



MOT
25A

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

Nicholas A. Toumpas
Commissioner

129 PLEASANT STREET, CONCORD, NH 03301-3857
603-271-8160 1-800-852-3345 Ext. 8160
Fax: 271-4912 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

William L. Baggeroer
Chief Information
Officer/Director

March 14, 2014

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
State House
Concord, N.H. 03301

SOLE SOURCE
90% Federal funds
10% General funds

REQUESTED ACTION

Authorize the Department of Health and Human Services, Office of Information Services, to enter into a **sole source** amendment (Amendment 8) to an existing contract (Purchase Order # 1018352) with Cognosante, LLC (Vendor #223062) (formerly FOX Systems, LLC) at 6263 North Scottsdale Road, Suite 200, Scottsdale, AZ 85250, for continuation of quality assurance services in compliance with the Centers for Medicare and Medicaid Services by increasing the price limitation by \$2,547,664 from \$13,256,875 to a new amount not to exceed \$15,804,539, effective March 26th or date of G&C approval, whichever is later, through June 30, 2015.

The Governor and the Honorable Council approved the original contract on December 7, 2005 (Late Item #C), Amendment 1 on December 11, 2007 (Item #59), Amendment 2 on June 17, 2009 (Item #92), Amendment 3 on June 23, 2010 (Item#97), Amendment 4 on June 23, 2010 (Item #94), Amendment 5 on April 18, 2012 (Item#57), Amendment 6 on January 16, 2013 (Item#17) and Amendment 7 on August 14, 2013 (Item#32).

Funds are available in SFY 2014 through SFY 2015 as follows with the authority to adjust amounts within price limitation and amend the related terms of the contract without further approval from the Governor and Executive Council.

05-95-95-954010-5952 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS: COMMISSIONER, OFFICE OF INFORMATION SERVICES, OFFICE OF INFORMATION SERVICES

<u>State Fiscal Year</u>	<u>Class Object</u>	<u>Class Title</u>	<u>Current Budget</u>	<u>Increase (Decrease)</u>	<u>Modified Budget</u>
2005	102/500731	Contracts for Program Services	\$426,820	\$0	\$426,820
2006	102/500731	Contracts for Program Services	\$818,733	\$0	\$818,733
2007	102/500731	Contracts for Program Services	\$527,267	\$0	\$527,267
2008	102/500731	Contracts for Program Services	\$759,163	\$0	\$759,163
2009	102/500731	Contracts for Program Services	\$605,802	\$0	\$605,802
2010	102/500731	Contracts for Program Services	\$470,260	\$0	\$470,260
2011	102/500731	Contracts for Program Services	\$638,313	\$0	\$638,313
2012	102/500731	Contracts for Program Services	\$1,727,698	\$0	\$1,727,698
2013	102/500731	Contracts for Program Services	\$3,536,979	\$0	\$3,536,979
2014	102/500731	Contracts for Program Services	\$2,426,094	\$0	\$2,426,094
2015	102/500731	Contracts for Program Services	\$333,346	\$1,964,944	\$2,298,290
	Sub-Total		\$12,270,475	\$1,964,944	\$14,235,419

05-95-45-450010-2924 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS: TRANSITIONAL ASSISTANCE, DIVISION OF FAMILY ASSISTANCE, NEW HEIGHTS INCREMENTAL MODERNIZATION

<u>State Fiscal Year</u>	<u>Class Object</u>	<u>Class Title</u>	<u>Current Budget</u>	<u>Increase (Decrease)</u>	<u>Modified Budget</u>
2014	34/500099	Major IT Systems	\$499,520	\$0	\$499,520
2015	34/500099	Major IT Systems	\$486,880	\$0	\$486,880
	Sub-Total		\$986,400	\$0	\$986,400

05-95-47-470010-7948 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, OFFICE OF MEDICAID & BUSINESS POLICY, OFFICE OF MEDICAID & BUSINESS POLICY

<u>State Fiscal Year</u>	<u>Class Object</u>	<u>Class Title</u>	<u>Current Budget</u>	<u>Increase (Decrease)</u>	<u>Modified Budget</u>
2014	102/500731	Contracts for Program Services	\$0	\$582,720	\$582,720
	Sub-Total		\$0	\$582,720	\$582,720
	Grand Total		\$13,256,875	\$2,547,664	\$15,804,539

EXPLANATION

This amendment is identified as **sole source**. The quality assurance services included in this amendment are a continuation of the services procured under the original contract that was competitively bid. Cognosante, LLC has been involved in the Medicaid Management Information System Reprocurement Project from its onset. The vendor continues to provide oversight of the Project in compliance with Centers for Medicare and Medicaid Services Quality Assurance Requirements. Cognosante, LLC has developed an integral understanding of the New Hampshire Medicaid Management Information System and is in a unique position to continue their support of this effort and are the most practical alternative for ensuring un-interrupted, informed support to the Medicaid Management Information System Reprocurement Project. See the Bid Summary that is attached.

Cognosante, LLC's services in Amendment 8 are required for the Medicaid Management Information System Reprocurement Project to implement three (3) enhancements to the Medicaid Management Information System as required by the Centers for Medicaid and Medicare Services:

1. T-MSIS (Medicaid Statistical System)
2. Health Insurance Portability and Accountability Act Operating Rules
3. ICD-10(used for reporting of medical diagnoses and inpatient procedures).

