor under the Contract. The Contractor shall not indemnify the State if the State alters the Material without the Contractor's consent or uses it outside the scope of use identified in the Contractor's user documentation or if the State uses a version of the material which has been superseded, if the infringement claim could have been avoided by using an unaltered current version of the material which was provided to the State at no additional cost. The Contractor shall not indemnify the State to the extent that an infringement claim is based upon any information design, specification, instruction, software, data, or material not furnished by the Contractor. The Contractor shall not indemnify the State to the extent that an infringement claim is based upon the combination of any Material with any products or Services not provided by the Contractor without the Contractor's consent.

16. WARRANTIES

16.1 Services

The Contractor warrants that the System and the Contractor PBM Services shall operate to conform to the Specifications, terms, and requirements of the Contract.

16.2 Software

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The Contractor warrants that the Software, including but not limited to the individual modules or functions furnished under the Contract, is properly functioning within the System, compliant with the requirements of the Contract, and shall operate in accordance with the specifications and terms of the Contract.

For any breach of the above Support and Maintenance warranty, the State's remedy, and the Contractor's entire liability, shall be: (a) the correction of program errors that cause breach of the warranty, or if the Contractor cannot substantially correct such breach in a commercially reasonable manner, the State may (b) require the re-performance of the Deficient Services, or (c) if the Contractor cannot substantially correct a breach in a commercially reasonable manner, the State may end the relevant Services and recover the fees paid to the Contractor for the Deficient Services.

16.3 Non-Infringement

The Contractor warrants that it has good title to, or the right to allow the State to use, all Services, equipment, and Software ("Material") provided under this Contract, and that such Services, equipment, and Software do not violate or infringe any patent, trademark, copyright, trade name or other intellectual property rights or misappropriate a trade secret of any third party.

16.4 Viruses; Destructive Programming

The Contractor warrants that the Software shall not contain any viruses, destructive programming, or mechanisms designed to disrupt the performance of the Software in accordance with the Specifications.

16.5 Compatibility

The Contractor warrants that all System components, including but not limited to the components provided, including any replacement or upgraded System Software components provided by the Contractor to correct Deficiencies or as an Enhancement, shall operate with the rest of the System without loss of any functionality.

16.6 Services

The Contractor warrants that all services to be provided under the Contract shall be provided expediently, in a professional manner, in accordance with industry standards and that Services shall comply with performance standards, Specifications, and terms of the Contract.

16.7 Personnel

The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

16.8 Breach of Data

The Contractor shall be solely liable for costs associated with any breach of State

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Data housed at their location(s) including but not limited to notification and any damages assessed by the courts.

17. WARRANTY SERVICES

The Contractor agrees to maintain, repair, and correct Deficiencies in the System Software, including but not limited to the individual modules or functions, during the Warranty Period, at no additional cost to the State, in accordance with the Specifications, Terms and requirements of the Agreement, including, without limitation, correcting all errors, and Defects and Deficiencies; eliminating viruses or destructive programming; and replacing incorrect, Defective or Deficient Software and Documentation. The Warranty Period shall commence upon approval of the contract by the Governor and Executive Council and shall remain in effect for the duration of the Agreement.

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Method and Conditions Precedent to Payment

Price and Payment Schedule for Pharmacy Benefits Management System for the Division of Medicaid Services.

1.1 Firm Fixed Price

The Firm Fixed Price (FFP) for this Amendment totals \$10,405,685 for the period between the effective date and 12/31/2023. The source of funds shall be 75% Federal Funds, and 25% General Funds. The Contractor shall be responsible for performing its obligations in accordance with the Contract. Subject to the Contractor's compliance with the terms and conditions of this Contract and for routine services provided, the State shall reimburse the Contractor as follows:

The Contractor shall invoice the State for the following services, Deliverables, or milestones at the fixed pricing/rates appearing in the price and payment tables below:

Pricing shall be effective for the Term of this Contract, and any extensions and amendments thereof.

Table 1: Funding Amounts by State Fiscal Year for NH Medicaid Fee-for-Service (FFS) Program shall not exceed the following amounts for each State Fiscal Year:

State Fiscal Year	SFY 2020	SFY 2021	SFY 2022	SFY 2023	SFY 2024	TOTAL
Dates	1/1/2020-6/30/2020	7/1/2020-6/30/2021	7/1/202-6/30/2022	7/1/202-6/30/203	7/1/2023-12/31/2023	
Fees	\$1,296,450	\$2,509,991	\$2,585,291	\$2,662,850	\$1,351,102	\$10,405,685

Table 2: Reimbursement for Routine Services from January 1, 2020 through December 31, 2020

Description	Reimbursement
All Inclusive Administrative Fee	\$200,770/per month
FastMAC Fee	\$5,305/per month
Total Monthly Fees	\$206,075/per month
System Modification (as needed)	\$140.40/hour
Setup of Single PDL (up to 3 MCOs) –compliance monitoring	\$60,000 One Time Fee

Table 3: Reimbursement for Routine Services from January 1, 2021 through December 31, 2021

Description	Reimbursement
All Inclusive Administrative Fee	\$206,793/per month
FastMAC Fee	\$5,464/per month
Total Monthly Fees	\$212,257/per month
System Modification (as needed)	\$140.40/hour

Exhibit B - Price and Payment Schedule
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Table 4: Reimbursement for Routine Services from January 1, 2022 through December 31, 2022

Description	Reimbursement
All Inclusive Administrative Fee	\$212,997/per month
FastMAC Fee	\$5,628/per month
Total Monthly Fees	\$218,625/per month
System Modification (as needed)	\$140.40/hour

Table 5: Reimbursement for Routine Services from January 1, 2023 through December 31, 2023

Description	Reimbursement
All Inclusive Administrative Fee	\$219,387/per month
FastMAC Fee	\$5,797/per month
Total Monthly Fees	\$225,184/per month
System Modification (as needed)	\$140.40/hour

Monthly Invoicing

On a monthly basis, Contractor shall send an invoice to the State. Documentation shall include: the FastMAC Fee and the All Inclusive Administrative Fee.

Pricing

Pharmaceuticals are reimbursed according to the State Plan Amendment and Administrative Rules ("Rules"). The State shall provide Contractor thirty (30) business days to implement changes to the State's rules from the date of effective rule publication; provided, however, the State shall provide more implementation time to Contractor in the event of a fundamental change in pricing Rules.

The State MAC and CMS FUL shall be modified and monitored at least monthly to ensure accurate pricing.

The Contractor shall bill the Department on a monthly basis for the services in the Contract provided during the previous month. Invoices shall calculate the service payment in detail including the units, volume and price by service for each group under the Contract as well as report the transaction volumes by month and year to date. The Contractor shall provide invoices and detailed documentation demonstrating monthly activity measurements that are subject to approval by the Department. On a monthly basis, within 30 calendar days after the final day of the month, the Contractor shall submit reports that include numbers of users, number of prescriptions and cost per user and prescription as well as total cost both per month and year to date by State Fiscal Year.

Invoices shall be sent to the New Hampshire Department of Health and Human Services at the address below in order to receive payment. All invoices shall be sent to the Department no later than 12 months of the date of service.

Name: Jeffrey Whitney
Mailing Address: NH Medicaid
New Hampshire DHHS

Exhibit B - Price and Payment Schedule

Contractor's Initials *JW*

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129 Pleasant Street
Concord, NH 03301
Telephone: 603-271-9435
Fax: 603-271-8431
Email: jeffrey.whitney@dhhs.nh.gov

Price and Payment Schedule for Pharmacy Benefits Management System for the Division of Public Health Services.

2.1 Firm Fixed Price

\$1,611,438 *MD-10-19*

The Firm Fixed Price (FFP) for this Amendment totals **\$4,663,640** for the period between the effective date and 12/31/2023. The source of funds shall be Other Funds, primarily drug manufacturers' rebates collected under the 340B Drug Pricing Program for drugs purchased by NH ADAP. The Contractor shall be responsible for performing its obligations in accordance with the Contract. The Contractor shall invoice the State for the following activities, deliverables, or milestones at fixed pricing/rates appearing in the price and payment tables below:

Table 6: Activities/Deliverables/Milestones Pricing Worksheet

Reference Number	Activity, Deliverable, or Milestone		Deliverable Type	Price
	Ongoing Services			
1	FY 2020 System Support and Maintenance		Non-Software	Included
2	FY 2020 PBM Services		Non-Software	\$194,031
3	FY 2021 System Support and Maintenance		Non-Software	Included
4	FY 2021 PBM Services		Non-Software	\$392,914
5	FY 2022 System Support and Maintenance		Non-Software	Included
6	FY 2022 PBM Services		Non-Software	\$402,737
7	FY 2023 System Support and Maintenance		Non-Software	Included
8	FY 2023 PBM Services		Non-Software	\$412,805
9	FY 2024 System Support and Maintenance		Non-Software	Included
10	FY 2024 PBM Services		Non-Software	\$208,951

Exhibit B - Price and Payment Schedule
Contractor's Initials *[Signature]*
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Table 7: Funding Amounts by State Fiscal Year

State Fiscal Year	SFY 2020	SFY 2021	SFY 2022	SFY 2023	SFY 2024	TOTAL
Dates	1/1/2020-6/30/2020	7/1/2020-6/30/2021	7/1/2021-6/30/2022	7/1/2022-6/30/2023	7/1/2023-12/31/2023	
Fees	\$194,031.48	\$392,913.78	\$402,736.62	\$412,805.04	\$208,950.72	\$1,611,438

2.2 Terms of Payment

The State shall pay the Contractor on a monthly basis for PBM services and support, as shown above.

On a monthly basis, the Contractor shall send documentation to the State in support of their monthly invoice. Documentation shall include:

1. Number of claims processed and number of claims paid with amount paid for that month;
2. Number of prior authorizations completed in that month; and
3. Number of e-prescribing transactions.

A. Pricing

All pharmacies that fill prescriptions for NH ADAP clients utilizing the Contractor's Services shall receive the same reimbursement rate and dispensing fees for prescriptions as is used by NH Medicaid. This methodology is described below.

Pharmaceuticals are reimbursed at the lesser of the following:

1. The AAC using NADAC files when available, plus the dispensing fee;
2. The WAC, when a NADAC is not available, plus the dispensing fee;
3. The usual and customary charge to the general public;
4. The NHMAC plus the dispensing fee; or
5. The FUL plus the dispensing fee

The State MAC and CMS FUL shall be modified and monitored at least monthly and modified as necessary to ensure accurate pricing.

The invoices for NH ADAP shall be sent to the New Hampshire Department of Health and Human Services at the address below in order to receive payment. All invoices shall be sent to the Department no later than twelve (12) months of the date of service.

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Name: Karen Hammond
Mailing Address: NH CARE Program / NH ADAP
New Hampshire DHHS
29 Hazen Drive
Concord, NH 03301
Telephone: 603-271-7365
Fax: 603-271-4934
Email: karen.hammond@dhhs.nh.gov


3 Provisions Applicable to all Services provided under the Contract

Liquidated Damages

1. The State and the Contractor agree that it will be impracticable and difficult to determine actual damages that the Department will sustain in the event the Contractor fails to maintain the required performance standards identified below throughout the life of the Contract. Any breach by the Contractor will delay and disrupt the State's operations and obligations and lead to significant damages. Therefore, the parties agree that the liquidated damages as specified in all the sections below are reasonable.
2. Assessment of liquidated damages shall be in addition to, and not in lieu of, such other remedies as may be available to the Department. Except and to the extent expressly provided herein, the Department shall be entitled to recover liquidated damages under each section applicable to any given incident.
3. The Department shall make all assessments of liquidated damages. Should the Department determine that liquidated damages may, or shall be assessed, the Department shall notify The Contractor of the potential assessment in writing.
4. The Contractor agrees that as determined by the DHHS, failure to provide Services meeting the performance standards described below shall result in liquidated damages as specified in the following table. The Contractor agrees to abide by the Performance Standards and Liquidated Damages specified in the Table 3.

Table 8: Liquidated Damages

Service Category	Minimum Standard	Potential Liquidated Damages
1. Retail Point-of-Sale Claims Adjudication Accuracy	The Contractor shall agree to a financial accuracy rate of at least 99% for all prescription claims electronically processed at point-of-sale, measured monthly.	For failure to meet the standard, The Contractor shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.

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<p>2. Point-of-Sale Network System Downtime</p>	<p>The Contractor shall agree that unscheduled system downtime shall be no greater than eight (8) hours per incident; not to exceed two times per Contract year. Contractor shall provide notice to the State as to its regularly, scheduled maintenance windows which shall not be part of this guarantee.</p>	<p>For failure to meet the standard, the Contractor shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.</p>
<p>3. Drug Rebates • This section regarding Drug Rebates pertains to Medicaid services ONLY</p>	<p>All rebate reporting and payments to the State shall be posted within thirty (30) days of the receipt of the rebate information received from the drug manufacturers through the State. Reporting shall describe the source of the rebates at the item level, and the date payment was received from the manufacturer.</p>	<p>For failure to meet the standard, the Contractor will be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.</p>
<p>4. Reporting Requirements</p>	<p>The Contractor shall provide all scheduled reports, ad hoc reports, and paid claims transactional history files where the Scope of Work specifies a timeframe within the stated time periods, and to provide the on-line query capability described in The Contractor's response.</p>	<p>For failure to meet the standard, The Contractor shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.</p>
<p>5. Average Speed to Answer</p>	<p>Beneficiary and pharmacy calls received shall be answered within an average of thirty (30) seconds. Reporting shall be provided monthly by the 7th day of the month.</p>	<p>For failure to meet the standard, The Contractor shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.</p>
<p>6. Call Abandonment and Call Blocking Rate</p>	<p>No more than 2% of all beneficiary and pharmacy calls shall be abandoned or blocked. Reporting shall be provided monthly by the 7th day of the month.</p>	<p>For failure to meet the standard, The Contractor shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.</p>
<p>7. Customer Service Resolution Rate</p>	<p>All customer service interactions shall be logged in The Contractor's information systems with 95% of all issues</p>	<p>For failure to meet the standard, The Contractor shall be assessed Liquidated Damages equal to 10% of the administrative fee in</p>

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	resolved the same day. 99% of issues resolved within 30 days. Reporting shall be provided monthly by the 7 th day of the month.	the Contract month in which the incident occurred.
8. Prior Authorizations	100% of requests for PA shall be completed within twenty-four (24) hours.	For failure to meet the standard, The Contractor shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.
9. Legislative Ad Hoc Report Requests	All requests for legislative ad hoc reports shall be completed within two (2) weeks of request unless otherwise negotiated at the time of the request from the State.	For failure to meet the standard, The Contractor shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.

4. PAYMENT ADDRESS

All payments shall be sent to the following address:

The Contractor Medicaid Administration, Inc. 11013 West Broad St. Suite 500, Glen Allen VA 23060

5. OVERPAYMENTS TO THE CONTRACTOR

The Contractor shall promptly, but no later than fifteen (15) business days, return to the State the full amount of any overpayment or erroneous payment upon discovery or notice from the State.

6. CREDITS

The State may apply credits due to the State arising out of this Contract, against the Contractor's invoices with appropriate information attached.

The Contractor shall keep detailed records of their activities related to State-funded programs and services and have records available for Department review, as requested.

7. Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this agreement may be withheld, in whole or in part, in the event of non-compliance with any Federal

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EXHIBIT B
Method and Conditions Precedent to Payment**

or State law, rule or regulation applicable to the services provided, or if the services or have not been satisfactorily completed in accordance with the terms and conditions of this Contract. Payments may be withheld pending receipt of required reports or documentation.

8. Notwithstanding paragraph 18 of the General Provisions P-37, changes limited to adjusting amounts within the price limitation and adjusting encumbrances between State Fiscal Years may be made through the Budget Office by written agreement of both parties, without obtaining additional approval of the Governor and Executive Council, if needed and justified.

6. The final invoice shall be due to the State no later than forty (40) days after the contract completion date specified in Form P-37, General Provisions Block 1.7 Completion Date.

Exhibit B - Price and Payment Schedule
Contractor's Initials WMD
Date 12/4/19



REVISIONS TO STANDARD CONTRACT LANGUAGE

1. Revisions to Form P-37, General Provisions

1.1. Section 4, Conditional Nature of Agreement, is replaced as follows:

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account in the event funds are reduced or unavailable.

1.2. Section 10, Termination, is amended by adding the following language:

10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.

10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.

10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.

10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.

10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.

2. Revisions to Standard Exhibits

Exhibit I, Health Insurance Portability and Accountability Act Business Associate Agreement, is modified as follows:

Consistent with the terms of the Department's standard Exhibit I, and by way of addition thereto in addition to providing the Department with notice of any breach, or alleged or potential breach of Personal Health information (PHI) security and/r any other information protected by HIPAA, as required by law, or breach of any confidential recipient or provider information, the Contractor will pay all costs incurred by the Department to meet state and

Exhibit C-1 – Revisions/Exceptions to Standard Contract Language Contractor Initials

Date

WV
12/4/19



federal notice requirements and the cost of any identify-theft protection the Department might wish to extend to potentially injured parties. The Contractor will not deal with any providers or recipients directly, but will give notice of breach, or alleged or potential breach to the Department. The Department's method of complying with notice requirements and/or extension of identify-theft protection, shall be solely at the discretion of the Department.

MMJ
12/4/19



CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

**US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS**

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

Commissioner
NH Department of Health and Human Services
129 Pleasant Street,
Concord, NH 03301-6505

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
 - 1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
 - 1.2. Establishing an ongoing drug-free awareness program to inform employees about
 - 1.2.1. The dangers of drug abuse in the workplace;
 - 1.2.2. The grantee's policy of maintaining a drug-free workplace;
 - 1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
 - 1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
 - 1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
 - 1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
 - 1.4.1. Abide by the terms of the statement; and
 - 1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
 - 1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency

MR
Date 12/4/19



- has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- 1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
 - 1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - 1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
 - 1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.
2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

Place of Performance (street address, city, county, state, zip code) (list each location)

Check if there are workplaces on file that are not identified here.

12/4/19
Date

Vendor Name:

Name: Meredith Delk
Title: GM & SVP Government Markets

Vendor Initials MD
Date 12/4/19



CERTIFICATION REGARDING LOBBYING

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

Programs (indicate applicable program covered):

- *Temporary Assistance to Needy Families under Title IV-A
- *Child Support Enforcement Program under Title IV-D
- *Social Services Block Grant Program under Title XX
- *Medicaid Program under Title XIX
- *Community Services Block Grant under Title VI
- *Child Care Development Block Grant under Title IV

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Vendor Name:

12/4/19

Date



Name: Meredith Delk
Title: GM & SVP Government Markets



Exhibit I

**HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT**

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 applicable to business associates. As defined herein, "Business Associate" shall mean the Contractor and subcontractors and agents of the Contractor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

(1) Definitions.

- a. **"Breach"** shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
- b. **"Business Associate"** has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. **"Covered Entity"** has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. **"Designated Record Set"** shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- e. **"Data Aggregation"** shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. **"Health Care Operations"** shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. **"HITECH Act"** means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. **"HIPAA"** means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.
- i. **"Individual"** shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. **"Privacy Rule"** shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- k. **"Protected Health Information"** shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

Contractor Initials WMD
Date 12/4/19



Exhibit I

- l. “Required by Law” shall have the same meaning as the term “required by law” in 45CFR Section 164.103.
- m. “Secretary” shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. “Security Rule” shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. “Unsecured Protected Health Information” means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

(2) Business Associate Use and Disclosure of Protected Health Information.

- a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, Business Associate, including but not limited to all its directors, officers, employees and agents, shall not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
- b. Business Associate may use or disclose PHI:
 - I. For the proper management and administration of the Business Associate or to carry out the legal responsibilities of Business Associate relating to this contract;
 - II. As permitted by law or required by law, pursuant to the terms set forth in paragraph d. below; or
 - III. For data aggregation purposes for the health care operations of Covered Entity.
- c. To the extent Business Associate is permitted under the Agreement or this Exhibit I to disclose PHI to a third party for the purposes set forth in Section 2(b) above, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HIPAA Privacy, Security, and Breach Notification Rules of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
- d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a

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12/4/19



Exhibit I

request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the BusinessAssociate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

- e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

(3) Obligations and Activities of Business Associate.

- a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately or as soon as practicable after the Business Associate suspects or becomes aware of any use or disclosure of protected health information not provided for by the Agreement or any security incident that may have an impact on the protected health information of the Covered Entity and immediately after the business associate becomes aware of a breach of unsecured protected health information..

- b. The Business Associate shall immediately commence a risk assessment when it becomes aware of any of the above situations and provide the Department with timely status reports as the risk assessment progresses. The risk assessment shall include, but not be limited to:

- o The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
- o The unauthorized person used the protected health information or to whom the disclosure was made;
- o Whether the protected health information was actually acquired or viewed
- o The extent to which the risk to the protected health information has been mitigated.

The Business Associate shall complete the risk assessment within 14 days of the breach and immediately report the findings of the risk assessment in writing to the Covered Entity.

- c. The Business Associate shall comply with all applicable sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (l). The Covered Entity



Exhibit I

shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within thirty (30) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the

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12/4/19



Exhibit I

Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

- a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.
- b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.
- c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) Termination for Cause

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a material breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may alternatively provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity.

(6) Miscellaneous

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved



Exhibit I

to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.

- e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) l, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit I.

Department of Health and Human Services

The State

[Handwritten Signature]

Signature of Authorized Representative

Henry D. Lignad

Name of Authorized Representative

Medicaid Director

Title of Authorized Representative

12/6/19

Date

Magellan Medicaid Administration, Inc.

Name of the Contractor

[Handwritten Signature]

Signature of Authorized Representative

Meredith Delk

Name of Authorized Representative

GM & SVP Government Markets

Title of Authorized Representative

12/4/19

Date

MD

12/4/19



**CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY
ACT (FFATA) COMPLIANCE**

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than \$25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of \$25,000 or more. If the initial award is below \$25,000 but subsequent grant modifications result in a total award equal to or over \$25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.

In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique identifier of the entity (DUNS #)
10. Total compensation and names of the top five executives if:
 - 10.1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than \$25M annually and
 - 10.2. Compensation information is not already available through reporting to the SEC.

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name:

12/4/19
Date

Name: Meredith Delk
Title: GM & SVP Government Markets

Contractor Initials
Date 12/4/19



FORM A

As the Contractor identified in Section 1.3 of the General Provisions, I certify that the responses to the below listed questions are true and accurate.

1. The DUNS number for your entity is: 06-601-5611
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

X NO _____ YES

If the answer to #2 above is NO, stop here

If the answer to #2 above is YES, please answer the following:

3. Does the public have access to information about the compensation of the executives in your business or organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?

_____ NO _____ YES

If the answer to #3 above is YES, stop here

If the answer to #3 above is NO, please answer the following:

4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____



DHHS Information Security Requirements

A. Definitions

The following terms may be reflected and have the described meaning in this document:

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.
3. "Confidential Information" or "Confidential Data" means all confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.
5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.
6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic



mail, all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification or destruction.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.
8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.
9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.
11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.
12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

1. The Contractor must not use, disclose, maintain or transmit Confidential Information except as reasonably necessary as outlined under this Contract. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. The Contractor must not disclose any Confidential Information in response to a



request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.

3. If DHHS notifies the Contractor that DHHS has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Contractor must be bound by such additional restrictions and must not disclose PHI in violation of such additional restrictions and must abide by any additional security safeguards.
4. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
5. The Contractor agrees DHHS Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
6. The Contractor agrees to grant access to the data to the authorized representatives of DHHS for the purpose of inspecting to confirm compliance with the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

1. **Application Encryption.** If End User is transmitting DHHS data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. **Computer Disks and Portable Storage Devices.** End User may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS data.
3. **Encrypted Email.** End User may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. **Encrypted Web Site.** If End User is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. **File Hosting Services, also known as File Sharing Sites.** End User may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. **Ground Mail Service.** End User may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. **Laptops and PDA.** If End User is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. **Open Wireless Networks.** End User may not transmit Confidential Data via an open

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wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

The Contractor will only retain the data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have 30 days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or permitted under this Contract. If it is infeasible to return or destroy the Confidential Data, protections pursuant to this Information Security Requirements Exhibit survive this contract. Notwithstanding the above, Magellan may retain one copy of any such Confidential Data necessary to comply with applicable professional actuarial standards and requirements for archival and work product documentation, retention, and destruction. This condition is subject to the protections of this Exhibit which survive this contract." To this end, the parties must:

A. Retention

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting Department confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2



5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a whole, must have aggressive intrusion-detection and firewall protection.
6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

1. If the Contractor will maintain any Confidential Information on its systems (or its sub-contractor systems), the Contractor will maintain a documented process for securely disposing of such data upon request or contract termination; and will obtain written certification for any State of New Hampshire data destroyed by the Contractor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure deletion and media sanitization, or otherwise physically destroying the media (for example, degaussing) as described in NIST Special Publication 800-88, Rev 1, Guidelines for Media Sanitization, National Institute of Standards and Technology, U. S. Department of Commerce. The Contractor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification will include all details necessary to demonstrate data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the State and Contractor prior to destruction.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
3. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

IV. PROCEDURES FOR SECURITY

- A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:
 1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery

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of contracted services.

2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).
3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.
4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.
6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.
7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.
8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.
9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.
10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless

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DHHS Information Security Requirements

prior express written consent is obtained from the Information Security Office leadership member within the Department.

11. **Data Security Breach Liability.** In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.
12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doi/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
 - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
 - b. safeguard this information at all times.

WJ



DHHS Information Security Requirements

- c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
- d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
- e. limit disclosure of the Confidential Information to the extent permitted by law.
- f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).
- g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.
- h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.
- i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

Contractor is responsible for oversight and compliance of their End Users. DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

V. LOSS REPORTING

The Contractor must notify the State's Privacy Officer and Security Officer of any Security Incidents and Breaches immediately, at the email addresses provided in Section VI.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with the agency's documented Incident Handling and Breach Notification procedures and in accordance with 42 C.F.R. §§ 431.300 - 306. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and procedures, Contractor's procedures must also address how the Contractor will:

1. Identify Incidents;



2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and
5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

VI. PERSONS TO CONTACT

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov

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State of New Hampshire

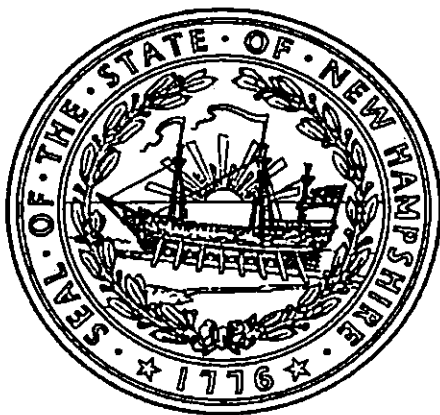
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that MAGELLAN MEDICAID ADMINISTRATION, INC. is a Virginia Profit Corporation registered to transact business in New Hampshire on November 05, 2004. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 375715

Certificate Number: 0004616213



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 8th day of November A.D. 2019.

A handwritten signature in black ink, appearing to read "Wm Gardner".

William M. Gardner
Secretary of State

State of New Hampshire

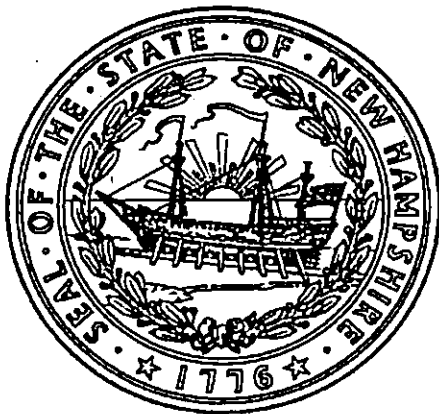
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that MAGELLAN RX MANAGEMENT, LLC is a Delaware Limited Liability Company registered to transact business in New Hampshire on November 14, 2014. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 717584

Certificate Number: 0004616218



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 8th day of November A.D. 2019.

A handwritten signature in black ink, appearing to read "Wm Gardner".

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

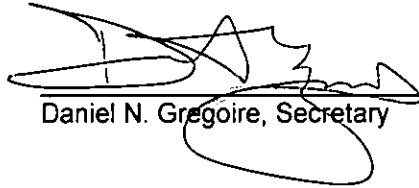
I, Daniel N. Gregoire, do hereby certify that:

1. I am a duly elected Officer of Magellan Medicaid Administration, Inc. (the "Agency").
2. The following is a true copy of the resolution duly adopted by Written Consent of the Board of Directors of the Agency duly held on March 21, 2019:

RESOLVED: That the Senior Vice President and General Manager, is hereby authorized on behalf of this Agency to enter into the said contract with the State and to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable or appropriate.

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 4th day of December, 2019.

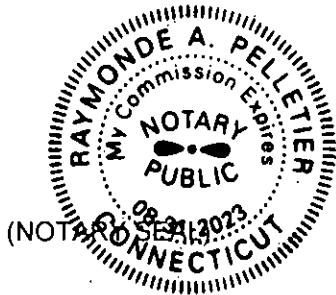
4. Meredith Delk is the duly elected Senior Vice President and General Manager of the Agency.



Daniel N. Gregoire, Secretary

STATE OF CONNECTICUT

County of Hartford

The forgoing instrument was acknowledged before me this 4th day of December, 2019.




(Notary Public/Justice of the Peace)

Commission Expires: 08-31-2023



CERTIFICATE OF LIABILITY INSURANCE

6/17/2020

DATE (MM/DD/YYYY)

9/12/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Lockton Companies 1185 Avenue of the Americas, Suite 2010 New York NY 10036 646-572-7300	CONTACT NAME: _____	
	PHONE (A/C, No, Ext): _____	FAX (A/C, No): _____
E-MAIL ADDRESS: _____		
INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A : Lexington Insurance Company		19437
INSURER B : Liberty Mutual Fire Insurance Company		23035
INSURER C : Liberty Insurance Corporation		42404
INSURER D : _____		_____
INSURER E : _____		_____
INSURER F : _____		_____

COVERAGES MAGHE01 **CERTIFICATE NUMBER:** 14050295 **REVISION NUMBER:** XXXXXXXX

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADOL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER: _____	Y	N	7055341	6/17/2019	6/17/2020	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 1,000,000 \$
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY <input checked="" type="checkbox"/> COMP. \$1,000 <input checked="" type="checkbox"/> COLL. \$1,000	Y	N	AS2-651-004219-119	10/1/2019	10/1/2020	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ XXXXXXXX BODILY INJURY (Per accident) \$ XXXXXXXX PROPERTY DAMAGE (Per accident) \$ XXXXXXXX \$ XXXXXXXX
A	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> CLAIMS-MADE DED RETENTIONS	N	N	7055342	6/17/2019	6/17/2020	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000 \$ XXXXXXXX
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	WC7-651-004219-109	10/1/2019	10/1/2020	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A A A	MANAGECARE LIAB. CLAIMS MADE	N	N	01-465-00-56 SIR applies per policy terms & conditions	6/17/2019	6/17/2020	\$10,000,000 per Med Incident \$10,000,000 Aggregate

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: Insured: Magellan Medicaid Administration, Inc. - New Hampshire Department of Health and Human Services is included as additional insured under liability policies.

CERTIFICATE HOLDER

14050295
 NEW HAMPSHIRE DEPARTMENT OF HEALTH
 AND HUMAN SERVICES
 129 PLEASANT STREET
 CONCORD NH 03301-3852

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Michael G. Calabrese

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9 mac

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF MEDICAID SERVICES

Jeffrey A. Meyers
 Commissioner

Deborah H. Fournier
 Medicaid Director

129 PLEASANT STREET, CONCORD, NH 03301
 603-271-9422 1-800-852-3345 Ext. 9422
 Fax: 603-271-8431 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

September 22, 2017

His Excellency, Governor Christopher T. Sununu
 and the Honorable Council
 State House
 Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Health and Human Services, Office of Medicaid Services to enter into a sole source amendment to an existing agreement with Magellan Medicaid Administration, Inc., 110113 West Broad Street Glen Allen, VA 23060 (Vendor # 175784), to manage pharmacy benefits for the Medicaid Program by increasing the price limitation by \$4,731,804 from \$21,055,303 to \$25,787,107 and by extending the completion date from December 31, 2017 to December 31, 2019 effective upon Governor and Executive Council approval. 25% General Funds and 75% Federal Funds.

The Governor and Executive Council approved the original agreement on June 9, 2010, (Item # 82), Amendment #1 on June 20, 2012 (Item # 65), Amendment #2 on June 5, 2013 (Item #87), Amendment #3 on November 6, 2013 (Item #54), Amendment #4 on August 3, 2014 (Item #12), and Amendment #5 on December 16, 2015 (Item #12).

Funds are available in the following accounts for State Fiscal Years 2011 through 2019, and anticipated to be available in State Fiscal Year 2020 upon the availability and continued appropriation of funds in the future operating budget, with authority to adjust encumbrances between State Fiscal Years through the Budget Office without further approval of the Governor and Executive Council, if needed and justified.

05-95-95-956010-6143 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: COMMISSIONER, OFF MEDICAID & BUSINESS POLICY, PHARMACY SERVICES

State Fiscal Year	Class/ Account	Class Title	Current Modified Budget	Increase/ (Decrease)	Revised Modified Budget
2011	102/500731	Contracts for Program Services	\$2,640,669	\$0	\$2,640,669
2012	102/500731	Contracts for Program Services	\$3,110,697	\$0	\$3,110,697
2013	102/500731	Contracts for Program Services	\$3,578,034	\$0	\$3,578,034
SFY 2011 through SFY 2013 Subtotal:			\$9,329,400	\$0	\$9,329,400

05-095-047-470010-79370000 HEALTH AND SOCIAL SERVICES, DEPT. OF HEALTH AND HUMAN SVSC, HHS: COMMISSIONER, OFF MEDICAID & BUSINESS POLICY, MEDICAID ADMINISTRATION

State Fiscal Year	Class/Account	Class Title	Current Modified Budget	Increase/ (Decrease)	Revised Modified Budget
2014	102/500731	Contracts for Program Services	\$3,002,203	\$0	\$3,002,203
2015	102/500731	Contracts for Program Services	\$2,610,300	\$0	\$2,610,300
2016	102/500731	Contracts for Program Services	\$2,501,700	\$0	\$2,501,700
2017	102/500731	Contracts for Program Services	\$2,407,800	\$0	\$2,407,800
2018	102/500731	Contracts for Program Services	\$1,203,900	\$1,165,470	\$2,369,370
2019	102/500731	Contracts for Program Services	\$0	\$2,365,902	\$2,365,902
2020	102/500731	Contracts for Program Services	\$0	\$1,200,432	\$1,200,432
SFY 2014 through 2020 Subtotal:			\$11,725,903	\$4,731,804	\$16,457,707
Contract Total:			\$21,055,303	\$4,731,804	\$25,787,107

EXPLANATION

This amendment is **sole source** because the price limitation exceeds 10% of the total contract value and there are no renewal options left in the contract. The Department is requesting the contract completion date be extended through December 31, 2019 in order to continue pharmacy benefits management services to the Department in its administration of the Medicaid pharmacy program while the Department prepares a Request for Proposals.

The Contractor will continue providing Pharmacy Benefits Management services to the State of New Hampshire in its administration of the Medicaid pharmacy program. Pharmacy Benefits Management services include, but are not limited to:

- Pharmacy claims management.
- Pharmacy benefits management.
- Drug rebate management.
- A call center.
- Prior authorization services.
- Formulary management to assure the availability of the most effective pharmaceuticals at the most efficient price to New Hampshire Medicaid patients.

The Contractor will continue to manage the Medicaid preferred drug list for the Fee for Service program that includes the supplemental drug rebate program and the Centers for Medicare and Medicaid Services drug rebate programs for the Fee for Service and Managed Care Program. In State fiscal year 2017 the State's share of the drug rebates collected was \$25.9 million. These funds were used to reduce the General Fund portion for the Provider Payment expenses. The vendor monitors the new drugs to market and makes recommendations to the Department regarding the most suitable management strategy to

assure clinically appropriate and cost efficient drug utilization. All the other terms and conditions of the original contract remain in full force and effect.

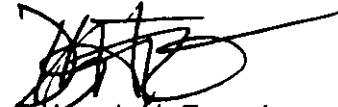
Should the Governor and Executive Council not approve this request, the Department would be unable to process the monthly charges for claim adjudication, administrative reviews, automatic prior authorizations, clinical reviews, and drug rebate management that are related to NH Medicaid clients. If the administrative charges are not paid in a timely manner this may cause a delay in processing drug claims for New Hampshire Medicaid recipients.

Geographic Area to be Served: Statewide

Funding for this request is General Funds 25% and Federal Funds 75% (CFDA# 93.778; U.S. Department of Health and Human Services; Centers for Medicare and Medicaid Services; Medical Assistance Program; Medicaid; Title XIX.)

In the event that federal funds become no longer available, additional general funds will not be requested to support this agreement.

Respectfully submitted,



Deborah H. Fournier
Director

Approved by:



Jeffrey A. Meyers
Commissioner



STATE OF NEW HAMPSHIRE
DEPARTMENT OF INFORMATION TECHNOLOGY
27 Hazen Dr., Concord, NH 03301
Fax: 603-271-1516 TDD Access: 1-800-735-2964
www.nh.gov/doi

Denis Goulet
Commissioner

October 6, 2017

Jeffrey A. Meyers, Commissioner
Department of Health and Human Services
State of New Hampshire
129 Pleasant Street
Concord, NH 03301

Dear Commissioner Meyers:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to enter into a sole source contract amendment with Magellan Medicaid Administration, Inc., of Glen Allen, VA as described below and referenced as DoIT No. 2010-038F.

The purpose of this request is to enter into a sole source contract amendment with Magellan Medicaid Administration, Inc. to continue to manage pharmacy benefits for the Medicaid Program. Pharmacy management services include claims management, benefits management, drug rebate management, prior authorization services, and manage the Medicaid preferred drug list.

The funding amount for this amendment is \$4,731,804.00, increasing the current contract from \$21,055,303.00 to \$25,787,107.00. The amendment shall become effective upon Governor and Council approval, through December 31, 2019.

A copy of this letter should accompany the Department of Health and Human Services' submission to the Governor and Executive Council for approval.

Sincerely,

A handwritten signature in black ink, appearing to read "Denis Goulet", with a stylized flourish at the end.

Denis Goulet

DG/kaf
DoIT #2010-038F

cc: Bruce Smith, IT Manager, DoIT



**State of New Hampshire
Department of Health and Human Services
Amendment #6 to the Magellan Medicaid Administration, Inc. Contract**

This 6th Amendment to the Magellan Medicaid Administration, Inc. contract (hereinafter referred to as "Amendment #6") dated this 30th day of August, 2017, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Magellan Medicaid Administration, Inc. (hereinafter referred to as "the Contractor"), a Virginia corporation with a place of business at 11013 West Broad Street, Glen Allen, VA 23060.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 9, 2010 (Item #82), and amended by an agreement (Amendment #1 to the Contract) approved on June 20, 2012 (Item # 65), and amended by an agreement (Amendment #2 to the Contract) approved on June 5, 2013 (Item # 87), and amended by an agreement (Amendment #3 to the Contract) approved on November 6, 2013 (Item #54), and amended by an agreement (Amendment #4 to the Contract) approved on September 3, 2014 (Item #12), and amended by an agreement (Amendment #5 to the Contract) approved on December 16, 2015 (Item #12), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

WHEREAS, the State and the Contractor have agreed to make changes to the scope of work, payment schedules and terms and conditions of the contract; and

WHEREAS, pursuant to the General Provisions, Paragraph 18, the Contract may be modified or amended upon written agreement of the parties and approval of the Governor and Executive Council; and

WHEREAS the parties agree to extend contract services for two (2) additional years; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree to amend the agreement as follows:

1. Form P-37, General Provisions, Item 1.8, to read:
\$25,787,107
2. Exhibit B, Methods and Conditions of Payment, Section I) Terms of Payment, Paragraph 1., to read:
 1. Subject to the Contractor's compliance with the terms and conditions of this agreement and for routine services provided, the Department shall reimburse the Contractor as indicated in Table 1: Reimbursement for Routine Services

**New Hampshire Department of Health & Human Services
Magellan Medicaid Administration, Inc. Contract**



from January 1, 2018 through December 31, 2018 and Table 2: Reimbursement for Routine Services from January 1, 2019 through December 31, 2019.

Table 1: Reimbursement for Routine Services from January 1, 2018 through December 31, 2018

Description	Reimbursement
All Inclusive Administrative Fee	\$189,245/per month
FastMAC Fee	\$5,000/per month
Total Monthly Fees	\$194,245/per month
System Modification (as needed)	\$140.40/hour

Table 2: Reimbursement for Routine Services from January 1, 2019 through December 31, 2019

Description	Reimbursement
All Inclusive Administrative Fee	\$194,922/per month
FastMAC Fee	\$5,150/per month
Total Monthly Fees	\$200,072/per month
System Modification (as needed)	\$140.40/hour

3. Add Exhibit B, Methods and Conditions of Payment, Section I) Terms of Payment, Paragraph 2., Subparagraph h., to read:

For the period from January 1, 2018 through December 31, 2019 payments shall not exceed \$4,731,804.

4. Standard Exhibit E, Certificate Regarding Lobbying, Contract Period, to read:
July 1, 2010 through December 31, 2019.

**New Hampshire Department of Health & Human Services
Magellan Medicaid Administration, Inc. Contract**



This amendment shall be effective upon the date of Governor and Executive Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

9/22/17
Date

State of New Hampshire
Department of Health and Human Services

[Signature]
Deborah H. Fournier, Esq.
Medicaid Director

Magellan Medicaid Administration, Inc.

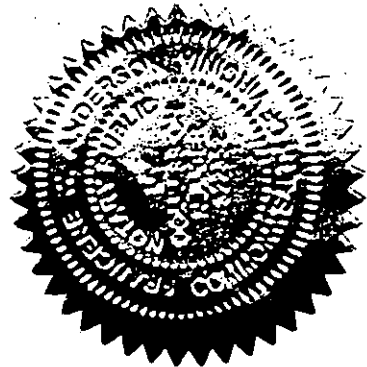
9/5/2017
Date

[Signature]
Name: Gregory S. Kaupp
Title: SUP/GM Government Markets

Acknowledgement:
State of Virginia, County of Henrico on September 5, 2017
before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.
Signature of Notary Public or Justice of the Peace

[Signature]
Name and Title of Notary or Justice of the Peace

My Commission Expires 5/31/2018





**New Hampshire Department of Health & Human Services
Magellan Medicaid Administration, Inc. Contract**

The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

10/6/17
Date

Lindsay Courne
Name: Attorney
Title: Lindsay Courne

I hereby certify that the foregoing Amendment was approved by the Governor and Council of the State of New Hampshire at the Meeting on: _____ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:



STATE OF NEW HAMPSHIRE
 DEPARTMENT OF HEALTH AND HUMAN SERVICES
 OFFICE OF MEDICAID BUSINESS AND POLICY

129 PLEASANT STREET, CONCORD, NH 03301-3857
 603-271-9422 1-800-852-3345 Ext. 9422

Fax: 603-271-8431 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

Nicholas A. Toumpas
 Commissioner

Kathleen A. Dunn
 Associate
 Commissioner

November 15, 2015

Her Excellency, Governor Margaret Wood Hassan
 and the Honorable Executive Council
 State House
 Concord, New Hampshire 03301

G&C Approved

Date 12/16/15
 Item # 12

REQUESTED ACTION

Authorize the Department of Health and Human Services, Office of Medicaid Business and Policy to exercise a renewal option to an existing agreement with Magellan Medicaid Administration, Inc., located at 110113 West Broad Street Glen Allen, VA 23060 (Vendor # 175784), to manage pharmacy benefits for the Medicaid Program by increasing the price limitation by \$4,815,600 from \$16,239,703 to \$21,055,303 and extending the contract completion date from December 31, 2015 to December 31, 2017, upon Governor and Executive Council approval.

The Governor and Executive Council approved the original agreement on June 9, 2010, (Item # 82) and Amendment #1 on June 20, 2012 (Item # 65), and Amendment #2 on June 5, 2013 (Item #87), Amendment #3 on November 6, 2013 (Item #54), Amendment #4 on September 3, 2014.

Funds are available in the following accounts for State Fiscal Years 2016 and 2017 and are anticipated to be available for State Fiscal Year 2018 upon continued appropriation of funds with the authority to adjust encumbrances between State Fiscal Years without further Governor and Executive Council Approval, if needed and justified.

FISCAL DETAILS ATTACHED

EXPLANATION

The purpose of this amendment is to exercise a renewal option to an existing agreement by extending the contact end date from December 31, 2015 to December 31, 2017 and to increase the price limitation by \$4,815,600 from \$16,239,703 to \$21,055,303.

This contract provides pharmacy claims management, pharmacy benefits management, drug rebate management, a call center, prior authorization services, and formulary management to assure the availability of the most effective pharmaceuticals at the most efficient price to New Hampshire Medicaid patients. These services enable the Department to continue to improve the quality of beneficiary health while managing the high cost of pharmaceuticals.

The vendor will continue to manage the Medicaid preferred drug list for the Fee For Service program, which includes the Fee for Service supplemental drug rebate program. The Centers for Medicare and Medicaid Services drug rebate programs for the Fee for Service and Managed Care Program. In State fiscal year 2015, the State share of the drug rebates collected was \$30.2 million. These funds were used to reduce the General Fund portion for the Provider Payment expenses. The vendor monitors the new drugs to market and makes recommendations to the Department regarding the most suitable management strategy to assure clinically appropriate and cost efficient drug utilization.

Should the Governor and Executive Council not approve this request, the Department would not be able to process the monthly charges for Administrative reviews, Automatic Prior Authorizations, and Clinical Reviews that are related to the drug claims of the newly enrolled NH Health Protection Program population. If the administrative charges are not paid in a timely manner this would cause a delay in processing drug claims for New Hampshire Medicaid recipients.


Geographic Area to be Served: Statewide

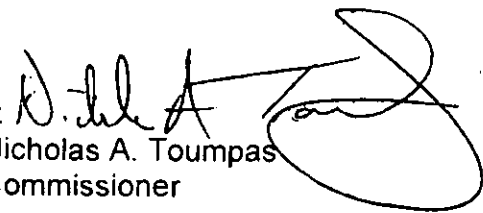
Funding for this request is General Funds 25% and Federal Funds 75%.

In the event that federal funds become no longer available, additional general funds will not be requested to support this agreement.

Respectfully submitted,



 Kathleen A. Dunn, MPH
Associate Commissioner
Medicaid Director

Approved by: 
Nicholas A. Toumpas
Commissioner

FISCAL DETAILS

05-95-95-956010-6143 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: COMMISSIONER, OFF MEDICAID & BUSINESS POLICY, PHARMACY SERVICES

State Fiscal Year	Class/Account	Class Title	Current Modified Budget	Increase/ (Decrease)	Revised Modified Budget
2011	102/500731	Contracts for Program Services	\$2,640,669	\$0	\$2,640,669
2012	102/500731	Contracts for Program Services	\$3,110,697	\$0	\$3,110,697
2013	102/500731	Contracts for Program Services	\$3,578,034	\$0	\$3,578,034
SFY 2011 through SFY 2013 Subtotal:			\$9,329,400	\$0	\$9,329,400

05-095-047-470010-79370000 HEALTH AND SOCIAL SERVICES, DEPT. OF HEALTH AND HUMAN SVSC, HHS: COMMISSIONER, OFF MEDICAID & BUSINESS POLICY, MEDICAID ADMINISTRATION

State Fiscal Year	Class/Account	Class Title	Current Modified Budget	Increase/ (Decrease)	Revised Modified Budget
2014	102/500731	Contracts for Program Services	\$3,002,203	\$0	\$3,002,203
2015	102/500731	Contracts for Program Services	\$2,610,300	\$0	\$2,610,300
2016	102/500731	Contracts for Program Services	\$1,297,800	\$1,203,900	\$2,501,700
2017	102/500731	Contracts for Program Services	\$0.00	\$2,407,800	\$2,407,800
2018	102/500731	Contracts for Program Services	\$0.00	\$1,203,900	\$1,203,900
SFY 2014 through 2018 Subtotal:			\$6,910,303	\$4,815,600	\$11,725,903
Contract Total:			\$16,239,703	\$4,815,600	\$21,055,303



**State of New Hampshire
Department of Health and Human Services
Amendment #5 to the Magellan Medicaid Administration, Inc. Contract**

This 5th Amendment to the Magellan Medicaid Administration, Inc. contract (hereinafter referred to as "Amendment #5") dated this 5th day of November, 2015, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Magellan Medicaid Administration, Inc. (hereinafter referred to as "the Contractor"), a Virginia corporation with a place of business at 11013 West Broad Street, Glen Allen, VA 23060.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 9, 2010 (Item #82), and amended by an agreement (Amendment #1 to the Contract) approved on June 20, 2012 (Item # 65), and amended by an agreement (Amendment #2 to the Contract) approved on June 5, 2013 (Item # 87), and amended by an agreement (Amendment #3 to the Contract) approved on November 6, 2013 (Item #54), and amended by an agreement (Amendment #4 to the Contract) approved on September 3, 2014, the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

WHEREAS, the State and the Contractor have agreed to make changes to the scope of work, payment schedules and terms and conditions of the contract; and

WHEREAS, pursuant to the General Provisions, Paragraph 18, and Exhibit A, Scope of Services, Paragraph I, Overview, the parties amend and renew the agreement for up to two (2) two (2) year periods; upon written agreement and approval of the Governor and Executive Council; and

WHEREAS the parties agree to exercise the final two (2) year renewal option; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree as follows:

To amend as follows:

1. Form P-37, General Provisions, Item 1.8, to read:
\$21,055,303
2. Exhibit B, Methods and Conditions of Payment, I) Terms of Payment, 1., to read:
Subject to the Contractor's compliance with the terms and conditions of this agreement and for routine services provided, the Department shall reimburse the Contractor as follows:

New Hampshire Department of Health & Human Services
Magellan Medicaid Administration, Inc. Contract



Table 1: Reimbursement for Routine Services

Description	Reimbursement
All Inclusive Administrative Fee	\$183,733/per month
FastMAC Fee	\$16,917/per month
Total Monthly Fees	\$200,650/per month
System Modification (as needed)	\$140.40/hour

3. Exhibit B, Methods and Conditions of Payment, 1) Terms of Payment, 2., g., to read:
For the period from January 1, 2016 through December 31, 2017 payments shall not exceed \$4,815,600.
4. Delete and replace Exhibit C, Standard Exhibit C, Special Provisions with Exhibit C, Special Provisions.
5. Delete and replace Standard Exhibit G, Certification Regarding the Americans with Disabilities Act Compliance with Exhibit G, Certification of Compliance with Requirements Pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower Protections.
6. Standard Exhibit E, Certificate Regarding Lobbying, Contract Period, to read:
July 1, 2010 through December 31, 2017..

New Hampshire Department of Health & Human Services
Magellan Medicaid Administration, Inc. Contract



This amendment shall be effective upon the date of Governor and Executive Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire
Department of Health and Human Services

Maile Nihan
Deputy Commissioner

Kathleen A. Dunn
Kathleen A. Dunn
Associate Commissioner &
Medicaid Director

11/23/15
Date

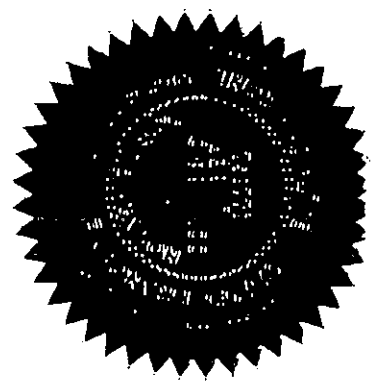
Magellan Medicaid Administration, Inc.

11/18/15
Date

G. Kaopp
Name: GREGORY S. KAOPP
Title: SVP / GM, GOVERNMENT SERVICES

Acknowledgement:
State of Virginia, County of Henrico on November 18, 2015
before the undersigned officer, personally appeared the person identified above, or
satisfactorily proven to be the person whose name is signed above, and acknowledged
that s/he executed this document in the capacity indicated above.
Signature of Notary Public or Justice of the Peace

Kranciene K. Anderson
Name and Title of Notary or Justice of the Peace
My Commission Expires May 31, 2018



New Hampshire Department of Health & Human Services
Magellan Medicaid Administration, Inc. Contract



The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

11/24/15
Date

[Signature]
Name: Megan Boyle
Title: Attorney

I hereby certify that the foregoing Amendment was approved by the Governor and Council of the State of New Hampshire at the Meeting on: _____ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:



SPECIAL PROVISIONS

Contractors Obligations: The Contractor covenants and agrees that all funds received by the Contractor under the Contract shall be used only as payment to the Contractor for services provided to eligible individuals and, in the furtherance of the aforesaid covenants, the Contractor hereby covenants and agrees as follows:

1. **Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.
2. **Time and Manner of Determination:** Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.
3. **Documentation:** In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.
4. **Fair Hearings:** The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.
5. **Gratuities or Kickbacks:** The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.
6. **Retroactive Payments:** Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.
7. **Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:
 - 7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;
 - 7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

BSK
11/18/15



- 7.3. Demand repayment of the excess payment by the Contractor in which event failure to make such repayment shall constitute an Event of Default hereunder. When the Contractor is permitted to determine the eligibility of individuals for services, the Contractor agrees to reimburse the Department for all funds paid by the Department to the Contractor for services provided to any individual who is found by the Department to be ineligible for such services at any time during the period of retention of records established herein.

RECORDS: MAINTENANCE, RETENTION, AUDIT, DISCLOSURE AND CONFIDENTIALITY:

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
- 8.1. **Fiscal Records:** books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
 - 8.2. **Statistical Records:** Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
 - 8.3. **Medical Records:** Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.
9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
- 9.1. **Audit and Review:** During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
 - 9.2. **Audit Liabilities:** In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.
10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.



Notwithstanding anything to the contrary contained herein the covenants and conditions contained in the Paragraph shall survive the termination of the Contract for any reason whatsoever.

11. **Reports: Fiscal and Statistical:** The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. **Interim Financial Reports:** Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. **Final Report:** A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.
12. **Completion of Services: Disallowance of Costs:** Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.
13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
 - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.
14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.
15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.
16. **Equal Employment Opportunity Plan (EEO):** The Contractor will provide an Equal Employment Opportunity Plan (EEO) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of \$500,000 or more. If the recipient receives \$25,000 or more and has 50 or



more employees, it will maintain a current EEOP on file and submit an EEOP Certification Form to the OCR, certifying that its EEOP is on file. For recipients receiving less than \$25,000, or public grantees with fewer than 50 employees, regardless of the amount of the award, the recipient will provide an EEOP Certification Form to the OCR certifying it is not required to submit or maintain an EEOP. Non-profit organizations, Indian Tribes, and medical and educational institutions are exempt from the EEOP requirement, but are required to submit a certification form to the OCR to claim the exemption. EEOP Certification Forms are available at: <http://www.ojp.usdoj/about/ocr/pdfs/cert.pdf>.

17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.

18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, \$150,000)

CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS (SEP 2013)

(a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.

(b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.

(c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:

- 19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- 19.3. Monitor the subcontractor's performance on an ongoing basis

BSK

11/18/15



- 19.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 19.5. DHHS shall, at its discretion, review and approve all subcontracts.

If the Contractor identifies deficiencies or areas for improvement are identified, the Contractor shall take corrective action.

DEFINITIONS

As used in the Contract, the following terms shall have the following meanings:

COSTS: Shall mean those direct and indirect items of expense determined by the Department to be allowable and reimbursable in accordance with cost and accounting principles established in accordance with state and federal laws, regulations, rules and orders.

DEPARTMENT: NH Department of Health and Human Services.

FINANCIAL MANAGEMENT GUIDELINES: Shall mean that section of the Contractor Manual which is entitled "Financial Management Guidelines" and which contains the regulations governing the financial activities of contractor agencies which have contracted with the State of NH to receive funds.

PROPOSAL: If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the Services to be provided to eligible individuals by the Contractor in accordance with the terms and conditions of the Contract and setting forth the total cost and sources of revenue for each service to be provided under the Contract.

UNIT: For each service that the Contractor is to provide to eligible individuals hereunder, shall mean that period of time or that specified activity determined by the Department and specified in Exhibit B of the Contract.

FEDERAL/STATE LAW: Wherever federal or state laws, regulations, rules, orders, and policies, etc. are referred to in the Contract, the said reference shall be deemed to mean all such laws, regulations, etc. as they may be amended or revised from the time to time.

CONTRACTOR MANUAL: Shall mean that document prepared by the NH Department of Administrative Services containing a compilation of all regulations promulgated pursuant to the New Hampshire Administrative Procedures Act. NH RSA Ch 541-A, for the purpose of implementing State of NH and federal regulations promulgated thereunder.

SUPPLANTING OTHER FEDERAL FUNDS: The Contractor guarantees that funds provided under this Contract will not supplant any existing federal funds available for these services.



**CERTIFICATION OF COMPLIANCE WITH REQUIREMENTS PERTAINING TO
FEDERAL NONDISCRIMINATION, EQUAL TREATMENT OF FAITH-BASED ORGANIZATIONS AND
WHISTLEBLOWER PROTECTIONS**

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

Contractor will comply, and will require any subgrantees or subcontractors to comply, with any applicable federal nondiscrimination requirements, which may include:

- the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. Section 3789d) which prohibits recipients of federal funding under this statute from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act requires certain recipients to produce an Equal Employment Opportunity Plan;
- the Juvenile Justice Delinquency Prevention Act of 2002 (42 U.S.C. Section 5672(b)) which adopts by reference, the civil rights obligations of the Safe Streets Act. Recipients of federal funding under this statute are prohibited from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act includes Equal Employment Opportunity Plan requirements;
- the Civil Rights Act of 1964 (42 U.S.C. Section 2000d, which prohibits recipients of federal financial assistance from discriminating on the basis of race, color, or national origin in any program or activity);
- the Rehabilitation Act of 1973 (29 U.S.C. Section 794), which prohibits recipients of Federal financial assistance from discriminating on the basis of disability, in regard to employment and the delivery of services or benefits, in any program or activity;
- the Americans with Disabilities Act of 1990 (42 U.S.C. Sections 12131-34), which prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation;
- the Education Amendments of 1972 (20 U.S.C. Sections 1681, 1683, 1685-86), which prohibits discrimination on the basis of sex in federally assisted education programs;
- the Age Discrimination Act of 1975 (42 U.S.C. Sections 6106-07), which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance. It does not include employment discrimination;
- 28 C.F.R. pt. 31 (U.S. Department of Justice Regulations – OJJDP Grant Programs); 28 C.F.R. pt. 42 (U.S. Department of Justice Regulations – Nondiscrimination; Equal Employment Opportunity; Policies and Procedures); Executive Order No. 13279 (equal protection of the laws for faith-based and community organizations); Executive Order No. 13559, which provide fundamental principles and policy-making criteria for partnerships with faith-based and neighborhood organizations;
- 28 C.F.R. pt. 38 (U.S. Department of Justice Regulations – Equal Treatment for Faith-Based Organizations); and Whistleblower protections 41 U.S.C. §4712 and The National Defense Authorization Act (NDAA) for Fiscal Year 2013 (Pub. L. 112-239, enacted January 2, 2013) the Pilot Program for Enhancement of Contract Employee Whistleblower Protections, which protects employees against reprisal for certain whistle blowing activities in connection with federal grants and contracts.

The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment.

Exhibit G

Certification of Compliance with requirements pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower protections

Contractor Initials

BSK

Date

11/18/15

New Hampshire Department of Health and Human Services
Exhibit G



In the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, religion, national origin, or sex against a recipient of funds, the recipient will forward a copy of the finding to the Office for Civil Rights, to the applicable contracting agency or division within the Department of Health and Human Services, and to the Department of Health and Human Services Office of the Ombudsman.

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Contractor agrees to comply with the provisions indicated above.

Contractor Name:

11/18/15
Date

Gregory S. Kaupp
Name: Gregory S. KAUPP
Title: SVP/GM, Government Markets

Exhibit G

Contractor Initials

ASK

Certification of Compliance with requirements pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower protections

Date

11/18/15

SEP



STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF MEDICAID BUSINESS AND POLICY

Nicholas A. Toumpas
Commissioner

Kathleen A. Dunn
Associate Commissioner
Medicaid Director

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603-271-9422 1-800-852-3345 Ext. 9422
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August 4, 2014
G&C Approved

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Executive Council
State House
Concord, New Hampshire 03301

Date 9/3/14
Item # 12

REQUESTED ACTION

Authorize the Department of Health and Human Services, Office of Medicaid Business and Policy to amend an existing agreement (Amendment 4) with Magellan Medicaid Administration, Inc., located at 110113 West Broad Street Glen Allen, VA 23060 (Vendor # 175784), by increasing the price limitation by \$52,500 from \$16,187,203 to \$16,239,703 to manage pharmacy benefits for the Medicaid Program effective August 15, 2014, or the date of Governor and Executive Council approval, whichever is later, with no change to the contract end date of December 31, 2015.

The Governor and Executive Council approved the original agreement on June 9, 2010, (Item # 82) and Amendment #1 on June 20, 2012 (Item # 65), and Amendment #2 on June 5, 2013 (Item #87), and Amendment #3 on November 6, 2013 (Item #54).

Funds are available in State Fiscal Years 2011 through 2015 and anticipated for State Fiscal Year 2016, in the following accounts with authority to adjust encumbrances between State Fiscal Years, through the Budget Office, without further approval from the Governor and Executive Council, if needed and justified.

05-95-95-956010-6143 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: COMMISSIONER, OFF MEDICAID & BUSINESS POLICY, PHARMACY SERVICES

State Fiscal Year	Class/ Account	Class Title	Current Modified Budget	Increase/ (Decrease)	Revised Modified Budget
2011	102/500731	Contracts for Program Services	\$2,640,669	\$0	\$2,640,669
2012	102/500731	Contracts for Program Services	\$3,110,697	\$0	\$3,110,697
2013	102/500731	Contracts for Program Services	\$3,578,034	\$0	\$3,578,034
SFY 2011 through SFY 2013 Subtotal:			\$9,329,400	\$0	\$9,329,400

05-095-047-470010-79370000 HEALTH AND SOCIAL SERVICES, DEPT. OF HEALTH AND HUMAN SVSC, HHS: COMMISSIONER, OFF MEDICAID & BUSINESS POLICY, MEDICAID ADMINISTRATION

State Fiscal Year	Class/ Account	Class Title	Current Modified Budget	Increase/ (Decrease)	Revised Modified Budget
2014	102/500731	Contracts for Program Services	\$3,002,203	\$0	\$3,002,203
2015	102/500731	Contracts for Program Services	\$2,557,800	\$52,500	\$2,610,300
2016	102/500731	Contracts for Program Services	\$1,297,800	\$0	\$1,297,800
SFY 2014 through 2016 Subtotal:			\$6,857,803	\$52,500	\$6,910,303
Contract Total:			\$16,187,203	\$52,500	\$16,239,703

EXPLANATION

The purpose of this amendment is to increase the price limitation by \$52,500 from \$16,187,203 to \$16,239,703 with no change to the contract end date. The increase in price limitation will allow the vendor to provide additional staff required to fill the needs of the additional clients who will become enrolled as part of the New Hampshire Health Protection Program, which will be implemented on August 15, 2014.

The implementation of the New Hampshire Health Protection Program will cause an increase in demand for services provided by the vendor. The increase in the number of individuals receiving services will directly impact the number of claims adjudicated per month; the number of administrative reviews completed per month; the number of requests for prior authorizations; and the number of clinical reviews completed each month.

This contract provides Pharmacy Benefits Management services to the State of New Hampshire in its administration of the Medicaid pharmacy program. This contract provides pharmacy claims management, pharmacy benefits management, drug rebate management, a call center, prior authorization services, and formulary management to assure the availability of the most effective pharmaceuticals at the most efficient price to New Hampshire Medicaid patients. These services enable the State of New Hampshire to continue to improve the quality of beneficiary health while managing the high cost of pharmaceuticals.

This amendment will raise the price limitation of this contract by \$52,500.00 to allow the vendor to continue to manage the Medicaid preferred drug list and the Centers for Medicare and Medicaid Services supplemental drug rebate program for the Fee for Service, Managed Care Program and the NH Health Protection Program. In State fiscal year 2014 the State share of the drug rebates collected was \$28.9 million that was used to reduce the General Fund portion for the Pharmacy drug expenses. The vendor monitors the new drugs to market and makes recommendations to the Department regarding the most suitable management strategy to assure clinically appropriate and cost efficient drug utilization. All the other terms and conditions of the original contract remain the same.

This contract is the result of a competitive bidding process. The Department released a Request for Proposals on June 30, 2009. The request for proposal was advertised in the New

Hampshire Union Leader through July 2, 2009, listed on both the Department of Health and Human Services' and Department of Administrative Services' websites, and directly mailed to sixty-six (66) vendors who expressed interest in bidding on the request for proposal. Four (4) proposals were received and evaluated by a committee of six (6) individuals in response to the request for proposal. The four bidders included HealthTrans, University of Massachusetts Medical School with MedMetrics Health Partners, Inc., Goold Health Systems, and Magellan Medicaid Administration Inc.

Magellan Medicaid Administration Inc. achieved the highest evaluation and was selected. Additionally, the evaluation committee was confident that, given its prior eight years of performance in New Hampshire, Magellan Medicaid Administration Inc. would continue to succeed in its ability to maintain aggressive drug pricing and a high level of proficiency in program administration.

Should the Governor and Executive Council not approve this request, the Department would not be able to process the monthly charges for Administrative reviews, Automatic Prior Authorizations, and Clinical Reviews that are related to the drug claims of the newly enrolled NH Health Protection Program population. If the administrative charges are not paid in a timely manner this would cause a delay in processing drug claims for New Hampshire Medicaid recipients.

Geographic Area to be Served: Statewide

Funding for this request is General Funds 25% and Federal Funds 75%.

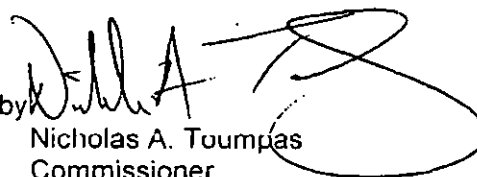
In the event that federal funds become no longer available, additional general funds will not be requested to support this agreement.

Respectfully submitted,



Kathleen A. Dunn, MPH
Associate Commissioner and
Medicaid Director

Approved by



Nicholas A. Toumpas
Commissioner



STATE OF NEW HAMPSHIRE
 DEPARTMENT OF HEALTH AND HUMAN SERVICES
 OFFICE OF MEDICAID BUSINESS AND POLICY

Nicholas A. Toumpas
 Commissioner

Kathleen A. Dunn
 Associate Commissioner

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September 24, 2013

Her Excellency, Governor Margaret Wood Hassan
 and the Honorable Executive Council
 State House
 Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Health and Human Services, Office of Medicaid Business and Policy to exercise a renewal option (Amendment 3) of an existing contract (Purchase Order # 1008933), with Magellan Medicaid Administration, Inc., (formerly First Health Services Corporation), formerly of 4300 Cox Road, now located at 110113 West Broad Street Glen Allen, VA 23060 (Vendor # 175784), by extending the completion date from December 31, 2013 to December 31, 2015 and providing additional funds to manage pharmacy benefits for the Medicaid Program by increasing the price limitation by \$5,433,758.00 from \$10,753,445.00 to an amount not to exceed \$16,187,203.00 effective December 1, 2013, or the date of Governor and Executive Council approval, whichever is later. This agreement was originally approved by Governor and Executive Council on June 5, 2010, Item # 82, amended on June 20, 2012 Item # 65, amended June 5, 2013 # 87. Funds are available in the following account for State Fiscal Year 2014 and 2015 and will be requested for State Fiscal Year 2016 with authority to adjust amounts if needed and justified between State Fiscal Years.

05-00095-047-470010-7937 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SYCS DEPT OF, HHS:
 OFC OF MEDICAID & BUS PLCY, OFF. OF MEDICAID BUS. POLICY, MEDICAID ADMINISTRATION

<u>State Fiscal</u> <u>Year</u>	<u>Class/Account</u>	<u>Class Title</u>	<u>Current</u> <u>Modified Budget</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Revised</u> <u>Modified</u> <u>Budget</u>
2011	102/500731	Contracts for Program Services	\$2,640,669.00	\$0.00	\$2,640,669.00
2012	102/500731	Contracts for Program Services	\$3,110,697.00	\$0.00	\$3,110,697.00
2013	102/500731	Contracts for Program Services	\$3,578,034.00	\$0.00	\$3,578,034.00
2014	102/500731	Contracts for Program Services	\$1,424,045.00	\$1,578,158.00	\$3,002,203.00
2015	102/500731	Contracts for Program Services	\$0.00	\$2,557,800.00	\$2,557,800.00
2016	102/500731	Contracts for Program Services	\$0.00	\$1,297,800.00	\$1,297,800.00
			\$10,753,445.00	\$5,433,758.00	\$16,187,203.00

Amendment 3

Magellan Medicaid Administration Inc. (formerly known as First Health Services Corporation)

Page 2 of 4

EXPLANATION

The purpose of this amendment is to extend the completion date, increase the total value, and to have Magellan Medicaid Administration include the process of collecting data and invoicing for CMS Obra 90 and NH Supplemental Drug Rebates that are related the Managed Care program. In Exhibit A of the contract, approved by Governor and Council, 6/5/10 # 82, allows for an extension of two periods of no more than two years each. Amendment 3 is to extend the contract end date from 12/31/2013 to 12/31/2015. Amendment 3 will increase the price limitation for State Fiscal Year 2014 in the amount of \$1,578,158.00. The increase in price limitation for State Fiscal Year 2014 includes an increase in the need for services provided by the vendor due to an increase in the number of Medicaid clients during the period of July 2013 through December 2013. The increase in New Hampshire Medicaid Members was due to the inclusion of the Children's Health Insurance Program population in New Hampshire Medicaid. The increased population has caused an increase in the number of claims per month, and increased demands for Administrative reviews, Automatic Prior Authorizations, and Clinical Reviews.

This contract provides Pharmacy Benefits Management services to the State of New Hampshire in its administration of the Medicaid pharmacy program. This contract provides pharmacy claims management, pharmacy benefits management, drug rebate management, a call center, prior authorization services, and formulary management to assure the availability of the most effective pharmaceuticals at the most efficient price to New Hampshire Medicaid patients. These services enable the State of New Hampshire to continue to improve the quality of beneficiary health while managing the high cost of pharmaceuticals.

This amendment will raise the price limitation of this contract by \$5,433,758.00 to allow the vendor to continue to manage the Medicaid preferred drug list and the Centers for Medicare and Medicaid Services and supplemental drug rebate programs for the Fee For Service and Managed Care Programs. In State fiscal year 2013 the State share of the drug rebates collected was \$27.6 million that was used to reduce the General Fund portion for the Pharmacy drug expenses. The vendor monitors the new drugs to market and makes recommendations to the Department regarding the most suitable management strategy to assure clinically appropriate and cost efficient drug utilization. All the other terms and conditions of the original contract remain the same.

Competitive Bidding

This contract is the result of a competitive bidding process. The Department released a Request For Proposals on June 30, 2009. The request for proposal was advertised in the New Hampshire Union Leader through July 2, 2009, listed on both the Department of Health and Human Services' and Department of Administrative Services' websites, and directly mailed to sixty-six (66) vendors who expressed interest in bidding on the request for proposal. Four (4) proposals were received and evaluated by a committee of seven (7) individuals in response to the request for proposal. The four bidders included HealthTrans, University of Massachusetts Medical School with MedMetrics Health Partners, Inc., Goold Health Systems, and Magellan Medicaid Administration Inc., (formerly First Health Services Corporation).

Magellan Medicaid Administration Inc., (formerly First Health Services Corporation), achieved the highest evaluation and was selected (bid summary attached). Additionally, the evaluation committee was confident that, given its prior eight years of performance in New Hampshire, Magellan Medicaid Administration Inc., (formerly First Health Services Corporation), would continue to succeed in its ability to maintain aggressive

Amendment 3

Magellan Medicaid Administration Inc. (formerly known as First Health Services Corporation)

Page 3 of 4

drug pricing and a high level of proficiency in program administration. Final scoring results are attached as Attachment 1.

Should the Governor and Executive Council not approve this request, the Department would not be able to process the monthly charges for Administrative reviews, Automatic Prior Authorizations, and Clinical Reviews that are related to the drug claims. If the administrative charges are not paid in a timely manner this would cause a delay in processing drug claims for New Hampshire Medicaid recipients.

Geographic Area to be Served: Statewide

Funding for this request is General Funds 25% and Federal Funds 75%.

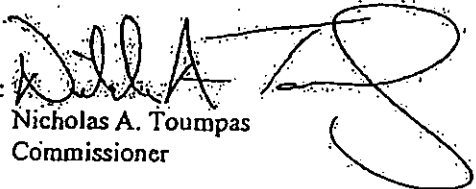
In the event that federal funds become no longer available, additional general funds will not be requested to support this agreement.

Respectfully submitted,



Kathleen A. Dunn, MPH
Associate Commissioner
Medicaid Director

Approved by:



Nicholas A. Toumpas
Commissioner

1007



STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF MEDICAID BUSINESS AND POLICY

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Nicholas A. Toumpas
Commissioner

Kathleen A. Dunn
Associate Commissioner

May 8, 2013

Approved by GTC
Date 6-5-13
Page _____
Item # 82
Contract # _____

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Executive Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Health and Human Services, Office of Medicaid Business and Policy to enter into a contract amendment (Amendment 2) of an existing contract (Purchase Order # 1008933), with Magellan Medicaid Administration, Inc., (formerly First Health Services Corporation), formerly of 4300 Cox Road, now located at 110113 West Broad Street Glen Allen, VA 23060 (Vendor # 175784), to manage pharmacy benefits for the Medicaid Program by increasing the price limitation by \$750,000.00 from \$10,003,445.00 to an amount not to exceed \$10,753,445.00 effective June 1, 2013, or the date of Governor and Executive Council approval, whichever is later. This agreement was originally approved by Governor and Executive Council on June 9, 2010, Item # 82 and amended on June 20, 2012 Item # 65. Funds are available in the following account for State Fiscal Year 2013 with authority to adjust amounts if needed and justified between State Fiscal Years.

05-95-95-956010-6143 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS:
COMMISSIONER, OFF MEDICAID & BUSINESS POLICY, PHARMACY SERVICES

<u>State Fiscal Year</u>	<u>Class/Account</u>	<u>Class Title</u>	<u>Current Modified Budget</u>	<u>Increase/ (Decrease)</u>	<u>Revised Modified Budget</u>
2011	102/500731	Contracts for Program Services	\$2,640,669.00	\$0.00	\$2,640,669.00
2012	102/500731	Contracts for Program Services	\$3,110,697.00	\$0.00	\$3,110,697.00
2013	102/500731	Contracts for Program Services	\$2,828,034.00	\$750,000.00	\$3,578,034.00
2014	102/500731	Contracts for Program Services	\$1,424,045.00	\$0.00	\$1,424,045.00
			\$10,003,445.00	\$750,000.00	\$10,753,445.00

EXPLANATION

The purpose of this amendment is to increase the price limitation for State Fiscal Year 2013, update the Contractor address, and to update the process of the contractor returning state dated payments to the State of New Hampshire. There has been an increase in the need for services provided by the vendor due to an increase in the number of Medicaid clients. Magellan Medicaid Administration Inc., (formerly First Health Services

Amendment 2

Magellan Medicaid Administration Inc. (formerly known as First Health Services Corporation)

Page 2 of 4

Corporation), is a subsidiary of Magellan Behavioral Health, Inc., which is a subsidiary of Magellan Health Services, Inc, a publicly traded corporation.

The increase in price limitation is the result of an increase in the need for services provided by the vendor due to an increase in the number of Medicaid clients, and system transition work that was completed for processing the drug interface file from the legacy Medicaid Management Information System, New Hampshire Advanced Information Management, to the new Medicaid Management Information System Health Enterprise system. The increase in New Hampshire Medicaid Members was due to the inclusion of the Children's Health Insurance Program population in New Hampshire Medicaid. The increased population has caused an increase in the number of claims per month, and increased demands for Administrative reviews, Automatic Prior Authorizations, and Clinical Reviews.

This contract provides Pharmacy Benefits Management services to the State of New Hampshire in its administration of the Medicaid pharmacy program. This contract provides pharmacy claims management, pharmacy benefits management, drug rebate management, a call center, prior authorization services, and formulary management to assure the availability of the most effective pharmaceuticals at the most efficient price to New Hampshire Medicaid patients. These services enable the State of New Hampshire to continue to improve the quality of beneficiary health while managing the high cost of pharmaceuticals.

This amendment will raise the price limitation of this contract by \$750,000.00 to allow the vendor to continue to manage the Medicaid preferred drug list and the supplemental and the Centers for Medicare and Medicaid Services drug rebate programs. The vendor monitors the new drugs to market and makes recommendations to the Department regarding the most suitable management strategy to assure clinically appropriate and cost efficient drug utilization. This contract will continue to support the electronic prescribing for Medicaid recipients, which began on July 1, 2008. Electronic prescribing reduces medical errors, improves clinical adherence to pharmacy management strategies, and improves health outcomes. All the other terms and conditions of the original contract remain the same.

Competitive Bidding

This contract is the result of a competitive bidding process. The Department released a Request For Proposals on June 30, 2009. The request for proposal was advertised in the New Hampshire Union Leader through July 2, 2009, listed on both the Department of Health and Human Services' and Department of Administrative Services' websites, and directly mailed to sixty-six (66) vendors who expressed interest in bidding on the request for proposal. Four (4) proposals were received and evaluated by a committee of six (6) individuals in response to the request for proposal. The four bidders included HealthTrans, University of Massachusetts Medical School with MedMetrics Health Partners, Inc., Goold Health Systems, and Magellan Medicaid Administration Inc., (formerly First Health Services Corporation).

Magellan Medicaid Administration Inc., (formerly First Health Services Corporation), achieved the highest evaluation and was selected (bid summary attached). Additionally, the evaluation committee was confident that, given its prior eight years of performance in New Hampshire, Magellan Medicaid Administration Inc., (formerly First Health Services Corporation), would continue to succeed in its ability to maintain aggressive drug pricing and a high level of proficiency in program administration. Final scoring results are attached as Attachment 1.

Should the Governor and Executive Council not approve this request, the Department would not be able to process the monthly charges for Administrative reviews, Automatic Prior Authorizations, and Clinical

Amendment 2

Magellan Medicaid Administration Inc. (formerly known as First Health Services Corporation)

Page 3 of 4

Reviews that are related to the drug claims. If the administrative charges are not paid in a timely manner this would cause a delay in processing drug claims for New Hampshire Medicaid recipients.

Geographic Area to be Served: Statewide

Funding for this request is General Funds 25% and Federal Funds 75%.

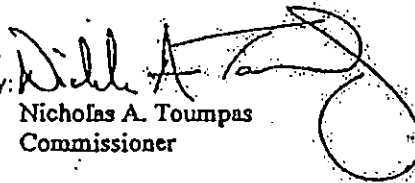
In the event that federal funds become no longer available, additional general funds will not be requested to support this agreement.

Respectfully submitted,



Kathleen A. Dunn, MPH
Associate Commissioner, Medicaid Director

Approved by:



Nicholas A. Toumpas
Commissioner

SAD



STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF MEDICAID BUSINESS AND POLICY

129 PLEASANT STREET, CONCORD, NH 03301-3857
603-271-9384 1-800-852-3340 Ext. 9384
Fax: 603-271-8431 TDD Access: 1-800-735-2964

Nicholas A. Toumpas
Commissioner

Kathleen A. Dunn
Director

Approved by GTC
Date 6-20-12
Page _____
Item # 1165
Contract # _____

May 15, 2012

His Excellency, Governor John H. Lynch
and the Honorable Executive Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Health and Human Services, Office of Medicaid Business and Policy to enter into a contract amendment (amendment 1) of an existing contract (Purchase Order # 1008933), with First Health Services Corporation (d/b/a Magellan Medicaid Administration, Inc.), 4300 Cox Road, Glen Allen, VA 23060 (Vendor # 175784), to manage pharmacy benefits for the Medicaid Program by increasing the price limitation by \$211,020.00 from \$9,792,425.00 to an amount not to exceed \$10,003,445.00 effective June 1, 2012, or the date of Governor and Executive Council approval, whichever is later. This agreement was originally approved by Governor and Council on June 9, 2010, Item # 82. Funds are available in the following account for FY 2012 with authority to adjust amounts if needed and justified between State Fiscal Years.

05-95-95-956010-6143 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, BHS:
COMMISSIONER, OFF MEDICAID & BUSINESS POLICY, PHARMACY SERVICES

State Fiscal Year	Class/Object	Class Title	Current Modified Budget	Increase/Decrease	Revised Modified Budget
2011	102/500731	Contracts for Program Services	\$2,640,669.00	\$0.00	\$2,640,669.00
2012	102/500731	Contracts for Program Services	\$2,899,677.00	\$211,020.00	\$3,110,697.00
2013	102/500731	Contracts for Program Services	\$2,828,034.00	\$0.00	\$2,828,034.00
2014	102/500731	Contracts for Program Services	\$1,424,045.00	\$0.00	\$1,424,045.00
			\$9,792,425.00	\$211,020.00	\$10,003,445.00

EXPLANATION

The purpose of this amendment is to increase the price limitation for State Fiscal Year 2012, change the name of the Contractor from First Health Services Corporation to Magellan Medicaid Administration, Inc. and update State contact information. First Health Services Corporation (d/b/a Magellan Medicaid Administration, Inc.) is a subsidiary of Magellan Behavioral Health, Inc., which is a subsidiary of Magellan Health Services, Inc, a publicly traded corporation. The name change is not a result in change of ownership.