This Amendment 8 will extend the following contract services:

- Contract Item 3.20, System Integration and Testing and User Acceptance Testing: Medicaid Management Information Systems and related Enhancements including T-MSIS (Medicaid Statistical System), Health Insurance Portability and Accountability Act Operating Rules and ICD-10(used for reporting of medical diagnoses and inpatient procedures)

- Contract Item 3.2, Testing and Optional Support: additional quality assurance resources to the existing scope of services
- Contract Item 4.6: Medicaid Management Information System Certification Support
- Project Management Services for the Medicaid Management Information System

Should the Governor and Executive Council determine to not approve this Request, the Department of Health and Human Services would experience a gap in quality assurance services and increase risk to the Medicaid Management Information System Reprourement Project, that would jeopardize the integrity of the Medicaid Management Information System. Because the Centers for Medicare and Medicaid Services require a quality assurance vendor, a determination to not approve this Request could result in loss of federal funding. In addition, failure to implement the Centers for Medicare and Medicaid Service required enhancements would result in a significant loss of federal revenue due to non-certification of the Medicaid Management Information System.

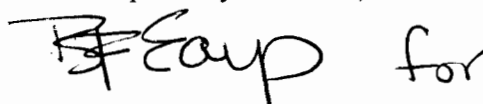
Funding for this Amendment is anticipated from the Centers for Medicare and Medicaid Services pending submission of federally required Implementation Advanced Planning Documents by the Department of Health and Human Services.

Source of Funds: Design, Development and Implementation phase: 90% federal funds,
10% general funds.

Geographic area to be served: Statewide.

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


Respectfully submitted,



William L. Baggeroer
Chief Information Officer/Director

Approved by:



 Nicholas A. Toumpas
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

Peter C. Hastings
Commissioner

March 7, 2014

Nicholas A. 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 amend a contract with Cognosante, LLC (formerly FOX Systems, Inc.) as described below and referenced as DoIT No. 2005-002H.

This contract amendment extends the services of Cognosante, LLC to allow them to continue to perform a variety of quality assurance services during the implementation of required federal changes to the new NH Medicaid Management Information System. The expiration date of the current contract is extended through December 31, 2015. Funding for this contract is increased by \$2,547,655, from \$13,256,875 to a new amount not to exceed \$15,804,539.

The MMIS Quality Assurance Services project is set forth in the New Hampshire Information Technology Plan 2005-2009 dated October 21, 2005, as Appendix VI: *Key Projects to be Undertaken in Fiscal Years 2006/07 by State Agency*, Project 75: OMPB/MMIS, MMIS Reprocurement.

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 that reads "Peter C. Hastings".

Peter C. Hastings

PCH/ltn
RFP 2005-002

cc: Leslie Mason, DoIT
Brian Earp, DHHS

State of New Hampshire
Department of Health and Human Services
Amendment 8 to the Cognosante, LLC Contract

This 8th Amendment to the Cognosante, LLC (formerly FOX Systems, LLC and FOX Systems, Inc.) contract (hereinafter referred to as "Amendment 8") dated this 7th day of March 2014, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Cognosante, LLC, (hereinafter referred to as "Cognosante" or "the Contractor"), a limited liability company with a place of business at 6263 North Scottsdale Road – Suite 200, Scottsdale, Arizona.

Whereas FOX Systems, LLC legally changed its legal name to Cognosante, LLC effective August 4, 2011, all rights and obligations of the parties under the contract referenced above are unaffected by the change in name, corporate structure or parent company.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on December 1, 2004, and amended by an agreement (Amendment 1 to the Contract) approved on December 12, 2006, an agreement (Amendment 2 to the Contract) approved on December 11, 2007, an agreement (Amendment 3 to the Contract) approved on December 12, 2008, an agreement (Amendment 4 to the Contract) approved on June 23, 2010, an agreement (Amendment 5 to the Contract) approved on March 21, 2012, an agreement (Amendment 6 to the Contract) approved on January 16, 2013, and an agreement (Amendment 7 to the Contract) approved on August 14, 2013, the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract 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

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:

1. Except as specifically amended and modified by the terms and conditions in this Amendment, the obligations of the parties shall remain in full force and effect in accordance with the terms and conditions set forth in the Contract and its Amendments, Amendment 1, Amendment 2, Amendment 3, Amendment 4, Amendment 5, Amendment 6, and Amendment 7 as referenced above.
2. The General Provisions Form P-37 are hereby amended as follows:
 - 2.1. Block 1.8, Price Limitation, is increased by \$2,547,664 from "\$13,256,875" to "\$15,804,539"
 - 2.2. Block 3.1, Effective Date, is amended by the addition of the following sentence:
Amendment 1 is effective on December 12, 2006, Amendment 2 is effective on December 11, 2007, Amendment 3 is effective on December 18, 2008, Amendment 4 is effective on June 23, 2010, Amendment 5 is effective on March 28, 2012, Amendment 6 is effective on January 16, 2013, Amendment 7 is effective on August 14, 2013, and Amendment 8 is effective on March 26, 2014 or date of Governor and Executive Council approval, whichever date is later.

3. The provisions of Exhibit A, Scope of Services are hereby amended as follows: The Contract Period September 1, 2004 through June 30, 2015, includes the option for early termination and reduction in Cognosante staff, exercisable at the sole discretion of the Commissioner of the Department of Health and Human Services any time after June 30, 2014 with 30 calendar days advance written notice to the Contractor.
4. The provisions of Exhibit A: Scope of Services, Section 4.1 Period of Performance, are hereby modified as of the Effective Date as follows: The Contract shall take effect after full execution of the parties including, but not limited to, Governor and Executive Council approval. This Amendment 8 is effective upon the date of Governor and Executive Council approval or March 26, 2014, whichever date is later. It shall remain in effect through June 30, 2015 unless otherwise amended or terminated in accordance with this Contract.
5. Exhibit B is amended to increase the Contract price by an amount not to exceed \$2,547,664 to a total Contract price of \$15,804,539.
6. The provisions relative to Exhibit A Scope of Services Project Staff Table are amended by replacing them with the following:

Amendment 8 Table 7.2-1: Project Staff

Name	Title
Ken Dybevik	Program Director/Client Executive
Peter Wall	* Project Manager
Eddie Vega	* Business Analyst/Quality Assurance Lead
Lynda Bowen	* Senior Testing Analyst
Margaret Patterson	Business/Testing Analyst
Sara Kondur	Business/Testing Analyst
Jacob Thomas	Testing Analyst
Ronda Harris	Senior Business Analyst
Tamera Damon	Senior Business Analyst
Vickie Gavin	Senior Business Analyst
Kent Howard	Senior Business Analyst- IES IVV
Stephen Gantz	Executive Security Consultant- IES Security
TBN	IES Testing Analyst
Susan Fox	Technical Advisory Group (TAG)
James Joyce	Technical Advisory Group (TAG)

7. The provisions relative to Exhibit A, Scope of Services, Section 12 Table 12-1 QA Services Deliverables and Schedule are amended by replacing the table with Amendment 8 Table 12-1:QA Services Deliverables and Schedule below:

Amendment 8 Table 12-1: QA Services Deliverables and Schedule

1.1	Overall Finalized QA Plan	Within five (5) business days after contract approved and notice to proceed issued
1.1.1	Review Sessions and Meetings:	Kickoff-five (5) business

	<ul style="list-style-type: none"> • Kickoff • Weekly Status Meetings • Other Meetings 	days after project start. Weekly Status meeting, ending 12/31/2014
1.1.2	Publish session and meeting minutes and revised Project Plans	Must be done within two (2) business days after each meeting, ending 12/31/2014
1.1.3	Produce monthly Project Status Reports	First business day of the month, beginning January 2, 2005
1.1.4	Produce Monthly Project Risk Management Reports	First business day of the month, beginning January 2, 2005, ending 12/31/2014
1.2	Publish QA Work Plan and Schedule	Updated weekly, as required, ending 12/31/2014
1.3	Integrate QA Work Plan and Implementation Project Work Plan	Complete monthly starting February 1, 2006
1.4	Create Project Communication Plan	Within 30 days of project start
1.5	Create a Documentation plan for the Project	Within 30 days of project start
1.6	Create Paper Work and Electronic Media Control Procedures	Within 30 days of project start
1.7	DDI Deliverable Review and Approval Process	February 15, 2005
1.8	Establish process for review and approval of software development results	February 15, 2005
1.9	Create Expenditure Control Plan	Within 30 days of project start
1.11	Implementation Control Guidelines Plan	Done in conjunction with the MMIS Vendor
1.13	Establish a Project Scope Management and Change Control Plan	February 1, 2005
DDI QA - Review and distribute the deliverables		
2.1	Business Rules Gap Analysis and Recommendations for new and/or modified Medicaid policy/rules	August 15, 2005
2.2	Create Business Rules Matrix	August 15, 2005
2.3 p.1	Report detailing provider billing manuals, bulletins, and claims resolution manuals	Removed from initial contract
2.3 p. 2	Comprehensive analysis report of provider reimbursement methods, benefit levels, eligibility levels and program integrity requirements.	September 15, 2005
2.4	Embedded MMIS Code and Business Logic Analysis Logic	July 20, 2005
2.5	MMIS Eligibility Conversion Strategy Analysis	June 30, 2005
2.6	Business Processing Reengineering Recommendation Report	October 3, 2005
2.7	Report Specifications Analysis	August 3, 2005
DDI QA - Review and distribute the deliverables		
3.1	Report on the following Implementation Vendor Deliverables,	Analysis reports of

	<p>deliverables can be moved between project phases based on the Implementation Vendor's work plan:</p> <ul style="list-style-type: none"> • Project Management Plan • Detailed Project Work Plan • Problem Control and Change Management Plan • Project Communication Plan • Quality Assurance Plan • Issues Tracking and Resolution • Requirements Validation Specification • Requirements Traceability Matrix • General System Design • Revised General System Design • Attend/Participate in DSD sessions for four months per State approved DSD calendar. • Detailed System Design (23 Chapters) • Test Environment Preparation • Integration and System Test Scripts (as requested by the State) • MMIS Implementation Plan • Finalized System Test Plan • Finalized Contingency Plan • Finalized Conversion Plan • X12N EDI Companion Guides • Revised Detailed System Design (3 Groups) • Finalized Training Plan • Preliminary Operations Plan • Finalized Operations Plan • Training Materials/Manuals • Preliminary Provider Reenrollment Plan • Preliminary Training Materials and Manuals – Provider • Provider Re-Enroll UAT • Final Training Materials & Manuals Provider Re-Enrollment • Provider Re-Enrollment Operational Readiness Test Plan • Acceptance Test Plan • Acceptance Test Resolutions Document • Acceptance Test Tracking System • Operational Readiness Report • MMIS Systems Documentation • Corrective Action Plan (full MMIS) • Finalized CMS Certification Process Plan • Certification Manuals including 1st run reports 	<p>Implementation Vendor final deliverables due five (5) business days after receipt from the Implementation Vendor.</p> <p>The State expects Cognosante to conduct iterative reviews prior to receipt of the final Implementation Vendor deliverable Cognosante must document all iterative review steps and activities leading up to the final deliverable document.</p>
3.2	Requirements Traceability Matrix Report	Initial RTM report due

		January 15, 2006, thereafter updates at specific intervals to include but not limited to: Requirements Validation, General System Design, Detail System Design, UAT, and Operational Plan.
3.3	JAD session Reports	Five (5) business days after both General System Design, and Detail System Design.
3.4	Technical Review Report	Five (5) business days after both General System Design, and Detail System Design
3.5	QA Test Plan	September 30, 2009
3.6	Integration and System Testing and Reporting	Five (5) business days after completion of the SIT for PE and MMIS
3.7	User Acceptance Test Cases and Scripts	Twenty (20) business days prior to the start of PE and MMIS UAT testing.
3.8	User Acceptance Testing	Testing along with a monthly UAT Summary Report monthly during the PE UAT and six (6) months of MMIS UAT.
3.9	Issues Tracking Report	Weekly during State PE and MMIS UAT.
3.10	User Acceptance Testing Report	Monthly UAT Status reports during UAT Phase.
3.11	User and Provider Training Readiness Reports	Removed
3.12	Provider Readiness Assessment – Documentation and Communication	Removed
3.13	Provider Readiness Report	Two reports: First is 14 days prior to scheduled PE Implementation and the Second is 14 days prior to MMIS Implementation.
3.14	Operational Readiness Report	Two reports: First is 14 days prior to scheduled PE Implementation and the Second is 14 days prior to MMIS Implementation.
3.15	Implementation Readiness Report	Two reports: First is 14 days prior to scheduled PE Implementation and the