The increase in price limitation is the result of an increase in the need for services provided by the vendor due to an increase in the number of Medicaid clients. This has caused an increase in the number of claims per month, and increased demands for Administrative reviews, Automatic Prior Authorizations, and Clinical Reviews. As of October 1, 2011 the State adopted a FastMAC pricing algorithm, which updates the

His Excellency John H. Lynch
and the Honorable Executive Council
May 15, 2012
Page 2 of 3

Maximum Allowable Cost for a drug on a weekly basis. Previously the State updated the Maximum Allowable Cost pricing on a monthly basis. This has increased the monthly cost of the contract by \$16,667.00 per month for State Fiscal Year 2012. As a result of the FastMac pricing algorithm, the state has saved an average of \$734,685.00 on a monthly basis since its implementation in the drug expense line item.

This contract provides Pharmacy Benefits Management services to the State of New Hampshire in its administration of the Medicaid pharmacy program. This contract provides pharmacy claims management, pharmacy benefits management, drug rebate management, a call center, prior authorization services, and formulary management to assure the availability of the most effective pharmaceuticals at the most efficient price to New Hampshire Medicaid patients. These services enable the State of New Hampshire to continue to improve the quality of beneficiary health while managing the high cost of pharmaceuticals.

This amendment will raise the price limitation of this contract by \$211,020.00 to allow the vendor to continue to manage the Medicaid preferred drug list and the supplemental and the Centers for Medicare and Medicaid Services drug rebate programs. The vendor monitors the new drugs to market and makes recommendations to the Department regarding the most suitable management strategy to assure clinically appropriate and cost efficient drug utilization. This contract will continue to support the electronic prescribing for Medicaid recipients, which began on July 1, 2008. Electronic prescribing reduces medical errors, improves clinical adherence to pharmacy management strategies, and improves health outcomes. All the other terms and conditions of the original contract remain the same.

Competitive Bidding

This contract is the result of a competitive bidding process. The Department released a Request For Proposals on June 30, 2009. The request for proposal was advertised in the New Hampshire Union Leader through July 2, 2009, listed on both the Department of Health and Human Services' and Department of Administrative Services' websites, and directly mailed to sixty-six (66) vendors who expressed interest in bidding on the request for proposal. Four (4) proposals were received and evaluated by a committee of six (6) individuals in response to the request for proposal. The four bidders included HealthTrans, University of Massachusetts Medical School with MedMetrics Health Partners, Inc., Gold Health Systems, and First Health Services Corporation.

First Health Services Corporation (d/b/a Magellan Medicaid Administration Inc.) achieved the highest evaluation and was selected (bid summary attached). Additionally, the evaluation committee was confident that, given its prior eight years of performance in New Hampshire, First Health would continue to succeed in its ability to maintain aggressive drug pricing and a high level of proficiency in program administration. Final scoring results are attached as Attachment 1.

Should the Governor and Executive Council not approve this request, the Department would not be able to process the monthly charges for Administrative reviews, Automatic Prior Authorizations, and Clinical Reviews that are related to the drug claims. If the administrative charges are not paid in a timely manner this would cause a delay in processing drug claims for New Hampshire Medicaid recipients.

His Excellency John H. Lynch
and the Honorable Executive Council
May 15, 2012
Page 3 of 3

Geographic Area to be Served: Statewide

Funding for this request is General Funds 25% and Federal Funds 75%.

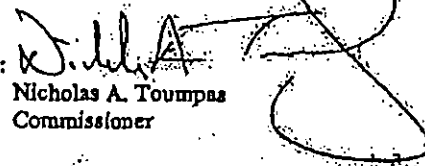
In the event that federal funds become no longer available, additional general funds will not be requested to support this agreement.

Respectfully submitted,



Kathleen A. Dunn, MPH
Director

Approved by:



Nicholas A. Toumpas
Commissioner



Nicholas A. Trovasso
Commissioner

Kathleen A. Dunn
Director

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF MEDICAID BUSINESS AND POLICY

129 PLEASANT STREET, CONCORD, NH 03301-8857
603-271-8168 1-800-852-3845 Ext. 8168
Fax: 603-271-8431 TDD Access: 1-800-735-2864

His Excellency, Governor John H. Lynch
and the Honorable Executive Council
State House
Concord, New Hampshire 03301

May 1, 2010
Approved by 6-1-C
Date 6-9-10
Page _____
Item No. 82

V 175784
PO # 108933
1008933

REQUESTED ACTION

Authorize the New Hampshire Department of Health and Human Services, Office of Medicaid Business and Policy (OMBP), to enter into a contract with First Health Services Corporation, 4300 Cox Road, Glen Allen, VA 23060 (Vendor # 175784), to manage pharmacy benefits for the Medicaid Program from ~~07/01/2010~~ 07/01/2010 to ~~06/30/2014~~ 06/30/2014. The price limitation for this contract is \$9,792,425, effective July 1, 2010, or the date of Governor and Council approval, whichever is later. Funds are available in the following account for SFY 2011. Funding for FY 2012, FY 2013 and FY 2014 through December 31, 2013 is contingent upon the availability and continued appropriation of funds with the authority to adjust amounts if needed and justified between State Fiscal Years.

05-95-95-956010-6134 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS,
HHS COMMISSIONER, OFF MEDICAID & BUSINESS POLICY, MEDICAID CLAIMS MANAGEMENT
SYB

State Fiscal Year	Account Number	Description	Current Amount
2011	010 095 61340000 102 500731	Medicaid Contracts	\$2,640,669
2012	010 095 61340000 102 500731	Medicaid Contracts	\$2,892,677
2013	010 095 61340000 102 500731	Medicaid Contracts	\$2,828,034
2014	010 095 61340000 102 500731	Medicaid Contracts	\$1,424,045
	Total		\$9,792,425

EXPLANATION

The purpose of the above requested action is to allow First Health Services Corporation to provide Pharmacy Benefits Management (PBM) services to the State of New Hampshire in its administration of the Medicaid pharmacy program. This contract will provide pharmacy claims management, pharmacy benefits management, drug rebate management, a call center, prior authorization services, and formulary management to assure the availability of the most effective pharmaceuticals at the most efficient price to New Hampshire Medicaid patients. These services will enable the State of New Hampshire to continue to improve the quality of beneficiary health while managing the high cost of pharmaceuticals.

Under the terms of the contract, First Health Services Corporation is required to demonstrate savings in the State of New Hampshire's total drug expenditures attributable to this contract. First Health Services Corporation will report savings on a quarterly basis as the average cost of a prescription, net of Center for Medicare and Medicaid Services OBRA90 drug rebates and supplemental drug rebates compared to contractually-stipulated quarterly targets. OMBP will independently verify that the drug cost savings has been

His Excellency John H. Lynch
and the Honorable Executive C.

May 1, 2010

Page 2 of 5

achieved. If drug cost savings have not been achieved, First Health Services Corporation will be obligated to pay back up to 20% of their administrative fees for the related period. In addition to its financial performance, OMBP will monitor First Health's administrative services. Failure to satisfactorily perform contracted administrative services, such as accuracy of claims payment, rebate and other scheduled reporting, and timely prior authorizations, will result in the collection of liquidated damages from the vendor.

Under the proposed contract, First Health Services Corporation shall continue to manage the Medicaid preferred drug list and the supplemental and the CMS drug rebate programs, both of which have yielded significant drug cost savings to the State of New Hampshire. The drug rebate programs have brought in over \$41 million dollars of general fund revenues in the 12-month period ending February 2010. The net average cost per script has decreased despite manufacturer price increases in the past year, largely because of aggressive rebate management. Additionally, First Health Services Corporation monitors the new drugs to market and makes recommendations to the Department regarding the most suitable management strategy to assure clinically appropriate and cost efficient drug utilization. This contract will continue to support the electronic prescribing for Medicaid recipients begun on July 1, 2008. Electronic prescribing reduces medical errors, improves clinical adherence to pharmacy management strategies, and improves health outcomes.

Several innovations are included in this contract which will enhance the effectiveness and efficiency of the pharmacy benefit management program as it currently exists, including the development of a highly secure, web based provider interface that will allow prescribers to review patient drug histories, an additional option to electronically prescribe medications and enhanced compliance with all utilization management programs. The web-based provider portal will assist in reducing provider administrative burdens and facilitate the transition to full electronic health information exchange. Additionally, highly secure web access will be developed to enable beneficiaries' participation in health management by knowing what medications have been prescribed for them and in having access to clinical information about their drugs. Enhancements in the Coordination of Benefits/Retrospective Coordination of Benefits program to include access to a reference database of third party payers, will improve both real time cost avoidance and additional recoveries from other insurers. Expanding the Maximum Allowable Cost list to include specialty pharmacy products will create a stable reimbursement strategy and price controls for very high cost medications. An Interactive Voice Response telephone system will be developed for many incoming prior authorization requests, enhancing the clinical integrity and speed while decreasing some of the provider burden and administrative costs associated with utilization management. The development of web-based claims submission and a web-based remittance advice will improve the accuracy of claims payment and reporting. Improved denied prior authorization follow-up will assure that beneficiaries do not go without needed medications.

Pricing for this contract continues the current administrative payment strategy in which OMBP reimburses First Health Services Corporation for claims processing services. A fixed fee of \$1.49 ("claims processing rate") will be paid to First Health Services Corporation for each completed and paid drug claim only, eliminates payments for denied or voided claims. This claims processing rate includes all administrative services except for those related to e-prescribing and the clinical review of prior authorization requests. New Hampshire anticipates the volume of paid claims will increase from 1.5 million to over 1.7 million claims each year over the three years of the contract due to increased enrollment in the Medicaid program. The cost per clinical review reflects a lower per unit cost than in the previous First Health Services Corporation contract. Currently, there are over 12,000 clinical reviews and almost 10,000 automated reviews annually. OMBP anticipates an increase in the number of automated reviews to over 30,000 as the aforementioned enhancements to the prior authorization processes are completed and adopted by prescribers. Automated prior authorization reviews cost half the amount of the clinician reviews and are, given the technology associated, reimbursed at an enhanced federal match. Through this price reduction and greater electronic utilization management, the Department anticipates a decrease in administrative fees with this contract when compared to the prior contract. By analyzing the various components of this PBM contract and maximizing federal reimbursement rates of 75%

His Excellency John H. Lynch
and the Honorable Executive Council
May 1, 2010
Page 3 of 5

where applicable, OMBP anticipates an overall federal reimbursement of 71% of the total pharmacy program costs.

As the incumbent vendor, First Health Services Corporation, is already engaged in building the necessary interfaces for the new MMIS agent. This will provide a seamless transition to the new MMIS system thus assuring stable access for Medicaid beneficiaries to pharmacy services.

This contract is the result of a competitive bidding process. The Department released a Request for Proposals (RFP) on June 30, 2009. The RFP (#10-OMB-PBM-01) was advertised in the New Hampshire Union Leader on June 30, July 1 and 2, 2009, listed on both the DHHS' and Department of Administrative Services' websites, and directly mailed to sixty-six (66) vendors who expressed interest in bidding on the RFP. On July 20, 2009 the Department received twelve (12) Letters of Intent in response to the RFP. The Commissioner appointed an evaluation committee consisting of six (6) individuals, internal and external to the Medicaid program, to score the proposals (Table 1 attached). On September 28, 2009, four (4) proposals were received in response to the RFP. The four bidders included HealthTrans, University of Massachusetts Medical School with McMorris Health Partners, Inc., Gold Health Systems, and First Health Services Corporation.

The Evaluation Team concluded that First Health Services Corporation was more likely than the other three bidders to be successful in balancing utilization management and pricing strategies, proposing competitive administrative costs when compared to the other vendor's proposals, executing the most innovative programs, and being the most successful in implementing through the State's fiscal agent transition. Additionally, the evaluation committee was confident that, given the prior eight years of performance in New Hampshire, First Health would continue to succeed in its ability to maintain aggressive drug pricing and a high level of proficiency in program administration. Final scoring results are as follows:

Bidder	Final Score
First Health Services Corporation	167.3
Gold Health Systems	132.1
University of Massachusetts Medical School/Med McMorris Health Partners, Inc.	101.9
HealthTrans	77.0

Approval of this contract will provide the New Hampshire Medicaid Program with a stable yet modernized program to maintain access to needed medications, accurate processing of pharmacy claims, optimize Medicaid financial resources through improvements in efficiency and pricing, and allow provider and patients secure access to health care information.

The area served by the Contract is statewide.

Funding for this request is General Funds 29% and Federal Funds 71%.

In the event that Federal Funds become no longer available, additional General Funds will not be requested to support this agreement.

Respectfully submitted,


Kathleen A. Dunn

Kathleen A. Dunn, MPH

Director

His Excellency John H. Lynch
and the Honorable Executive Council
May 1, 2010
Page 4 of 5

Approved by:


Nicholas A. Tounis
Commissioner

The Department of Health and Human Services' Mission is to join communities and families in providing opportunities for citizens to achieve health and independence.



Jeffrey A. Meyers
Commissioner

Lisa M. Morris
Director

26 mac

STATE OF NEW HAMPSHIRE 3:26 DAS
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF PUBLIC HEALTH SERVICES

29 HAZEN DRIVE, CONCORD, NH 03301
603-271-4501 1-800-852-3345 Ext. 4501
Fax: 603-271-4827 TDD Access: 1-800-735-2964
www.dhhs.nh.gov

April 25, 2019

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division of Public Health, to amend an existing sole source agreement with Magellan Medicaid Administration, Inc., (Vendor #175784), 11013 West Broad Street, Suite 500, Glen Allen, Virginia 23060 for the provision of Pharmacy Benefit Management services by increasing the price limitation by \$198,730 from \$2,753,442 to \$2,952,172 and by extending the contract completion date from June 30, 2019 to December 31, 2019, effective upon Governor and Executive Council approval. 100% Other Funds.

This agreement was originally approved by the Governor and Executive Council on June 19, 2013, Item #90, and subsequently amended on June 1, 2016, Item #23.

Funds are anticipated to be available in SFY 2020, upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts within the price limitation and adjust encumbrances between State Fiscal Years through the Budget Office if needed and justified, without approval from Governor and Executive Council.

05-95-90-902510-2229 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: DIVISION OF PUBLIC HEALTH, BUREAU OF INFECTIOUS DISEASE CONTROL, PHARMACEUTICAL REBATES

SFY	CLASS	TITLE	ACTIVITY CODE	BUDGET	INCREASE	MODIFIED BUDGET
2014	103-502664	Contracts for Prq Svs	90024603	\$803,730	\$0	\$803,730
2015	103-502664	Contracts for Prq Svs	90024603	\$402,672	\$0	\$402,672
2016	103-502664	Contracts for Prq Svs	90024603	\$416,760	\$0	\$416,760
2017	103-502664	Contracts for Prq Svs	90024603	\$376,760	\$0	\$376,760
2018	103-502664	Contracts for Prq Svs	90024603	\$376,760	\$0	\$376,760
2019	103-502664	Contracts for Prq Svs	90024603	\$376,760	\$0	\$376,760
2020	103-502664	Contracts for Prq Svs	90024603	\$0	\$198,730	\$198,730
			Totals	\$2,753,442	\$198,730	\$2,952,172

EXPLANATION

This original contract is sole source because the vendor was already under contract with the New Hampshire Department of Health and Human Services for pharmacy benefit management services for New Hampshire Medicaid. The Contractor was providing the State with a nearly identical service such that design and implementation costs for the Ryan White Program Pharmacy Benefit

Management system were greatly reduced as a result of entering into the original sole source contract. The startup cost of considering another vendor to provide these services is approximated to be \$450,000. Finally, Magellan has internal HIV and AIDS Drug Assistance Program (ADAP) expertise that benefit the Ryan White Program overall.

The purpose of this request is to extend contract services with Magellan for the continuation of Pharmacy Benefit Management Services (PBMS) for individuals with Human Immunodeficiency Virus (HIV) served by the New Hampshire Ryan White Comprehensive Acquired Immune Deficiency Syndrome Resource Emergency Act Program, known as the Ryan White Program. The contract is being extended six (6) months so that it will be on the same contracting schedule as the PBMS for the Division of Medicaid Services so that the two contracts can be combined into one.

The PBMS is responsible for processing payment for prescription drugs for eligible clients. Pharmaceutical manufacturer rebates paid to the Ryan White Program under the Federal 340B Drug Pricing Program are utilized to pay for the expenses of the Pharmacy Benefit Management System.

The Department is satisfied with the services provided by Magellan Medicaid Administration because they provide timely resolution to client medication access needs; they provide excellent customer service; and they meet all service level agreements. Therefore, the Department is seeking approval to extend contracted services in order to ensure continued processing of payments for prescription drugs to eligible clients.

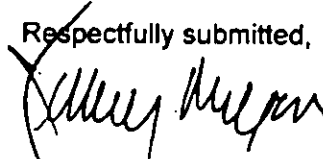
Should Governor and Executive Council not approve this request, the Ryan White Program would be forced to return to the inefficient paper-based system previously used to process payment of approximately 13,000 prescriptions from 175 pharmacies statewide, annually. Apart from a considerable amount of work that would be associated with reverting to a manual process, pharmacies may refuse to provide medications requested by paper, which could result in clients not being able to fill their prescriptions.

Area Served: Statewide

Source of Funds: 100% Other Funds (340B Pharmaceutical Rebates)

In the event that Other Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



Jeffrey A. Meyers
Commissioner



STATE OF NEW HAMPSHIRE
DEPARTMENT OF INFORMATION TECHNOLOGY
27 Hazen Dr., Concord, NH 03301
Fax: 603-271-1516 TDD Access: 1-800-735-2964
www.nh.gov/doit

Denis Goulet
Commissioner

May 2, 2019

Jeffrey A. Meyers, Commissioner
Department of Health and Human Services
State of New Hampshire
129 Pleasant Street
Concord, NH 03301

Dear Commissioner Meyers:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to enter into a sole source amendment with Magellan Medicaid Administration, Vendor 175784, of Glen Allen, VA, as described below and referenced as DoIT No. 2013-073B.

This is a request to enter into a sole source contract amendment to provide Pharmacy Benefit Management services to individuals with Human Immunodeficiency Virus served by the New Hampshire Ryan White Comprehensive Acquired Immune Deficiency Syndrome Resources Emergency Act Program, known as the Ryan White Program.

This amendment will increase the contract price by \$198,730 from \$2,753,442 to \$2,952,172 and extend the contract end date from June 30, 2019 to December 31, 2019, effective upon Governor and Executive Council approval.

A copy of this letter should be included with the Department of Health and Human Services' submission to the Governor and Executive Council.

Sincerely,

Denis Goulet

DG/kaf/ck
DoIT #2013-073B

cc: Bruce Smith, IT Manager, DoIT



State of New Hampshire
Department of Health and Human Services
Amendment #2 to the NH AIDS Drug Assistance Program
Pharmacy Benefit Management System Contract

This 2nd Amendment to the NH AIDS Drug Assistance Program Pharmacy Benefit Management System contract (hereinafter referred to as "Amendment #2") is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Magellan Medicaid Administration, Inc. (hereinafter referred to as "the Contractor"), a corporation with a place of business 11013 West Broad Street, Ste. 500 Glen Allen, VA 23060. MMA

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 19, 2013 (Item #90) and amended on June 1, 2016 (Item #23), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

WHEREAS, the State and the Contractor have agreed to make changes to the scope of work, payment schedules and terms and conditions of the contract; and

WHEREAS, pursuant to the Agreement – Part I (Form P-37, General Provisions), Paragraph 18, the State may modify the scope of work and the payment schedule of the contract upon written agreement of the parties and approval from the Governor and Executive Council; and

WHEREAS, the parties agree to extend the Contract for six (6) Months and increase the price limitation; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree to amend as follows:

1. Form P-37, General Provisions, Block 1.7, Completion Date, to read:
12/31/2019
2. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:
\$2,952,172
3. Form P-37, General Provisions, Block 1.9, Contracting Officer for State Agency, to read:
Nathan D. White, Director.
4. Form P-37, General Provisions, Item 1.10, State Agency Telephone Number, to read:
(603) 271-9631.
5. Contract Agreement – Part 2, Section 1, Contract Documents, Subsection 1.3, Contract Term, to read:

The Contract and all obligations of the parties hereunder shall become effective after full execution by the parties, and the receipt of required governmental approvals, including, but not limited to, Governor and Executive Council of the State of New Hampshire approval ("Effective Date").

The Contract shall begin on the Effective Date and extend through 12/31/2019.

6. Exhibit B, Price and Payment Schedule, Section 1, Deliverable Payment Schedule, Subsection 1.1, Firm Fixed Price, to read:

**New Hampshire Department of Health and Human Services
NH AIDS Drug Assistance Program Pharmacy Benefit Management System**



This is a Firm Fixed Price (FFP) Contract totaling \$2,952,172 for the period between the effective date and 12/31/2019. The source of funds shall be Other Funds, primarily drug manufacturers' rebates collected under the 340B Drug Pricing Program for drugs purchased by NH ADAP, Magellan shall be responsible for performing its obligations in accordance with the Contract. This Contract shall allow Magellan to invoice the State for the following activities, Deliverables, or milestones at fixed pricing/rates appearing in the price and payment table below:

State Fiscal Year (SFY)	(SFY14) 7/1/13- 6/30/14	(SFY15) 7/1/14- 6/30/15	(SFY16) 7/1/15- 6/30/16	Totals
Annual Fee	\$803,730	\$402,672	\$416,760	\$1,623,162
State Fiscal Year (SFY)	(SFY17) 7/1/16- 6/30/17	(SFY18) 7/1/17- 6/30/18	SFY19) 7/1/18- 6/30/19	
Annual Fee	\$376,760	\$376,760	\$376,760	\$1,130,280
State Fiscal Year (SFY)	(SFY20) 7/1/19- 12/31/19			
Annual Fee	\$198,730			\$198,730
			Contract Total	\$2,952,172

7. Add Exhibit X, NH DHHS Standard Exhibit K, DHHS Information Security Requirements.
8. Add Attachment 2 – Data Sharing Agreement.



This amendment shall be effective upon the date of Governor and Executive Council approval.
IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire
Department of Health and Human Services

4/29/19
Date

[Signature]
Name LISA MORRIS
Title DIRECTOR, DPHS

Magellan Medicaid Administration, Inc.

4-23-19
Date

[Signature]
Name Meredith Delk
Title GM & SUP, Govt. Markets

Acknowledgement:

State of Virginia, City of Va. Beach on 4-23-19, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

[Signature]
Name and Title of Notary or Justice of the Peace
Notary Public

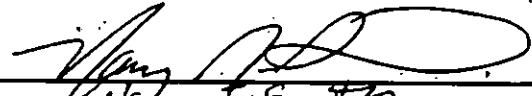




The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

5/23/2019
Date


Name: Nancy J. Smith
Title: Sr. Asst. Atty General

I hereby certify that the foregoing Amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: _____ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

**New Hampshire Department of Health and Human Services
Exhibit X
NH DHHS Standard Exhibit K
DHHS Information Security Requirements**



A. Definitions

The following terms may be reflected and have the described meaning in this document:

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.
3. "Confidential Information" or "Confidential Data" means all confidential information disclosed by one party to the other such as all medical, health, financial; public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.
5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.
6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic mail,

MP

4-23-19

**New Hampshire Department of Health and Human Services
Exhibit X
NH DHHS Standard Exhibit K
DHHS Information Security Requirements**



all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification or destruction.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.
8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.
9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.
11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.
12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

1. The Contractor must not use, disclose, maintain or transmit Confidential Information except as reasonably necessary as outlined under this Contract. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. The Contractor must not disclose any Confidential Information in response to a request

New Hampshire Department of Health and Human Services
Exhibit X
NH DHHS Standard Exhibit K
DHHS Information Security Requirements



for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.

3. If DHHS notifies the Contractor that DHHS has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Contractor must be bound by such additional restrictions and must not disclose PHI in violation of such additional restrictions and must abide by any additional security safeguards.
4. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
5. The Contractor agrees DHHS Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
6. The Contractor agrees to grant access to the data to the authorized representatives of DHHS for the purpose of inspecting to confirm compliance with the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If End User is transmitting DHHS data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. End User may not use computer disks, or portable storage devices, such as a thumb drive, as a method of transmitting DHHS data.
3. Encrypted Email. End User may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If End User is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. End User may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. End User may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If End User is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. End User may not transmit Confidential Data via an open wireless network. End User must employ a virtual private network (VPN) when

**New Hampshire Department of Health and Human Services
Exhibit X
NH DHHS Standard Exhibit K
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remotely transmitting via an open wireless network.

9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

The Contractor will only retain the Confidential Data and any derivative of the Confidential Data for the duration of this Contract. After such time, the Contractor will have 30 days to destroy the Confidential Data and any derivative in whatever form it may exist, unless, otherwise required by law or permitted under this Contract. If it is infeasible to return or destroy the Confidential Data, protections pursuant to this Information Security Requirements Exhibit survive this contract. Notwithstanding the above, Magellan may retain copies of any such Confidential Data necessary to comply with applicable professional actuarial standards and requirements for archival and work product documentation, retention, and destruction. This condition is subject to the protections of this Exhibit which survive this contract. To this end, the Contractor must:

A. Retention

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting Department confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have

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currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

1. If the Contractor will maintain any Confidential Information on its systems (or its sub-contractor systems), the Contractor will maintain a documented process for securely disposing of such data upon request or contract termination; and will obtain written certification for any State of New Hampshire data destroyed by the Contractor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure deletion and media sanitization, or otherwise physically destroying the media (for example, degaussing) as described in NIST Special Publication 800-88, Rev 1, Guidelines for Media Sanitization, National Institute of Standards and Technology, U. S. Department of Commerce. The Contractor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification will include all details necessary to demonstrate data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the State and Contractor prior to destruction.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
3. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

IV. PROCEDURES FOR SECURITY

- A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:
 1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
 2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation,

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New Hampshire Department of Health and Human Services
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transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.
4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.
6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.
7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.
8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.
9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.
10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.
11. Data Security Breach Liability. In the event of any security breach Contractor shall

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New Hampshire Department of Health and Human Services
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make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doi/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
 - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
 - b. safeguard this information at all times.
 - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
 - d. send emails containing Confidential Information only if encrypted and being sent

[Handwritten Signature]
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to and being received by email addresses of persons authorized to receive such information.

- e. limit disclosure of the Confidential Information to the extent permitted by law.
- f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).
- g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.
- h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.
- i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

Contractor is responsible for oversight and compliance of their End Users. DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

V. LOSS REPORTING

The Contractor must notify the State's Privacy Officer and Security Officer of any Security Incidents and Breaches immediately, at the email addresses provided in Section VI.

In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and procedures, Contractor's procedures must also address how the Contractor will:

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and
5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation

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measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

VI. PERSONS TO CONTACT

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov

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**STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF PUBLIC HEALTH SERVICES
CONTRACT 2013-073 PHARMACY BENEFITS MANAGEMENT SYSTEM
ATTACHMENT 2 – MAGELLAN EXECUTION OF NH AIDS Drug Assistance Program
(ADAP) DATA SHARING AGREEMENT (DSA) WITH THE CENTERS
FOR MEDICARE & MEDICAID SERVICES (CMS)**

1. OVERVIEW

- 1.1. This service is required by the Health Services and Resources Administration (HRSA) as part of the Ryan White HIV CARE Program per its Corrective Action Plan dated March 7, 2018.
- 1.2. CMS developed the CMS Data Sharing process to collect information on payers other than Medicare in order that each beneficiary's payment can be tracked through the annual phases of the Medicare Part D benefit plan.
- 1.3. NH AIDS Drug Assistance Program (ADAP) is recognized as a payer on behalf of the Medicare beneficiary.
- 1.4. This process requires that NH ADAP sends eligibility data to CMS electronically on a monthly basis.
- 1.5. The Contractor shall be responsible for the process in Subsection 1.4, above, using data collected by its point-of-sale system for pharmacy benefit management.
- 1.6. The process guarantees that NH ADAP is credited for all funds paid on behalf of the ADAP client/Medicare Part D beneficiary.

2. DATA SHARING REQUIREMENTS

- 2.1. The Contractor shall create an extract of all NH ADAP members and send all historical data to CMS for three (3) full years.
- 2.2. The Contractor shall send CMS data on a monthly basis for all ADAP-eligible clients with claims payments data in accordance with CMS Data Sharing Agreement specifications.
- 2.3. The Contractor shall receive and process response files from CMS on ADAP clients, which includes updating the adjudication system with information from the response file.
- 2.4. The Contractor shall provide non-match/denied records to clients from the CMS response files.
- 2.5. The Contractor shall ensure that disclosure of extracts of members, data relating to eligible clients and claims, and all client and member information created, collected, disclosed, and sent to CMS shall include the minimum amount of protected health information and individually identifiable information needed to fulfill the applicable data sharing requirement.
- 2.6. CMS shall be responsible for maintaining, storing, and using protected health information and individually identifiable information received as part of this data sharing pursuant to all applicable federal privacy and confidentiality laws.

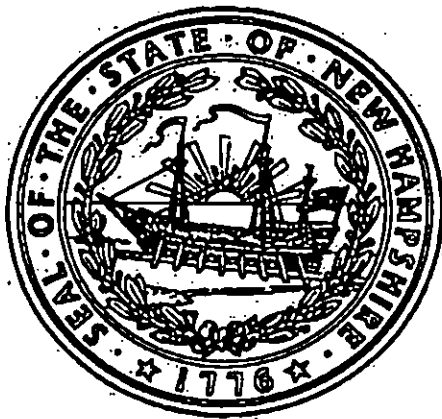
State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that MAGELLAN MEDICAID ADMINISTRATION, INC. is a Virginia Profit Corporation registered to transact business in New Hampshire on November 05, 2004. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 375715

Certificate Number: 0004499646



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 17th day of April A.D. 2019.

A handwritten signature in cursive script, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

I, Daniel N. Gregoire, do hereby certify that:


1: I am a duly elected Officer of Magellan Medicaid Administration, Inc. (the "Agency").

2: The following is a true copy of the resolution duly adopted by Written Consent of the Board of Directors of the Agency duly held on March 21, 2019:

RESOLVED: That the Senior Vice President and General Manager, is hereby authorized on behalf of this Agency to enter into the said contract with the State and to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable or appropriate.

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 23rd day of April, 2019.

4. Meredith Delk is the duly elected Senior Vice President and General Manager of the Agency.



Daniel N. Gregoire, Secretary

STATE OF CONNECTICUT

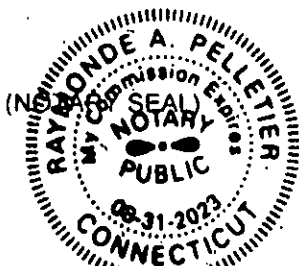
County of Hartford

The forgoing instrument was acknowledged before me this 26th day of April, 2019,

By Daniel N. Gregoire.



(Notary Public/Raymonde A. Pelletier)



Commission Expires: 08-31-2023



CERTIFICATE OF LIABILITY INSURANCE

6/17/2019

DATE (MM/DD/YYYY)

9/13/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Lockton Companies 1185 Avenue of the Americas, Suite 2010 New York NY 10036 646-572-7300	CONTACT NAME: _____ PHONE (AC, Ho, Ext): _____ FAX (AC, Ho): _____ E-MAIL ADDRESS: _____													
	<table border="1"> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> <tr> <td>INSURER A: Lexington Insurance Company</td> <td>19437</td> </tr> <tr> <td>INSURER B: Liberty Mutual Fire Insurance Company</td> <td>23035</td> </tr> <tr> <td>INSURER C: Liberty Insurance Corporation</td> <td>42404</td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Lexington Insurance Company	19437	INSURER B: Liberty Mutual Fire Insurance Company	23035	INSURER C: Liberty Insurance Corporation	42404	INSURER D:		INSURER E:		INSURER F:
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INSURER C: Liberty Insurance Corporation	42404													
INSURER D:														
INSURER E:														
INSURER F:														
INSURED 1345009 MAGELLAN HEALTH, INC. 4800 N. SCOTTSDALE ROAD SCOTTSDALE AZ 85251														

COVERAGES MAGHE01 CERTIFICATE NUMBER: 14050295 REVISION NUMBER: XXXXXXXX

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDITIONAL INSURED	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GENL. AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER: _____	Y	N	7055341	6/17/2018	6/17/2019	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (E.A. OCCURRENCE) \$ 50,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 1,000,000 \$
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY <input checked="" type="checkbox"/> COMP. \$1,000 <input checked="" type="checkbox"/> COLL. \$1,000	Y	N	AS2-651-004219-118	10/1/2018	10/1/2019	COMBINED SINGLE LIMIT (E.A. ACCIDENT) \$ 1,000,000 BODILY INJURY (Per person) \$ XXXXXXXX BODILY INJURY (Per accident) \$ XXXXXXXX PROPERTY DAMAGE (Per accident) \$ XXXXXXXX \$ XXXXXXXX
A	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> CLAIMS-MADE DED: _____ RETENTION \$: _____	N	N	7055342	6/17/2018	6/17/2019	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000 \$ XXXXXXXX
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	WC7-651-004219-108	10/1/2018	10/1/2019	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A A A	MANAGECARE LIAB. CLAIMS MADE	N	N	01-436-33-29 SIR applies per policy terms & conditions	6/17/2018	6/17/2019	\$10,000,000 per Med Incident \$10,000,000 Aggregate

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: Insured: Magellan Medicaid Administration, Inc. - New Hampshire Department of Health and Human Services is included as additional insured under liability policies.

CERTIFICATE HOLDER

14050295
 NEW HAMPSHIRE DEPARTMENT OF HEALTH
 AND HUMAN SERVICES
 129 PLEASANT STREET
 CONCORD NH 03301-3852

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Michael A. Calabrese

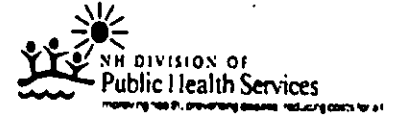


Jeffrey A. Meyers
Commissioner

Marcella Jordan Boblasky
Acting Director

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES

29 HAZEN DRIVE, CONCORD, NH 03301-6503
603-271-4612 1-800-852-3345 Ext. 4612
Fax: 603-271-4827 TDD Access: 1-800-735-2964



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February 17, 2016

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
State House
Concord, NH 03301

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division of Public Health Services, Bureau of Infectious Disease Control, to exercise a renewal option to an agreement with Magellan Medicaid Administration, Inc., (Vendor #175784), 11013 West Broad Street, Suite 500, Glen Allen, Virginia 23060 for the provision of Pharmacy Benefit Management services by increasing the price limitation by \$1,130,280 from \$1,623,162 to \$2,753,442 and extending the contract completion date from June 30, 2016 to June 30, 2019, effective July 1, 2016 or date of Governor and Executive Council approval, whichever is later. Governor and Executive Council approved the original agreement on June 19, 2013 (item #90). 100% Other Funds.

Funds to support this request are available in the following account in State Fiscal Year 2017 and anticipated to be available in State Fiscal Year 2018 and State Fiscal Year 2019 upon the availability and continued appropriation of funds in the future operating budgets, with the ability to adjust encumbrances between state fiscal years if needed and justified without further approval from the Governor and Executive Council.

05-95-90-902510-2229 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: DIVISION OF PUBLIC HEALTH, BUREAU OF INFECTIOUS DISEASE CONTROL, PHARMACEUTICAL REBATES

FISCAL YEAR	CLASS	TITLE	ACTIVITY CODE	BUDGET	INCREASE	MODIFIED BUDGET
2014	103-502664	Contracts for Prg Svs	90024603	\$803,730		\$803,730
2015	103-502664	Contracts for Prg Svs	90024603	\$402,672		\$402,672
2016	103-502664	Contracts for Prg Svs	90024603	\$416,760		\$416,760
2017	103-502664	Contracts for Prg Svs	90024603		\$376,760	\$376,760
2018	103-502664	Contracts for Prg Svs	90024603		\$376,760	\$376,760
2019	103-502664	Contracts for Prg Svs	90024603		\$376,760	\$376,760
			Sub Totals:	\$1,623,162	\$1,130,280	
					Total	\$2,753,442

The Department of Information Technology is aware of this request. The Department certifies there are no changes to the information technology components of this contract.

EXPLANATION

The purpose of this amendment is to renew contract services which provide Pharmacy Benefit Management services to individuals with Human Immunodeficiency Virus (HIV) served by the New Hampshire Ryan White Comprehensive Acquired Immune Deficiency Syndrome Resource Emergency Act Program, known as the Ryan White Program.

The Pharmacy Benefit Management System is responsible for processing payment for prescription drugs for eligible clients. Pharmaceutical manufacturer rebates paid to the Ryan White Program under the Federal 340B Drug Pricing Program will be utilized to pay for the expenses of the Pharmacy Benefit Management System.

The original contract contained the option to renew for three (3) additional years, contingent upon the satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Executive Council. The Department is satisfied with the services provided by Magellan Medicaid Administration.


Should Governor and Executive Council not approve this request, the Ryan White Program would be forced to return to the insufficient paper-based system previously used to process payment of approximately 13,000 prescriptions yearly from 175 pharmacies statewide.

Area Served: Statewide

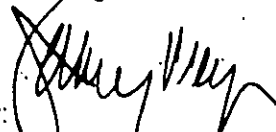
Source of Funds: 100% Other Funds (340B Pharmaceutical Rebates)

In the event that Other Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,


Marcella J. Bobinsky
Acting Director

Approved by:


Jeffrey A. Meyers
Commissioner



State of New Hampshire
Department of Health and Human Services
Amendment #1 to the NH AIDS Drug Assistance Program Pharmacy Benefit Management System

This 1st Amendment to the NH AIDS Drug Assistance Program Pharmacy Benefit Management System contract (hereinafter referred to as "Amendment #1") dated this, January 27, 2016 is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Magellan Medicaid Administration (hereinafter referred to as "the Contractor"), a sole proprietor with a place of business 11013 West Broad Street, Ste. 500 Glen Allen, VA 23060.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 19, 2013 (item #90), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

WHEREAS, the State and the Contractor have agreed to make changes to the scope of work, payment schedules and terms and conditions of the contract; and

WHEREAS, pursuant to the General Provisions, Paragraph 18 of the Agreement, and Attachment 1, Business and Program Requirements, Paragraph 4, the State may renew the contract for three (3) additional years by written agreement of the parties and approval of the Governor and Executive Council; and

WHEREAS, the parties agree to extend the Contract for three (3) additional years and increase the price limitation; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree as follows:

To amend as follows:

1. Form P-37, General Provisions, Item 1.7, Completion Date, to read:
6/30/2019
2. Form P-37, General Provisions, Item 1.8, Price Limitation, to read:
\$2,753,442
3. Form P-37, General Provisions, Item 1.9, Contracting Officer for State Agency, to read:
Eric D. Borrin
4. Form P-37, General Provisions, Item 1.10, State Agency Telephone Number, to read:
(603) 271-9558
5. Contract Agreement – Part 2, Section 1.3 Contract Term to read:

The Contract and all obligations of the parties hereunder shall become effective after full execution by the parties, and the receipt of required governmental approvals, including, but not limited to, Governor and Executive Council of the State of New Hampshire approval ("Effective Date").

The Contract shall begin on the Effective Date and extend through June 30, 2019.

**New Hampshire Department of Health and Human Services
 NH AIDS Drug Assistance Program Pharmacy Benefit Management System**



6. Exhibit B, Price and Payment Schedule, Section 1. Deliverable Payment Schedule, Paragraph 1.1 Firm Fixed Price, to read:

This is a Firm Fixed Price (FFP) Contract totaling \$2,753,442 for the period between the effective date and June 30, 2019. The source of funds shall be Other Funds, primarily drug manufacturers' rebates collected under the 340B Drug Pricing Program for drugs purchased by NH ADAP. Magellan shall be responsible for performing its obligations in accordance with the Contract. This Contract shall allow Magellan to invoice the State for the following activities, Deliverables, or milestones at fixed pricing/rates appearing in the price and payment table below:

State Fiscal Year	SFY17	SFY18	SFY19	Total
Previous SFY	7/1/13-6/30/14	7/1/14-6/30/15	7/1/15-6/30/16	
Amount	\$803,730	\$402,672	\$416,760	\$1,623,162
Dates	7/1/16-6/30/17	7/1/17-6/30/18	7/1/18-6/30/19	
Annual Fee	\$376,760	\$376,760	\$376,760	\$1,130,280
Contract Total				\$2,753,442

7. Delete Exhibit P, NH DHHS Standard Exhibit C, Special Provisions, and replace with Exhibit P, Exhibit C, Amendment #1, Special Provisions.
8. Standard Exhibit R, NH DHHS Standard Exhibit E-Certification Regarding Lobbying, Contract Period, to read:
 From Effective Date to 6/30/2019
9. Delete Exhibit T, NH DHHS Standard Exhibit G, Certification Regarding the Americans with Disabilities Act Compliance, and replace with Exhibit T, NH DHHS Exhibit G, Amendment #1, Certification of Compliance with Requirements Pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower Protections.