		Second is 14 days prior to MMIS Implementation.
3.16	Security Plan Report	Removed from original contract
3.17	Implementation Close Out Report	30 days after implementation
3.18	Certification Traceability Matrix	3 months after the start of UAT
3.19	Contingent Testing Support	During MMIS UAT Phase
3.20	SIT and UAT - MMIS and Enhancements	Supplemental Testing support during MMIS UAT Phase and during post implementation Enhancements Phase
3.21	Testing Optional Support	Optional testing support during MMIS UAT Phase and during post implementation Enhancements Phase
4 Post-DDI/QA		
4.1	MMIS Federal Certification Plan	1 month prior to MMIS implementation
4.2	Certification Readiness Report	12 to 25 months after MMIS implementation
4.3	Certification Plan Review Report	12 to 25 months after MMIS implementation
4.4	Certification Letter	1 month after Certification Readiness Report
4.5	Project Close Out Report	1 month after MMIS Certification Review
4.6	Certification Support	During the 27 months after MMIS implementation
5010 QA		
5.1	5010 Status Report	During the 9 months prior to MMIS implementation
5.2	Review 5010 Deliverables	During the 9 months prior to MMIS implementation
5.3	5010 Testing Support	During the 9 months prior to MMIS implementation
IES IVV		
6.1	Provide DHHS Project Management with monthly status reports clearly describing the state of the IV&V effort, and a monthly management report.	Monthly – starting within 1 month of IV&V work starting
6.1.1	Risk Assessment and Identification: Review existing Risk Management Plan and Risk Report. Evaluate the identified risks and mitigation strategies, identify other risks and create a Risk Assessment Report to include any new recommendations for risk mitigation strategies.	Monthly - include in Monthly Project Status report

6.1.2	IV&V Work Plan: Develop and maintain a work plan and schedule for all IV&V efforts.	Within 1 month after the start-up phase of the IV&V services and updated as necessary
6.1.3	Test Validation: Review and validate test results for mutually agreed-upon sub-projects within the DDI Contract to include at a minimum the FDSH Wave Testing with CMS.	As agreed after start-up of the IV&V service
6.1.4	CMS Gate Review Preparation and Response: Assist in the preparation for the various CMS Gate Reviews and participate in the Gate Review Meetings. This will consist of assistance with updating of the various artifacts already on file such as the Project Management Plan, Risk Management Plan, etc.	Periodic as needed
6.1.5	Quarterly Project Review: Schedule and participate in quarterly IV&V review meetings for the project. These are new meetings with the IV&V vendor and New HEIGHTS management.	Quarterly as requested
6.1.6	Other Project Support: Due to the nature of the verification and validation services to be provided, other specific responsibilities and attendant deliverables may be required within the scope of these services and time availability of the 1 FTE to be provided.	As mutually agreed as time permits
6.2	<p>Third Party IES Security Assessment Review and Report</p> <ul style="list-style-type: none"> • Validate and verify that the New HEIGHTS system security plan (SSP) as documented, has been implemented, by performing a basic internal System Test and Evaluation (ST&E) • Perform basic testing for the operational and management controls through: <ul style="list-style-type: none"> ○ Documentation and procedural reviews ○ Walk-throughs and inspections and ○ Interviews with key personnel • Perform comprehensive testing for the physical and technical controls through: <ul style="list-style-type: none"> ○ Site assessment of the facilities (building and rooms) to evaluate the security safeguards and physical controls ○ Observe and validate technical testing (software/hardware) exercised by the State and or their contractor against applicable security requirements (e.g. using tools such as Nessus, Nmap, AppDetective, WebInspect, Core Impact, etc.) ○ Technical automated tools (scripting) ○ Perform New HEIGHTS system scans for vulnerabilities and unnecessary services running • Document 3rd Party Security Assessment Report (SAR) 	September 30, 2013

	for: <ul style="list-style-type: none"> ○ Observations ○ Identification of risks ○ Recommendations 	
6.3	Optional – Test Scenario Development and Execution: For mutually agreed-upon sub-projects within the DDI contract, prepare and execute test scenarios that address the business requirements	Optional Testing Support

8. The provisions relative to Exhibit B, Funding of Contract are amended by replacing them with the following:
- 8.1. Funding of Contract Section C: The total amount of all payments made to the Contractor for costs and expenses incurred in the performance of the Medicaid Management Information System Quality Assurance services during the period September 1, 2004 through June 30, 2015, shall not exceed \$15,804,539 in accordance with the project budget identified in Amendment 8 Exhibit B-1, Budget attached hereto.
9. The provisions relative to Exhibit B, Budget by Phase Table B-1b are amended by replacing them with the following:

Amendment 8 Table B-1b: Budget by Phase

Project Phase	Budget
Project Monitoring	\$3,616,372
Pre-DDI QA	\$407,036
DDI QA	\$8,550,988
DDI Contingency	\$327,840
Post DDI	\$1,676,127
DDI 5010 QA	\$239,776
IES IVV	\$986,400
TOTAL	\$15,804,539

10. The provisions relative to Exhibit B-1: Budget are amended by replacing them with the following Exhibit B-1: Budget and Table B-1c: QA Services Staffing Levels. With 30 days written notice to the Contractor, the Department may change the level of staffing support for QA Services 3.20, 3.21, 4.6, and 6.3.

Amendment 8 Table B-1c: QA Services Staffing Levels

Task	Staffing	SFY 2013	SFY 2014	SFY 2015
		Monthly Budget	Monthly Budget	Monthly Budget
3.20 SIT and UAT - MMIS and Enhancements	5	\$134,400	\$137,760	\$141,960
	4	\$107,520	\$110,208	\$113,568
	3	\$80,640	\$82,656	\$85,176
	2	\$53,760	\$55,104	\$56,784
	1	\$26,880	\$27,552	\$28,392
	0	\$0	\$0	\$0
3.21 Testing Optional Support	2	\$53,760.00	\$55,104.00	\$56,784
	1	\$26,880.00	\$27,552.00	\$28,392
	0	\$0	\$0	\$0
4.6 Certification Support	2	\$55,440	\$56,784.00	\$58,464
	1	\$27,720	\$28,392.00	\$29,232
	0	\$0	\$0	\$0
6.3 IES Testing Optional Support	2	\$0	\$49,920.00	\$51,520.00
	1	\$0	\$24,960.00	\$25,760.00
	0	\$0	\$0	\$0

11. The provisions relative to Exhibit B-1: Budget are amended by replacing them with the following Exhibit B-1: Budget:

Amendment 8 Exhibit B-1 Budget Page 1 of 2

1.1 Overall Finalized QA Plan	\$ 19,705	\$ -	\$ 19,705	\$ 19,705							\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,705
1.1.1 Review sessions and meetings, Kickoff, Weekly Status Meetings, Other Meetings	\$ 1,948,411	\$ 148,196	\$ 2,096,607	\$97,834	\$ 167,715	\$ 175,337	\$ 180,596	\$ 186,012	\$ 191,592	\$ 210,741	\$ 263,244	\$ 285,109	\$ 148,196	\$ 2,096,607		
1.1.2 Publish session and meeting minutes and revised Project Plans	\$ 566,115	\$ 43,045	\$ 609,160	\$28,439	\$ 48,750	\$ 50,963	\$ 52,492	\$ 54,048	\$ 55,650	\$ 61,212	\$ 82,271	\$ 82,812	\$ 43,045	\$ 609,160		
1.1.3 Produce Monthly Project Status Reports	\$ 185,072	\$ 14,178	\$ 199,249	\$8,024	\$ 16,047	\$ 16,776	\$ 17,278	\$ 17,796	\$ 18,330	\$ 20,161	\$ 27,097	\$ 27,276	\$ 14,178	\$ 199,249		
1.1.4 Produce Monthly Project Risk Management Reports	\$ 177,914	\$ 13,629	\$ 191,542	\$7,712	\$ 15,425	\$ 15,656	\$ 16,126	\$ 16,612	\$ 17,112	\$ 19,381	\$ 26,048	\$ 26,220	\$ 13,629	\$ 191,542		
1.2 Publish QA Work Plan and Schedule	\$ 172,797	\$ 13,144	\$ 185,941	\$8,676	\$ 14,874	\$ 15,097	\$ 15,550	\$ 16,014	\$ 16,494	\$ 18,691	\$ 25,122	\$ 25,287	\$ 13,144	\$ 185,941		
1.3 Integrate QA Work Plan and Implementation Project Work Plan	\$ 107,364	\$ 9,074	\$ 116,437	\$ -	\$ 4,284	\$ 10,435	\$ 10,749	\$ 11,070	\$ 11,394	\$ 11,730	\$ 17,342	\$ 17,456	\$ 9,074	\$ 116,437		
1.4 Create a Project Communication Plan	\$ 28,000	\$ -	\$ 28,000	\$28,000										\$ 28,000		
1.5 Create a Documentation plan for the Project	\$ 19,705	\$ -	\$ 19,705	\$19,705										\$ 19,705		
1.6 Create Paper Work and Electronic Media Control Procedures	\$ 14,705	\$ -	\$ 14,705	\$14,705										\$ 14,705		
1.7 DDJ Deliverable Review and Approval Process	\$ 34,705	\$ -	\$ 34,705	\$34,705										\$ 34,705		
1.8 Establish process for review and approval of software development results	\$ 26,205	\$ -	\$ 26,205	\$26,205										\$ 26,205		
1.9 Create Expenditure Control Plan	\$ 14,705	\$ -	\$ 14,705	\$14,705										\$ 14,705		
1.10 Create cost benefit methodology Plan	\$ -	\$ -	\$ -											\$ -		
1.11 Implement Control Guidelines Plan	\$ 14,705	\$ -	\$ 14,705	\$ -	\$ 29,410	\$ (14,705)								\$ 14,705		
1.13 Establish a Project Scope Management and Change Control Plan	\$ 45,000	\$ -	\$ 45,000	\$45,000										\$ 45,000		
Subtotal	\$ 3,375,107	\$ 241,265	\$ 3,616,372	\$ 353,415	\$ 296,505	\$ 262,479	\$ 285,501	\$ 302,856	\$ 311,916	\$ 343,089	\$ 461,124	\$ 464,160	\$ 241,265	\$ 3,616,372		

2.1 Business Rule Gap Analysis and Recommendations for new and/or modified Medicaid policy/rules	\$ 53,060	\$ -	\$ 53,060	\$ 53,060										\$ 53,060
2.2 Create Business Rule Matrix	\$ 37,955	\$ -	\$ 37,955	\$ 37,955										\$ 37,955
2.3 Comprehensive analysis report of provider reimbursement methods, benefit levels, eligibility levels and program integrity requirements.	\$ 37,894	\$ -	\$ 37,894	\$ 37,894										\$ 37,894
2.4 Embedded MMIS Code and Business Logic Analysis	\$ 48,342	\$ -	\$ 48,342	\$ 48,342										\$ 48,342
2.5 MMIS Eligibility Conversion Strategy	\$ 73,405	\$ -	\$ 73,405	\$ 73,405										\$ 73,405
2.6 Business Process Reengineering Recommendations Report	\$ 44,180	\$ -	\$ 44,180	\$ 44,180										\$ 44,180
2.7 Report Specifications Analysis	\$ 112,200	\$ -	\$ 112,200	\$ 112,200										\$ 112,200
Subtotal	\$ 407,036	\$ -	\$ 407,036	\$ 333,631	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 407,036