**New Hampshire Department of Health and Human Services
NH AIDS Drug Assistance Program Pharmacy Benefit Management System**

This amendment shall be effective upon the date of Governor and Executive Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire
Department of Health and Human Services

3/28/16
Date

[Signature]
NAME
TITLE

Magellan Medicaid Administration

2/11/2016
Date

[Signature]
NAME
TITLE

Acknowledgement:

State of Pennsylvania, County of Lehigh on 3/28/16, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

[Signature]
Name and Title of Notary or Justice of the Peace

Commonwealth of Pennsylvania

NOTARIAL SEAL
Yesenia M Ruiz, Notary Public
Whitehall Township, Lehigh County
My Commission Expires February 8, 2017


**New Hampshire Department of Health and Human Services
NH AIDS Drug Assistance Program Pharmacy Benefit Management System**



The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

Date 4/28/14


Name: Megan A. Pease
Title: Attorney

I hereby certify that the foregoing Amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: _____ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

Date _____

Name: _____
Title: _____



EXHIBIT P

NH DHHS EXHIBIT C, AMENDMENT #1

SPECIAL PROVISIONS

Contractors Obligations: The Contractor covenants and agrees that all funds received by the Contractor under the Contract shall be used only as payment to the Contractor for services provided to eligible individuals and, in the furtherance of the aforesaid covenants, the Contractor hereby covenants and agrees as follows:

1. **Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.
2. **Time and Manner of Determination:** Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.
3. **Documentation:** In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.
4. **Fair Hearings:** The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.
5. **Gratuities or Kickbacks:** The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.
6. **Retroactive Payments:** Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.
7. **Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:
 - 7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;

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- 7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;
- 7.3. Demand repayment of the excess payment by the Contractor in which event failure to make such repayment shall constitute an Event of Default hereunder. When the Contractor is permitted to determine the eligibility of individuals for services, the Contractor agrees to reimburse the Department for all funds paid by the Department to the Contractor for services provided to any individual who is found by the Department to be ineligible for such services at any time during the period of retention of records established herein.

RECORDS: MAINTENANCE, RETENTION, AUDIT, DISCLOSURE AND CONFIDENTIALITY:

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
 - 8.1. **Fiscal Records:** books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
 - 8.2. **Statistical Records:** Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
 - 8.3. **Medical Records:** Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.
9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
 - 9.1. **Audit and Review:** During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
 - 9.2. **Audit Liabilities:** In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.
10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

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Notwithstanding anything to the contrary contained herein the covenants and conditions contained in the Paragraph shall survive the termination of the Contract for any reason whatsoever.

11. **Reports: Fiscal and Statistical:** The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. **Interim Financial Reports:** Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. **Final Report:** A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.
12. **Completion of Services: Disallowance of Costs:** Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.
13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
 - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services; with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.
14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.
15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, bylaws and regulations.
16. **Equal Employment Opportunity Plan (EEO):** The Contractor will provide an Equal Employment Opportunity Plan (EEO) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of \$500,000 or more. If the recipient receives \$25,000 or more and has 50 or more employees, it will maintain a current EEO on file and submit an EEO Certification Form to the OCR, certifying that its EEO is on file. For recipients receiving less than \$25,000, or public grantees

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with fewer than 50 employees, regardless of the amount of the award, the recipient will provide an EEOC Certification Form to the OCR certifying it is not required to submit or maintain an EEOC. Nonprofit organizations, Indian Tribes, and medical and educational institutions are exempt from the EEOC requirement, but are required to submit a certification form to the OCR to claim the exemption. EEOC Certification Forms are available at: <http://www.ojp.usdoj/about/ocr/pdfs/cert.pdf>.

17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.
18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, \$150,000)

CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS (SEP 2013)

- (a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub.L. 112-239) and FAR 3.908.
- (b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.
- (c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.
19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions. When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:
- 19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
 - 19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
 - 19.3. Monitor the subcontractor's performance on an ongoing basis
 - 19.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
 - 19.5. DHHS shall, at its discretion, review and approve all subcontracts. If the Contractor identifies deficiencies or areas for improvement are identified, the Contractor shall take corrective action.



DEFINITIONS

As used in the Contract, the following terms shall have the following meanings:

COSTS: Shall mean those direct and indirect items of expense determined by the Department to be allowable and reimbursable in accordance with cost and accounting principles established in accordance with state and federal laws, regulations, rules and orders.

DEPARTMENT: NH Department of Health and Human Services.

FINANCIAL MANAGEMENT GUIDELINES: Shall mean that section of the Contractor Manual which is entitled "Financial Management Guidelines" and which contains the regulations governing the financial activities of contractor agencies which have contracted with the State of NH to receive funds.

PROPOSAL: If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the Services to be provided to eligible individuals by the Contractor in accordance with the terms and conditions of the Contract and setting forth the total cost and sources of revenue for each service to be provided under the Contract.

UNIT: For each service that the Contractor is to provide to eligible individuals hereunder, shall mean that period of time or that specified activity determined by the Department and specified in Exhibit B of the Contract.

FEDERAL/STATE LAW: Wherever federal or state laws, regulations, rules, orders, and policies, etc. are referred to in the Contract, the said reference shall be deemed to mean all such laws, regulations, etc. as they may be amended or revised from the time to time.

CONTRACTOR MANUAL: Shall mean that document prepared by the NH Department of Administrative Services containing a compilation of all regulations promulgated pursuant to the New Hampshire Administrative Procedures Act, NH RSA Ch 541-A, for the purpose of implementing State of NH and federal regulations promulgated thereunder.

SUPPLANTING OTHER FEDERAL FUNDS: The Contractor guarantees that funds provided under this Contract will not supplant any existing federal funds available for these services.



EXHIBIT T

NH DHHS EXHIBIT G, AMENDMENT #1

CERTIFICATION OF COMPLIANCE WITH REQUIREMENTS PERTAINING TO
FEDERAL NONDISCRIMINATION, EQUAL TREATMENT OF FAITH-BASED ORGANIZATIONS AND
WHISTLEBLOWER PROTECTIONS

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

Contractor will comply, and will require any subgrantees or subcontractors to comply, with any applicable federal nondiscrimination requirements, which may include:

- the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. Section 3789d) which prohibits recipients of federal funding under this statute from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act requires certain recipients to produce an Equal Employment Opportunity Plan;
- the Juvenile Justice Delinquency Prevention Act of 2002 (42 U.S.C. Section 5672(b)) which adopts by reference, the civil rights obligations of the Safe Streets Act. Recipients of federal funding under this statute are prohibited from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act includes Equal Employment Opportunity Plan requirements;
- the Civil Rights Act of 1964 (42 U.S.C. Section 2000d, which prohibits recipients of federal financial assistance from discriminating on the basis of race, color, or national origin in any program or activity);
- the Rehabilitation Act of 1973 (29 U.S.C. Section 794), which prohibits recipients of Federal financial assistance from discriminating on the basis of disability, in regard to employment and the delivery of services or benefits, in any program or activity;
- the Americans with Disabilities Act of 1990 (42 U.S.C. Sections 12131-34), which prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation;
- the Education Amendments of 1972 (20 U.S.C. Sections 1681, 1683, 1685-86), which prohibits discrimination on the basis of sex in federally assisted education programs;
- the Age Discrimination Act of 1975 (42 U.S.C. Sections 6106-07), which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance. It does not include employment discrimination;
- 28 C.F.R. pt. 31 (U.S. Department of Justice Regulations – OJJDP Grant Programs); 28 C.F.R. pt. 42 (U.S. Department of Justice Regulations – Nondiscrimination, Equal Employment Opportunity, Policies and Procedures); Executive Order No. 13279 (equal protection of the laws for faith-based and community organizations); Executive Order No. 13559, which provide fundamental principles and policy-making criteria for partnerships with faith-based and neighborhood organizations;
- 28 C.F.R. pt. 38 (U.S. Department of Justice Regulations – Equal Treatment for Faith-Based Organizations); and Whistleblower protections 41 U.S.C. §4712 and The National Defense Authorization Act (NDAA) for Fiscal Year 2013 (Pub. L. 112-239, enacted January 2, 2013) the Pilot Program for Enhancement of Contract Employee Whistleblower Protections, which protects employees against reprisal for certain whistle blowing activities in connection with federal grants and contracts.

The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for

Exhibit T, NH DHHS Standard Exhibit G, Amendment #1

Certification of Compliance with requirements pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower protections

Contractor Initials

CSK

Date

2/11/14



suspension of payments, suspension or termination of grants, or government wide suspension or debarment.

In the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, religion, national origin, or sex against a recipient of funds, the recipient will forward a copy of the finding to the Office for Civil Rights, to the applicable contracting agency or division within the Department of Health and Human Services, and to the Department of Health and Human Services Office of the Ombudsman.

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Contractor agrees to comply with the provisions indicated above.

2/11/2016
Date

Contractor Name:

[Signature]
Name:
Title:

BSA

2/11/16

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Nicholas A. Tompao
Commissioner

Josef Thier Montero
Director

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES

29 HAZEN DRIVE, CONCORD, NH 03301-6527
603-271-4517 1-800-852-3345 Ext. 4517
Fax: 603-271-4519 TDD Access: 1-800-735-2964



May 15, 2013

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
State House
Concord, New Hampshire 03301

Sole Source
100% other (rebates)

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division of Public Health Services, Bureau of Infectious Disease Control, Infectious Disease Prevention, Investigation and Care Services Section, to enter into a sole source agreement with Magellan Medicaid Administration, Inc., Vendor #175784, 11013 West Broad Street, Suite 500, Glen Allen, Virginia 23060, in an amount not to exceed \$1,623,162.00, to provide Pharmacy Benefit Management services to individuals with Human Immunodeficiency Virus served by the New Hampshire Ryan White Comprehensive Acquired Immune Deficiency Syndrome Resources Emergency Act Program, known as the Ryan White Program, statewide, to be effective July 1, 2013 or date of Governor and Council approval, whichever is later, through June 30, 2016.

Funds are anticipated to be available in SFY 2014, SFY 2015, and SFY 2016 based upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts within the price limitation and amend the related terms of the contract without further approval from Governor and Executive Council.

05-95-90-902510-2229 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS:
DIVISION OF PUBLIC HEALTH, BUREAU OF INFECTIOUS DISEASE CONTROL, PHARMACEUTICAL
REBATES

Fiscal Year	Class/Object	Class Title	Job Number	Total Amount
SFY 2014	103-502664	Contracts for Program Services	90024603	\$803,730.00
SFY 2015	103-502664	Contracts for Program Services	90024603	\$402,672.00
SFY 2016	103-502664	Contracts for Program Services	90024603	\$416,760.00
			Total	\$1,623,162.00

EXPLANATION

New Hampshire Department of Health and Human Services elected to pursue a sole source contact with Magellan Medicaid Administration, Inc. because the vendor is already under contract with the New Hampshire Department of Health and Human Services for pharmacy benefit management services for New Hampshire Medicaid, and is providing the State with a nearly identical service. Design and implementation costs of the Ryan White Program Pharmacy Benefit Management system are greatly reduced as a result.

Funds in this agreement will be used to implement a pharmacy benefit management system for the Ryan White Program and to process payment for prescription drugs for eligible clients. The Ryan White Program's core mission is to improve health outcomes for persons living with human immunodeficiency virus, and specifically to maximize the percentage of human immunodeficiency virus-infected New Hampshire residents receiving evidence-based medical care, case management, and necessary medications. A core part of fulfilling this mission is payment by the Program for prescription medications needed by these individuals.

The Program's current payment process to pharmacies is fax and paper-based, and requires the manual entry, management and payment of approximately 13,000 prescriptions per year as dispensed by 175 pharmacies statewide. To improve efficiency and data integrity and to fulfill federal Health Resources and Services Administration requirements, the Department seeks to engage Magellan Medicaid Administration, Inc. to utilize its Pharmacy Benefit Management system to automate what is an increasingly cumbersome and inefficient system.

The vendor will be responsible for the configuration and implementation of the Ryan White Program pharmacy benefit management system and shall act as the State's fiscal agent for these services. The vendor will provide all of the system's functional components and meet the Program's requirements. The company has a proven record of dependable performance in the services it provides New Hampshire Medicaid. Pharmaceutical manufacturer rebates paid to the Ryan White Program under the Federal 340B Drug Pricing Program will be utilized to pay for 100% of the expenses of the Pharmacy Benefit Management system.

The SFY 2014 total \$414,678 for system development and implementation and \$389,052 for first year claims processing. The SFY 2015 and SFY 2016 totals are flat fees for claims processing, regardless of volume.

Should Governor and Executive Council not authorize this Request, the Ryan White Program will not have the ability to improve efficiency and financial integrity to fulfill Federal and State expectations and requirements.

This Agreement has the option to renew for three (3) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council. This is the initial agreement between the Ryan White Program and the Vendor for these services.

The following performance measures will be used to measure the effectiveness of the agreement.

- Annually, 95% of claims are correctly applied to the Ryan White Program (no other insurance or coverage was available at the prescription fill date).
- Annually, 95% of medication insurance denials are correctly paid by the Ryan White Program at the New Hampshire Medicaid rate (includes all medications except for those on the Ryan White Program exclusion list).

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
May 15, 2012
Page 3

Area served: Statewide

Source of Funds: 100% Other Funds (340B Pharmaceutical Rebates).

In the event that the Other Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



José Thier Montero, MD
Director

Approved by:



Nicholas A. Toumpas
Commissioner

JTM/cc



STATE OF NEW HAMPSHIRE
DEPARTMENT OF INFORMATION TECHNOLOGY

27 Hazen Dr., Concord, NH 03301
Fax: 603-271-1516 TDD Access: 1-800-735-2964
www.nh.gov/doi

Peter C. Hastings
Acting Commissioner

April 19, 2013

Nicholas Toumpas, Commissioner
State of New Hampshire
Department of Health and Human Services
129 Pleasant Street
Concord, NH 03301-3857

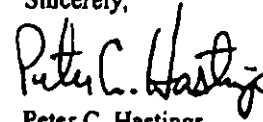
Dear Commissioner Toumpas:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to enter into a contract with Magellan Medicaid Administration, Vendor 175784, of Glen Allen, VA, as described below and referenced as DoIT No. 2013-073.

This is a request to enter into a contract to provide Pharmacy Benefit Management services to individuals with Human Immunodeficiency Virus served by the New Hampshire Ryan White Comprehensive Acquired Immune Deficiency Syndrome Resources Emergency Act Program, known as the Ryan White Program. The contract shall become effective upon Governor and Council approval, through June 30, 2016, in an amount not to exceed \$1,623,162.00.

A copy of this letter should be included with the Department of Health and Human Services' submission to the Governor and Executive Council.

Sincerely,


Peter C. Hastings

PCH/lm
Contract #2013-073

CC: Chris Cullinan, DHHS.
Sarah McPhee, DHHS
Leslie Mason, DoIT

SSM
WFB

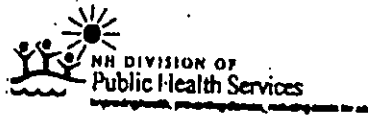


Nicholas A. Tompaso
Commissioner

Jose Taler Montano
Director

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES

29 HAZEN DRIVE, CONCORD, NH 03301-4527
603-271-4502 1-800-852-3345 Ext. 4502
Fax: 603-271-4934 TDD Access: 1-800-735-2964



April 24, 2013

Peter C. Hastings
Acting Commissioner/CIO
Department of Information Technology
27 Hazen Drive
Concord, New Hampshire 03301

Requested Action and Explanation

The Department of Health and Human Services (DHHS), Division of Public Health Services (DPHS), Bureau of Infectious Disease Control, respectfully requests the Department of Information Technology's approval of a sole source agreement with Magellan Medicaid Administration, Inc. (Vendor #175784), 11013 West Broad Street, Suite 500, Glen Allen, VA 23060, to provide pharmacy benefit management (PBM) services to individuals with Human Immunodeficiency Virus (HIV) served by the New Hampshire Ryan White Comprehensive Acquired Immune Deficiency Syndrome Resources Emergency (CARE) Act Program, known as the Ryan White Program, statewide, to be effective July 1, 2013 or date of Governor and Council approval, whichever is later, through June 30, 2016 in an amount not to exceed \$1,623,162.00.

Funds are available in the following account for SFY 2014 and are anticipated to be available in SFY 2015 and SFY 2016 based upon the availability and continued appropriation of funds in the future operating budgets with authority to adjust amounts if needed and justified between State Fiscal Years.

05-95-90-902510-2229 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: DIVISION OF PUBLIC HEALTH, BUREAU OF INFECTIOUS DISEASE CONTROL, PHARMACEUTICAL REBATES

Fiscal Year	Class/Object	Class Title	Job Number	Total Amount
SFY 2014	103-502664	Contracts for Program Services*	90024603	\$803,730.00
SFY 2015	103-502664	Contracts for Program Services	90024603	\$402,672.00
SFY 2016	103-502664	Contracts for Program Services	90024603	\$416,760.00
			Total	\$1,623,162.00

* SFY 2014 amount is the total of \$414,678 for the development and implementation of the system plus \$389,052 for processing fee for the first year: 7/1/13 to 6/30/14. Each annual fee is a flat amount regardless of the volume of claims processed.

EXPLANATION

The Ryan White Program's core mission is to improve health outcomes for persons living with HIV, and specifically to maximize the percentage of HIV-infected New Hampshire residents receiving evidence-based medical care, case management, and necessary medications. A core part of fulfilling this mission is payment by the Program for prescription medications needed by these individuals.

~~The Program's current payment process to pharmacies is fax and paper-based, and requires the manual entry, management and payment of approximately 13,000 prescriptions per year as dispensed by over 175 pharmacies statewide. To improve efficiency and data integrity and to fulfill federal Health Resources Services Administration (HRSA) requirements, DHHS seeks to engage Magellan Medicaid Administration, Inc. to utilize its Pharmacy Benefit Management (PBM) solution to automate what is an increasingly cumbersome and inefficient system.~~

NH DHHS elected to pursue a sole source contract with Magellan Medicaid Administration, Inc. because the vendor is already under contract with DHHS for pharmacy benefit management services for NH DHHS' Office of Medicaid Business and Policy (OMBP), and is providing the State with a nearly identical service. Design and implementation costs of the Ryan White Program PBM system are greatly reduced as a result. The vendor will be responsible for the configuration, and implementation of the Ryan White Program PBM system and shall act as the State's fiscal agent for these services. The vendor will provide all of the system's functional components and meet the Program's requirements. The company has a proven record of dependable performance in the services it provides OMBP. Manufacturer rebates paid to the Ryan White Program under the Federal 340B Drug Pricing Program will be utilized to pay for 100% of the expenses of the PBM solution.

This Agreement has the option to renew for three (3) additional year(s), contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council. This is the initial agreement with this Vendor for these services.

Prior Related Actions

No previous Related Actions.

Alternatives and Benefits

The proposed solution will eliminate most of the paperwork and dramatically reduce the staff time devoted to data entry, filing, payment processing and reporting. The overall result will be increased efficiency and lower administrative costs for the Program, and for the pharmacies that serve Ryan White Program clients. The automated PBM system would also provide the benefit of dealing with a single vendor, rather than with over 175 individual pharmacies.

The current paper-based system was created in the mid 1990s and has continued virtually unchanged since then. There are few alternatives to a pharmacy benefit management system other than to continue the current manual process. At best the Ryan White Program would continue to pay excessive administrative costs for an obsolete paper-based system for claims processing.

Impact on Other State Agencies and Municipalities

None anticipated.

Open Standards

An open source software PBM (POS, Reporting, Call Center, etc.) solution was not considered since the State is leveraging the existing OMBP PBM solution already in place through Magellan and there is not commercially viable open source PBM solution product suite in the market place. Magellan is able to offer this service to DHHS at a substantially reduced cost. Magellan guarantees that the State will have access to its data in compliance with RSA 21-R:13.

Supporting Documentation

NH Department of Health and Human Services, Division of Public Health Services, Pharmacy Benefits Management System Contract 2013-073

Summary of Requested Action

Date of most recently approved NHITP: _____	October 21, 2005
NHITP Initiative / Project Name: _____	N/A
NHITP Initiative / Project Number: _____	N/A
A&E System Request ID: _____	N/A
Requisition Information:	
Vendor Name	Magellan Medicaid Administration, Inc.

Funding Sources and Amounts:

	*Object Code(s)	FY2014	FY2015	FY2016	Total
STATE					
FEDERAL					
OTHER (340B Drug Rebates)	502664	\$803,730.00	\$402,672.00	\$416,760.00	\$1,623,162.00
TOTAL		\$803,730.00	\$402,672.00	\$416,760.00	\$1,623,162.00

CONTACT PERSON:

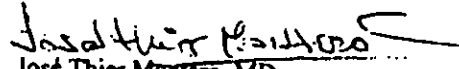
Christopher Cullinan
NH DHHS, DPHS, BIDC, ID PICS Section
29 Hazen Drive
Concord, NH 03301
Telephone: 603-271-4480
Fax : (603) 271-4934
ccullinan@dhhs.state.nh.us

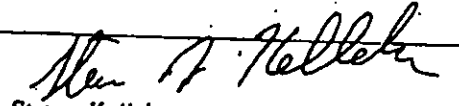
Peter C. Hastings
4/22/2013
Page 4 of 4

CERTIFICATION

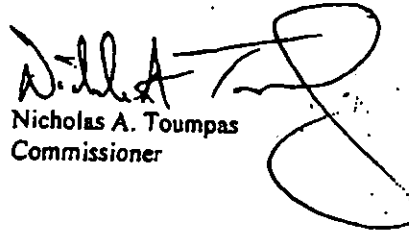
The undersigned hereby certify that the information provided in this document and any attachments is complete and accurate and that alternatives to the solution defined in this document have been appropriately considered.

Respectfully submitted,


José Thier Montero, MD
Director


Steven Kelleher
Information Technology Manager, DHHS
NH Department of Information Technology

Approved by:


Nicholas A. Toumpas
Commissioner

CC: Leslie Mason, IT Manager
Martha Wells, Business Systems Liaison
Brook Dupee, Bureau Chief
Donna Mombourquette, ID-PICS Section Chief
Sarah McPhee, Program Manager

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
PHARMACY BENEFIT MANAGEMENT SYSTEM CONTRACT
CONTRACT 2013-046
AGREEMENT- PART 1

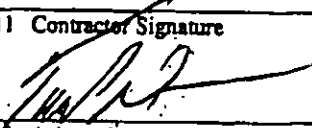


Subject: NH AIDS Drug Assistance Program Pharmacy Benefit Management System

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name New Hampshire Department of Health and Human Services Division of Public Health Services		1.2 State Agency Address 29 Hazen Drive, Concord NH 03301	
1.3 Contractor Name Magellan Medicaid Administration		1.4 Contractor Address 11013 West Broad St. Ste. 500 Glen Allen, VA 23060	
1.5 Contractor Phone Number 804-548-0100	1.6 Account Number 05-95-90-902510-2229-103-502664	1.7 Completion Date 06/30/2016	1.8 Price Limitation \$1,623,162
1.9 Contracting Officer for State Agency Lisa L. Bujno, MSN, APRN Bureau Chief		1.10 State Agency Telephone Number 603-271-4501	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Timothy P. Nolan, President	
1.13 Acknowledgement: State of New Hampshire ^{Virginia} , County of Merrimack ^{Henrico} On <u>4/30/2013</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  (Seal) My Commission Expires <u>5/30/2014</u> Registration No. <u>322352</u>			
1.13.2 Name and Title of Notary or Justice of the Peace Francene W. Anderson, Notary Public			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Lisa L. Bujno, Bureau Chief	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By: <u>Kevin P. Herrick</u> <u>Kevin P. Herrick, Attorney</u> On: <u>27 May 2013</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROVISION OF ALL MATERIALS AND LABOR NECESSARY FOR THE PROVISION OF THE WORK UNDER THIS CONTRACT. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROVISION OF ALL MATERIALS AND LABOR NECESSARY FOR THE PROVISION OF THE WORK UNDER THIS CONTRACT.

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STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF PUBLIC HEALTH SERVICES
CONTRACT 2013-073 PHARMACY BENEFITS MANAGEMENT SYSTEM
CONTRACT AGREEMENT - PART 2

TERMS AND DEFINITIONS

The following general contracting terms and definitions apply except as specifically noted elsewhere in this document.

Acceptance	Notice from the State that a Deliverable has satisfied Acceptance Test or Review.
Acceptance Letter	An Acceptance Letter provides notice from the State that a Deliverable has satisfied Acceptance Tests or Review.
Acceptance Period	The timeframe during which the Acceptance Test is performed
Acceptance Test and Review	Tests performed to determine that no Defects exist in the application Software or the System
Acceptance Test Plan	The Acceptance Test Plan provided by Magellan and agreed to by the State that describes at a minimum, the specific Acceptance process, criteria, and Schedule for Deliverables.
ADAP	The term "ADAP" refers to the New Hampshire AIDS Drug Assistance Program, administered by the NH CARE Program within the NH Division of Public Health Services.
Agreement	A contract duly executed and legally binding.
Appendix	Supplementary material that is collected and appended at the back of a document
CCP	Change Control Procedures
Certification	Magellan's written declaration with full supporting and written Documentation (including without limitation test results as applicable) that Magellan has completed development of the Deliverable and certified its readiness for applicable Acceptance Testing or Review
Change Control	Formal process for initiating changes to the proposed solution or process once development has begun.
Change Order	Formal documentation prepared for a proposed change in the Specifications.
CM	Configuration Management
Confidential Information	Information required to be kept Confidential from unauthorized disclosure under the Contract
Contract	This Agreement between the State of New Hampshire and a Vendor, which creates binding obligations for each party to perform as specified in the Contract Documents.
Contract Conclusion	Refers to the conclusion of the Contract, for any reason, including but not limited to, the successful Contract completion, termination for convenience, or termination for default.
Contract Documents	Documents that comprise this Contract (See Contract Agreement, Section 1.1)
Contractor	The term "Contractor" means (Magellan Health Services Inc.).
COTS	Commercial Off-The-Shelf Software
CR	Change Request

STATE OF NEW HAMPSHIRE
 DEPARTMENT OF HEALTH AND HUMAN SERVICES
 DIVISION OF PUBLIC HEALTH SERVICES
 CONTRACT 2013-073 PHARMACY BENEFITS MANAGEMENT SYSTEM
 CONTRACT AGREEMENT - PART 2

Cure Period	The thirty (30) day period following written notification of a default within which a Magellan must cure the default identified.
Custom Code	Code developed by Magellan specifically for this project for the State of New Hampshire
Custom Software	Software developed by Magellan specifically for this project for the State of New Hampshire
Data	State's records, files, forms, Data and other documents or information, in either electronic or paper form, that will be used /converted by Magellan during the Contract Term
DBA	Database Administrator
Deficiencies/Defects	A failure, deficiency or defect in a Deliverable resulting in a Deliverable, the Software, or the System, not conforming to its Specifications. <i>Class A Deficiency - Software</i> - Critical, does not allow System to operate, no work around, demands immediate action; <i>Written Documentation</i> - missing significant portions of information or unintelligible to State; <i>Non Software</i> - Services were inadequate and require re-performance of the Service. <i>Class B Deficiency - Software</i> - important, does not stop operation and/or there is a work around and user can perform tasks; <i>Written Documentation</i> - portions of information are missing but not enough to make the document unintelligible; <i>Non Software</i> - Services were deficient, require reworking, but do not require re-performance of the Service. <i>Class C Deficiency - Software</i> - minimal, cosmetic in nature, minimal effect on System, low priority and/or user can use System; <i>Written Documentation</i> - minimal changes required and of minor editing nature; <i>Non Software</i> - Services require only minor reworking and do not require re-performance of the Service.
Deliverable	A Deliverable is any Written, Software, or Non-Software Deliverable (letter, report, manual, book, other), provided by Magellan to the State or under the terms of a Contract requirement.
Department	An agency of the State
Department of Information Technology (DoIT)	The Department of Information Technology established under RSA 21-R by the Legislature effective September 5, 2008.
Digital Signature	Guarantees the unaltered state of a file
Documentation	All information that describes the installation, operation, and use of the Software, either in printed or electronic format.
Effective Date	The Contract and all obligations of the parties hereunder shall become effective on the date the Governor and the Executive Council of the State of New Hampshire approves the Contract
Encryption	Supports the encoding of data for security purposes
Enhancements	Updates, additions, modifications to, and new releases for the Software, and all changes to the Documentation as a result of

2013-073 DHHS Pharmacy Benefits Management Contract-Part 2

Initial All Pages: YPN Date 4/20/12
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STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF PUBLIC HEALTH SERVICES
CONTRACT 2013-073 PHARMACY BENEFITS MANAGEMENT SYSTEM
CONTRACT AGREEMENT - PART 2

	Enhancements, including, but not limited to, Enhancements produced by Change Orders
Federal Upper Limit	The term "Federal Upper Limit" means the maximum amount that Medicaid can reimburse for a drug product as established by CMS.
Firm Fixed Price Contract	A Firm-Fixed-Price Contract provides a price that is not subject to increase, i.e., adjustment on the basis of Magellan's cost experience in performing the Contract
Implementation	The process for making the System fully Operational for processing the Data.
Implementation Plan	Sets forth the transition from development of the System to full operation, and includes without limitation, training, business and technical procedures.
Information Technology (IT)	Refers to the tools and processes used for the gathering, storing, manipulating, transmitting, sharing, and sensing of information including, but not limited to, Data processing, computing, information systems, telecommunications, and various audio and video technologies
Invoking Party	In a dispute, the party believing itself aggrieved
Key Project Staff	Personnel identified by the State and by Magellan as essential to work on the Project.
Magellan/Vendor	Magellan whose proposal or quote was awarded the Contract with the State and who is responsible for the Services and Deliverables of the Contract.
NH ADAP Medical Advisory Board (MAB)	NH ADAP Medical Advisory Board (MAB) is the group of stakeholders, including doctors, healthcare professionals and consumers of HIV services that consults with NH ADAP staff and make clinical and business decisions for the program.
Normal Business Hours	Normal Business Hours - 8:00 a.m. to 5:00 p.m. EST, Monday through Friday excluding State of New Hampshire holidays. State holidays are: New Year's Day, Martin Luther King Day, President's Day, Memorial Day, July 4 th , Labor Day, Veterans Day, Thanksgiving Day, the day after Thanksgiving Day, and Christmas Day. Specific dates will be provided
Notice to Proceed (NTP)	The State Contract Manager's written direction to Magellan to begin work on the Contract on a given date and time
Open Data Formats	A data format based on an underlying Open Standard.
Open Source Software	Software that guarantees the user unrestricted use of the Software as defined in RSA 21-R:10 and RSA 21-R:11.
Open Standards	Specifications for the encoding and transfer of computer data that is defined in RSA 21-R:10 and RSA 21-R:13.
Operating System	System is fully functional, all Data has been loaded into the System, is available for use by the State in its daily operations.
Operational	Operational means that the System is operating and fully functional, all Data has been loaded; the System is available for use by the State in its daily operations, and the State has issued an

2013-073 DHHS Pharmacy Benefits Management Contract-Part 2

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STATE OF NEW HAMPSHIRE
 DEPARTMENT OF HEALTH AND HUMAN SERVICES
 DIVISION OF PUBLIC HEALTH SERVICES
 CONTRACT 2013-073 PHARMACY BENEFITS MANAGEMENT SYSTEM
 CONTRACT AGREEMENT - PART 2

	Acceptance Letter
Order of Precedence	The order in which Contract/Documents control in the event of a conflict or ambiguity. A term or condition in a document controls over a conflicting or ambiguous term or condition in a document that is lower in the Order of Precedence
Prescriber	The term "Prescriber" means the authorized individual writing the prescription for the recipient.
Prior Authorization (PA)	The term "Prior Authorization" or "PA" means the pre-claim submission approval that shall be given to Providers by Magellan's clinical call center for a specified client for any drug that is subject to PA restrictions.
Project	The planned undertaking regarding the entire subject matter of an RFP and Contract and the activities of the parties related hereto.
Project Management Plan	A document that describes the processes and methodology to be employed by Magellan to ensure a successful Project.
Project Managers	The persons identified who shall function as the State's and Magellan's representative with regard to Review and Acceptance of Contract Deliverables, invoice sign-off, and Review and approval of Change Requests (CR) utilizing the Change Control Procedures (CCP)
Project Staff	State personnel assigned to work with Magellan on the Project
Project Team	The group of State employees and Magellan's personnel responsible for managing the processes and mechanisms required such that the Services are procured in accordance with the Work Plan on time, on budget and to the required specifications and quality
Proposal	The submission from a Vendor in response to the Request for a Proposal or Statement of Work
Prospective Drug Utilization Review (ProDUR)	The term "Prospective Drug Utilization Review" or "ProDUR" means the provision of certain information, on-line, to authorized Providers prior to filling a prescription.
Provider	The term "Provider" means an enrolled NH ADAP provider of pharmacy or medical services.
Regression Test Plan	A plan integrated into the Work Plan used to ascertain whether fixes to Defects have caused errors elsewhere in the application/process.
Retrospective Drug Utilization Review (RetroDUR)	The term "Retrospective Drug Utilization Review" or "RetroDUR" means the review of Provider dispensing patterns and client use of drugs.
Review	The process of reviewing Deliverables for Acceptance
Review Period	The period set for Review of a Deliverable. If none is specified then the Review Period is five (5) business days.
RFP (Request for Proposal)	A Request For Proposal solicits Proposals to satisfy State functional requirements by supplying data processing product and/or Service

2013-073 DHHS Pharmacy Benefits Management Contract-Part 2

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STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF PUBLIC HEALTH SERVICES
CONTRACT 2013-073 PHARMACY BENEFITS MANAGEMENT SYSTEM
CONTRACT AGREEMENT - PART 2

	resources according to specific terms and conditions
Role/Privilege Management	Supports the granting of abilities to users or groups of users of a computer, application or network
Schedule	The dates described in the Work Plan for deadlines for performance of Services and other Project events and activities under the Contract
Services	The work or labor to be performed by Magellan on the Project as described in the Contract.
Software	All custom Software and COTS Software provided by Magellan under the Contract.
Software Deliverables	COTS Software and Enhancements
Software License	Licenses provided to the State under this Contract
Solution	The Solution consists of the total Solution, which includes, without limitation, Software and Services, addressing the requirements and terms of the Specifications. The off-the-shelf Software and configured Software customized for the State provided by Magellan in response to this RFP.
Specifications	The written Specifications that set forth the requirements which include, without limitation, this RFP, the Proposal, the Contract, any performance standards, Documentation, applicable State and federal policies, laws and regulations, State technical standards, subsequent State-approved Deliverables, and other Specifications and requirements described in the Contract Documents. The Specifications are, by this reference, made a part of the Contract as though completely set forth herein.
State	STATE is defined as: State of New Hampshire NH DHHS, AIDS Drug Assistance Program Bureau of Infectious Disease Control 29 Hazen Drive Concord, NH 03301 Reference to the term "State" shall include applicable agencies
State Data	Any information contained within State systems in electronic or paper format.
State Fiscal Year (SFY)	The New Hampshire State Fiscal Year extends from July 1 st through June 30 th of the following calendar year
State Project Leader	State's representative with regard to Project oversight
State's Project Manager (PM)	State's representative with regard to Project management and technical matters. Agency Project Managers are responsible for Review and Acceptance of specific Contract Deliverables, invoice sign off, and Review and approval of a Change Proposal (CP).
Statement of Work (SOW)	A Statement of Work clearly defines the basic requirements and objectives of a Project. The Statement of Work also defines a high level view of the architecture, performance and design requirements, the roles and responsibilities of the State and Magellan. The Contract Agreement SOW defines the results that Magellan remains responsible and accountable for achieving.
Subcontractor	A person, partnership, or company not in the employment of, or owned by, Magellan, which is performing Services under this

2013-073 DHHS Pharmacy Benefits Management Contract-Part 2

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STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF PUBLIC HEALTH SERVICES
CONTRACT 2013-073 PHARMACY BENEFITS MANAGEMENT SYSTEM
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System	Contract under a separate Contract with or on behalf of Magellan All Software, specified hardware, and interfaces and extensions, integrated and functioning together in accordance with the Specifications.
TBD	To Be Determined
Term	Period of the Contract from the Effective Date through termination.
Test Plan	A plan, integrated in the Work Plan, to verify the code (new or changed) works to fulfill the requirements of the Project. It may consist of a timeline, a series of tests and test data, test scripts and reports for the test results as well as a tracking mechanism.
Third Party Liability (TPL)	The term "Third Party Liability" or "TPL" means any source of payment or potential source of payment for prescription drugs, other than NH ADAP.
Transition Services	Services and support provided when Magellan is supporting System changes.
UAT	User Acceptance Test
Unit Test	Developers create their own test data and test scenarios to verify the code they have created or changed functions properly as defined.
User Acceptance Testing	Tests done by knowledgeable business users who are familiar with the scope of the Project. They create/develop test cases to confirm the System was developed according to specific user requirements. The test cases and scripts/scenarios should be mapped to business requirements outlined in the user requirements documents.
User Management	Supports the administration of computer, application and network accounts within an organization
Vendor/ Magellan	Magellan whose proposal or quote was awarded the Contract with the State and who is responsible for the Services and Deliverables of the Contract.
Verification	Supports the confirmation of authority to enter a computer system, application or network
Warranty Period	A period of coverage during which Magellan is responsible for providing a guarantee for products and Services delivered as defined in the Contract.
Warranty Releases	Code releases that are done during the Warranty Period.
Warranty Services	The Services to be provided by Magellan during the Warranty Period.
Work Hours	Vendor personnel shall work Normal Business Hours between 8:00 am and 5:00 pm, eight (8) hour days, forty (40) hour weeks, excluding State of New Hampshire holidays. Changes to this schedule may be made upon agreement with the State Project Manager.
Work Plan	The overall plan of activities for the Project created in accordance with the Contract. The plan and delineation of tasks, activities and events to be performed and Deliverables to be produced under the Project as specified in Appendix C. The Work Plan shall include a detailed description of the Schedule, tasks/activities, Deliverables,

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STATE OF NEW HAMPSHIRE
 DEPARTMENT OF HEALTH AND HUMAN SERVICES
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 CONTRACT AGREEMENT - PART 2

	critical events, task dependencies, and the resources that would lead and/or participate on each task.
Written Deliverables	Non-Software written deliverable Documentation (letter, report, manual, book, other) provided by Magellan either in paper or electronic format.

INTRODUCTION

This Contract is by and between the State of New Hampshire, acting through New Hampshire Department of Health and Human Services ("State"), and Magellan Medicaid Administration ("Magellan"), having its principal place of business at 11013 W. Broad St. Ste. 500, Glen Allen, VA 23060-5937.

Magellan shall be responsible for the design, development, and implementation of the NH AIDS Drug Assistance Program (ADAP) Pharmacy Benefits Management (PBM) system and shall act as the State's Fiscal Agent for these Services. Magellan shall provide all of the system's functional components and requirements, including Services and deliverables, outlined within this Contract.

The NH AIDS Drug Assistance Program (ADAP) is funded primarily by the federal Ryan White Program, administered by the Health Resources and Services Administration. The Ryan White Treatment Extension Act of 2009 allocates funding to states to provide core medical and support Services to persons living with HIV within their state, titled Ryan White Part B (RWPB). The largest funded service category is ADAP, which provides life saving medications to eligible HIV+ NH residents.

RECITALS

The State desires to have Magellan provide a Pharmacy Benefits Management System, and associated Services for the Department of Health and Human Services, Division of Public Health Services;

Magellan wishes to provide a Pharmacy Benefits Management System and associated Services for the State.

The parties therefore agree as follows:

1. CONTRACT DOCUMENTS

1.1 Contract Documents

This Contract is comprised of the following documents (Contract Documents):

- A. Part 1 - State Terms and Conditions contained in the Form P-37
- B. Part 2 - The Contract Agreement
- C. Part 3 - Consolidated Exhibits
 - Exhibit A- Contract Deliverables
 - Exhibit B- Price and Payment Schedule
 - Exhibit C- Special Provisions
 - Exhibit D- Administrative Services
 - Exhibit E- Implementation Services
 - Exhibit F- Testing Services

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Initial All Pages:

Magellan's Initials: MAN Date 4/30/12

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Exhibit G- Maintenance and Support Services
Exhibit H- Requirements
Exhibit I- Work Plan
Exhibit J- Software License and related Terms
Exhibit K- Warranty and Warranty Services
Exhibit L- Training Services

Exhibit N- Magellan Proposal, by reference
Exhibit O- Certificates and Attachments
Exhibit P- DHHS Standard Exhibit C: Special Provisions
Exhibit Q- DHHS Standard Exhibit D: Certification Regarding Drug-Free
Workplace Requirements
Exhibit R- DHHS Standard Exhibit E: Certification Regarding Lobbying
Exhibit S- DHHS Standard Exhibit F: Certification Regarding Debarment,
Suspension, and Other Responsibility Matters

Exhibit T- DHHS Standard Exhibit G: Certification Regarding the Americans
with Disabilities Act Compliance
Exhibit U- DHHS Standard Exhibit H: Environmental Tobacco Smoke
Exhibit V- DHHS Standard Exhibit I: Health Insurance Portability and
Accountability Act
Exhibit W- DHHS Standard Exhibit J: Certification Regarding the Federal
Funding Accountability and Transparency Act (FFATA) Compliance

Attachment 1 - Business and Program Requirements

1.2 Order of Precedence

In the event of conflict or ambiguity among any of the text of the Contract Documents, the following Order of Precedence shall govern:

- a. *The State of New Hampshire Terms and Conditions, Form P-37-Contract Agreement (Part 1)*
- b. State of New Hampshire, Department of Health and Human Services Contract 2013-073 (Parts 2 and 3); then
- c. The Vendor's Proposal

1.3 Contract Term

The Contract and all obligations of the parties hereunder shall become effective after full execution by the parties, and the receipt of required governmental approvals, including, but not limited to, Governor and Executive Council of the State of New Hampshire approval ("Effective Date").