Amendment 8 Exhibit B-1 Budget Page 2 of 2

3.1 Report on Implementation Vendor Deliverables (see Exhibit B-1a)	\$	1,324,789	\$	-	\$	1,324,789	\$	-	\$	-	\$	1,324,789		
3.2 Requirements Traceability Matrix Report	\$	88,921	\$	-	\$	88,921	\$	-	\$	-	\$	88,921		
3.3 AD session Report	\$	72,222	\$	-	\$	72,222	\$	-	\$	-	\$	72,222		
3.4 Technical Review Report	\$	92,052	\$	-	\$	92,052	\$	-	\$	-	\$	92,052		
3.5 QA Test Plan	\$	68,839	\$	-	\$	68,839	\$	-	\$	-	\$	68,839		
3.6 Integration and System Testing Report	\$	1,333,978	\$	-	\$	1,333,978	\$	-	\$	-	\$	1,333,978		
3.7 User Acceptance Test Cases and Scripts	\$	387,521	\$	-	\$	387,521	\$	-	\$	-	\$	387,521		
3.8 User Acceptance Testing	\$	545,981	\$	-	\$	545,981	\$	-	\$	-	\$	545,981		
3.9 Issues Tracking Report	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-		
3.10 User Acceptance Testing Report	\$	109,289	\$	-	\$	109,289	\$	-	\$	-	\$	109,289		
3.11 Operational Readiness Report	\$	46,458	\$	-	\$	46,458	\$	-	\$	-	\$	46,458		
3.12 Implementation Readiness Report	\$	40,678	\$	-	\$	40,678	\$	-	\$	-	\$	40,678		
3.13 Provider Readiness Report	\$	44,894	\$	-	\$	44,894	\$	-	\$	-	\$	44,894		
3.14 Contingent Testing Support	\$	314,496	\$	-	\$	314,496	\$	-	\$	-	\$	314,496		
3.20 SIT and UAT - MMIS and Enhancements	\$	2,018,688	\$	1,265,040	\$	3,283,728	\$	-	\$	-	\$	3,283,728		
3.21 Testing Optional Support	\$	355,488	\$	253,008	\$	608,496	\$	-	\$	-	\$	608,496		
Subtotal	\$	7,032,940	\$	1,518,048	\$	8,550,988	\$	-	\$	-	\$	8,550,988		
Amendment 6 Monthly Fixed Price Value - Max time frame is 3 months. (Supplements Tasks 1.x, 3.8, 3.10, 3.20, 3.21, 4.2, 4.6, 5.x)	\$	327,840	\$	-	\$	327,840	\$	-	\$	-	\$	327,840		
4.1 MMIS Federal Certification Plan	\$	100,114	\$	-	\$	100,114	\$	-	\$	-	\$	100,114		
4.2 Certification Readiness Report	\$	85,961	\$	-	\$	85,961	\$	-	\$	-	\$	85,961		
4.3 Certification Plan Review Report	\$	56,773	\$	823	\$	57,597	\$	-	\$	-	\$	57,597		
4.4 Certification Letter	\$	35,979	\$	-	\$	35,979	\$	-	\$	-	\$	35,979		
4.5 Project Close Out Report	\$	15,517	\$	-	\$	15,517	\$	-	\$	-	\$	15,517		
4.6 Certification Support	\$	679,392	\$	701,568	\$	1,380,960	\$	-	\$	-	\$	1,380,960		
Subtotal	\$	887,775	\$	788,352	\$	1,676,127	\$	-	\$	-	\$	1,676,127		
5.1 Status Report	\$	16,520	\$	-	\$	16,520	\$	-	\$	-	\$	16,520		
5.2 Review 5010 Deliverables	\$	21,240	\$	-	\$	21,240	\$	-	\$	-	\$	21,240		
5.3 5010 Testing Support	\$	202,016	\$	-	\$	202,016	\$	-	\$	-	\$	202,016		
Subtotal	\$	239,776	\$	-	\$	239,776	\$	-	\$	-	\$	239,776		
6.1 Produce Monthly Project Status Reports	\$	672,960	\$	-	\$	672,960	\$	-	\$	-	\$	672,960		
6.2 IES Security Plan Review	\$	59,840	\$	-	\$	59,840	\$	-	\$	-	\$	59,840		
6.3 IES Testier (Optional)	\$	253,600	\$	-	\$	253,600	\$	-	\$	-	\$	253,600		
Subtotal	\$	986,400	\$	-	\$	986,400	\$	-	\$	-	\$	986,400		
Project Total	\$	13,256,875	\$	2,547,665	\$	15,804,539	\$	426,820	\$	818,733	\$	3,245,553	\$	19,050,092
	\$	13,256,875	\$	2,547,665	\$	15,804,539	\$	426,820	\$	818,733	\$	3,245,553	\$	19,050,092
	\$	13,256,875	\$	2,547,665	\$	15,804,539	\$	426,820	\$	818,733	\$	3,245,553	\$	19,050,092

Contractor Initials: TSZ
Date: 3-7-2014

12. The provisions relative to Exhibit B-2 Holdback are amended by replacing it with “Amendment 8, Exhibit B-2: Holdback,” as follows:

Amendment 8 Exhibit B-2: Holdback

Project Monitoring Phase 1 – Project inception through 12/31/08	\$201,740	15%
Project Monitoring Phase 2 – 1/1/09 through 12/31/09	\$44,769	15%
Project Monitoring Phase 3 – 01/01/2010 through 06/30/2011	\$69,502	15%
Project Monitoring Phase 4 – 7/1/11 through 3/31/12	\$35,609	15%
Project Monitoring Phase 5 – 4/1/12 through 6/30/13	\$85,023	15%
Project Monitoring Phase 6 – 7/1/13 through 12/31/13	\$34,812	15%
Project Monitoring Phase 7 – 1/1/14 through 6/30/14	\$34,812	15%
Project Monitoring Phase 8 – 7/1/14 through 6/30/15	\$36,190	15%
Pre-DDI QA	\$61,055	15%
DDI Phase through 3/31/13	\$754,489	15%
DDI Post Go-Live 4/1/13 - 6/30/15	\$528,159	15%
DDI Contingency	\$251,419	15%
Post DDI	\$74,928	15%
DDI 5010 QA	\$73,032	15%
IES IV&V - FY14	\$201,740	15%
IES IV&V - FY15	\$44,769	15%
Project Total	\$2,370,681	15%

13. The provisions relative to Exhibit B Table B-4 *Future IT Services* are amended by replacing it with Amendment 8 Exhibit B Table B-4 *Future IT Services* as follows:

Amendment 8 Exhibit B Table B-4 Future IT Services

Service Position Title	SFY 2006	SFY 2007	SFY 2008	SFY 2009	SFY 2010	SFY 2011	SFY 2012	SFY 2013	SFY 2014	SFY 2015
Client Executive	\$154	\$158	\$162	\$166	\$170	\$175	\$175	\$195	\$200	\$206
Project Manager	\$139	\$142	\$146	\$150	\$154	\$158	\$158	\$170	\$170	\$175
Medicaid Policy Expert	\$134	\$137	\$141	\$144	\$148	\$152	\$152	\$155	\$159	\$164
Quality Assurance Lead	\$134	\$137	\$141	\$144	\$148	\$152	\$152	\$157	\$161	\$166
JAD Facilitator	\$144	\$148	\$151	\$155	\$159	\$163	\$163	\$168	\$172	\$177
Business Analyst	\$134	\$137	\$141	\$144	\$148	\$152	\$152	\$160	\$164	\$169
Test Analyst	\$129	\$132	\$136	\$139	\$143	\$147	\$147	\$152	\$156	\$161
Code Analyst	\$101	\$104	\$106	\$109	\$112	\$115	\$115	\$125	\$128	\$132
Senior Business Analyst	\$134	\$137	\$141	\$144	\$148	\$152	\$152	\$160	\$164	\$169
Senior Testing Analyst	\$134	\$137	\$141	\$144	\$148	\$152	\$152	\$156	\$160	\$165
Certification Specialist	\$139	\$142	\$146	\$150	\$154	\$158	\$158	\$165	\$169	\$174
TAG Member / Executive Security Consultant	\$154	\$158	\$162	\$166	\$170	\$175	\$175	\$182	\$187	\$193

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

for Marilee Khan 3/14/14
Nicholas A. Toumpas Date
Commissioner

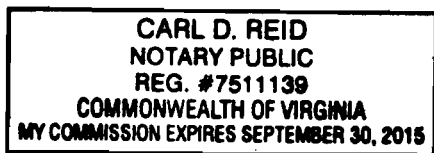
Cognosante LLC

[Signature] 3-7-2014
Tom Stepka Date
Executive Vice President
Cognosante, LLC

STATE OF Virginia
CITY
COUNTY OF Alexandria

On this the 7th day of March 2014, before me, Carl D. Reid the undersigned officer, personally appeared Tom Stepka who acknowledged himself/herself to be the EVP of Cognosante, LLC and that he/she, as such EVP being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself/herself as Cognosante, LLC.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



[Signature]
Notary Public/Justice of the Peace
My commission expires: 9/30/2015

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

OFFICE OF THE ATTORNEY GENERAL

By: 

Date: 3-14-14

I hereby certify that the foregoing contract 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

By: _____

Title: _____

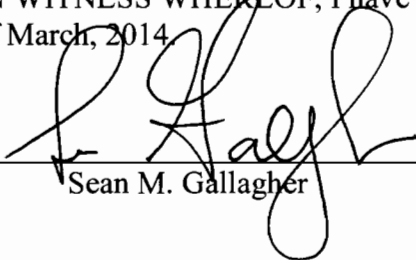
Date: _____

Secretary's Certificate

I, Sean M. Gallagher, Corporate Secretary of Cognosante, LLC (f/k/a Fox Systems, LLC), do hereby certify that:

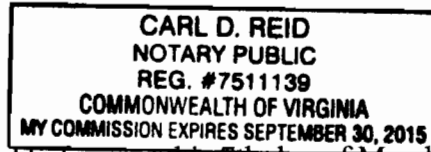
- 1. I am the duly elected and acting Secretary of Cognosante, LLC a Delaware limited liability company (the "Company") pursuant to official action taken by the Board of Directors of the Company on July 31, 2012.
- 2. In my role as Secretary of the Company, I maintain, have custody of and am familiar with the minute books of the Company.
- 3. Pursuant to the provisions of the Amended and Restated Limited Liability Company Agreement of Cognosante, LLC, in my role as Secretary of the Company I am duly authorized to provide a certificate naming the persons who are authorized to execute and deliver any instrument or document for or on behalf of the Company.
- 4. Pursuant to official action taken by the Board of Directors of the Company on July August 1, 2013, Thomas Stepka is the duly elected and acting Executive Vice President of the Company.
- 5. As Executive Vice President of the Company, Thomas Stepka is duly authorized to execute and deliver any instrument or document for or on behalf of the Company, including, but not limited to, the entering into of an amendment to the company's contract with the State of New Hampshire, acting by and through the Division of Medicaid Business and Planning of the Department of Health and Human Services.
- 6. As of the date hereof, the official actions taken by the Company at its meeting on August 1, 2013 have not been modified, amended and revoked in any way.