The Contract shall begin on the Effective Date and extend through June 30, 2016. The Term may be extended up to three years. ("Extended Term") at the sole option of the State, subject to the parties prior written Agreement on applicable fees for each extended Term, up to but not beyond June 30, 2019.

Magellan shall commence work upon issuance of a Notice to Proceed by the State.

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The State does not require Magellan to commence work prior to the Effective Date; however, if Magellan commences work prior to the Effective Date and a Notice to Proceed, such work shall be performed at the sole risk of Magellan. In the event that the Contract does not become effective, the State shall be under no obligation to pay Magellan for any costs incurred or Services performed; however, if the Contract becomes effective, all costs incurred prior to the Effective Date shall be paid under the terms of the Contract.

Time is of the essence in the performance of Magellan's obligations under the Contract.

2. COMPENSATION

2.1 Contract Price

The Contract price, method of payment, and terms of payment are identified and more particularly described in Contract Exhibit B: *Price and Payment Schedule*.

2.2 Non-Exclusive, Firm Fixed Price Contract

This is a Non-Exclusive, Firm Fixed Price (FFP) Contract with Price and Term limitations as set forth in the Contract.

The State reserves the right, at its discretion, to retain other Contractors to provide any of the Services or Deliverables identified under this procurement or make an award by item, part or portion of an item, group of items, or total Proposal. Magellan shall not be responsible for any delay, act, or omission of such other Contractors; except that Magellan shall be responsible for any delay, act, or omission of the other Contractors if such delay, act, or omission is caused by or due to the fault of Magellan.

3. CONTRACT MANAGEMENT

The Project will require the coordinated efforts of a Project Team consisting of both Magellan and State personnel. Magellan shall provide all necessary resources to perform its obligations under the Contract. Magellan shall be responsible for managing the Project to its successful completion.

3.1 Magellan's Contract Manager

Magellan shall assign a Contract Manager who shall be responsible for all Contract authorization and administration. Magellan's Contract Manager is:

Donna M. Mellen
Senior Director, Business Development
Magellan Medicaid Administration
46 Ronald Drive, Swansea, MA 02777
Tel: 508-324-0629
Fax: 804-548-0015
Email: DMMellen@MagellanHealth.com

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3.2 Magellan's Project Manager

3.2.1 Contract Project Manager

Magellan shall assign a Project Manager who meets the requirements of the Contract, including but not limited to, the requirements set forth in the RFP. Magellan's selection of the Magellan Project Manager shall be subject to the prior written approval of the State. The State's approval process may include, without limitation, at the State's discretion, Review of the proposed Magellan Project Manager's resume, qualifications, references, and background checks, and an interview. The State may require removal or reassignment of Magellan's Project Manager who, in the sole judgment of the State, is found unacceptable or is not performing to the State's satisfaction.

3.2.2 Magellan Project Manager must be qualified to perform the obligations required of the position under the Contract, shall have full authority to make binding decisions under the Contract, and shall function as Magellan's representative for all administrative and management matters. ~~Magellan's Project Manager shall perform the duties required under the Contract, including, but not limited to, those set forth in Contract Exhibit I, Section 2. Magellan's Project Manager must be available to promptly respond during Normal Business Hours within two (2) hours to inquiries from the State, and be at the site as needed. Magellan's Project Manager must work diligently and use his/ her best efforts on the Project.~~

3.2.3 Magellan shall not change its assignment of Magellan Project Manager without providing the State written justification and obtaining the prior written approval of the State. State approvals for replacement of Magellan's Project Manager shall not be unreasonably withheld. The replacement Project Manager shall have comparable or greater skills than Magellan Project Manager being replaced; meet the requirements of the Contract, and be subject to reference and background checks described above in Contract Agreement Part 2, Section 3.2.1: *Contract Project Manager*, and in Contract Agreement Part 2, Section 3.6: *Reference and Background Checks*, below. Magellan shall assign a replacement Magellan Project Manager within ten (10) business days of the departure of the prior Magellan Project Manager, and Magellan shall continue during the ten (10) business day period to provide competent Project management Services through the assignment of a qualified interim Magellan Project Manager.

3.2.4 Notwithstanding any other provision of the Contract, the State shall have the option, at its discretion, to terminate the Contract, declare Magellan in default and pursue its remedies at law and in equity, if Magellan fails to assign a Magellan Project Manager meeting the requirements and Terms of the Contract.

3.2.5 The Magellan Project Manager is:
Donna M. Mellen
Senior Director, Business Development
Magellan Medicaid Administration
46 Ronald Drive, Swansea, MA 02777
Tel: 508-324-0629
Fax: 804-548-0015
Email: DMMellen@MagellanHealth

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3.3 Magellan Key Project Staff

- 3.3.1 Magellan shall assign Key Project Staff who meet the requirements of the Contract, and can implement the Software Solution meeting the requirements set forth in Exhibit H: *System Requirements, Table C.2: General System Requirements - Vendor Response Checklist*. The State may conduct reference and background checks on Magellan Key Project Staff. The State reserves the right to require removal or reassignment of Magellan's Key Project Staff who are found unacceptable to the State.
- 3.3.2 Magellan shall not change any Magellan Key Project Staff commitments without providing the State written justification and obtaining the prior written approval of the State. State approvals for replacement of Magellan Key Project Staff will not be unreasonably withheld. The replacement Magellan Key Project Staff shall have comparable or greater skills than Magellan Key Project Staff being replaced; meet the requirements of the Contract, including but not limited to the requirements set forth in RFP Appendix C: *System Requirements and Deliverables* and be subject to reference and background checks described in Contract Agreement-Part 2, Section 3.6: *Reference and Background Checks*,
- 3.3.3 Notwithstanding any other provision of the Contract to the contrary, the State shall have the option to terminate the Contract, declare Magellan in default and to pursue its remedies at law and in equity, if Magellan fails to assign Key Project Staff meeting the requirements and Terms of the Contract or if it is dissatisfied with Magellan's replacement Project staff.

Magellan Key Project Staff shall consist of the following individuals in the roles identified below:

Magellan's Key Project Staff:

Key Member(s)
Donna M. Mellen
Donald C. Moore

Title

Senior Director, Business Development
Vice President, Operations

3.4 State Contract Manager

The State shall assign a Contract Manager who shall function as the State's representative with regard to Contract administration. The State Contract Manager is:

Christopher Cullinan
NH DHHS, AIDS Drug Assistance Program
Bureau of Infectious Disease Control
29 Hasen Drive, Concord, NH 03301
Tel: (603) 271-4480
Fax: (603) 271-4934
Email: ccullinan@dhhs.state.nh.us

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3.5 State Project Manager

The State shall assign a Project Manager. The State Project Manager's duties shall include the following:

- a. Leading the Project;
- b. Engaging and managing all vendors;
- c. Managing significant issues and risks;
- d. Reviewing and accepting Contract Deliverables;
- e. Invoice sign-offs;
- f. Review and approval of change proposals; and
- g. Managing stakeholders' concerns.

The State Project Manager is:

Sarah McPhee
~~NH DHHS, AIDS Drug Assistance Program~~
Bureau of Infectious Disease Control
29 Hasen Drive, Concord, NH 03301
Tel: (603) 271-3958
Fax: (603) 271-4934
Email: sarah.mcphee@dhhs.state.nh.us

3.6 Reference and Background Checks

The State may, at its sole expense, conduct reference and background screening of the Magellan Project Manager and Magellan Key Project Staff. The State shall maintain the confidentiality of background screening results in accordance with the Contract Agreement, Part 2-Section 11: *Use of State's Information, Confidentiality*.

4. DELIVERABLES

4.1 Vendor Responsibilities

Magellan shall be solely responsible for meeting all requirements, and Terms and conditions specified in this Contract, regardless of whether or not a Subcontractor is used.

Magellan may subcontract Services subject to the provisions of the Contract, including but not limited to, the Terms and conditions in Section 6: *General Contract Requirements* herein and the *Contract Agreement Part 1: State of New Hampshire Terms and Conditions-P-37*. Magellan must submit all information and documentation relating to the Subcontractor, including Terms and conditions consistent with this Contract. The State will consider Magellan to be wholly responsible for the performance of the Contract and the sole point of contact with regard to all contractual matters, including payment of any and all charges resulting from the Contract.

4.2 Deliverables and Services

Magellan shall provide the State with the Deliverables and Services in accordance with the time frames in the Work Plan for this Contract, and as more particularly described in Contract Exhibit A: *Contract Deliverables*.

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Upon its submission of a Deliverable or Service, Magellan represents that it has performed its obligations under the Contract associated with the Deliverable or Service.

4.3 Non-Software and Written Deliverables Review and Acceptance

After receiving written Certification from Magellan that a Non-Software or Written Deliverable is final, complete, and ready for Review, the State will Review the Deliverable to determine whether it meets the Requirements outlined in Contract Exhibit A: *Contract Deliverables*. The State will notify Magellan in writing of its Acceptance or rejection of the Deliverable within five (5) business days of the State's receipt of Magellan's written Certification. If the State rejects the Deliverable, the State shall notify Magellan of the nature and class of the Deficiency and Magellan shall correct the Deficiency within the period identified in the Work Plan. If no period for Magellan's correction of the Deliverable is identified, Magellan shall correct the Deficiency in the Deliverable within five (5) business days. Upon receipt of the corrected Deliverable, the State shall have five (5) business days to Review the Deliverable and notify Magellan of its Acceptance or rejection thereof, with the option to extend the Review Period up to five (5) additional business days. If Magellan fails to correct the Deficiency within the allotted period of time, the State may, at its option, continue Reviewing the Deliverable and require Magellan to continue until the Deficiency is corrected, or immediately terminate the Contract, declare Magellan in default, and pursue its remedies at law and in equity.

4.4 System/Software Testing and Acceptance

System/Software Testing and Acceptance shall be performed as set forth in the Test Plan and more particularly described in Exhibit F: *Testing Services*.

4.5 Security

The State must ensure that appropriate levels of security are implemented and maintained in order to protect the integrity and reliability of its information technology resources, information, and Services. State resources, information, and services must be available on an ongoing basis, with the appropriate infrastructure and security controls to ensure business continuity and safeguard State networks, Systems and Data.

IT Security involves all functions pertaining to the securing of State Data and Systems through the creation and definition of security policies, procedures and controls covering such areas as identification, authentication and non-repudiation.

All components of the Software shall be Reviewed and tested to ensure they protect the State's hardware and software and its related Data assets. See *Contract Agreement - Part 3 - Exhibit F: Testing* for detailed information on requirements for Security testing.

5. SOFTWARE

5.1 Software and Documentation

Magellan shall provide the State with any applicable Software Licenses and Documentation set forth in the Contract, and particularly described in Exhibit J: *Software License and Related Terms*.

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5.2 Software Support and Maintenance

Magellan shall provide the State with Software any applicable support and Maintenance Services set forth in the Contract, and particularly described in Exhibit J: *Software*.

5.3 Restrictions

Except as otherwise permitted under the Contract, the State agrees not to:

- a. Remove or modify any program markings or any notice of Magellan's proprietary rights;
- b. Make the programs or materials available in any manner to any third party for use in the third party's business operations, except as permitted herein; or
- c. Cause or permit reverse engineering, disassembly or recompilation of the programs.

5.4 Title

Magellan must hold the right to allow the State to use the Software or hold all title, right, and interest in the Software and its associated Documentation

6. WARRANTY

Magellan shall provide the Warranty and Warranty Services set forth in the Contract, and particularly described in Exhibit K: *Warranty and Warranty Services*.

7. SERVICES

Magellan shall provide the Services required under the Contract Documents. All Services shall meet, and be performed, in accordance with the Specifications.

7.1 Administrative Services

Magellan shall provide the State with the administrative Services set forth in the Contract, and particularly described in Exhibit D: *Administrative Services*.

7.2 Implementation Services

Magellan shall provide the State with the Implementation Services set forth in the Contract, and particularly described in Exhibit E: *Implementation Services*.

7.3 Testing Services

Magellan shall perform testing Services for the State set forth in the Contract, and particularly described in Exhibit F: *Testing Services*.

7.4 Training Services

Magellan shall provide the State with training Services set forth in the Contract, and particularly described in Exhibit L: *Training Services*.

7.5 Maintenance and Support Services

Magellan shall provide the State with Maintenance and support Services for the Software set forth in the Contract, and particularly described in Exhibit G: *System Maintenance and Support*.

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8. WORK PLAN DELIVERABLE

Magellan shall provide the State with a Work Plan that shall include, without limitation, a detailed description of the Schedule, tasks, Deliverables, major milestones, task dependencies, and payment Schedule.

The initial Work Plan shall be a separate Deliverable and is set forth in Contract Exhibit I: *Work Plan*. Magellan shall update the Work Plan as necessary, but no less than every two weeks, to accurately reflect the status of the Project, including without limitation, the Schedule, tasks, Deliverables, major milestones, task dependencies, and payment Schedule. Any such updates to the Work Plan must be approved by the State, in writing, prior to final incorporation into Contract Exhibit I: *Work Plan*. The updated Contract Exhibit I: *Work Plan*, as approved by the State, is incorporated herein by reference.

Unless otherwise agreed in writing by the State, changes to the Contract Exhibit I: *Work Plan* shall not relieve Magellan from liability to the State for damages resulting from Magellan's failure to perform its obligations under the Contract, including, without limitation, performance in accordance with the Schedule.

In the event of any delay in the Schedule, Magellan must immediately notify the State in writing, identifying the nature of the delay, i.e., specific actions or inactions of Magellan or the State causing the problem; its estimated duration period to reconciliation; specific actions that need to be taken to correct the problem; and the expected Schedule impact on the Project.

In the event additional time is required by Magellan to correct Deficiencies, the Schedule shall not change unless previously agreed in writing by the State, except that the Schedule shall automatically extend on a day-to-day basis to the extent that the delay does not result from Magellan's failure to fulfill its obligations under the Contract. To the extent that the State's execution of its major tasks takes longer than described in the Work Plan, the Schedule shall automatically extend on a day-to-day basis.

Notwithstanding anything to the contrary, the State shall have the option to terminate the Contract for default, at its discretion, if it is dissatisfied with Magellan's Work Plan or elements within the Work Plan.

9. CHANGE ORDERS

The State may make changes or revisions at any time by written Change Order. The State originated changes or revisions shall be approved by the Department of Information Technology. Within five (5) business days of Magellan's receipt of a Change Order, Magellan shall advise the State, in detail, of any impact on cost (e.g., increase or decrease), the Schedule, or the Work Plan.

Magellan may request a change within the scope of the Contract by written Change Order, identifying any impact on cost, the Schedule, or the Work Plan. The State shall attempt to respond to Magellan's requested Change Order within five (5) business days. The State Agency, as well as the Department of Information Technology, must approve all Change Orders in writing. The State shall be deemed to have rejected the Change Order if the parties are unable to reach an agreement in writing.

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All Change Order requests from Magellan to the State, and the State Acceptance of Magellan's estimate for a State requested change, will be acknowledged and responded to, either acceptance or rejection, in writing. If accepted, the Change Order(s) shall be subject to the Contract amendment process, as determined to apply by the State.

10. INTELLECTUAL PROPERTY

The State shall hold all ownership, title, and rights in any Custom Software developed in connection with performance of obligations under the Contract, or modifications to the Software, and their associated Documentation including any and all performance enhancing Operational plans and Vendors' special utilities. The State shall have sole right to produce, publish, or otherwise use such Software, modifications, and Documentation developed under the Contract and to authorize others to do so.

10.1 State's Data

All rights, title and interest in State Data shall remain with the State.

10.2 Vendor's Materials

Subject to the provisions of this Contract, Magellan may develop for itself, or for others, materials that are competitive with, or similar to, the Deliverables. In accordance with the confidentiality provision of this Contract, Magellan shall not distribute any products containing or disclose any State Confidential Information. Magellan shall be free to use its general knowledge, skills and experience, and any ideas, concepts, know-how, and techniques that are acquired or used in the course of its performance under this Contract, provided that such is not obtained as the result of the deliberate memorization of the State Confidential Information by Magellan employees or third party consultants engaged by Magellan.

Without limiting the foregoing, the parties agree that the general knowledge referred to herein cannot include information or records not subject to public disclosure under New Hampshire RSA Chapter 91-A, which includes but is not limited to the following: records of grand juries and petit juries; records of parole and pardon boards; personal school records of pupils; records pertaining to internal personnel practices, financial information, test questions, scoring keys and other examination data use to administer a licensing examination, examination for employment, or academic examination and personnel, medical, welfare, library use, video tape sale or rental, and other files containing personally identifiable information that is private in nature.

10.3 State Website Copyright

WWW Copyright and Intellectual Property Rights

All right, title and interest in the State WWW site, including copyright to all Data and information, shall remain with the State. The State shall also retain all right, title and interest in any user interfaces and computer instructions embedded within the WWW pages. All WWW pages and any other Data or information shall, where applicable, display the State's copyright.

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10.4 Custom Software Source Code

Magellan shall provide the State with a copy of the source code for any Custom Software, which shall be subject to the License rights. The State shall receive a worldwide, perpetual, irrevocable, non-exclusive paid -up right and license to use, copy, modify and prepare derivative works of any custom developed Software.

10.5 Survival

This Contract Agreement Section 10: *Intellectual Property* shall survive the termination of the Contract.

11. USE OF STATE'S INFORMATION, CONFIDENTIALITY

11.1 Use of State's Information

In performing its obligations under the Contract, Magellan may gain access to information of the State, including State Confidential Information. "State Confidential Information" shall include, but not be limited to, information exempted from public disclosure under New Hampshire RSA Chapter 91-A: *Access to Public Records and Meetings* (see e.g. RSA Chapter 91-A: 5 Exemptions). Magellan shall not use the State Confidential Information developed or obtained during the performance of, or acquired, or developed by reason of the Contract, except as directly connected to and necessary for Magellan's performance under the Contract.

11.2 State Confidential Information

Magellan shall maintain the confidentiality of and protect from unauthorized use, disclosure, publication, and reproduction (collectively "release"), all State Confidential Information that becomes available to Magellan in connection with its performance under the Contract, regardless of its form.

Subject to applicable federal or State laws and regulations, Confidential Information shall not include information which: (i) shall have otherwise become publicly available other than as a result of disclosure by the receiving party in breach hereof; (ii) was disclosed to the receiving party on a non-confidential basis from a source other than the disclosing party, which the receiving party believes is not prohibited from disclosing such information as a result of an obligation in favor of the disclosing party; (iii) is developed by the receiving party independently of, or was known by the receiving party prior to, any disclosure of such information made by the disclosing party; or (iv) is disclosed with the written consent of the disclosing party. A receiving party also may disclose Confidential Information to the extent required by an order of a court of competent jurisdiction.

Any disclosure of the State Confidential Information shall require the prior written approval of the State. Magellan shall immediately notify the State if any request, subpoena or other legal process is served upon Magellan regarding the State Confidential Information, and Magellan shall cooperate with the State in any effort the State undertakes to contest the request, subpoena or other legal process, at no additional cost to the State.

In the event of the unauthorized release of State Confidential Information, Magellan shall immediately notify the State, and the State may immediately be entitled to pursue any remedy at law and in equity, including, but not limited to, injunctive relief.

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11.3 Vendor Confidential Information

Insofar as Magellan seeks to maintain the confidentiality of its confidential or proprietary information, Magellan must clearly identify in writing all information it claims to be confidential or proprietary. Notwithstanding the foregoing, the State acknowledges that Magellan considers the Software and Documentation to be Confidential Information. Magellan acknowledges that the State is subject to State and federal laws governing disclosure of information including, but not limited to, RSA Chapter 91-A. The State shall maintain the confidentiality of the identified Confidential Information insofar as it is consistent with applicable State and federal laws or regulations, including but not limited to, RSA Chapter 91-A. In the event the State receives a request for the information identified by Magellan as confidential, the State shall notify Magellan and specify the date the State will be releasing the requested information. ~~At the request of the State, Magellan shall cooperate and assist the State~~ with the collection and Review of Magellan's information, at no additional expense to the State. Any effort to prohibit or enjoin the release of the information shall be Magellan's sole responsibility and at Magellan's sole expense. If Magellan fails to obtain a court order enjoining the disclosure, the State shall release the information on the date specified in the State's notice to Magellan, without any liability to Magellan.

11.4 Survival

This Contract Agreement Section 11, *Use of State's Information, Confidentiality*, shall survive termination or conclusion of the Contract.

12. TERMINATION

This Section 13 shall survive the termination or Contract Conclusion.

13.1 Termination for Default

Any one or more of the following acts or omissions of Magellan shall constitute an event of default hereunder ("Event of Default")

- a. Failure to perform the Services satisfactorily or on schedule;
- b. Failure to submit any report required; and/or
- c. Failure to perform any other Covenant, Term or Condition of the Contract

13.1.1 Upon the occurrence of any Event of Default, the State may take any one or more, or all, of the following actions:

- a. Unless otherwise provided in the Contract, the State shall provide Magellan written notice of default and require it to be remedied within, in the absence of a greater or lesser specification of time, within thirty (30) days from the date of notice, unless otherwise indicated within by the State ("Cure Period"). If Magellan fails to cure the default within the Cure Period, the State may terminate the Contract effective two (2) days after giving Magellan notice of termination, at its sole discretion, treat the Contract as breached and pursue its remedies at law or in equity or both.

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- b. Give Magellan a written notice specifying the Event of Default and suspending all payments to be made under the Contract and ordering that the portion of the Contract price which would otherwise accrue to Magellan during the period from the date of such notice until such time as the State determines that Magellan has cured the Event of Default shall never be paid to Magellan.
- c. Set off against any other obligations the State may owe to Magellan any damages the State suffers by reason of any Event of Default;
- d. Treat the Contract as breached and pursue any of its remedies at law or in equity, or both.
- e. Procure Services that are the subject of the Contract from another source and Magellan shall be liable for reimbursing the State for the replacement Services, and all administrative costs directly related to the replacement of the Contract and procuring the Services from another source, such as costs of competitive bidding, mailing, advertising, applicable fees, charges or penalties, and staff time costs; all of which shall be subject to the limitations of liability set forth in the Contract.

13.1.2 Magellan shall provide the State with written notice of default, and the State shall cure the default within thirty (30) days.

13.1.3 Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant shall survive termination or Contract Conclusion.

13.2 Termination for Convenience

13.2.1 The State may, at its sole discretion, terminate the Contract for convenience, in whole or in part, by thirty (30) days written notice to Magellan. In the event of a termination for convenience, the State shall pay Magellan the agreed upon price, if separately stated in this Contract, for Deliverables for which Acceptance has been given by the State. Amounts for Services or Deliverables provided prior to the date of termination for which no separate price is stated under the Contract shall be paid, in whole or in part, generally in accordance with Contract Exhibit B, *Price and Payment Schedule*, of the Contract.

13.2.2 During the thirty (30) day period, Magellan shall wind down and cease Services as quickly and efficiently as reasonably possible, without performing unnecessary Services or activities and by minimizing negative effects on the State from such winding down and cessation of Services.

13.3 Termination for Conflict of Interest

13.3.1 The State may terminate the Contract by written notice if it determines that a conflict of interest exists, including but not limited to, a violation by any of the parties hereto

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of applicable laws regarding ethics in public acquisitions and procurement and performance of Contracts.

In such case, the State shall be entitled to a pro-rated refund of any current development, support, and maintenance costs. The State shall pay all other contracted payments that would have become due and payable if Magellan did not know, or reasonably did not know, of the conflict of interest.

- 13.3.2 In the event the Contract is terminated as provided above pursuant to a violation by Magellan, the State shall be entitled to pursue the same remedies against Magellan as it could pursue in the event of a default of the Contract by Magellan.

13.4 Termination Procedure

13.4.1 Upon termination of the Contract, the State, in addition to any other rights provided in the Contract, may require Magellan to deliver to the State any property, including without limitation, Software and Written Deliverables, for such part of the Contract as has been terminated.

13.4.2 After receipt of a notice of termination, and except as otherwise directed by the State, Magellan shall:

- a. Stop work under the Contract on the date, and to the extent specified, in the notice;
- b. Promptly, but in no event longer than thirty (30) days after termination, terminate its orders and subcontracts related to the work which has been terminated and settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the State to the extent required, which approval or ratification shall be final for the purpose of this Section;
- c. Take such action as the State directs, or as necessary to preserve and protect the property related to the Contract which is in the possession of Magellan and in which the State has an interest;
- d. Transfer title to the State and deliver in the manner, at the times, and to the extent directed by the State, any property which is required to be furnished to the State and which has been accepted or requested by the State; and
- e. Provide written Certification to the State that Magellan has surrendered to the State all said property.
- f. Assist in Transition Services, as reasonably requested by the State at no additional cost.

13.5 CHANGE OF OWNERSHIP

In the event that Magellan should change ownership for any reason whatsoever, the State shall have the option of continuing under the Contract with Magellan, its successors or assigns for the full

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remaining Term of the Contract; continuing under the Contract with Magellan, its successors or assigns for such period of time as determined necessary by the State; or immediately terminate the Contract without liability to Magellan, its successors or assigns.

14 ASSIGNMENT, DELEGATION AND SUBCONTRACTS

14.1 Magellan shall not assign, delegate, subcontract, or otherwise transfer any of its interest, rights, or duties under the Contract without the prior written consent of the State. Such consent shall not be unreasonably withheld. Any attempted transfer, assignment, delegation, or other transfer made without the State's prior written consent shall be null and void, and may constitute an event of default at the sole discretion of the State.

14.2 Magellan shall remain wholly responsible for performance of the entire Contract even if assignees, delegates, Subcontractors, or other transferees ("Assigns") are used, unless otherwise agreed to in writing by the State, and the Assigns fully assumes in writing any and all obligations and liabilities under the Contract from the Effective Date. In the absence of a written assumption of full obligations and liabilities of the Contract, any permitted assignment, delegation, subcontract, or other transfer shall neither relieve Magellan of any of its obligations under the Contract nor affect any remedies available to the State against Magellan that may arise from any event of default of the provisions of the Contract. The State shall consider Magellan to be the sole point of contact with regard to all contractual matters, including payment of any and all charges resulting from the Contract.

14.3 Notwithstanding the foregoing, nothing herein shall prohibit Magellan from assigning the Contract to the successor of all or substantially all of the assets or business of Magellan provided that the successor fully assumes in writing all obligations and responsibilities under the Contract. In the event that Magellan should change ownership, as permitted under this Contract Agreement Part 2, Section 14: *Change of Ownership*, the State shall have the option to continue under the Contract with Magellan, its successors or assigns for the full remaining Term of the Contract; continue under the Contract with Magellan, its successors or assigns for such period of time as determined necessary by the State; or immediately terminating the Contract without liability to Magellan, its successors or assigns.

15. DISPUTE RESOLUTION

Prior to the filing of any formal proceedings with respect to a dispute (other than an action seeking injunctive relief with respect to intellectual property rights or Confidential Information), the party believing itself aggrieved (the "Invoking Party") shall call for progressive management involvement in the dispute negotiation by written notice to the other party. Such notice shall be without prejudice to the Invoking Party's right to any other remedy permitted under the Contract.

The parties shall use reasonable efforts to arrange personal meetings and/or telephone conferences as needed, at mutually convenient times and places, between negotiators for the parties at the following successive management levels, each of which shall have a period of allotted time as specified below in which to attempt to resolve the dispute:

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Dispute Resolution Responsibility and Schedule Table

Dispute Resolution Level	Responsible Party	Time Allotted
1	Magellan Team Project Manager	5 Business Days
2	Magellan Project Management Team	10 Business Days
3	Magellan Team Project Executive	15 Business Days

The allotted time for the first level negotiations shall begin on the date the Invoking Party's notice is received by the other party. Subsequent allotted time is days from the date that the original Invoking Party's notice is received by the other party.

16. ESCROW OF CODE

Not applicable.

17. GENERAL PROVISIONS

17.1 Travel Expenses

The State will not be responsible for any travel or out of pocket expenses incurred in the performance of the Services.

Magellan must assume all travel and related expenses by "fully loading" the proposed labor rates to include, but not limited to: meals, hotel/housing, airfare, car rentals, car mileage, and out of pocket expenses.

17.2 Shipping and Delivery Fee Exemption

The State will not pay for any shipping or delivery fees unless specifically itemized in the Contract.

17.3 Project Workspace and Office Equipment

The State agency will work with Magellan to determine the requirements for providing all necessary workspace and office equipment, including desktop computers for Magellan's staff.

17.4 Access/Cooperation

As applicable, and reasonably necessary, and subject to the applicable State and federal laws and regulations and restrictions imposed by third parties upon the State, the State shall provide Magellan with access to all program files, libraries, personal computer-based systems, Software packages, network systems, security systems, and hardware as required to complete contracted services.

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The State shall use reasonable efforts to provide approvals, authorizations, and decisions reasonably necessary to allow Magellan to perform its obligations under the Contract.

17.5 Required Work Procedures

All work done must conform to standards and procedures established by the Department of Information Technology and the State.

17.6 Computer Use

In consideration for receiving access to and use of the computer facilities, network, licensed or developed Software, Software maintained or operated by any of the State entities, systems, equipment, Documentation, information, reports, or data of any kind (hereinafter "Information"), Magellan understands and agrees to the following rules:

- a. Every Authorized User has the responsibility to assure the protection of information from unauthorized access, misuse, theft, damage, destruction, modification, or disclosure.
- b. That information shall be used solely for conducting official State business, and all other use or access is strictly forbidden including, but not limited to, personal, or other private and non-State use and that at no time shall Magellan access or attempt to access any information without having the express authority to do so.
- c. That at no time shall Magellan access or attempt to access any information in a manner inconsistent with the approved policies, procedures, and /or Agreements relating to system entry/access.
- d. That all Software licensed, developed, or being evaluated by the State cannot be copied, shared, distributed, sub-licensed, modified, reverse engineered, rented, or sold, and that at all times Magellan must use utmost care to protect and keep such Software strictly confidential in accordance with the license or any other Agreement executed by the State. Only equipment or Software owned, licensed, or being evaluated by the State, can be used by Magellan. Personal Software (including but not limited to palmtop sync Software) shall not be installed on any equipment.
- e. That if Magellan is found to be in violation of any of the above-stated rules, the User may face removal from the State Contract, and/or criminal or civil prosecution, if the act constitutes a violation of law.

17.7 Email Use

Mail and other electronic communication messaging systems are State of New Hampshire property and are to be used for business purposes only. Email is defined as "internal Email systems" or "State-funded Email systems." Magellan understands and agrees that use of email shall follow State standard policy (available upon request).

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17.8 Internet/Intranet Use

The Internet/Intranet is to be used for access to and distribution of information in direct support of the business of the State of New Hampshire according to State standard policy (available upon request).

17.9 Regulatory Government Approvals

Magellan shall obtain all necessary and applicable regulatory or other governmental approvals necessary to perform its obligations under the Contract.

17.10 Force Majeure

Neither Magellan nor the State shall be responsible for delays or failures in performance resulting from events beyond the control of such party and without fault or negligence of such party. Such events shall include, but not be limited to, acts of God, strikes, lock outs, riots, and acts of War, epidemics, acts of Government, fire, power failures, nuclear accidents, earthquakes, and unusually severe weather.

Except in the event of the foregoing, Force Majeure events shall not include Magellan's inability to hire or provide personnel needed for Magellan's performance under the Contract.

17.11 Insurance

17.11.1 Magellan Insurance Requirement

See Contract Agreement Part 1-Form P-37 Section 14.

17.11.2 The ACORD Insurance Certificate should note the Certificate Holder in the lower left hand block including State of New Hampshire, Department Name, name of the individual responsible for the funding of the contracts and his/her address.

17.12 Exhibits

The Exhibits referred to, in and attached to the Contract are incorporated by reference as if fully included in the text.

17.13 Venue and Jurisdiction

Any action on the Contract may only be brought in the State of New Hampshire Merrimack County Superior Court.

17.14 Survival

The Terms, conditions and warranties contained in the Contract that by their context are intended to survive the completion of the performance, cancellation or termination of the Contract shall so survive, including, but not limited to, the Terms of the *Contract Agreement Exhibit D Section 3: Records Retention and Access Requirements*, *Contract Agreement Exhibit D Section 4: Accounting Requirements*, and *Contract Agreement Part 2-Section 11: Use of State's Information, Confidentiality* and *Contract Agreement Part 1- Section 13: Indemnification* which shall all survive the termination of the Contract.

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EXHIBIT A
CONTRACT DELIVERABLES

1. DELIVERABLES, MILESTONES AND ACTIVITIES

Magellan shall provide the State with Pharmacy Benefits Management System services that shall meet and perform in accordance with the Specifications and Deliverables that are in accordance with the periods in the Work Plan.

Before the commencement of work on Non-Software and Written Deliverables, Magellan shall provide to the State a template, table of contents, or agenda for Review and prior approval by the State.

The Deliverables are set forth in the Schedule described below in Section 2. By unconditionally accepting a Deliverable, the State reserves the right to reject any and all Deliverables in the event the State detects any Deficiency in the System, in whole or in part, through completion of all Acceptance Testing, including but not limited to, Software/System Acceptance Testing, and any extensions thereof.

Pricing for Deliverables set forth in Exhibit B: *Price and Payment Schedule*. Pricing shall be effective for the Term of this Contract, and any extensions thereof.

2. DELIVERABLES, MILESTONES, AND ACTIVITIES SCHEDULE

2.1 Implementation Schedule – Activities / Deliverables / Milestones

Reference Number	Activity, Deliverable, or Milestone	Deliverable Type	Projected Delivery Date
System Development			
1	Implementation period begins (G&C approval)	Non-Software	7/1/2013
2	Final work Plan	Written	7/31/2013
3	Detailed Testing Plan and Testing Results	Written	7/31/2013
4	Deployment Plan	Written	7/31/2013
5	Comprehensive Training Plan and Curriculum	Written	7/31/2013
6	Configure Provider data maintenance and updates	Software	8/30/2013
7	Configure eligibility verification	Software	8/30/2013
8	Configure PA tracking, support, and management	Software	8/30/2013
9	Configure claims and financial requirements	Software	8/30/2013
10	Configure third party coverage and cost avoidance management	Software	8/30/2013
11	Create reports	Software	8/30/2013
System Deployment			
12	Conduct User Acceptance Testing	Non-Software	9/30/2013
13	Perform Production Tests	Non-Software	9/30/2013
14	Conduct Training	Non-Software	9/30/2013
15	Cutover to New Software	Non-Software	10/01/2013
16	Documentation	Written	10/01/2013

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17	Warranty Period 10/01/13 - 12/31/13	Written	10/01/13
Pharmacy Services			
18	FY 2014 System Support and Maintenance	Non-Software	
19	FY 2014 PBM Services	Non-Software	
20	FY 2015 System Support and Maintenance	Non-Software	
21	FY 2015 PBM Services	Non-Software	
22	FY 2016 System Support and Maintenance	Non-Software	
23	FY 2016 PBM Services	Non-Software	

2013-073 Exhibit A Contract Deliverables
 Magellan Initials: *MM*
 Date: *11/20/13*

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EXHIBIT B
PRICE AND PAYMENT SCHEDULE

1. DELIVERABLE PAYMENT SCHEDULE

1.1 Firm Fixed Price

This is a Firm Fixed Price (FFP) Contract totaling \$1,623,162 for the period between 7/1/2013 and 6/30/16. The source of funds shall be Other Funds, primarily drug manufacturers' rebates collected under the 340B Drug Pricing Program for drugs purchased by NH ADAP. Magellan shall be responsible for performing its obligations in accordance with the Contract. This Contract shall allow Magellan to invoice the State for the following activities, Deliverables, or milestones at fixed pricing/rates appearing in the price and payment tables below:

Table 1: Activities/Deliverables/Milestones Pricing Worksheet

Reference Number	Activity, Deliverable, or Milestone	Deliverable Type	Price
Implementation System Development			
1	Implementation period begins (G&C approval)	Non-Software	
2	Final work Plan	Written	
3	Detailed Testing Plan and Testing Results	Written	
4	Deployment Plan	Written	
5	Comprehensive Training Plan and Curriculum	Written	
6	Configure Provider data maintenance and updates	Software	
7	Configure eligibility verification	Software	
8	Configure PA tracking, support, and management	Software	
9	Configure claims and financial requirements	Software	
10	Configure third party coverage and cost avoidance management	Software	
11	Create reports	Software	
Implementation Deployment			
12	Conduct User Acceptance Testing	Non-Software	
13	Perform Production Tests	Non-Software	
14	Conduct Training	Non-Software	
15	Cutover to New Software (10/01/2013)	Non-Software	\$414,678
16	Documentation	Written	
17	Warranty Period 10/01/13 - 12/31/2013	Written	
Ongoing Services			
18	FY 2014 System Support and Maintenance	Non-Software	Included

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19	FY 2014 PBM Services	Non-Software	\$32,421 / mo.x12= \$389,052
20	FY 2015 System Support and Maintenance	Non-Software	Included
21	FY 2015 PBM Services	Non-Software	\$33,556 / mo.x12= \$402,672
22	FY 2016 System Support and Maintenance	Non-Software	Included
23	FY 2016 PBM Services	Non-Software	\$34,730 / mo.x12= \$416,760

Funding Amounts by State Fiscal Year

State Fiscal Year	SFY14	SFY15	SFY16	Total
Dates	7/1/13-6/30/14	7/1/14-6/30/15	7/1/15-6/30/16	
Implementation	\$414,678.00			\$414,678.00
Annual Fee	\$389,052.00	\$402,672.00	\$416,760.00	\$1,208,484.00
	\$803,730.00	\$402,672.00	\$416,760.00	\$1,623,162.00

D) Terms of Payment

The Implementation costs shall be paid when all deliverables up to the scheduled deployment date of 10/01/2013 have been approved by DHHS. Following full implementation, DHHS shall pay Magellan on a monthly basis for PBM services and support, as shown above.

II) Liquidated Damages

1. The Department and Magellan agree that it shall be impracticable and difficult to determine actual damages that the Department shall sustain in the event Magellan fails to maintain the required performance standards identified below throughout the life of the contract. Any breach by Magellan shall delay and disrupt the Department's operations and obligations and lead to significant damages. Therefore, the parties agree that the liquidated damages as specified in all the sections below are reasonable.
2. Assessment of liquidated damages shall be in addition to, and not in lieu of, such other remedies as may be available to the Department. Except and to the extent expressly provided herein, the Department shall be entitled to recover liquidated damages under each section applicable to any given incident.
3. The Department shall make all assessments of liquidated damages. Should the Department determine that liquidated damages may, or shall be assessed, the Department shall notify Magellan of the potential assessment in writing.

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PRICE AND PAYMENT SCHEDULE

4. Magellan agrees that as determined by the DHHS, failure to provide Services meeting the performance standards described below shall result in liquidated damages as specified in the following table. Magellan agrees to abide by the Performance Standards and Liquidated Damages specified in the Table 6.

Table 6: Liquidated Damages

Service Category	Minimum Standard	Potential Liquidated Damages
1. Retail Point-of-Sale Claims Adjudication Accuracy	Magellan shall agree to a financial accuracy rate of at least 99% for all prescription claims electronically processed at point-of-sale, measured monthly.	For failure to meet the standard, Magellan shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.
2. Point-of-Sale Network System Downtime	Magellan shall agree that unscheduled system downtime shall be no greater than eight (8) hours per incident; not to exceed two times per Contract year. Contractor shall provide notice to the State as to its regularly scheduled maintenance windows which shall not be part of this guarantee.	For failure to meet the standard, the Vendor shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.
3. Reporting Requirements	Magellan shall provide all scheduled reports, ad hoc reports, and paid claims transactional history files where the Scope of Work specifies a timeframe within the stated time period, and to provide the on-line query capability described in Magellan's response.	For failure to meet the standard, Magellan shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.
4. Average Speed to Answer	Beneficiary and pharmacy calls received shall be answered within an average of thirty (30) seconds. Reporting shall be provided monthly by the 7 th day of the month.	For failure to meet the standard, Magellan shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.
5. Call Abandonment and Call Blocking Rate	No more than 2% of all beneficiary and pharmacy calls shall be abandoned or blocked. Reporting shall be provided monthly by the 7 th day of the month.	For failure to meet the standard, Magellan shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.
6. Customer Service Resolution Rate	All customer service interactions shall be logged in Magellan's	For failure to meet the standard, Magellan shall be assessed

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	information systems with 95% of all issues resolved the same day. 99% of issues resolved within 30 days. Reporting shall be provided monthly by the 7 th day of the month.	Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.
7. Prior Authorizations	100% of requests for PA shall be completed within twenty-four (24) hours.	For failure to meet the standard, Magellan shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.
8. Legislative Ad Hoc Report Requests	All requests for legislative ad hoc reports shall be completed within two (2) weeks of request unless otherwise negotiated at the time of the request from the State.	For failure to meet the standard, Magellan shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.

IV. Schedule of Payment

Magellan shall bill the Department on a monthly basis for the Services in The Contract provided during the previous month. Invoices shall calculate the service payment in detail including the units, volume and price by service for each group under the contract as well as report the transactions volumes by month and year to date. Magellan shall provide invoices and detailed documentation demonstrating monthly activity measurements that are subject to approval by the Department. On a monthly basis, within 30 calendar days after the final day of the month, Magellan shall submit reports that include numbers of users, number of prescriptions and cost per user and prescription as well as total cost both per month and year to date by State Fiscal Year. The invoice shall be sent to the New Hampshire Department of Health and Human Services at the address below in order to receive payment. All invoices shall be sent to the Department no later than 12 months of the date of service.

Name: Christopher Cullinan
 Mailing Address: NH CARE Program / NH ADAP
 New Hampshire DHHS
 29 Hazen Drive
 Concord, NH 03301
 Telephone: 603-271-4480
 Fax: 603-271-4934
 Email: ccullinan@dhhs.state.nh.us

4. PAYMENT ADDRESS

All payments shall be sent to the following address:
 Magellan Medicaid Administration, Inc. 11013 West Broad St. Suite 500, Glen Allen VA

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5. OVERPAYMENTS TO MAGELLAN

Magellan shall promptly, but no later than fifteen (15) business days, return to the State the full amount of any overpayment or erroneous payment upon discovery of notice from the State.

6. CREDITS

The State may apply credits due to the State arising out of this Contract, against Magellan's invoices with appropriate information attached.

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EXHIBIT C
SPECIAL PROVISIONS

1. Special Provisions

Please see Exhibit P on page 42.

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EXHIBIT D
ADMINISTRATIVE SERVICES

1. STATE MEETINGS AND REPORTS

The State believes that effective communication and reporting are essential to Project success.

Magellan Key Project Staff shall participate in meetings as requested by the State, in accordance with the requirements and terms of this Contract.

- a. **Introductory Meeting:** Participants shall include Magellan Key Project Staff and State Project Leaders from both DHHS and the Department of Information Technology. This meeting shall enable leaders to become acquainted and establish any preliminary Project procedures.
- b. **Kickoff Meeting:** Participants shall include the State and Magellan Project Teams and major stakeholders. This meeting is to establish a sound foundation for activities that shall follow.
- c. **Status Meetings:** Participants shall include, at the minimum, the Magellan Project Manager and the State Project Manager. These meetings shall be conducted at least bi-weekly to address overall Project status and any additional topics needed to remain on schedule and within budget. A status and error report from Magellan shall serve as the basis for discussion.
- d. **The Work Plan:** must be reviewed at each Status Meeting and updated, at minimum, on a bi-weekly basis, in accordance with the Contract.
- e. **Special Meetings:** Need may arise for a special meeting with State leaders or Project stakeholders to address specific issues.
- f. **Exit Meeting:** Participants shall include Project leaders from Magellan and the State. Discussion shall focus on lessons learned from the Project and on follow up options that the State may wish to consider.

The State expects Magellan to prepare agendas and background for and minutes of meetings. Background for each status meeting must include an updated Work Plan. Drafting of formal presentations, such as a presentation for the kickoff meeting, shall also be Magellan's responsibility.

The Magellan Project Manager or Magellan Key Project Staff shall submit weekly status reports in accordance with the Schedule and terms of this Contract. All status reports shall be prepared in formats approved by the State. Magellan's Project Manager shall assist the State's Project Manager, or itself produce reports related to Project Management as reasonably requested by the State, all at no additional cost to the State. Magellan shall produce Project status reports, which shall contain, at a minimum, the following:

1. Project status related to the Work Plan;
2. Deliverable status;
3. Accomplishments during weeks being reported;
4. Planned activities for the upcoming two (2) week period;
5. Future activities; and
6. Issues and concerns requiring resolution.
7. Report and remedies in case of falling behind Schedule

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ADMINISTRATIVE SERVICES

As reasonably requested by the State, Magellan shall provide the State with information or reports regarding the Project. Magellan shall prepare special reports and presentations relating to Project Management, and shall assist the State in preparing reports and presentations, as reasonably requested by the State, all at no additional cost to the State.

2. STATE-OWNED DOCUMENTS AND DATA

Magellan shall provide the State access to all documents, State Data, materials, reports, and other work in progress relating to the Contract ("State Owned Documents"). Upon expiration or termination of the Contract with the State, Magellan shall turn over all State-owned documents, material, reports, and work in progress relating to the Contract to the State at no additional cost to the State. State-owned Documents must be provided in both printed and electronic format.

3. RECORDS RETENTION AND ACCESS REQUIREMENTS

Magellan shall agree to the conditions of all applicable State and federal laws and regulations, which are incorporated herein by reference, regarding retention and access requirements, including without limitation, retention policies consistent with the Federal Acquisition Regulations (FAR) Subpart 4.7 *Contractor Records Retention*.

Magellan and its Subcontractors shall maintain books, records, documents, and other evidence of accounting procedures and practices, which properly and sufficiently reflect all direct and indirect costs invoiced in the performance of their respective obligations under the Contract. Magellan and its Subcontractors shall retain all such records for three (3) years following termination of the Contract, including any extensions. Records relating to any litigation matters regarding the Contract shall be kept for one (1) year following the termination of all litigation, including the termination of all appeals or the expiration of the appeal period.

Upon prior notice and subject to reasonable time frames, all such records shall be subject to inspection, examination, audit and copying by personnel so authorized by the State and federal officials so authorized by law, rule, regulation or Contract, as applicable. Access to these items shall be provided within Merrimack County of the State of New Hampshire, unless otherwise agreed by the State. Delivery of and access to such records shall be at no cost to the State during the three (3) year period following termination of the Contract and one (1) year term following litigation relating to the Contract, including all appeals or the expiration of the appeal period. Magellan shall include the record retention and review requirements of this section in any of its subcontracts.

The State agrees that books, records, documents, and other evidence of accounting procedures and practices related to Magellan's cost structure and profit factors shall be excluded from the State's review unless the cost of any other Services or Deliverables provided under the Contract is calculated or derived from the cost structure or profit factors.

4. ACCOUNTING REQUIREMENTS

Magellan shall maintain an accounting system in accordance with generally accepted accounting principles. The costs applicable to the Contract shall be ascertainable from the accounting system and Magellan shall maintain records pertaining to the Services and all other costs and expenditures.

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EXHIBIT E
IMPLEMENTATION SERVICES

Magellan shall provide the State with the following Services set forth in Contract Exhibit A.

1. IMPLEMENTATION STRATEGY

1.1 Key Components

- A. Magellan shall employ an Implementation strategy with a timeline set forth in accordance with the Work Plan:
- B. Magellan and the State shall adopt a change management approach to identify and plan key strategies and communication initiatives.
- C. The Magellan team shall provide training templates as defined in the Training Plan, which shall be customized to address the State's specific requirements.
- D. Decisions regarding format, content, style, and presentation shall be made early on in the process, by the State, providing sufficient time for development of material as functionality is defined and configured.
- E. Magellan shall utilize an approach that fosters and requires the participation of State resources, uses their business expertise to assist with the configuration of the applications, and prepares the State to assume responsibility for and ownership of the new system. A focus on technology transition shall be deemed a priority.
- F. Magellan shall manage Project execution and provide the tools needed to create and manage the Project's Work Plan and tasks, manage and schedule Project staff, track and manage issues, manage changing requirements, maintain communication within the Project Team, and report status.
- G. Magellan shall adopt an Implementation time-line aligned with the State's required time-line.

1.2 Timeline

The timeline is set forth in the Work Plan. During the initial planning period Project task and resource plans shall be established for: the preliminary training plan, the change management plan, communication approaches, Project standards and procedures finalized, and team training initiated.

1.2.1 Project Infrastructure (Not Applicable)

1.2.2 Implementation

Timing shall be structured to recognize interdependencies between applications and structure a cost effective and timely execution.

Processes shall be documented, training established, and the application shall be ready for Implementation in accordance with the State's schedule.

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IMPLEMENTATION SERVICES

Implementation shall be piloted in one area/office to refine the training and Implementation approach, or the State shall choose a one-time statewide Implementation.

1.2.1 Change Management and Training

Magellan's change management and training Services shall be focused on developing change management and training strategies and plans. Its approach relies on State resources for the execution of the change management and end user training.

1. IMPLEMENTATION METHODOLOGY

The Magellan team shall provide the Consulting Services for the Contract. Its approach includes but is not limited to the following:

The Implementation Phase shall be for a period of four months starting at the date the approved contracts are initiated and shall include the Design, Development and Implementation (DDI) of the PBM system requirements and to deliver the Services covered under Exhibit I: Work Plan. Magellan shall work cooperatively with the State to develop and deliver an updated detailed Project Work Plan following the execution of this contract. Magellan shall identify all tasks necessary for the successful implementation of the PBM system so that the required functionality shall be ready for the start of operations four months after the start of implementation. The implementation phase shall include the implementation of all required web-based functionality and Prior Authorization processing, and the implementation of all other system modifications to support the functions and Services required under the Work Plan. Once agreed upon by the NH ADAP and Magellan, the Detailed Project Work Plan shall be incorporated as part of this contract. The Work Plan may be amended or adjusted subject to the approval of the NH ADAP.

The Implementation Phase shall consist of four sub-phases and the Work Plan shall include identified tasks and deliverables that are subject to NH ADAP approval for each of the sub-phases:

- Project Initiation, Planning, and Analysis
- Design
- Construction
- Testing/Deployment (includes State User Acceptance Testing and Operational Readiness Testing)

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SECURITY AND INFRASTRUCTURE

1. SECURITY

Magellan shall ensure that appropriate levels of security are implemented and maintained in order to protect the integrity and reliability of the State's Information Technology resources, information, and Services. Security requirements are defined in Exhibit F, 1.6 Security Review and Testing. Magellan shall provide the State resources, information, and Services on an ongoing basis, with the appropriate infrastructure and security controls to ensure business continuity and to safeguard the confidentiality and integrity of State networks, Systems and Data.

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TESTING SERVICES

Magellan shall provide the following Products and Services described in this Exhibit F, including but not limited to:

1. TESTING AND ACCEPTANCE

Magellan shall bear all responsibilities for the full suite of Test Planning and preparation throughout the Project. Magellan shall also provide training as necessary to the State staff responsible for test activities. Magellan shall be responsible for all aspects of testing contained in the Acceptance Test Plan including support, at no additional cost, during User Acceptance Test conducted by the State and the testing of the training materials.

The Test Plan methodology shall reflect the needs of the Project and be included in the finalized Work Plan. A separate Test Plan and set of test materials shall be prepared for each Software function or module.

All Testing and Acceptance (both business and technically oriented testing) shall apply to testing the System as a whole, (e.g., Software modules or functions, and Implementation(s)). This shall include planning, test scenario and script development, Data and System preparation for testing, and execution of System Integration Tests, Regression tests, Security Review and tests, and support of the State during User Acceptance Test and Implementation.

In addition, Magellan shall provide a mechanism for reporting actual test results vs. expected results and for the resolution and tracking of all errors and problems identified during test execution. Magellan shall also correct Deficiencies and support required re-testing.

1.1 Test Planning and Preparation

Magellan shall provide the State with an overall Test Plan that shall guide all testing. The Magellan provided, State approved, Test Plan shall include, at a minimum, identification, preparation, and Documentation of planned testing, a requirements traceability matrix, test variants, test scenarios, test cases, test scripts, test Data, test phases, expected results, and a tracking method for reporting actual versus expected results as well as all errors and problems identified during test execution.

As identified in the Acceptance Test Plan, and documented in accordance with the Work Plan and the Contract, State testing shall commence upon Magellan's Project Manager's Certification, in writing, that Magellan's own staff has successfully executed all prerequisite Magellan testing, along with reporting the actual testing results, prior to the start of any testing executed by State staff. The State shall be presented with a State approved Acceptance Test Plan, test scenarios, test cases, test scripts, test data, and expected results.

The State shall commence its testing within five (5) business days of receiving Certification from Magellan that the State's personnel have been trained and the System is installed, configured, complete, and ready for State testing. The testing shall be conducted by the State in an environment independent from Magellan's development environment. Magellan must assist the State with testing in accordance with the Test Plan and the Work Plan utilizing test and live Data to validate reports.

Testing begins upon completion of the Software configuration as required and user training according to the Work Plan. Testing ends upon issuance of a letter of UAT Acceptance by the State.

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Vendor must demonstrate that their testing methodology can be integrated with the State standard methodology.

1.2 System Integration Testing

The new System is tested in integration with other application systems (legacy and service Providers) in a production-like environment. System Integration Testing validates the integration between the individual unit application modules and verifies that the new System meets defined requirements and supports execution of interfaces and business processes. The System Integration Test is performed in a test environment.

Thorough end-to-end testing shall be performed by the Magellan team(s) to confirm that the Application integrates with any interfaces. The test emphasizes end-to-end business processes, and the flow of information across applications. It includes all key business processes and interfaces being implemented, confirms data transfers with external parties, and includes the transmission or printing of electronic and paper documents.

<p>System Integration Testing</p>	<p>System integration testing validates the integration between the target application and other legacy systems. The test emphasizes end-to-end business processes and the flow of information across the application. It includes all key business processes and interfaces being implemented, confirms data transfers with external parties, and includes the transmission or printing of electronic and paper documents.</p>
<p>Integration Test Requirements</p>	<p>Integration testing shall be performed by the Magellan team(s) to confirm that the Application integrates with any interfaces. The test emphasizes end-to-end business processes, and the flow of information across applications. It includes all key business processes and interfaces being implemented, confirms data transfers with external parties, and includes the transmission or printing of electronic and paper documents.</p>
<p>System Integration Test</p>	<p>Work jointly with Magellan to develop the System Integration Test Specifications. Work jointly with Magellan to develop and load the data profiles to support the test Specifications. Work jointly with Magellan to validate components of the test scripts, modifications, fixes and other System interactions with the Magellan supplied Software Solution.</p>
<p>Integration Test Results</p>	<p>The integration tested System indicates that all interfaces between the application and the legacy and third party systems, interfaces and applications are functioning properly.</p>

1.3 User Acceptance Testing (UAT)

UAT begins upon completion of the Software configuration as required and user training according to the Work Plan. Testing ends upon issuance of a letter of UAT Acceptance by the State.

The Vendor's Project Manager must certify in writing, that the Vendor's own staff has successfully executed all prerequisite Vendor testing, along with reporting the actual testing results prior to the start of any testing executed by State staff.

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The State shall be presented with all testing results, as well as written Certification that Magellan has successfully completed the prerequisite tests, meeting the defined Acceptance Criteria, and performance standards. The State shall commence testing within five (5) business days of receiving Certification, in writing, from Magellan that the system is installed, configured, complete and ready for State testing. The State shall conduct the UAT utilizing scripts developed as identified in the Acceptance Test Plan to validate the functionality of the System and the interfaces, and verify Implementation readiness. UAT is performed in a copy of the production environment and can serve as a performance and stress test of the System. The User Acceptance Test may cover any aspect of the new System, including administrative procedures (such as backup and recovery).

The User Acceptance Test (UAT) is a verification process performed in a copy of the production environment. The User Acceptance Test verifies System functionality against predefined Acceptance criteria that support the successful execution of approved business processes.

UAT shall also serve as a performance and stress test of the System. It may cover any aspect of the new System, including administrative procedures such as backup and recovery. The results of the UAT provide evidence that the new System meets the User Acceptance criteria as defined in the Work Plan. The results of the User Acceptance Test provide evidence that the new System meets the User Acceptance criteria as defined in the Work Plan.

Upon successful conclusion of UAT and successful System deployment, the State shall issue a letter of UAT Acceptance and the respective Warranty Period shall commence

System Acceptance Criteria	The System User Acceptance Test Plan shall verify system readiness against the defined Acceptance criteria that support the successful execution of approved business processes.
Magellan and Warranty Period	Provide the State with a written UAT Plan, including the scope, objectives, and timeline of the test cycle and plan to be performed. The State and Magellan shall jointly determine the required actions for problem resolution.
System Acceptance	<ul style="list-style-type: none"> • Approve the implementation of the Acceptance Test Plan in the development phase during the UAT Acceptance Test. • Validate the Acceptance Test Environment. • Execute the test scripts and conduct User Acceptance Test activities. • Document and summarize Acceptance Test results. • Work jointly with Magellan in determining the required actions for problem resolution. • Provide Acceptance of the validated Systems.
System Acceptance Description	The Deliverable for User Acceptance Tests is the User Acceptance Test Results. These results provide evidence that the new System meets the User Acceptance criteria defined in the Work Plan.

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1.4 Performance Tuning and Stress Testing

NH ADAP program shall be implemented on existing software currently installed and operational for the State of NH. Magellan shall monitor production systems constantly to maintain uptime and performance. System capacity shall be forecasted regularly to ensure adequate system resources are available to support current and future business. Metrics shall be systematically collected and evaluated to ensure that all service level agreements and key performance indicators are met or exceeded. Testing and monitoring results shall be made available to the State upon request.

1.5 Regression Testing

As a result, of the user testing activities, problems shall be identified that require correction. The State shall notify the Vendor of the nature of the testing failure in writing. The Vendor shall be required to perform additional testing activities in response to State and/or user problems identified from the testing results. Regression testing means selective re-testing to detect faults introduced during the modification effort, both to verify that the modifications have not caused unintended adverse effects, and to verify that the modified and related (possibly affected) System components still meet their specified requirements:

- a.) For each minor failure of an Acceptance Test, the Acceptance Period shall be extended by corresponding time defined in the Test Plan.
- b.) Magellan shall notify the State no later than five (5) business days from the Magellan's receipt of written notice of the test failure when Magellan expects the corrections to be completed and ready for retesting by the State. Magellan shall have up to five (5) business days to make corrections to the problem unless specifically extended in writing by the State.
- c.) When a programming change is made in response to a problem identified during user testing, a Regression Test Plan should be developed by Magellan based on the understanding of the program and the change being made to the program. The Test Plan has two objectives:
 1. Validate that the change/update has been properly incorporated into the program; and
 2. Validate that there has been no unintended change to the other portions of the program.
- d.) Magellan shall be expected to:
 1. Create a set of test conditions, test cases, and test data that shall validate that the change has been incorporated correctly;
 2. Create a set of test conditions, test cases, and test data that shall validate that the unchanged portions of the program still operate correctly; and
 3. Manage the entire cyclic process.
- e.) Magellan shall be expected to execute the regression test, provide actual testing results, and certify its completion in writing to the State prior to passing the modified Software application to the users for retesting.

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In designing and conducting such regression testing, Magellan shall be required to assess the risks inherent to the modification being implemented and weigh those risks against the time and effort required for conducting the regression tests. In other words, Magellan shall be expected to design and conduct regression tests that shall identify any unintended consequences of the modification while taking into account Schedule and economic considerations.

1.6 Security Review and Testing

IT Security involves all functions pertaining to the securing of State Data and Systems through the creation and definition of security policies, procedures and controls covering such areas as identification, authentication and non-repudiation.

All components of the Software shall be reviewed and tested to ensure they protect the State's hardware and software and its related Data assets. MMA shall conduct an internal review to support the review and testing.

Tests shall focus on the technical, administrative and physical security controls that have been designed into the System architecture in order to provide the necessary confidentiality, integrity and availability. Tests shall, at a minimum, cover each of the service components. Test procedures may include Penetration Tests (pen test) or code analysis and Review.

Service Component	Defines the set of capabilities that:
Identification and Authentication	Supports obtaining information about those parties attempting to log onto a system or application for security purposes and the validation of users
Access Control	Supports the management of permissions for logging onto a computer or network
Encryption	Supports the encoding of data for security purposes
Intrusion Detection	Supports the detection of illegal entrance into a computer system
Verification	Supports the confirmation of authority to enter a computer system, application or network
User Management	Supports the administration of computer, application and network accounts within an organization.
Audit Trail Capture and Analysis	Supports the identification and monitoring of activities within an application or system
Input Validation	Ensures the application is protected from buffer overflow, cross-site scripting, SQL injection, and unauthorized access of files and/or directories on the server.

MMA shall conduct an internal review to support the review and testing. Prior to the System being moved into production Magellan shall provide results of all security testing to the Department of Information Technology for review and Acceptance. All Software and hardware shall be free of malicious code (malware).

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1.7 Successful UAT Completion

Upon successful completion of UAT, the State shall issue a Letter of UAT Acceptance. Upon issuance of the Letter of UAT Acceptance by the State, the respective Warranty Period shall commence as set forth in Contract Exhibit K, *Warranty and Warranty Services*.

1.8 System Acceptance

Upon completion of the Warranty Period, the State shall issue a Letter of Final System Acceptance.

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MAINTENANCE AND SUPPORT SERVICES

1. SYSTEM MAINTENANCE

Magellan shall maintain and support the System in all material respects as described in the applicable program Documentation for 3 years of maintenance after delivery and the Warranty Period of 3 year(s).

1.1 Magellan's Responsibility

Magellan shall maintain the Application System in accordance with the Contract. Magellan shall not be responsible for maintenance or support for Software developed or modified by the State.

1.1.1 Maintenance Releases

Magellan shall make available to the State the latest program updates, general maintenance releases, selected functionality releases, patches, and Documentation that are generally offered to its customers, at no additional cost.

2. SYSTEM SUPPORT

2.1 Contractor's Responsibility

Contractor shall be responsible for performing on-site or remote technical support in accordance with the Contract Documents, including without limitation the requirements, terms, and conditions contained herein.

As part of the Software maintenance agreement, ongoing Software maintenance and support levels, including all new Software releases, shall be responded to according to the following:

a. **Class A Deficiencies** - The Vendor shall have available to the users and the State on-call telephone assistance, with issue tracking available to the State, twenty four (24) hours per day and seven (7) days a week with an email / telephone response within two (2) hours of request; or the Vendor shall provide support on-site or with remote diagnostic Services, within four (4) business hours of a request;

b. **Class B & C Deficiencies** - The users or the State shall notify the Vendor of such Deficiencies during regular business hours and the Vendor shall respond back within 24 hours of notification of planned corrective action;

3. SUPPORT OBLIGATIONS AND TERM

3.1 Magellan shall repair or replace Software, and provide maintenance of the Software in accordance with the Specifications and terms and requirements of the Contract;

3.2 Magellan shall maintain a record of the activities related to warranty repair or maintenance activities performed for the State;

3.3 Magellan must work with the State to identify and troubleshoot potentially large-scale System failures or Deficiencies by collecting the following information: 1) mean time between reported Deficiencies with the Software; 2) diagnosis of the root cause of the problem; and 3) identification of repeat calls or repeat Software problems.

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- 3.4 If Magellan fails to correct a Deficiency within the allotted period of time stated above, Magellan shall be deemed to have committed an Event of Default, and the State shall have the right, at its option, to pursue the remedies in Part 2 Section 13.1.1.2, as well as to return Magellan's product and receive a refund for all amounts paid to Magellan, including but not limited to, applicable license fees, within ninety (90) days of notification to Magellan of the State's refund request
- 3.5 If Magellan fails to correct a Deficiency within the allotted period of time Stated above, Magellan shall be deemed to have committed an Event of Default, and the State shall have the right, at its option, to pursue the remedies in Part 2 Section 13.1.1.2.

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Magellan shall provide all of the system's functional components and requirements, including Services and deliverables, outlined within this contract. Magellan shall implement the NH AIDS Drug Assistance Program (ADAP) on its existing, Pharmacy Benefits Management (PBM) system and shall act as the State's Fiscal Agent for these Services. The implementation shall be performed on the current Magellan Pharmacy Benefits Management System running the NH State Medicaid Pharmacy program. Magellan shall be responsible for the design and implementation of the NH AIDS Drug Assistance Program (ADAP) Pharmacy Benefits Management (PBM) system and shall act as the State's Fiscal Agent for these Services.

The NH AIDS Drug Assistance Program (ADAP) is funded primarily by the federal Ryan White Program, administered by the Health Resources and Services Administration. The Ryan White Treatment Extension Act of 2009 allocates funding to states to provide core medical and support Services to persons living with HIV within their state, titled Ryan White Part B (RWPB). The largest funded service category is ADAP, which provides life saving medications to eligible HIV+ NH residents.

Minimum Required Services

A full description of the system requirements are included in Attachment 1 - Business and Program Requirements, which is attached and hereby incorporated into this Contract.

- Implementation of a statewide Pharmacy Benefit Management (PBM) program for NH AIDS Drug Assistance Program (ADAP) clients based upon best practice models;
- The accurate and efficient automated systematic adjudication and payment of pharmacy claims indicated by this Contract;
- Specialty pharmacy management for other public health programs, such as the tuberculosis (TB) program to address sub-populations ensuring appropriate clinical utilization and cost savings among all clients; Mail order pharmacy strategies where appropriate;
- Coordination of benefits with Medicare plans, Medicaid and other private payers;
- Integrated reporting systems (between financial and claims data systems, among others), Internet based functionality as applicable, which enables Magellan to proactively initiate program changes, refinements or enhancements and to ensure successful program management. Key ADAP staff should have ready electronic access to all reporting (both standard and ad hoc) and PBM company materials;
- The application of standardized, streamlined and efficacious administrative processes to enhance service delivery, cost containment and program integrity;
- Internet based functionality, including access to NH ADAP program information.
- Systems On-line Access, Implementation, Maintenance, and Modification of an automated PBM system to support claims processing and payment, data management, call center tracking, and ad hoc reporting providing on-line access to all components;
- Serve as the NH ADAP's liaison to pharmaceutical manufacturers and other industry representatives.

Magellan shall provide the NH ADAP with on-line access to any and all components that comprise the NH ADAP PBM system solution. Additionally, Magellan shall provide access to NH ADAP Pharmacies and Recipients to selected information and such other information as Contractor and the NH ADAP mutually agree upon in writing. Magellan shall work collaboratively with the NH ADAP and other interfacing entities to implement effectively the requisite exchanges of data necessary to support the requirements of the Scope of Services.

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Magellan shall maintain compliance with all applicable Health Insurance Portability and Accountability Act (HIPAA) regulations.

Magellan is responsible for hosting the NH ADAP PBM solution at Magellan's data center and providing for adequate redundancy, disaster recovery, and business continuity such that in the event of any catastrophic incident, system availability is restored to the NH ADAP within 24 hours of incident onset and eight (8) hours in the event of an unscheduled downtime incident involving the POS functionality.

Magellan shall ensure that the NH ADAP data are securely segregated, using role based security, from other PBM accounts or Projects, and are under configuration management and change management in support of NH ADAP.

Magellan shall implement the necessary telecommunication infrastructure to support the NH ADAP's PBM solution and shall provide the NH ADAP with a network diagram depicting the communications infrastructure, including but not limited to, connectivity between ADAP and Magellan, including any contractor and subcontractor locations supporting the ADAP PBM Project.

Magellan shall utilize methods for data conversion and data interface handling, that, to the maximum extent possible, automate the process, and that provide for source to target or source to specification mappings, all business rules and transformations where applied, summary and detailed counts, and any data that cannot be loaded.

Magellan shall provide for a common, centralized electronic Project repository, providing for secure access to authorized Contractor and ADAP staff to Project plans, documentation, issues tracking, deliverables, and other Project related artifacts.

Table C-2 General System Requirements - Vendor Response Checklist

B-1	Business and program requirements for the Pharmacy Benefit's Management System are described more fully in Attachment I.
F-1	Point of Sale (POS) Pharmacy Claims Adjudication (Paid, Denied, Reversed, Adjusted, Voids);
F-2	Provider Management;
F-3	Recipient Management;
F-4	Prior Authorization Management;
F-5	Third Party Coverage and Cost Avoidance Management;
F-6	Financial Management (Financial Transactions, Fund Codes, Fiscal Pend);
F-7	Payment Management (Checks, EFT, Remittance Advices, Banking
F-8	Reference Data Management (Drug Codes, Rates, Blits, Audits);
F-9	Reporting (Ad hoc and Pre-Defined/Scheduled and On-Demand
F-10	Call Center Management
F-11	Access Management
G-1	Vendor shall participate in an initial kick-off meeting to initiate the Project.
G-2	Vendor shall provide Project Staff as specified in the RFP.

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G-3	Vendor shall submit a finalized Work Plan within ten (10) days after Contract award and approval by Governor and Council. The Work Plan shall include, without limitation, a detailed description of the Schedule, tasks, Deliverables, critical events, task dependencies, and payment Schedule. The plan shall be updated no less than bi-weekly.
G-4	Vendor shall provide detailed bi-weekly status reports on the progress of the Project, which shall include expenses incurred year to date.
G-5	All user, technical, and System Documentation as well as Project Schedules, plans, status reports, and correspondence must be maintained as Project Documentation. (Define how- WORD format- on-Line, in a common library or on paper)
G-6	Vendor shall complete training to ensure the State users are sufficiently knowledgeable of the new System to employ it to good effect.

TECHNICAL REQUIREMENTS

~~Information Technology (IT) Systems Requirements~~

Magellan shall be responsible for the design, development, and implementation of the State's Pharmacy Benefits Management system, providing for all of the system functional components and requirements, including but not limited to:

1. Point of Sale (POS) Pharmacy Claims Adjudication (Paid, Denied, Reversed, Adjusted, Voids);
2. Prior Authorization Management;
3. Interface Management;
4. Third Party Coverage and Cost Avoidance Management;
5. Financial Management (Financial Transactions, Fund Codes, Fiscal Pend);
6. Payment Management;
7. Reference Data Management (Drug Codes, Rates, Edits, Audits);
8. Reporting (Ad hoc and Pre-Defined/Scheduled and On-Demand);
9. Call Center Management;
10. Other components as necessary to meet the requirements of the RFP.

Magellan shall provide the State with secure, on-line access to any and all components that comprise the NH PBM system solution. Additionally, Magellan shall provide access to NH Medicaid Providers and Recipients to selected information as described in the RFP and such other information as Magellan and the State mutually agree in writing.

Magellan shall work collaboratively with the Department, its MMIS fiscal agent, and other interfacing entities to implement effectively the requisite exchanges of data necessary to support the requirements of the RFP.

Magellan is responsible for hosting the NH PBM solution at the Magellan's data center and providing for adequate redundancy, disaster recovery, and business continuity such that in the event of any catastrophic incident, system availability is restored to the State within 24 hours of incident onset in the event of a catastrophic incident and eight (8) hours in the event of an unscheduled downtime incident involving the POS functionality.

Magellan shall ensure that the hardware and software supporting the State's solution, and the State's data, data processing, and data repositories are securely segregated from any other PBM account or project, and are under configuration management and change management governed through and in support of the State project.

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Magellan shall implement the necessary telecommunication infrastructure to support the State's PBM solution and shall provide the State with a network diagram depicting the communications infrastructure, including but not limited to, connectivity between the State and Magellan, including any contractor and subcontractor locations supporting the State's PBM project.

Magellan shall utilize data extract, transformation, and load (ETL) methods for data conversion and data interface handling, that, to the maximum extent possible, automate the extract, transformation and load processes, and that provide for source to target or source to specification mappings, all business rules and transformations where applied, summary and detailed counts, and any data that cannot be loaded.

Magellan shall provide for a common, centralized electronic project repository, providing for secure access to authorized Magellan and State staff to project plans, documentation, issues tracking, deliverables, and other project related artifacts, that shall be turned over to the State after certification.

Magellan's Project Manager and the State Project Manager shall finalize the Work Plan within five (5) days of the Effective Date and further refine the tasks required to implement the Project. The elements of the preliminary Work Plan are documented in accordance with Magellan's plan to implement the Application Software. Continued development and management of the Work Plan is a joint effort on the part of Magellan and State Project Managers.

The preliminary Work Plan created by Magellan and the State is set forth at the end of this Exhibit.

In conjunction with Magellan's Project Management methodology, which shall be used to manage the Project's life cycle, the Magellan team and the State shall finalize the Work Plan at the onset of the Project. This plan shall identify the tasks, Deliverables, major milestones, task dependencies, and a payment Schedule required to implement the Project. It shall also address intra-task dependencies, resource allocations (both State and Magellan team members), refine the Project's scope, and establish the Project's Schedule. The Plan is documented in accordance with Magellan's Work Plan.

1. ASSUMPTIONS

A. General

- The State shall provide team members with decision-making authority to support the Implementation efforts, at the level outlined in the Request for Proposal Document State Staffing Matrix.
- All State tasks must be performed in accordance with the revised Work Plan.
- All key decisions shall be resolved within five (5) business days. Issues not resolved within this initial period shall be escalated to the State Project Manager for resolution.
- Any activities, decisions or issues taken on by the State that affect the mutually agreed upon Work Plan timeline, scope, resources, and costs shall be subject to the identified Change Control process.
- Magellan shall maintain an accounting system in accordance with Generally Accepted Accounting Principles (GAAP).

B. Logistics

- The Magellan Team shall honor all holidays observed by Magellan or the State, although with permission, may choose to work on holidays and weekends.

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C. Project Management

- The State shall approve the Project Management Methodology used for the Project.
- The State shall provide the Project Team with reasonable access to the State personnel as needed to complete Project tasks.
- A Project folder created within the State system shall be used for centralized storage and retrieval of Project documents, work products, and other material and information relevant to the success of the Project and required by Project Team members. This central repository is secured by determining which team members have access to the Project folder and granting either view or read/write privileges. Magellan's Project Manager shall establish and maintain this folder. The State Project Manager shall approve access for the State team. Documentation can be stored locally for Magellan and State team on a "shared" network drive to facilitate ease and speed of access. Final versions of all Documentation shall be loaded to the State System.
- Magellan assumes that an Alternate Project Manager may be appointed from time to time to handle reasonable and ordinary absences of the Project Manager.

D. Project Schedule

- Implementation is planned to begin on July 1, 2013 with a planned go-live date of October 1, 2013.

E. Reporting

- Magellan shall conduct biweekly status meetings, and provide reports that include, but are not limited to, minutes, action items, test results and Documentation.

F. User Training and Change Management

- The Magellan Team shall lead the development of the end-user training plan.
- A train the trainer approach shall be used for the delivery of end-user training.
- The State is responsible for the delivery of end-user training.
- The State shall schedule and track attendance on all end-user training classes.

G. Performance and Security Testing

During the Operational Phase of the Project Magellan monitors the systems constantly to maintain uptime and performance. System capacity shall be forecasted regularly to ensure adequate system resources are available to support current and future business. Metrics shall be systematically collected and evaluated to ensure that all service level agreements and key performance indicators are met or exceeded. Testing and monitoring results shall be made available the State upon request.

1. ROLES AND RESPONSIBILITIES

A. Magellan Team Roles and Responsibilities

1) Magellan Team Project Executive

The Magellan Team's Project Executives (Magellan and Subcontractor Project Executives) shall be responsible for advising on and monitoring the quality of the Implementation throughout the Project life cycle. The Project Executive shall advise the Magellan Team Project Manager and the State's Project leadership on the best practices for implementing the Magellan Software

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Solution within the State. The Project Executive shall participate in the definition of the Project Plan and provide guidance to the State's Team.

2) Magellan Team Project Manager

The Magellan Team Project Manager shall have overall responsibility for the day-to-day management of the Project and shall plan, track, and manage the activities of the Magellan Implementation Team. The Magellan Team Project Manager shall have the following responsibilities:

- Maintain communications with the State's Project Manager;
- Work with the State in planning and conducting a kick-off meeting;
- Create and maintain the Work Plan;
- Assign Magellan Team consultants to tasks in the Implementation Project according to the scheduled staffing requirements;
- Define roles and responsibilities of all Magellan Team members;
- Provide bi-weekly and monthly progress reports to the State Project Manager;
- Notify the State Project Manager of requirements for State resources in order to provide sufficient lead time for resources to be made available;
- Review task progress for time, quality, and accuracy in order to achieve progress;
- Review requirements and scheduling changes and identify the impact on the Project in order to identify whether the changes may require a change of scope;
- Implement scope and Schedule changes as authorized by the State Project Manager and with appropriate Change Control approvals as identified in the Implementation Plan;
- Inform the State Project Manager and staff of any urgent issues if and when they arise;
- Provide the State completed Project Deliverables and obtain sign-off from the State's Project Manager.

3) Magellan Team Analysis

The Magellan Team shall conduct analysis of requirements, validate the Magellan Team's understanding of the State business requirements by application, and perform business requirements mapping:

- Construct and confirm application test case scenarios;
- Produce application configuration definitions and configure the applications;
- Conduct testing of the configured application;
- Produce functional Specifications for extensions, conversions, and interfaces;
- Assist the State in the testing of extensions, conversions, and interfaces;
- Assist the State in execution of the State's Acceptance Test;
- Conduct follow-up meetings to obtain feedback, results, and concurrence/approval from the State;
- Assist with the correction of configuration problems identified during system, integration and Acceptance Testing; and
- Assist with the transition to production.

4) Magellan Team Tasks

The Magellan team shall assume the following tasks:

- Development and review of functional and technical Specification to determine that they are at an appropriate level of detail and quality;

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- Development and Documentation of conversion and interface programs in accordance with functional and technical Specifications;
- Development and Documentation of installation procedures; and
- Development and execution of Unit Test scripts;
- Unit testing of conversions and interfaces developed; and
- System Integration Testing.

B. State Roles and Responsibilities

The following State resources have been identified for the Project. The time demands on the individual State team members shall vary depending on the phase and specific tasks of the Implementation. The demands on the subject matter experts' time shall vary based on the need determined by the State Leads and the phase of the Implementation.

1) State Project Manager

The State Project Manager shall work side-by-side with the Magellan Project Manager. The role of the State Project Manager is to manage State resources, facilitate completion of all tasks assigned to State staff, and communicate Project status on a regular basis to Division of Public Health Services Leadership. The State Project Manager represents the State in all decisions on Implementation Project matters, provides all necessary support in the conduct of the Implementation Project, and provides necessary State resources, as defined by the Work Plan and as otherwise identified throughout the course of the Project. The State Project Manager has the following responsibilities:

- Plan and conduct a kick-off meeting with assistance from the Magellan team;
- Assist the Magellan Project Manager in the development of a detailed Work Plan;
- Identify and secure the State Project Team members in accordance with the Work Plan;
- Define roles and responsibilities of all State Project Team members assigned to the Project;
- Identify and secure access to additional State end-user staff as needed to support specific areas of knowledge if and when required to perform certain Implementation tasks;
- Communicate issues to State management as necessary to secure resolution of any matter that cannot be addressed at the Project level;
- Inform the Magellan Project Manager of any urgent issues if and when they arise; and
- Assist the Magellan team staff to obtain requested information if and when required to perform certain Project tasks.
- Assist in validating and documenting user requirements, as needed;
- Assist in mapping business requirements;
- Assist in constructing test scripts and data;
- Assist in system, integration, and Acceptance Testing;
- Assist in performing conversion and integration testing and Data Verification;
- Assist in training end users in the use of the Magellan Software Solution and the business processes the application supports.

2) State Technical Lead and Architect

The State's Technical Lead and Architect reports to the State's Project Manager and is responsible for leading and managing the State's technical tasks. Responsibilities include:

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- Attend technical training as necessary to support the Project;
- Assist the State and Magellan Team Project Managers to establish the detailed Work Plan;
- Manage the day-to-day activities of the State's technical resources assigned to the Project;
- Work with State IT management to obtain State technical resources in accordance with the Work Plan;
- Work with the Magellan Technical Lead and the State's selected hardware vendor to architect and establish an appropriate hardware platform for the State's Project development and production environments;
- Work in partnership with Magellan and lead the State technical staff's efforts in documenting the technical operational procedures and processes for the Project. This is a Contractor Deliverable and it shall be expected that Magellan shall lead the overall effort with support and assistance from the State; and
- Represent the technical efforts of the State at biweekly Project meetings.

3) State Network Administrator (DoIT)

The State Network Administrator shall provide technical support regarding networking requirements' administration. The responsibilities shall include:

- Assess the ability of the State's overall network architecture and capacity to adequately support implemented applications;
- Establish connections among the database and application servers; and
- Establish connections among the desktop devices and the Application and database servers.

4) State Testing Administrator

The State's Testing Administrator shall coordinate the State's testing efforts. Responsibilities include:

- Coordinating the development of system, integration, performance, and Acceptance Test Plans;
- Coordinating system, integration, performance, and Acceptance Tests;
- Chairing test review meetings;
- Coordinating the State's team and external third parties involvement in testing;
- Ensuring that proposed process changes are considered by process owners;
- Establish priorities of Deficiencies requiring resolution; and
- Tracking Deficiencies through resolution.

2. INTERFACES

Interfaces shall be implemented in cooperation with the State. The following Table 5.1 identifies the interfaces within the scope of this Contract and their relative assignment:

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Table 5.1: In-Scope Interfaces

Interface	Components, if applicable	Responsible Party	Description
Client Eligibility	Data File	State Project Manager	The file shall provide Magellan with client level detail on eligibility at a point in time.
Client Information	Data File	Magellan Project Manager	The file shall provide CAREWare with client level detail on implementation.

A. Interface Responsibilities

- The Magellan Team shall provide the State Magellan Application Data requirements and examples, of data mappings and interfaces implemented on other Projects. The Magellan Team shall identify the APIs the State should use in the design and development of the interface.
- The Magellan Team shall lead the State with the mapping of legacy data to the Magellan Applications.
- The Magellan Team shall lead the review of functional and technical interface Specifications.
- The Magellan Team shall assist the State with the resolution of problems and issues associated with the development and Implementation of the interfaces.
- The Magellan Team shall document the functional and technical Specifications for the interfaces.
- The Magellan Team shall create the initial Test Plan and related scripts to Unit Test the interface. The State shall validate and accept.
- The Magellan Team shall develop and Unit Test the interface.
- The State and the Magellan Team shall jointly verify and validate the accuracy and completeness of the interface.
- The State shall document the technical changes needed to legacy systems to accommodate the interface.
- The State shall develop and test all legacy application changes needed to accommodate the interface.
- The State and the Magellan Teams shall jointly construct test scripts and create any data needed to support testing the interfaces.
- The State is responsible for all data extracts and related formatting needed from legacy systems to support the interfaces.
- The State is responsible for documenting the procedures required to run the interfaces in production.
- The State is responsible for the scheduling of interface operation in production.

3. PRELIMINARY WORK PLAN

The following Table 7.1 provides the preliminary agreed upon Work Plan for the Contract.

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Table 7.1: High Level Preliminary NH Project Plan

#	Activity, Deliverable, or Milestone	Duration	Start	Finish
Planning and System Development				
1	Implementation period begins (G&C approval)	3 months	7/1/2013	9/30/2013
2	Detailed Testing Plan and Testing Results	1 month	7/1/2013	7/31/2013
3	Deployment Plan	1 month	7/1/2013	7/31/2013
4	Comprehensive Training Plan and Curriculum	1 month	7/1/2013	7/31/2013
5	Configure Provider data maintenance and updates	2 months	7/1/2013	8/30/2013
6	Configure eligibility verification	2 months	7/1/2013	8/30/2013
7	Configure PA tracking, support, and management	2 months	7/1/2013	8/30/2013
8	Configure claims and financial requirements	2 months	7/1/2013	8/30/2013
9	Configure third party coverage and cost avoidance management	2 months	7/01/2013	8/30/2013
10.	Configure reports	2 months	7/01/2013	8/30/2013
Implementation and Deployment				
	System Configured	2 months	7/01/2013	8/30/2013
	Conduct User Acceptance Testing	1 month	9/01/2013	9/30/2013
	Perform Production Tests	1 month	9/01/2013	9/30/2013
	Conduct Training	1 month	9/01/2013	9/30/2013
	Cutover to New Software	N/A	10/01/13	10/01/13
	Write Documentation	3 months	7/01/13	9/30/2013
	Warranty Period: 10/01/13 – 12/31/13	3 months	10/01/13	12/31/13
Ongoing Support				
	FY 2014 System Support and Maintenance	1 year	7/1/2013	6/30/2014
	FY 2014 PBM Services	1 year	7/1/2013	6/30/2014
	FY 2015 System Support and Maintenance	1 year	7/1/2014	6/30/2015
	FY 2015 PBM Services	1 year	7/1/2014	6/30/2015
	FY 2016 System Support and Maintenance	1 year	7/1/2015	6/30/2016
	FY 2016 PBM Services	1 year	7/1/2015	6/30/2016

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1. LICENSE GRANT

Not applicable.

2. DOCUMENTATION COPIES

Magellan shall provide the State with a sufficient number of hard copy versions of the Software's associated Documentation and one (1) electronic version in Microsoft WORD and PDF format. The State shall have the right to copy the Software and its associated Documentation for its internal business needs. The State agrees to include copyright and proprietary notices provided to the State by the Vendor on such copies.

3. RESTRICTIONS

Except as otherwise permitted under the Contract, the State agrees not to:

- a. Remove or modify any program markings or any notice of Magellan's proprietary rights;
- b. Make the programs or materials available in any manner to any third party for use in the third party's business operations, except as permitted herein; or
- c. Cause or permit reverse engineering, disassembly or recompilation of the programs.

4. TITLE

Title, right, and interest (including all ownership and intellectual property rights) in the Software, and its associated Documentation, shall remain with Magellan.

5. VIRUSES

Magellan shall provide Software that shall not contain any viruses, destructive programming, or mechanisms designed to disrupt the performance of the Software in accordance with the Specifications.

As a part of its internal development process, Magellan shall use reasonable efforts to test the Software for viruses. Magellan shall also maintain a master copy of the appropriate versions of the Software, free of viruses. If the State believes a virus may be present in the Software, then upon its request, Magellan shall provide a master copy for comparison with and correction of the State's copy of the Software.

6. AUDIT

Upon forty-five (45) days written notice, Magellan may audit the State's use of the programs at Magellan's sole expense. The State agrees to cooperate with Magellan's audit and provide reasonable assistance and access to information. The State agrees that Magellan shall not be responsible for any of the State's reasonable costs incurred in cooperating with the audit. Notwithstanding the foregoing, Magellan's audit rights are subject to applicable State and federal laws and regulations.

7. SOFTWARE NON-INFRINGEMENT

Magellan warrants that it has good title to, or the right to allow the State to use all Services, equipment, and Software ("Material") provided under this Contract, and that such Services, equipment, and Software do not violate or infringe any patent, trademark, copyright, trade name or other intellectual property rights or misappropriate a trade secret of any third party.

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The warranty of non-infringement shall be an on-going and perpetual obligation that shall survive termination of the Contract. In the event that someone makes a claim against the State that any Material infringe their intellectual property rights, Magellan shall defend and indemnify the State against the claim provided that the State:

- a. Promptly notifies Magellan in writing, not later than 30 days after the State receives actual written notice of such claim;
- b. Gives Magellan control of the defense and any settlement negotiations; and
- c. Gives Magellan the information, authority, and assistance reasonably needed to defend against or settle the claim.

Notwithstanding the foregoing, the State's counsel may participate in any claim to the extent the State seeks to assert any immunities or defenses applicable to the State.

If Magellan believes or it is determined that any of the Material may have violated someone else's intellectual property rights, Magellan may choose to either modify the Material to be non-infringing or obtain a license to allow for continued use, or if these alternatives are not commercially reasonable, Magellan may end the license, and require return of the applicable Material and refund all fees the State has paid Magellan under the Contract. Magellan shall not indemnify the State if the State alters the Material without Magellan's consent or uses it outside the scope of use identified in Magellan's user Documentation or if the State uses a version of the Material which has been superseded, if the infringement claim could have been avoided by using an unaltered current version of the Material which was provided to the State at no additional cost. Magellan shall not indemnify the State to the extent that an infringement claim is based upon any information design, Specification, instruction, Software, data, or material not furnished by Magellan. Magellan shall not indemnify the State to the extent that an infringement claim is based upon the combination of any Material with any products or Services not provided by Magellan without Magellan's consent.

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WARRANTY AND WARRANTY SERVICES

1. WARRANTIES

1.1 Services

Magellan warrants that the System and Magellan PBM Services shall operate to conform to the Specifications, terms, and requirements of the Contract.

1.2 Software

Magellan warrants that the Software, including but not limited to the individual modules or functions furnished under the Contract, is properly functioning within the System, compliant with the requirements of the Contract, and shall operate in accordance with the Specifications and Terms of the Contract.

For any breach of the above Support and Maintenance warranty, the State's remedy, and Magellan's entire liability, shall be: (a) the correction of program errors that cause breach of the warranty, or if Magellan cannot substantially correct such breach in a commercially reasonable manner, the State may (b) require the re-performance of the Deficient Services, or (c) if Magellan cannot substantially correct a breach in a commercially reasonable manner, the State may end the relevant Services and recover the fees paid to Magellan for the Deficient Services.

1.3 Non-Infringement

Magellan warrants that it has good title to, or the right to allow the State to use, all Services, equipment, and Software ("Material") provided under this Contract, and that such Services, equipment, and Software do not violate or infringe any patent, trademark, copyright, trade name or other intellectual property rights or misappropriate a trade secret of any third party.

1.4 Viruses; Destructive Programming

Magellan warrants that the Software shall not contain any viruses, destructive programming, or mechanisms designed to disrupt the performance of the Software in accordance with the Specifications.

1.5 Compatibility

Magellan warrants that all System components, including but not limited to the components provided, including any replacement or upgraded System Software components provided by Magellan to correct Deficiencies or as an Enhancement, shall operate with the rest of the System without loss of any functionality.

1.6 Services

Magellan warrants that all Services to be provided under the Contract shall be provided expediently, in a professional manner, in accordance with industry standards and that Services shall comply with performance standards, Specifications, and terms of the Contract.

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1.7 Personnel

Magellan warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

1.8 Breach of Data

The Vendor shall be solely liable for costs associated with any breach of State Data housed at their location(s) including but not limited to notification and any damages assessed by the courts.

2. WARRANTY SERVICES

Magellan agrees to maintain, repair, and correct Deficiencies in the System Software, including but not limited to the individual modules or functions, during the Warranty Period, at no additional cost to the State, in accordance with the Specifications, Terms and requirements of the Agreement, including, without limitation, correcting all errors, and Defects and Deficiencies; eliminating viruses or destructive programming; and replacing incorrect, Defective or Deficient Software and Documentation. The Warranty Period shall commence upon approval of the contract by the Governor and Executive Council and shall remain in effect for the duration of the Agreement.

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 TRAINING SERVICES

Magellan shall provide the following Training Services.

A. TRAINING

All courses are to be offered on-site in New Hampshire and shall be available for up to 10 students. Following the provision of classes, access to on-line course materials shall be provided for thirty (30) days through the online training library to the extent that it is available.

1. Delivery Method -Instructor-Led Class Training

This method helps build the in-depth knowledge and hands-on experience the State's employees shall need to succeed in their job role with Magellan. From in-class demonstrations led by experienced Magellan instructors, to realistic hands-on labs, Instructor-Led in Class courses provide a dynamic learning environment.

This instruction is targeted to train the group of Users defined as Project Team Users from Departments and selected subject matter experts (SMEs).

2. Project Team Developed Training

a. Magellan and the State agree to an end user training approach to meet training objectives, including:

- 1) developing "in house" experts and end-user support channels that involve and leverage internal resources and subject matter experts (SMEs); and
- 2) leveraging statewide access to computers and the Web by accessing On-line courses whenever possible to lessen time away from the job and reduce travel costs for those who are spread across the State.

b. Key activities of the approach are highlighted below:

User Training Approach	Role and Responsibility	
	Magellan Team	State of NH
Develop Training Plan	Lead the development and Implementation of the Training Plan. Provide guidance, coaching, materials, and tools.	Assist in the development and Implementation of the Training Plan.
Develop Curriculum	Analyze skill requirements. Detail roles, course content, and estimated course length.	Assist to analyze skill requirements. Assist to detail roles, course content, and estimated length.
Produce Training Materials and End User Documentation	Lead the development of materials and Documentation to include: Magellan providing baseline Documentation in electronic format that can be modified and reproduced.	Assist in the development of training materials.

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User Training Approach	Role and Responsibility	
	Magellan Team	State of NH
	Magellan and the State shall together Conduct Train-the-Trainers for the State's Central Support Group through Implementation. Magellan shall assist in the first train the trainer class for each topic.	Attend Train-the-Trainers training. Train additional State End Users.
	Assist to identify an approach and a plan to conduct training needs assessment for Implementation.	Conduct training needs assessment for post go-live.

c. Key User Training Approach Activities

1) Identify State End Users

The Magellan Team shall lead the State in identifying and categorizing its end users:
User Category 1—Power User Training: Power Users are those employees who frequently use the system. Training shall consist of a series of courses based on job functions, on business processes specific to job roles, and associated transactions. The training strategy shall be organized around the State's business processes and detailed transactions that support these processes.

User Category 2—Casual User Training: Casual Users shall access the system for inquiries or report viewing on an occasional basis. Their courses shall focus on the end-to-end business process instruction and structured inquiry exercises.

User Category 3—Specialty Users: Specialty Users include functional and technical analysts. They shall be trained on the software based on assignments, and may include navigation training and module overview/orientation courseware, functional (modules/business process) training, and configuration.

2) Develop Training Plan The Magellan Team shall act as the training lead and shall provide guidance, coaching, materials, and tools to assist the State Team to structure and implement a Training Plan—including a strategy for outlining the scope, roles, audiences, and deployment timeline throughout the Project lifecycle. The Plan is intended to 1) reinforce knowledge comprehension across the State by employing a train-the-trainer approach, 2) train employees on what they need to know and do to perform their jobs effectively, 3) establish an ongoing skills development process, 4) offer training Solutions that address the immediate and ongoing needs of the State to train new hires and transfers, and 5) implement a blended training delivery Solution that utilizes instructor-led (ILT) and On-line training to support learner interaction, and promotes effective, timely, and cost-efficient learning.

The Training Plan shall address the specific curriculum for each user category and provide support for the design, development, and deployment of training for each user

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category. It shall also provide a blueprint for the State's Team to manage its resources, activities, and timeline throughout the course of the initiative.

3) **Develop Training Curriculum** Magellan shall develop a recommended training curriculum for the State of New Hampshire End Users.

4) **Produce Training Materials and End-User Documentation** The Magellan team shall lead the efforts to produce the training materials and end-user Documentation.

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EXHIBIT M - NOT APPLICABLE TO THIS CONTRACT

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VENDOR PROPOSAL BY REFERENCE

Magellan Proposal dated December 13, 2012 to DHHS Division of Public Health Services is incorporated herein by reference.

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CERTIFICATES AND ATTACHMENTS

Attached are:

- A. Contractor's Certificate of Vote/Authority
- B. Contractor's Certificate of Good Standing
- C. Contractor's Certificate of Insurance
- D. DHHS Exhibits
- E. Attachment 1 - Business and Program Requirements

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SPECIAL PROVISIONS

1. **Contractors Obligations:** The Contractor covenants and agrees that all funds received by the Contractor under the Contract shall be used only as payment to the Contractor for services provided to eligible individuals and, in the furtherance of the aforesaid covenants, the Contractor hereby covenants and agrees as follows:
2. **Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.
3. **Time and Manner of Determination:** Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.
4. **Documentation:** In addition to the determination forms, required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.
5. **Fair Hearings:** The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.
6. **Gratuities or Kickbacks:** The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.
7. **Retroactive Payments:** Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments shall be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.
8. **Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractor's costs, at a rate which exceeds the amounts reasonable and necessary to assure

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the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:

- 8.1 Renegotiate the rates for payment hereunder, in which event new rates shall be established;
- 8.2 Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;
- 8.3 Demand repayment of the excess payment by the Contractor in which event failure to make such repayment shall constitute an Event of Default hereunder. When the Contractor is permitted to determine the eligibility of individuals for services, the Contractor agrees to reimburse the Department for all funds paid by the Department to the Contractor for services provided to any individual who is found by the Department to be ineligible for such services at any time during the period of retention of records established herein.

RECORDS: MAINTENANCE, RETENTION, AUDIT, DISCLOSURE AND CONFIDENTIALITY:

9. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
 - 9.1 **Fiscal Records:** Books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
 - 9.2 **Statistical Records:** Statistical, enrollment, attendance, or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
 - 9.3 **Medical Records:** Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.

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10. **Audit and Review:** During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.

11. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directed connected to the administration of the services and the Contract, and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

Notwithstanding anything to the contrary contained herein, the covenants and conditions contained in the Paragraph shall survive the termination of the Contract for any reason whatsoever.

12. **Reports: Fiscal and Statistical:** The Contractor agrees to submit the following reports at the following times if requested by the Department:

12.1 **Interim Financial Reports:** Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.

12.2 **Final Report:** A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.

13. **Completion of Services: Disallowance of Costs:** Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

14. **Credits:** All documents, notices, press releases, research reports, and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF PUBLIC HEALTH SERVICES
CONTRACT 2013-073 PHARMACY BENEFITS MANAGEMENT SYSTEM
ATTACHMENT 1 - BUSINESS AND PROGRAM REQUIREMENTS

14.1 The preparation of this (report, document, etc.), was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, Division of Public Health Services, with funds provided in part or in whole by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.

2. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the Contractor with respect to the operation of the facility or the provision of the services at such facility. If any government license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor shall procure said license or permit, and shall at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.
3. **Insurance:** Select either (1) or (2) below:

As referenced in the Request for Proposal, Comprehensive General Liability Insurance Acknowledgement Form, the Insurance requirement checked under this section is applicable to this contract:

Insurance Requirement for (1) - 501(c) (3) contractors whose annual gross amount of contract work with the State does not exceed \$500,000, per RSA 21-1:13, XIV, (Supp. 2006): The general liability insurance requirements of standard state contracts for contractors that qualify for nonprofit status under section 501(c)(3) of the Internal Revenue Code and whose annual gross amount of contract work with the state does not exceed \$500,000, is comprehensive general liability insurance in amounts of not less than \$1,000,000 per claim or occurrence and \$2,000,000 in the aggregate. *These amounts may NOT be modified.*

(1) The contractor certifies that it IS a 501(c) (3) contractor whose annual total amount of contract work with the State of New Hampshire does not exceed \$500,000.

Insurance Requirement for (2) - All other contractors who do not qualify for RSA 21-1:13, XIV, (Supp. 2006), Agreement P-37 General Provisions, 14.1 and 14.1.1. Insurance and Bond, shall apply: The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, both for the benefit of the State, the following insurance: comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per incident or occurrence. *These amounts MAY be modified if the State of NH determines contract activities are a risk of lower liability.*

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ATTACHMENT I - BUSINESS AND PROGRAM REQUIREMENTS

X (2) The contractor certifies it does NOT qualify for insurance requirements under RSA 21-1:13, XIV (Supp. 2006).

4. Renewal:

The Contractor shall have the option to renew this contract for a period of three years, beginning 7/1/2016.

18. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:

4. CONDITIONAL NATURE OF AGREEMENT

~~Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.~~

19. Subparagraph 10 of the General Provisions of this contract. Termination, is amended by adding the following language:

10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.

10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.

10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the

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NH DHHS STANDARD EXHIBIT C - SPECIAL PROVISIONS

Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.

10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.

10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.

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DEPARTMENT OF HEALTH AND HUMAN SERVICES
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NH DHHS STANDARD EXHIBIT C - SPECIAL PROVISIONS

SPECIAL PROVISIONS - DEFINITIONS

As used in the Contract, the following terms shall have the following meanings:

COSTS: Shall mean those direct and indirect items of expense determined by the Department to be allowable and reimbursable in accordance with cost and accounting principles established in accordance with state and federal laws, regulations, rules and orders.

DEPARTMENT: NH Department of Health and Human Services.

FINANCIAL MANAGEMENT GUIDELINES: Shall mean the section of the Contractor Manual which is entitled "Financial Management Guidelines" and which contains the regulations governing the financial activities of contractor agencies which have contracted with the State of NH to receive funds.

PROPOSAL: If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the Services to be provided to eligible individuals by the Contractor in accordance with the terms and conditions of the Contract and setting forth the total cost and sources of revenue for each service to be provided under the Contract.

UNIT: For each service that the Contractor is to provide to eligible individuals hereunder, shall mean that period of time or that specified activity determined by the Department and specified in Exhibit B of the Contract.

FEDERAL/STATE LAW: Whenever federal or state laws, regulations, rules, orders, and policies, etc., are referred to in the Contract, the said reference shall be deemed to mean all such laws, regulations, etc., as they may be amended or revised from time to time.

CONTRACTOR MANUAL: Shall mean that document prepared by the NH Department of Administrative Services containing a compilation of all regulations promulgated pursuant to the New Hampshire Administrative Procedures Act, NH RSA Ch 541-A, for the purpose of implementing State of NH and federal regulations promulgated thereunder.

SUPPLANTING OTHER FEDERAL FUNDS: The Contractor guarantees that funds provided under this Contract shall not supplant any existing federal funds available for these services.

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
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EXHIBIT Q

NH DHHS STANDARD EXHIBIT D - CERTIFICATION REGARDING DRUG-FREE WORKPLACE
REQUIREMENTS

STANDARD EXHIBIT D
CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act to 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

This certification is required by the regulations implementing Sections 5151-51-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). the January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they shall maintain a drug-free workplace. Section 3017.630 of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certification set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

Commissioner
NH Department of Health and Human Services,
129 Pleasant Street
Concord, NH 03301

1) The grantee certifies that it shall or shall continue to provide a drug-free workplace by:

(a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that shall be taken against employees for violation of such prohibition;

(b) Establishing an ongoing drug-free awareness program to inform employee's about:

- (1) The dangers of drug abuse in the workplace;
- (2) The grantee's policy of maintaining a drug-free workplace;

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DIVISION OF PUBLIC HEALTH SERVICES
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EXHIBIT Q
NH DHHS STANDARD EXHIBIT D - CERTIFICATION REGARDING DRUG-FREE WORKPLACE
REQUIREMENTS

- (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- (c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
- (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee shall:
- (1) Abide by the terms of the statement; and
 - (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
- (e) Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph (d) (2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- (f) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted
- (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
- (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).
- 2) The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant

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CONTRACT 2013-073 PHARMACY BENEFITS MANAGEMENT SYSTEM
EXHIBIT Q

NEH DHHS STANDARD EXHIBIT D - CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

Place of Performance (street address, city, county, State, zip code) (list each location)

(1) 11013 West Broad Street, Suite 500, Glen Allen, VA 23060

Check if there are workplaces on file that are not identified here.

(2) 14100 Magellan Plaza, Maryland Heights, MO 63043

Magellan Medicaid Administration

From: 7/01/13 or date of G&C Approval, whichever is later To: 6/30/16

Contractor Name

Period Covered by this Certification

YPN

Name and Title of Authorized Contractor Representative


Contractor Representative Signature

4/30/13
Date

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF PUBLIC HEALTH SERVICES
CONTRACT 2013-073 PHARMACY BENEFITS MANAGEMENT SYSTEM
EXHIBIT R
NH DHHS STANDARD EXHIBIT E - CERTIFICATION REGARDING LOBBYING

NH Department of Health and Human Services

Standard Exhibit E

CERTIFICATION REGARDING LOBBYING

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

Programs (indicate applicable program covered):


- *Temporary Assistance to Needy Families under Title V-A
- *Child Support Enforcement Program under Title IV-D
- *Social Services Block Grant Program under Title XX
- *Medicaid Program under Title XIX
- *Community Services Block Grant under Title VI
- *Child Care Development Block Grant under Title IV

Contract Period: July 1, 2013 or date of Q&C Approval, whichever is later, through June 30, 2016.

- The undersigned certifies, to the best of his or her knowledge and belief, that:
- (1) No Federal appropriated funds have been paid or shall be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).
 - (2) If any funds, other than Federal appropriated funds, have been paid or shall be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions, attached and identified as Standard Exhibit E-1.
 - (3) The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

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EXHIBIT R
NH DHHS STANDARD EXHIBIT E - CERTIFICATION REGARDING LOBBYING

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

 Contractor Signature	<u>President</u> Contractor's Representative Title
<u>Magellan Medicaid Administration, N/A</u> Contractor Name	<u>4/30/13</u> Date

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF PUBLIC HEALTH SERVICES
CONTRACT 2013-073 PHARMACY BENEFITS MANAGEMENT SYSTEM
EXHIBIT S
NH DHHS STANDARD EXHIBIT F - CERTIFICATION REGARDING DEBARMENT, SUSPENSION,
AND OTHER RESPONSIBILITY MATTERS

NH Department of Health and Human Services

Standard Exhibit F

**CERTIFICATION REGARDING DEBARMENT, SUSPENSION,
AND OTHER RESPONSIBILITY MATTERS**

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office of the President, Executive Order 12549 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions, execute the following Certification:

Instructions for Certification

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below shall not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation shall be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transition. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transition," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rule implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.
6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.

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NH DHHS STANDARD EXHIBIT F - CERTIFICATION REGARDING DEBARMENT, SUSPENSION,
AND OTHER RESPONSIBILITY MATTERS

7. The prospective primary participant further agrees by submitting this proposal that it shall include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction", "provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.

PRIMARY COVERED TRANSACTIONS

1. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
 - a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - b. have not within a three-year period preceding this proposal (contract) been convicted or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or a contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - c. are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph 1 b of this certification; and
 - d. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

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 AND OTHER RESPONSIBILITY MATTERS

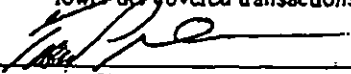
2. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

Lower Tier Covered Transactions

By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:

- (a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
- (b) where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

The prospective lower tier participant further agrees by submitting this proposal (contract) that it shall include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

 Contractor Signature	President Contractor's Representative Title
Magellan Medicaid Administration Contractor Name	4/30/13 Date

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
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EXHIBIT T
NH DHHS STANDARD EXHIBIT G - CERTIFICATION REGARDING AMERICANS WITH
DISABILITIES ACT COMPLIANCE

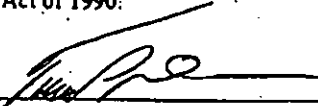
NH Department of Health and Human Services

Standard Exhibit G

CERTIFICATION REGARDING THE AMERICANS WITH DISABILITIES ACT
COMPLIANCE

The contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Contractor agrees to make reasonable efforts to comply with all applicable provisions of the Americans with Disabilities Act of 1990.



Contractor Signature



Contractor's Representative Title

Magellan Medicaid Administration

Contractor Name

4/24/13

Date

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF PUBLIC HEALTH SERVICES
CONTRACT 2013-073 PHARMACY BENEFITS MANAGEMENT SYSTEM
EXHIBIT U
NH DHHS STANDARD EXHIBIT H - CERTIFICATION REGARDING ENVIRONMENTAL
TOBACCO SMOKE

NH Department of Health and Human Services

STANDARD EXHIBIT H

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

The Contractor identified in Section 1.3 of the General Provisions agrees, by signature of the Contractor's representative as identified in Section 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this contract, the Contractor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.



Contractor Signature

President

Contractor's Representative Title

Magellan Medicaid Administration
Contractor Name

4/30/13
Date

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF PUBLIC HEALTH SERVICES
CONTRACT 2013-073 PHARMACY BENEFITS MANAGEMENT SYSTEM
EXHIBIT V
NH DHHS STANDARD EXHIBIT I - HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY
ACT BUSINESS ASSOCIATE AGREEMENT

NH Department of Health and Human Services

STANDARD EXHIBIT I
HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 and those parts of the HITECH Act applicable to business associates. As defined herein, "Business Associate" shall mean the Contractor and subcontractors and agents of the Contractor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

BUSINESS ASSOCIATE AGREEMENT

(1) Definitions.

- a. "Breach" shall have the same meaning as the term "Breach" in Title XXX, Subtitle D, Sec. 13400.
- b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164.

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- i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
 - j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
 - k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
 - l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.501.
 - m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
 - n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
 - o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreasonable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
 - p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.
- (2) Use and Disclosure of Protected Health Information.
- a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, the Business Associate shall not, and shall ensure that its directors, officers, employees and agents, do not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.

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- b. Business Associate may use or disclose PHI:
- I. For the proper management and administration of the Business Associate;
 - II. As required by law, pursuant to the terms set forth in paragraph d. below; or
 - III. For data aggregation purposes for the health care operations of Covered Entity.
- c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI shall be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402 of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
- d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.
- e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

(3) Obligations and Activities of Business Associate.

- a. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, including any security incident involving Covered Entity data, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402.
- b. The Business Associate shall comply with all sections of the Privacy and Security Rule as set forth in, the HITECH Act, Subtitle D, Part 1, Sec. 13401 and Sec. 13404.

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- c. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from; or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- d. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section (3)b and (3)k herein. The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who shall be receiving PHI pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard provision #13 of this Agreement for the purpose of use and disclosure of protected health information.
- e. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- f. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- g. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- h. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- i. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.

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- j. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- k. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

- a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.
- b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.
- c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) Termination for Cause

In addition to standard provision #10 of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a

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timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, and the HITECH Act as amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule and the HITECH Act.
- e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section 3 k, the defense and indemnification provisions of section 3 d and standard contract provision #13, shall survive the termination of the Agreement.


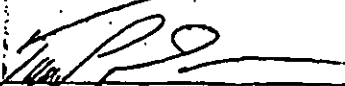
IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit I.

DIVISION OF PUBLIC HEALTH SERVICES	MAGELLAN MEDICAID ADMINISTRATION
The State Agency Name	Name of Contractor

2013-073 Exhibit V - NH DHHS Standard Exhibit I Accountability Act Business Associate Agreement Magellan's Initials <u>SPN</u> Date <u>7/20/13</u>	Health Insurance Portability And Page 64
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Signature of Authorized Representative	Signature of Authorized Representative
LISA L. BUJNO, APRN	Timothy P. Nolan
Name of Authorized Representative	Name of Authorized Representative
BUREAU CHIEF	President
Title of Authorized Representative	Title of Authorized Representative
6-5-13	4/30/13
Date	Date

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EXHIBIT W

NH DHHS STANDARD EXHIBIT J - CERTIFICATION REGARDING THE FEDERAL FUNDING
ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) COMPLIANCE

NH Department of Health and Human Services

STANDARD EXHIBIT J

CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY
AND TRANSPARENCY ACT (FFATA) COMPLIANCE

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than \$25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of \$25,000 or more. If the initial award is below \$25,000 but subsequent grant modifications result in a total award equal to or over \$25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.

In accordance with 2 CFR Part 170 (*Reporting Sub-award and Executive Compensation Information*), the Department of Health and Human Services (DHHS) must report the following information for any sub-award or contract award subject to the FFATA reporting requirements:

- 1) Name of entity
- 2) Amount of award
- 3) Funding agency
- 4) NAICS code for contracts / CFDA program number for grants
- 5) Program source
- 6) Award title descriptive of the purpose of the funding action
- 7) Location of the entity
- 8) Principle place of performance
- 9) Unique identifier of the entity (DUNS #)
- 10) Total compensation and names of the top five executives if:
 - a. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than \$25M annually and
 - b. Compensation information is not already available through reporting to the SEC.

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (*Reporting Sub-award and Executive Compensation Information*), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

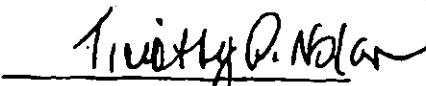
The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

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ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) COMPLIANCE


(Contractor Representative Signature)

Magellan Medicaid Administration.
(Contractor Name)


(Authorized Contractor Representative
Name & Title)

President

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FORM A

As the Contractor identified in Section 1.3 of the General Provisions, I certify that the responses to the below listed questions are true and accurate.

1. The DUNS number for your entity is:

~~011-001-5611~~ 011-001-5611

2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements?

NO

YES

If the answer to #2 above is NO, stop here

If the answer to #2 above is YES, please answer the following:

3. Does the public have access to information about the compensation of the executives in your business or organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?

NO

YES

If the answer to #3 above is YES, stop here

If the answer to #3 above is NO, please answer the following:

4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

Name:

Amount:

Name:

Amount:

Name:

Amount:

Name:

Amount:

Name:

Amount:

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ATTACHMENT 1 - BUSINESS AND PROGRAM REQUIREMENTS

I. OVERVIEW

Magellan shall be responsible for the design, development, and implementation of the NH AIDS Drug Assistance Program (ADAP) Pharmacy Benefits Management (PBM) system and shall act as the State's Fiscal Agent for these Services. Magellan shall provide all of the system's functional components and requirements, including Services and deliverables, outlined within this contract.

The NH AIDS Drug Assistance Program (ADAP) is funded primarily by the federal Ryan White Program, administered by the Health Resources and Services Administration. The Ryan White Treatment Extension Act of 2009 allocates funding to states to provide core medical and support Services to persons living with HIV within their state, titled Ryan White Part B (RWPB). The largest funded service category is ADAP, which provides life saving medications to eligible HIV+ NH residents.

II. DEFINITIONS

1. The term "Adjudicated Claim" means a transaction as defined by the then current NCPDP Transaction Code, that is received, processed, and responded to by Magellan. A transaction can be received in multiple media as: (1) Point of Service (POS) - a transaction received electronically via telephone lines from the Providers' Point of Service (2) Electronic Media - A batch of transactions received by Magellan in electronic media (tape, diskette or electronic bulletin board) and submitted to Magellan System for processing, and (3) Paper - a transaction received on paper and data entered by Magellan and submitted to Magellan System for processing, but does not include a rejected claim.
2. The term "Administrative Fees" means all fees and reimbursements paid or payable to Magellan for Services provided pursuant to this contract, except for the actual costs of the drugs prescribed and dispensing fees paid to network pharmacies.
3. The term "Magellan" means First Health Services of Glen Allen, Virginia, a wholly owned subsidiary of Magellan Health Services, Inc. of Avon, CT.
4. The terms "Department", "DHHS", "DPHS" or "State" means The State of New Hampshire, Department of Health and Human Services, Office of Medicaid Business and Policy and the Department of Information Technology (DOIT).
5. The term "Federal Upper Limit" means the maximum amount that Medicaid can reimburse for a drug product as established by CMS.
6. The term "Fiscal Pend" means adjudicated claims and financial transactions, based on user-defined parameters for exclusion from payment during selected future financial cycles.
7. The term "Lock In" means to identify clients who are restricted, when obtaining drugs, medical Services or supplies, to one or more specified Providers.
8. The term "Maximum Allowable Cost" means the maximum amount NH Medicaid shall reimburse for a drug product as established by First Health (FH) in accordance with Centers for Medicare and Medicaid Services (CMS) guidelines.

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9. "Paid Adjudicated claim" is claim for which a check or payment has actually been sent to the Provider or state approved payees.
10. The term "Preferred Drug List" or "PDL" means a list of covered drugs available without Prior Authorization.
11. The term "Prior Authorization" or "PA" means the pre-claim submission approval that shall be given to Providers by Magellan's clinical call center for a specified client for any drug that is subject to PA restrictions.
12. The term "Provider" means an enrolled NH Medicaid Provider.
13. The term "Payee" means a State authorized Medicaid Recipient (or designated agent) or Medicaid Provider that is issued a check paid through the NH Medicaid Drug Payment Custodial Bank Account.
14. The term "Prescriber" means the individual writing the prescription for the recipient and who is authorized to do so.
15. The term "Recipient" or "client" or "beneficiary" or "member" means a person or persons eligible for New Hampshire Medicaid.
16. The term "Third Party Liability" or "TPL" means any source of payment or potential source of payment for prescription drugs, other than Medicaid.

D. Claims Requirements

Magellan shall be responsible for meeting the following claims requirements:

1. Accept and process Point Of Sale, batched and paper claims;
2. Accept and process member submitted, home infusion and long-term care pharmacy claims;
3. Perform claims edits and audits consistent with NH ADAP business logic including editing for PA's.
4. Perform Prospective Drug Utilization Review (ProDUR) edits; Magellan shall conduct claims edits in the POS system to support ADAP in the detection of fraud and abuse. ProDUR shall include edits such early refill, duplicate therapy, incorrect days supply, patient's gender incorrect, and incorrect date of birth.
5. Implement pricing consistent with State pricing methodologies and any CMS updates;
6. Coordinate with all other benefits (TPL cost avoidance) including NH Medicaid, Medicare Parts A, B, and D and any other private insurance coverage applicable;
7. Deliver timely management of Magellan's MAC list;
8. Reimburse mail order pharmacies.

Magellan must provide a description, including applicable screen shots, as to how the proposed PBM System solution meets or exceeds the technical and system processing requirements and capabilities as listed below. Magellan shall describe their capability for implementing and maintaining all items and sub-items listed below.

1. Management of Recipient Eligibility and Enrollment History and maintenance of eligibility data
2. Data Maintenance and Updates for eligible Providers
3. Eligibility Verification
4. Weekly Reference File Updates, e.g. First Data Bank (FDB)
5. Prior Authorization Tracking, Support and Management
6. Claims and Financial Requirements

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7. Management of other third party insurance data

E. Systems Capability and Performance Standards

1. System Availability and Access

Magellan shall ensure the following system availability and access:

- 24x7x365 availability, except for scheduled maintenance
- Provider Network Connectivity
- Documented scheduled down time and maintenance windows
- ADAP on-line access to all components of the system
- Documented instructions and user manuals for each component
- Secure Access

2. Systems Operations Support

- 24x7x365 operating support, except for scheduled maintenance
- User Acceptance Testing (UAT)
- On-Call procedures and contacts
- Job Scheduling and failure notification documentation
- Secure data transmission methodology
- Error reporting
- Technical Issue Escalation Procedures
- Business and Customer Notification
- Change Control Management
- Assistance with User Acceptance Testing and implementation coordination
- Documented interface specifications - data imported and extracts exported
- Disaster Recovery Plan

3. Automated Data Files and Interfaces

The NH ADAP shall send to Magellan all of the files (with periodicity noted) below.

- Third Party Liability (TPL) Extract to Magellan (Daily)
- Provider Extract to Magellan - Pharmacy Only (Daily)
- Recipient Eligibility Extract to Magellan (Daily)
- Recipient Refresh Data Extract to Magellan (Monthly) Contractor must be able to receive periodic updates to the entire client file. ADAP shall provide to Magellan an entire updated client data file in the format described earlier. Each update shall replace the previous file and Contractor shall accomplish installation of the updated file within 72 hours of its receipt.

Magellan shall send to the NH ADAP all of the files (with periodicity noted) below.

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- Paid, Voided, Denied Drug Claims Processed (Biweekly or as scheduled following the financial cycle) Magellan must provide to ADAP drug purchase transaction data via a secure electronic medium monthly. The timing of this shall be: data from the 1st day to the last day of the month is due by the 15th day of the following month. The data fields required appear in Attachment B. Magellan must provide all the transactions for the invoice electronically and must be received within the same period as previously listed above.
- HIPAA compliant EDI transaction files- incoming and outgoing

4. Pharmacy Web Access

- Magellan shall create web access for NH ADAP to access general program information with contact information as defined by NH ADAP program.
- An e-mail link that shall allow NH ADAP clients or other interested parties to e-mail inquiries or comments. This website shall also provide a link to the State's ADAP website and these Services shall be provided at no cost to the Provider or recipients.

The website and any associated electronic transmissions shall be secure and HIPAA compliant in order to protect ADAP client confidentiality and to protect against the exposure of protected health information. Magellan is responsible for ensuring that the website and any component of Magellan's solution meets the applicable privacy and security standards required by the Health Insurance Portability and Accountability Act (HIPAA) and any other applicable State or Federal required standard for data security.

All costs associated with the development and maintenance of these websites shall be borne by Magellan and must be incorporated in the transaction fee. Magellan shall have this website system available not later than October 1, 2013. Magellan shall also be responsible for all of the duties of program implementation and maintenance including any duties that may be the responsibility of any subcontractor.

F. Financial Processing and Provider Payment

Magellan shall meet the following requirements for:

1. Flexible maintenance capability in support of assigning claims and financial transactions to State fund codes and associated appropriation account numbers; being able to add new fund codes at no additional cost to the NH ADAP;
2. Flexible financial and check cycle processing to support a biweekly financial cycle initially, but at the State's discretion change to weekly processing, including warrant processing and fund code reporting.
3. Transactions assigned to appropriate fund codes at the claim and financial transaction level based on State business logic, provide the NH ADAP with manual invoice within two (2) business days after last adjudicated date for the biweekly check cycle; Non-claim specific financial transactions capability including recoupments, payouts, voids, refunds, returned checks
4. Complete funds transfer request based on invoice amount;
5. Reconciliation to assure data integrity claim and financial transaction levels;
6. Bank account management and provisions of monthly bank reconciliation statements;
7. Generation of HIPAA compliant electronic RA and also a paper RA for Providers

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ATTACHMENT 1 - BUSINESS AND PROGRAM REQUIREMENTS

8. Magellan shall use a designated custodial bank account. Magellan shall obtain approval from the NH ADAP prior to using any other bank or other financial institution for this purpose.
 - a. Magellan shall be responsible for producing checks, printing remittance advices and mailing these documents to State approved payees.
 - b. Magellan shall monitor the daily activities of the New Hampshire ADAP Drug Payment Custodial Account to ensure that transactions are completed accurately and in compliance with generally accepted accounting principles (GAAP).
 - c. Magellan shall monitor outstanding checks and contact payees to resolve issues regarding outstanding checks. At the direction of the NH ADAP, Magellan shall stop payments and re-issue checks to payees.
 - d. Magellan shall provide the NH ADAP with a manual invoice for the bi-weekly check cycle. Subject to NH ADAP review and approval of the manual invoice, the State shall make an Electronic Funds Transfer deposit into the New Hampshire ADAP Drug Payment Custodial Account or any subsequent accounts as approved by the NH ADAP.
 - e. Magellan shall provide monthly bank account management reports that meet GAAP. The reports shall include bank statements for the custodial account and a bank reconciliation statement and a comprehensive listing of outstanding checks to date. In addition, Magellan shall provide a monthly state dated check report that includes check number, check amount, amount invoiced, batch date, date issued, payee identification number, payee name and payee address.
9. Negative balance tracking and collection according to State policies
10. Support Electronic Funds Transfer (EFT), allowing Providers to elect EFT or check payment
11. The capability to fiscally pend both administrative fees and claim payment at the request of ADAP.

G. Fiscal Pend

Magellan's PBM solution for NH ADAP shall include these components:

1. Provide the capability to select adjudicated claims and financial transactions, based on user-defined parameters for exclusion from payment during selected future financial cycles. This functionality is referred to as "fiscal pend", and is primarily used to delay disbursement of funds until a future date when funding becomes available or is used on a more limited basis for withholding payment to targeted Providers pending further investigation;
2. Provide the capability for authorized users to set specific pend criteria or combinations of parameters for a selected financial cycle, including at a minimum: Provider number; Provider type; fund code; number of days pended (to select older pended claims); and dollar limit, including zero (0) and unlimited dollars;
3. Provide the capability to define and set multiple combinations of parameters, to set the dollar cap for each combination including zero (0) and unlimited dollars, and to define the priority order of the various combinations for fiscal pend during the financial cycle. The dollar cap represents the maximum total payable limit allowed for transactions meeting the pend criteria for that financial cycle;
4. Provide the capability to include or exclude financial transactions from the pend for a particular financial cycle;
5. Perform a check for the existence of applicable fiscal pend criteria during each financial cycle and complete financial cycle processing accordingly, restricting payment processing to any pend limits established;

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6. Provide the capability to report pended claims on a Provider RA and include the capability to suppress reporting of pended transactions at the discretion of the State;
7. Maintain a complete date-sensitive audit trail of fiscal pend activity, including the pend criteria identified, the authorized user identification for each combination, and all reports run in support of fiscal pend;
8. Provide the requisite support and capability to run iterative preview reports, in advance of a financial cycle; to inform the NH ADAP contract manager regarding the need to fiscal pend and to inform the NH ADAP of the final financial impact of the fiscal pend criteria on the financial cycle. These review reports mimic the financial cycle reports but are run during the pend process; and
9. Provide and maintain reporting and requisite operations support to validate the results of fiscal pend processing, to verify that pend and financial cycle processes have been completed with the integrity of the payment intact, and all inputs and outputs are accounted for and balance.

H. Custodial New Hampshire ADAP Bank Account and Check Processing

Services are requested from Magellan for cash management of the Custodial New Hampshire Bank Account used for payment of drug claims. Check processing Services are requested that include

1. Creation of remittance advices (RA)
2. Printing of checks or creation of debits
3. Mailing the RA with the check or transmitting an Electronic RA and check
4. Resolution of outstanding checks including reporting and remitting to State of New Hampshire Treasury escheated funds.

Financial reporting of bank account and check processing activity is required that meets Generally Acceptable Accounting Principles (GAAP) and is approved by the NH ADAP. Contractor shall be responsible for responding to and resolving auditor inquiries and funding relative to the ADAP custodial bank account and check processing activities.

I. Financial Reconciliation

Reporting to support financial cycle reconciliation activities must be thorough and detailed, and include the reconciling and handling of erroneous transactions from the flow of claim and non-claim transaction processing through various control points, including claims entry, extract handling between components of the system, fund code assignment, financial processing, fund transfer invoicing, check generation, Provider payment and Provider remittance advice. Magellan is required to conduct monthly bank account reconciliations and report to the NH ADAP.

J. Monthly Invoicing

On a monthly basis, Magellan shall send documentation to the NH ADAP in support of their monthly invoice. Documentation shall include:

- Number of claims processed and number of claims paid with amount paid for that month;
- Number of PA's completed in that month; and
- Number of e-prescribing transactions.

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K. Pricing

All pharmacies under this Contract that fill prescriptions for NH ADAP clients utilizing Magellan's Services shall receive the same reimbursement rate and dispensing fees for prescriptions as is used by NH Medicaid. This methodology is described below.

Pharmaceuticals are reimbursed at the lesser of the following:

- The Estimated Acquisition Cost (EAC- currently AWP (Average Wholesale Price) less 16%) plus the dispensing fee;
- The usual and customary charge to the general public further define as what this pharmacy would charge to a cash paying patient for this exact prescription;
- The NH MAC (maximum allowable cost) plus the dispensing fee; or
- The FUL (Federal Upper Limit) plus the dispensing fee, defined by the Centers for Medicare & Medicaid Services (CMS)
- The WAC (Wholesale Acquisition Cost), plus 0.8%, plus the dispensing fee

The State MAC and CMS FUL should be modified and monitored at least monthly to assure accurate pricing.

L. Third Party Liability (TPL)

By law, NH ADAP is the payer of last resort for Services provided to its members. Accordingly, Magellan is expected to meet the following conditions and comply fully with the Department's stipulations for Coordination of Benefits:

Magellan shall comply with NH ADAP stipulations for coordination of benefits. Through the POS system, Contractor shall ensure that the pharmacy shall pursue payment through other available coverage. Contractor shall capture any payment or denial of payment by the carrier of other coverage, along with any provided reason codes. Magellan shall identify the carrier, if known.

- Magellan shall process claims for NH ADAP as the payer of last resort. Magellan shall configure COB adjudication logic in the POS system and cost avoid in real time. The Magellan POS system shall require the pharmacy provider to bill the member's other insurance carrier(s) before billing a claim to the NH ADAP program. Magellan shall accept unverified TPL (TPL information is not on member's enrollment record at the time of adjudication) for cost avoidance in the POS system. When the member has other insurance coverage on file, and the incoming claim does not contain the COB segment; or, the data submitted on the incoming claim does not match the member's enrollment record; and/or, is not all inclusive of the information existing on the member's enrollment record, the POS system shall deny the claim and return the appropriate NCPDP Error Code and Message to the submitter. The POS system shall return third party carrier name, carrier code, BIN, and policy number information from the members' enrollment record in the standard message field to the submitter.
- The POS system shall require submission of the total amount paid from all valid carrier(s) in NCPDP Field # 431-DV OTHER PAYER AMOUNT when payment is received from multiple other payers. The POS system shall require submission of NCPDP Segment Coordination of Benefits/Other Payments Segment Identification (111-AM) = "05". The POS system shall be configured to accept the following NCPDP Other Coverage Codes on behalf of the NH ADAP

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program:

- OTHER COVERAGE CODE (NCPDP Field # 308-C8) = "1" No other coverage identified. The POS system shall deny claims submitted with an OCC = "1" and the member has an active TPL segment on file. If the member does not have other coverage on file, the claim shall continue the adjudication process.
- OTHER COVERAGE CODE (NCPDP Field # 308-C8) = "2" Other coverage exists. This value shall be required when payment from the primary insurance carrier(s) has been collected. The provider shall enter the payment amount received from the member's other primary/secondary etc., insurance carrier(s), in the Other Payer Amount Paid (NCPDP Field # 431-DV).
- OTHER COVERAGE CODE (NCPDP Field # 308-C8) = "3" Other coverage exists - claim not covered. This value shall be required when the member's primary insurance carrier returns a valid NCPDP denial code. The POS system shall require submission of the OTHER PAYER REJECT CODE (NCPDP Field # 472-6E) for the claim to adjudicate successfully. In addition, if the other payer requires a prior authorization for payment, the other payer's prior authorization procedures must be followed prior to submitting the claim to NH ADAP for payment.
- OTHER COVERAGE CODE (NCPDP Field # 308-C8) = "4" Other coverage exists - payment not collected. This value shall be required when the primary insurance

Magellan shall provide solutions-based standard reporting package of clinical and utilization reports that serve to meet the programs operational reporting needs.

M. Auditing

SSAE 16 SOC 1 (formerly the SAS 70) Audit: Magellan shall provide and bear the cost of an independent auditor (service auditor) to perform procedures that shall supply the auditors for the State and the DHHS (user auditors) with information needed to obtain a sufficient understanding of Magellan (service organization), internal controls over Services provided to DHHS to plan their audit for DHHS and the State. Contractor's selection of the independent auditors shall be subject to the prior written approval of DHHS. The audit procedures and reports are to be completed in accordance with guidance provided in the SSAE 16 SOC 1, as issued by the American Institute of Certified Public Accountants. The independent auditor is required to complete a SSAE 16 SOC 1 Audit that includes the service organization's description of controls, and detailed testing of the service organization's controls over a minimum six (6) month period. The SSAE 16 SOC 1 must be completed for each year of the Contract period. The SSAE 16 SOC 1 Audit shall be provided to the State's contract manager.

The minimum contents of the SSAE 16 SOC 1 Audit are as follows: The independent auditor shall perform on-site fieldwork to test system controls each quarter during the audit period.

- a. The service organization's description of the controls that may be relevant to DHHS internal control as it relates to the audit of the State's financial statements.
- b. The service auditor's opinion on whether the description presents fairly, in all material respects, the relevant aspects of the service organization's controls that had been placed in operation during the fiscal year.

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- c. The service auditor's opinion on whether such controls were suitably designed to provide reasonable assurance that the specified control objective would be achieved if those controls were complied with satisfactorily.
- d. A description of the service auditor's tests of controls and its opinion on whether the controls that were tested were operating with sufficient effectiveness to provide reasonable assurance that the related control objectives were achieved during the fiscal year.
- e. The service auditor's procedures shall include, but are not necessarily limited to the following:
 - i. Information on the description of controls for the report through discussions with appropriate service organization's personnel, through reference to various forms of documentation, such as system flow charts and narratives and through the performance of tests of controls;
 - ii. A determination of whether the description provides sufficient information for auditors to obtain an understanding of those aspects of the service organization's controls that may be relevant to DHHS internal control;
 - iii. The control environment, such as hiring practices, key areas of authority, etc;
 - iv. Risk assessment, such as those associated with processing specific transactions;
 - v. Control activities, such as procedures on modifications to software;
 - vi. Communications, such as the way user transactions are initiated;
 - vii. Control monitoring, such as involvement of internal auditors;
 - viii. Evidence of whether controls have been placed in operation;
 - ix. Inquiry of appropriate service organization management and staff;
 - x. Inspection of service organization documents and records;
 - xi. Observation of service organization activities and operations;
 - xii. Testing controls to determine that the service organization is operating with sufficient effectiveness to provide reasonable assurance that the related control objectives were achieved during the fiscal year
 - xiii. Determine that significant changes in the service organization's controls that may have occurred before the beginning of fieldwork are included in the service organization's description of the controls.

N. Utilization Management (UM)

- 1. The requirements for Magellan's UM program shall include the following, at a minimum:
 - a) Assure correct payment
 - b) In a Third Party Liability situation, maintain a process for rectifying an incorrect payment.
 - c) Maintain documentation required for reversing or adjusting a claim.
 - d) Demonstrate the ability for a customer representative or help-desk staff person to correctly and fully answer questions and resolve problems of ADAP clients regarding their prescription fills and refills, by telephone, at a minimum: 8am to 4:30pm Eastern Standard Time.
 - e) Be able to give the specifics of their mail order program, including order turnaround and carrier(s) used for delivery, and how ADAP clients would use the service. Mail order pharmacies shall need to be registered with the NH Board of Pharmacy.
 - f) Additional Providers may be enrolled as necessary.
- 2. Magellan shall provide a dedicated Clinical Manager who shall be responsible for daily oversight of the PDL program and provide clinical review and analysis of beneficiaries,

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physicians and pharmacists, with guidance and recommendations to NH ADAP. The Clinical Manager shall maintain the clinical integrity of the PDL so that recommended therapeutic classes and preferred drugs accurately reflect evidence-based drug use.

1. Magellan's Clinical Manager shall present a UM plan to ADAP for consideration. Upon approval by ADAP these changes shall be ready for implementation by September 1, 2013. The criteria shall be recommended by Magellan and approved by ADAP.
2. The Clinical Manager shall conduct periodic utilization management visits as needed. All travel costs associated with Provider education shall be Magellan's responsibility.
3. Magellan's Clinical Manager shall coordinate with ADAP, which shall be responsible for approving all UM programs.
4. Magellan shall analyze claims and present recommendations for utilization management programs to NH ADAP on a monthly basis. The proposed UM program shall include review of both high risk and high cost/utilization therapies for integration with PA, POS edits, and DUR programs or other UM strategies.
5. ~~Magellan shall make recommendations for additions or changes in drug coverage and PA, dispensing limitations, generic substitution protocols, and other relevant or innovative suggestions to improve the clinical use of medications.~~
6. On a quarterly basis, Magellan shall provide a written report profiling the top one hundred (100) utilizing beneficiaries, Prescribers and pharmacies for NH ADAP. The report shall highlight the percentage of cost (to total) attributed to the top utilizers, the actions taken (including DUR and detailing programs) and future action to be taken.
7. Magellan shall consider UM strategies that are the least administratively burdensome to Prescribers, in accordance with federal law 42USC 1396a(a)(19).
8. UM shall include written, electronic (fax, e-mail, or web-based) reminders and other interventions containing information to improve UM and suggest changes in prescribing or dispensing practices, communicated in a manner designed to ensure the privacy of client-related information.
9. Magellan shall provide supportive evidence-based clinical research, documentation, financial impact analysis, and recommendations for newly approved therapies and indications to the MAB for consideration.
10. Contractor shall administer the drug coverage program with the approval of NH ADAP and in accordance with the statutes and administrative rules of the State of New Hampshire. The pharmaceutical Services rule includes provisions for covered and non-covered drugs, Prior Authorization requirements, certification of prescriptions and dispensing limitations.
11. Drug Utilization Review (DUR):
 - a) Magellan shall provide a clinical manager (RPh or PharmD to coordinate with the State DUR Board.
 - b) Magellan shall prepare an annual DUR report for NH ADAP, a summary of the interventions used, and an assessment of the impact of the interventions used, and an assessment of the impact of these interventions on the quality of care and an estimate of the cost savings generated as a result. The report shall also compare the current NH ADAP results to the industry benchmarks including other ADAP or private sector programs.
12. Magellan's clinical manager shall:
 - Recommend drugs for Prior Authorization and step therapy to NH ADAP's Medical Advisory Board (MAB) at regularly scheduled meetings.
 - Provide a quarterly written report to the MAB.

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- Attend all MAB meetings.
- Be available to ADAP for consultation and oversight activities related to the management of the ADAP formulary(s) on a daily basis.
- Gather and review information as requested by the MAB in order to facilitate and support formulary management and to assist NH ADAP in determining a course of action with newly introduced drugs into the market.
- The Clinical Manager shall provide recommendations for additions or changes in the programs and provide educational materials including supportive clinical research, protocols, and financial analysis for newly approved therapies and indications.

Q. Prior Authorizations (PA)

Requirements for PA Program

- a. Magellan shall establish a Prior Authorization (PA) program, which shall be fully automated and an integral part of the UM system.
- b. Magellan shall ensure that all medications requiring PA shall be rejected, if rejection is appropriate, by an on-line adjudication process.
- c. All rejections shall include messaging describing the reason for the denial and Magellan's toll-free telephone number for the pharmacist or the Prescriber.
- d. Magellan shall, subject to the NH ADAP's approval, provide a process by which the Pharmacist may initiate a PA request, which process shall:
 - Allow the prescriber or his/her agent to call the Clinical Support Center to request the PA.
 - Allow the prescriber or his/her agent to first speak to a certified pharmacy technician who collects the information based on the criteria for that medication or class of medications.
 - Allow the technician to grant a PA, if the information furnished by the prescriber satisfies the criteria.
 - Provide that, the retail pharmacist can facilitate the process to call the prescriber and collect the information from him/her based on the PA criteria for that particular medication or class of medications.
 - Provide that, if the information furnished by the prescriber satisfies the criteria, the technician may grant an approval.
 - Provide that, if there is any doubt that the criteria have been met, the telephone call shall be referred to a licensed clinical pharmacist who shall discuss the patient specifics with the prescriber, and:
 1. Approve the request after verifying criteria has been met.
 2. Provide assistance to the prescriber in changing to a more appropriate therapy without denying the initial request.
 3. Provide that, if the prescriber is unshalling to switch the patient to an acceptable therapy, the pharmacist shall issue a denial.
- e. Magellan shall recommend drugs for PA to NH ADAP and to the MAB.
- f. Magellan shall develop clinical guidelines, subject to approval by the Department, prior to implementation.
- g. Magellan shall provide a PA tracking process so that Providers have the ability to submit claims without a PA number.

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- h. Magellan shall provide regular reporting to the Department to summarize PA activity on a monthly basis.
- i. Magellan shall provide a certified pharmacy technician and or a pharmacist to review medical necessity on all PA requests.
- j. Magellan must enable an administrative override for utilization management, for example, a hard edit for an early refill.
- k. Magellan must use a clinical review for utilization management, to include Prior Authorization review.
- l. Magellan must provide samples of standard operating procedures for PA, including any system capabilities such as step therapy protocols or automated Prior Authorization.

P. Client and Provider Telephone Support

- 1. Magellan shall provide toll-free telephone support for providers, recipients, state employees, and representatives.
- 2. Contractor shall provide all required information systems, telecommunications, and personnel to perform these operations. The telephone system shall be appropriately staffed with positions such as a manager, team leaders, and hotline representatives, all of whom shall be extensively trained:
- 3. At a minimum, customer service activities shall include:
 - a. A toll free number(s) for beneficiaries and pharmacists to respond to requests for pharmacy locations, inquiries on claims, assistance with accessing the web site including password/PIN management, and complaints about prescriber or pharmacist practices or Services. Voice response unit users are allowed, however, immediate access to a live operator and is required during Normal Business Hours.
 - b. For prescribers and pharmacists, access to an on-call pharmacist consultant and technical assistance twenty-four (24) hours per day x 7 days x 365 days.
- 4. Contractor's telephone staff shall have complete on-line access to all computer files and databases that support the system for applicable pharmacy programs.
- 5. Magellan's telephone staff shall log and categorize all incoming and outgoing telephone calls with clients, prescribers, other Providers and pharmacists. This data shall be made available routinely in an aggregated format to the NH ADAP on a monthly, quarterly and annual basis and daily or weekly if needed.
- 6. Magellan shall produce reports on usage of the telephone line(s), including number of inquiries, types of inquiries, complaints received, and timeliness of responses.
- 7. Magellan's telephone Services shall provide sufficient telecommunications capacity to meet the State's needs with acceptable call completion and abandonment rates. It shall be scalable to future demand. It shall also possess an advanced telephone system that provides the NH ADAP with an extensive management tracking and reporting capabilities. A quality assurance program shall be in place that samples calls and follows up to confirm efficient handling and caller satisfaction.
- 8. For PA purposes, Magellan shall maintain toll-free telephone access (available for in-state and out of state Providers). Contractor must have telephone Services staffed no less than from 8:00 AM through 9:00 PM, Eastern Time.
- 9. Contractor shall have professional licensed medical and pharmacological advisory staff and other resources necessary to provide pharmacists at the POS, and prescribers during the prescribing process, with advice pertaining to the proper use of prescription drugs, consistent

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with ProDUR and other medical standards, as they apply to each Client's unique needs and medical conditions.

10. Contractor shall produce reports on usage of the telephone service(s), including number of inquiries, types of inquiries, average speed to answer, abandonment rates, blocked call rates and timeliness of responses.
11. Magellan's process shall allow beneficiaries to locate nearby pharmacies for special situations, such as twenty-four (24) hour pharmacies or those dispensing compounded drugs, etc. (phone only)
12. Contractor shall provide additional, secured web-based communications in accordance with the specifications set forth in Systems Capability and Performance Standards set forth above. Contractor shall provide toll-free telephone support for both Providers and recipients that include interpreter Services.

Q. Contractor Capacity

- Contractor must submit a copy of its organizational chart. Contractor must identify the Key Person(s) who shall be acting as customer service representative(s) and must state their levels of experience.
- Magellan's network pharmacies shall include all those in the New Hampshire Medicaid network. These shall be pharmacies with whom Magellan is on line and from whom it can accept and process electronic claims. Magellan shall agree to maintain during the term of the contract association with any other pharmacies designated by NH ADAP.
- Magellan shall demonstrate the ability for a customer representative or a help-desk staff person to fully perform duties for ADAP staff and participating pharmacies, by telephone and fax machine, email at a minimum: 8am to 4:30 pm Eastern Standard Time. Duties to include adding and removing covered clients, answering any questions and problems that might arise from participating pharmacies and ADAP staff about specific or general electronic transmissions, error messages, overrides, invoices, pharmacy payments, Prior Authorizations, and other similar duties required by ADAP.
- NH ADAP reserves the right to change the timing of the delivery of the data. ADAP shall notify all parties at least thirty (30) days before any such change takes effect.

R. Analysis and Reporting:

Magellan shall provide solutions-based standard reporting package of clinical and utilization reports that serve to meet the programs operational-reporting needs. The table below summarizes the contents of the various reports provided that support day to operations of the New Hampshire ADAP program.

Category	Description
Prior Authorization	Magellan PA Reports provide summarization metrics on the disposition of processed authorization requests in order to show the counts and quickly determine percentages of requests that involved changes to existing authorization or new

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Functional	Description	Performance
ion (PA)	requests that were approved or denied.	In addition, the reports provide information on the various clinical decision rules that both our Pharmacist and Pharmacy Technicians use in the process of adjudicating and arriving at a decision for the requests that we receive. Magellan shall categorize PAs and report on them based on the basis for the PA requirement, such as the product not being on a preferred drug list.
Clinical Utilization	Magellan Clinical Utilization Reports identify key performance metrics related to drug utilization, utilization within a particular therapeutic class, top drugs and therapeutic classes by utilization and expenditures. These reports shall provide valuable insight into how the pharmacy program is performing.	
Call Center	MMA shall utilizes the IP-based version of Avaya Call Management System (CMS) which provides real-time monitoring and historical reporting, including custom reporting, task scheduling, exception notification, threshold warning, administration and configuration, and long term ACD data storage. Reports in CMS shall be distributed via printing the report directly, exporting the reports into a Microsoft Word, Microsoft Excel, HTML or text file. Real-time reports give supervisors snapshots of the call center's performance and status. Standard real-time reports show the current status of Automatic Call Distribution (ACD) activity and data for the current interval for agent, split/skill, trunk/trunk group, vector, and Vector Directory Number (VDN) activities, for example number of ACD calls, abandoned calls, and average talk time.	

Magellan's reporting solutions, coupled with technical, operational and clinical subject matter expertise, shall provide the most accurate and timely reporting services to the New Hampshire ADAP program for effective and efficient management of the pharmacy program. Reports may be generated daily, weekly, monthly, and/or quarterly based on the program's requirements and shall be distributed via a web-based reports library, where they shall be made available to only users with secured credentials and authorized access.

In addition to the comprehensive solution-based standard reporting package, Magellan shall offer report development services for any newly identified or initiative specific reporting needs. Requests for newly developed routine or ad hoc reports shall be submitted through the NH ADAP Magellan Account Support representatives and forwarded to the Business Intelligence team for an impact analysis, effort level estimate and for development work to commence in the creation of new reports upon request.

Clinical and Utilization Reporting Package

The below is an overview and samples of Magellan's Standard POS Reporting Package which includes clinical and utilization reports directly from Magellan's point-of-sale operational system.

Daily Reports

Daily Claims Summary

This report shows the daily claims volume and total paid for claims processed through the system. This report is based on adjudication date.

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Daily Claims Denial

This report shows the NCPDP error codes, the corresponding internal error codes, and the total number of denied claims associated with each error code grouping. This report is based on adjudication date.

Daily Denial Report

This report shows the NCPDP error codes and the total number of denied claims associated with each NCPDP error code. This report is based on adjudication date.

Monthly Reports

Twelve Month Summary

This report shows by calendar month a summary of claims processed. This report is based on only paid claims by adjudication date.

Gender Utilization (Male, Female, and Combined)

This report shows the claim distribution by age group and gender. This report is based on only paid claims by adjudication date. The report is generated for male, female, and combined.

Generic Analysis

This report shows the claim distribution by drug type classification. This report is based on only paid claims by adjudication date.

Therapeutic Class Analysis by Amount Paid or Claim Volume

This report shows the claim distribution by drug therapeutic class from highest to lowest. This report can be retrieved based on the total amount paid per therapeutic class or total number of claims by therapeutic class. This report is based on only paid claims by adjudication date.

Most Utilized Pharmacies by Amount Paid or Claim Volume

This report ranks the top pharmacies from highest to lowest. This report can be retrieved by total amount paid or total number of claims. This report is based on only paid claims by adjudication date.

Top Members Ranking by Amount Paid or Claim Volume

This report ranks the top members from highest to lowest. This report can be retrieved by total amount paid or total number of claims. This report is based on only paid claims by adjudication date.

Most Prescribed NDCs by Amount Paid or Claim Volume

This report ranks the top NDCs from highest to lowest. This report can be retrieved by total amount paid or total number of claims. This report is based on only paid claims by adjudication date.

On Request Reports

Claim Balancing for Payment Date or Service Date

This is a management report that provides a summary of claims by claim status and type for a selected period of time based on either service date or payment date.

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Cost and Utilization Analysis by Drug Type

This is a management report that provides summary of claims by selected service date period showing summary by single source, multisource or generic status of drugs in paid claims.

Cost and Utilization Analysis by Claim Type

This is a management report that provides summary of claims by selected service date period showing summary by retail or mail order status.

Denied Claims Analysis

This is a management report that provides summary of claims by selected service date period showing summary of denied claims per NCPDP error code.

Therapeutic Class Summary

This is a management report that provides summary of claims by selected service date period showing summary of paid claims summarized at the specific therapeutic class level.

Top X Drug Ranking

This is a management report that provides summary of claims by selected service date period showing summary of claims at the drug name level. User selects ranking by payment or claim count and number of drugs to be returned in report.

Top X Pharmacy/Prescriber Ranking

This is a management report that provides summary of claims by selected service date period showing summary of claims ranked by a variable selected by user. User can select the number of providers returned and either prescriber or pharmacy.

Top X Recipient Ranking

This is a management report that provides summary of claims by selected service date period showing summary of top recipients. User can select method of ranking. Report can be drilled through to the individual recipient profile report for each recipient listed.

Top 10 Therapeutic Classes by Total Paid, Claim Volume, or Ingredient Cost

This is a management report that provides summary of claims by selected service date periods showing summary at the specific therapeutic class level. Ranking is by total paid, claim volume, or ingredient cost and includes only the top ten classes.

Twelve Month Summary

This is a management report that provides summary of claims by selected service date year showing summary by month of claim utilization data.

Standard Prospective DUR Reporting Package

The below is an overview and samples of Magellan's Standard Prospective DUR Reporting Package which includes denials, encounters, interventions and messages to appropriately manage processing of pharmacy claims both clinically and fiscally.

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Daily Reports

Daily ProDUR Denial Report

This report shows the ProDUR conflict codes and the corresponding number of denied claims associated with each code. This report is based on adjudication date.

Daily ProDUR by HIC3 Denial Report

This report shows the ProDUR conflict codes, HIC3, and the total number of denied claims associated with each grouping of conflict code and HIC3. This report is based on adjudication date.

Monthly/Annual Reports

ProDUR Top Encounters by Problem Type

This report shows the encounter and claim distribution by ProDUR problem type. This report is based on only paid claims by adjudication date.

ProDUR Payment Report

This report shows the ProDUR payments by claim history errors vs. non-history errors as well as DUR error code. The data is broken down into month to date and year to date.

ProDUR Message Report

This report shows the ProDUR encounter messages by severity code. This is based on adjudication date for the claims.

ProDUR Encounters Report

This report lists the ProDUR encounters by type and provides the number of claims associated with each type. This is based on adjudication date.

ProDUR Denied Claims Savings Report

This report shows by provider the number of denied claims due to ProDUR encounters and the subsequent resubmission claims. These claims are then calculated to determine a savings amount by provider.

ProDUR Paid Claims Savings Report

This report shows by provider the number of paid claims due to ProDUR encounters and the subsequent reversal and resubmission claims. These claims are then calculated to determine a savings amount by provider.

ProDUR Encounter - Outcomes by Problem Type

This report shows by ProDUR encounter the pharmacy submitted ProDUR outcome codes and number of claims associated with each.

ProDUR Encounter - Interventions by Problem Type

This report shows by ProDUR encounter the pharmacy submitted ProDUR intervention codes and number of claims associated with each.

Active Pharmacy Provider Report

This report shows all active pharmacy providers and their effective and termination dates.

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Denied Claims Analysis

This report shows the NCPDP error codes, descriptions, and the number of claims associated with each.

Cost Sharing Savings Report

This report shows the cost sharing breakdown of claims by month. The data is based on adjudication date and a month is a calendar month.

Adjudication Demographics Report

The purpose of this report is show the breakdown of the paid claims and some important metrics associated with these. Some of the metric breakdowns include brand, generic, ingredient cost, gross cost, etc. The data is pulled according to adjudication date and broken down into current month, this month last year, and year-to-date.

~~*Prescriber Ranking Report by Amount Paid or Claim Volume*~~

~~This report ranks all prescribers based on total amount paid or total number of claims to the prescriber. The data within the report gives an overview of each physician's prescribing habit. The data is based on paid claims by adjudication date.~~

S. ADAP Client Eligibility

- The ease and speed of updating individual eligibility information for ADAP clients in Magellan electronic system is critical. Individuals categorized as "enrolled" shall be those who have completed the ADAP enrollment process as required semiannually.
- Magellan shall update ADAP client eligibility information in its own system within 24 hours of notification by mutually agreed upon method, preferably an electronic file transfer. Magellan shall notify ADAP to confirm client eligibility updates are received and any changes are processed.
- Magellan shall terminate ADAP coverage for ineligible clients within 24 hours of notification. Termination of coverage is defined as the removal of an ADAP client from network access, wherein a claim that a pharmacy attempts to electronically transmit for that non-covered client would be rejected.
- A change in ADAP client coverage and/or legibility mid ADAP enrollment period shall be updated in Magellan's system within 24 hours of receipt of the eligibility notification.

T. Performance Measures

NH DHHS shall strive to assure that all services are evidenced-based and cost efficient. To measure and improve the quality of public health Services, DHHS employs a performance management model. This model, comprised of four components, provides a common language and framework for DHHS and its community partners. These four components are:

- 1) Performance standards;
- 2) Performance measurement;

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- 3) Reporting of progress; and,
- 4) Quality improvement.

NH DHHS shall establish the following performance measures for the work to be carried out.

Performance Measure #1

Goal: To ensure that NH ADAP Funds are utilized only when all other insurance options have been exhausted.

Target: Annually, 95% of claims are correctly applied to NH ADAP (no other insurance or coverage was available at the prescription fill date).

Numerator: On an annual basis, number of claims applied to NH ADAP correctly.

Denominator: On an annual basis, number of claims applied to NH ADAP.

Data Source: Random sample review of claims applied to NH ADAP collected via CAREWare, conducted quarterly.

Performance Measure #2

Goal: To ensure that NH ADAP covers the full price of medications (with exception to items on the NH CARE Program exclusion list) when an item is not covered by Medicare Part D, Medicaid or other insurance.

Target: Annually, 95% of medication insurance denials are correctly paid by NH ADAP at the NH Medicaid rate (includes all medications except for those on the NH CARE Program exclusion list).

Numerator: Annually, number of medication insurance denials correctly paid at NH Medicaid rate.

Denominator: Annually, number of medication insurance denials paid at NH Medicaid rate.

Data Source: Random sample review of claims applied to NH ADAP collected via CAREWare, conducted quarterly.

Performance Standards and Liquidated Damages:

Magellan agrees that as determined by DHHS, failure to provide Services meeting the performance standards described below shall result in penalties as specified in the following table. Magellan shall agree to abide by the Performance Standards and Liquidated Damages specified in the following table.

Service Category	Minimum Standard	Potential Liquidated Damages
Retail Point-of-Sale Claims Adjudication	Contractor shall agree to a financial accuracy rate of at	For failure to meet the standard, Magellan shall be assessed

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Service Category	Minimum Standard	Potential Liquidated Damages
Accuracy	least 99% for all prescription claims electronically processed at point-of-sale, measured monthly.	Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.
Point-of-Sale Network System Downtime	Contractor shall agree that unscheduled system downtime shall be no greater than eight (8) hours per incident; not to exceed two times per Contract year. Contractor shall provide notice to the State as to its regularly, scheduled maintenance windows which shall not be part of this guarantee.	For failure to meet the standard, Magellan shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.
Reporting Requirements	Contractor shall provide all scheduled reports, ad hoc reports, and paid claims transactional history files where the Scope of Work specifies a timeframe within the stated time periods, and to provide the on-line query capability described in Magellan's response.	For failure to meet the standard, Magellan shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.
Average Speed to Answer	Client and pharmacy' calls received shall be answered within an average of thirty (30) seconds. Reporting shall be provided monthly by the 7 th day of the month.	For failure to meet the standard, Magellan shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.
Call Abandonment and Call Blocking Rate	No more than 2% of all Client and pharmacy' calls shall be abandoned or blocked. Reporting shall be provided monthly by the 7 th day of the month.	For failure to meet the standard, Magellan shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.
Customer Service Resolution Rate	All customer service interactions shall be logged in Magellan's information systems with 95% of all issues resolved	For failure to meet the standard, Magellan shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.

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Service Category	Minimum Standard	Potential Liquidated Damages
	the same day. 99% of issues resolved within 30 days. Reporting shall be provided monthly by the 7 th day of the month.	
Prior Authorizations	100% of requests for PA shall be completed within twenty-four (24) hours.	For failure to meet the standard, Magellan shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.
Legislative Ad Hoc Report Requests	All requests for legislative ad hoc reports shall be completed within two (2) weeks of request unless otherwise negotiated at the time of the request from the State.	For failure to meet the standard, Magellan shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.
System Downtime	Less than 2 times per contract year each less than 24 hours. Contractor shall provide notice to the State as to its regularly scheduled maintenance windows which shall not be part of this guarantee.	For failure to meet the standard, Magellan shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.
Response to Email Inquiries	E-mail inquiries responded to within two (2) business days	For failure to meet the standard, Magellan shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.
Website Maintenance	Routine website maintenance no less than once (1) per month to insure that all website content remains accurate.	For failure to meet the standard, Magellan shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.
Website Security & Confidentiality	The website shall be secure and HIPAA compliant in order to protect ADAP client confidentiality. Access should be limited to verified users via passwords and any other available industry standards.	For failure to meet the standard, Magellan shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.

1. Magellan shall respond to Provider billing questions/problems received by telephone within twenty-four (24) hours and use reasonable efforts to resolve them within twenty (20) business days.

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2. Magellan shall respond to all written inquiries within five (5) days of receipt and use reasonable efforts to resolve them within twenty (20) business days.



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DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF MEDICAID SERVICES

Jeffrey A. Meyers
 Commissioner

Henry D. Lipman
 Director

129 PLEASANT STREET, CONCORD, NH 03301
 603-271-9422 1-800-852-3345 Ext. 9422
 Fax: 603-271-8431 TDD Access: 1-800-735-2964
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November 08, 2019

Denis Goulet
 Commissioner
 Department of Information Technology
 27 Hazen Drive
 Concord, NH 03301

Requested Action

Authorize the Department of Health and Human Services, Division of Medicaid Services, to exercise a renewal option to an existing contract with Health Services Advisory Group, Inc., (Vendor # 226207), 3133 East Camelback Road, Suite 100, Phoenix, Arizona 85016, to implement an evaluation plan for New Hampshire's Medicaid Premium Assistance Program with no change to the current price limitation of \$1,597,777 and by extending the completion date from December 31, 2019 to June 30, 2020, effective upon Governor and Executive Council approval. 50% Federal Funds, 50% Other Funds.

Other Funds being used are non-general funds, including voluntary contributions deposited into the New Hampshire Health Protection Trust Fund from the Foundation for Healthy Communities and any other contributing charitable foundation as outlined in RSA 126-A:5-c and assessments collected by the New Hampshire Health Plan as outlined in RSA 404-G:2 and RSA 404-G:5-a, IV(b) and (c).

Funding Information

Funds are available in the following account for State Fiscal Year 2020, with authority to adjust amounts within the price limitation and adjust encumbrances between State Fiscal Years through the Budget Office, if needed and justified.

05-095-047-470010-30990000 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF HHS:OFC OF MEDICAID & BUS POLCY,OFC OF MEDICAID & BUS POLICY, NH HPP TRUST FUND

State Fiscal Year	Class / Account	Class Title	Job Number	Current (Modified) Budget	Increased (Decreased) Amount	Revised Modified Budget
2017	102-500731	Contracts for Program Service	47003330	\$258,437	\$0	\$258,437
2018	102-500731	Contracts for Program Service	47003330	\$529,497	\$0	\$529,497
2019	102-500731	Contracts for Program Service	47003330	\$540,451	\$0	\$540,451
2020	102-500731	Contracts for Program Service	47003330	\$269,392	\$0	\$269,392
			Total	\$1,597,777	\$0	\$1,597,777

Explanation

The purpose of this no-cost request is to extend the contract end date by six (6) months to provide necessary time for the Contractor to revise the final evaluation reports based on comments by the Centers for Medicare and Medicaid Services (CMS). When the contract was originally approved in 2017, CMS did not typically request report revisions. Consistent with current common practice for demonstration waivers similar to the one central to this contract, this extension is now necessary to provide time for the Contractor to assist the State with CMS-required report revisions.

The original agreement, included language in Exhibit C-1, Revisions to Standard Provisions, Section 3., that allows the Department to renew the contract for up to one (1) year, subject to the continued availability of funding, satisfactory performance of service, parties' written authorization and approval from the Governor and Executive Council. The Department is in agreement with renewing services for six (6) of the twelve (12) months at this time.

For the past two years, the Contractor has administered New Hampshire's Health Protection Program Premium Assistance Demonstration waiver, 11-W-00298/1 and implemented the approved Demonstration evaluation plan. State law authorized the waiver on March 27, 2014 and the subsequent Demonstration Waiver was approved by CMS on March 3, 2015. The Premium Assistance Demonstration permits New Hampshire to purchase health insurance coverage for low-income, Medicaid-eligible adults from commercial, Qualified Health Plans certified for sale on New Hampshire's federally facilitated Marketplace.

The Centers for Medicare and Medicaid Services approved New Hampshire's Demonstration evaluation plan on August 22, 2016. The Contractor is in the closing processes of preparing and submitting a series of reports required by CMS.

Prior Related Actions

This agreement was originally approved by the Governor and Executive Council on March 8, 2017 (Item #10), and a Department of Information Technology (DoIT) approval letter was issued on February 13, 2017 under DoIT number 2017-054. The original procurement titled, 'Premium Assistance Program Evaluation Plan Implementation' was posted as RFP-2016-OQAI-PREMI-01 on March 31, 2016 and closed on June 15, 2016 resulting in one response and the subsequent contract.

Alternatives and Benefits

Health Services Advisory Group Inc. is certified by the Centers for Medicare and Medicaid Services as an External Quality Review Organization and provides quality evaluation services to 17 different state Medicaid programs. The vendor is also a National Committee for Quality Assurance certified survey vendor and certified compliance auditor. Both of these certifications have enabled the vendor to conduct core elements of implementing the evaluation plan for the Premium Assistance Program.

Based on the vendor's technical expertise and past Medicaid experience, the Department is satisfied with this organization's ability to successfully implement the evaluation plan within the timeline allotted by CMS.

Should the Governor and Executive Council not authorize this request for an amendment to provide a no-cost extension of this contract, the Department will be out of compliance with the CMS Special Terms and Conditions of the PAP Waiver. Noncompliance of the CMS Special Terms and Conditions, which could result in financial penalties to the Department. In addition, the Department's failure to submit CMS 1115(a) Demonstration Waiver required reports, as well as other deliverables, may result in CMS not considering future applications from the Department.

Open Standards

Not applicable to this no-cost, six (6) month contract extension.

Impact on Other State Agencies and Municipalities

This amendment will provide the necessary time for the Contractor to complete the final report revisions as required by CMS relative to the statewide New Hampshire Medicaid Demonstration Waiver program.

Supporting Documentation

A copy of the original contract is attached.

CONTACT PERSON:

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Contracts and Procurement
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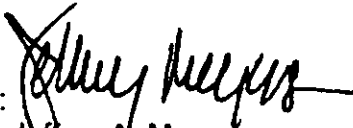
CERTIFICATION

The undersigned hereby certify that the information provided in this document and any attachments is complete and accurate and that alternatives to the solution defined in this document have been appropriately considered.

Respectfully submitted,



Bruce Smith
IT Lead

Approved by: 
Jeffrey A. Meyers
Commissioner