IN WITNESS WHEREOF, I have hereunto set my hand as Secretary of the Company this 7th day of March, 2014.



Sean M. Gallagher

COMMONWEALTH OF VIRGINIA)
) ss.
COUNTY OF FAIRFAX)



The foregoing instrument was acknowledged before me this 7th day of March, 2014, by Sean Gallagher, who acknowledged himself to be the Secretary of Cognosante, LLC, a Delaware limited liability company.



Notary Public

My Commission Expires: 9/30/2015



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
7/1/2013

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 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 Brown & Brown Insurance of AZ, Inc 2800 North Central Avenue, Suite 1600 Phoenix AZ 85004	CONTACT NAME Sharon Bowman PHONE (A/C, N o, Ext): 602-664-7056 FAX (A/C, N o) E-MAIL sbowman@bbphoenix.com ADDRESS sbowman@bbphoenix.com														
INSURED Cognosante Holdings, LLC 6263 N Scottsdale Rd., Ste 200 Scottsdale AZ 85250	<table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A The Travelers Ind Co of Am</td> <td>25666</td> </tr> <tr> <td>INSURER B Travelers Indemnity Company</td> <td>25658</td> </tr> <tr> <td>INSURER C Philadelphia Indemnity Ins Co</td> <td>18058</td> </tr> <tr> <td>INSURER D Travelers Indemnity Co of CT</td> <td>25682</td> </tr> <tr> <td>INSURER E</td> <td></td> </tr> <tr> <td>INSURER F</td> <td></td> </tr> </tbody> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A The Travelers Ind Co of Am	25666	INSURER B Travelers Indemnity Company	25658	INSURER C Philadelphia Indemnity Ins Co	18058	INSURER D Travelers Indemnity Co of CT	25682	INSURER E		INSURER F	
INSURER(S) AFFORDING COVERAGE	NAIC #														
INSURER A The Travelers Ind Co of Am	25666														
INSURER B Travelers Indemnity Company	25658														
INSURER C Philadelphia Indemnity Ins Co	18058														
INSURER D Travelers Indemnity Co of CT	25682														
INSURER E															
INSURER F															

COVERAGES

CERTIFICATE NUMBER: 209825152

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PER OD 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	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Primary & Non-Cont	Y	Y	168097K16415	7/1/2013	7/1/2014	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$
	GEN'L AGGREGATE LIMIT APPLIES PER <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	Y	Y	BA97K14907	7/1/2013	7/1/2014	COMBINED SINGLE LIM (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$5,000			CUP4189Y047	7/1/2013	7/1/2014	EACH OCCURRENCE \$4,000,000 AGGREGATE \$4,000,000
D	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/A	UB97K32753	7/1/2013	7/1/2014	W/C STATUTORY LIMITS (Per State) All States E.L. EACH ACCIDENT \$1,000,000 E.L. DISABILITY BENEFIT (Per Employee) \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000

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

All forms apply per written contract requiring insurance.
 Blanket additional insured form CGD2520805. Blanket Primary and Non-Contributory CGD0370405. Blanket waivers of subrogation to general liability per CGD1861103. Blanket additional insured to auto liability per CAT4200706. Blanket waiver of subrogation on workers compensation form WC0003130001.
 Workers Compensation insurance is provided that meets New Hampshire's statutory requirements.

CERTIFICATE HOLDER**CANCELLATION**

State of New Hampshire Office of Medicaid Business & Policy Department of Health & Human Services 129 Pleasant St Concord NH 03301	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
---	--

© 1988-2010 ACORD CORPORATION. All rights reserved

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 Cognosante, LLC, a(n) Delaware limited liability company registered to do business in New Hampshire on May 11, 2010. I further certify that it is in good standing as far as this office is concerned, having filed the annual report(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto
set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 6th day of March, A.D. 2014

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

William M. Gardner
Secretary of State



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

John A. Stephen
 Commissioner

129 PLEASANT STREET, CONCORD, NH 03301-3857
 603-271-4796 1-800-852-3345 Ext. 4796
 Fax: 603-271-8113 TDD Access: 1-800-735-2964

Stephen A. Norton
 Director

November 1, 2004

OK
 G+C
 12/1/04
 E
 CE971134

His Excellency, Governor Craig R. Benson
 and the Honorable Executive Council
 State House
 Concord, NH 03301

REQUESTED ACTION

Authorize the New Hampshire Department of Health and Human Services (DHHS), Office of Medicaid Business and Policy (OMBP), to enter into an agreement with FOX Systems Inc. (FOX), Scottsdale, AZ 85250 (Vendor Number 122726) to provide quality assurance services for the Medicaid Management Information System (MMIS) in the amount of \$2,977,995.00 from December 1, 2004, or date of Governor and Council approval, whichever is later, through June 30, 2007. Funds to support this agreement are available in the following accounts according to State Fiscal Year, with authority to adjust amounts, if needed and justified, between fiscal years:

<u>SFY</u>	<u>Account Number</u>	<u>Description</u>	<u>Amount</u>
2005	010-095-5691-031-0285	Computer Enhancements	\$ 986,127
2006	010-095-6126-097-0285	Medicaid Contracts	\$ 817,437
2007	010-095-6126-097-0285	Medicaid Contracts	\$ 1,174,431
Total			<u>\$ 2,977,995</u>

EXPLANATION

The purpose of the above requested action is to engage the services of FOX Systems, Inc. to provide Quality Assurance Services in support of the major information systems initiative to be undertaken by the Department in conjunction with the Office of Information Technology (OIT), to replace the existing Medicaid Management Information System and to implement a new MMIS by June 1, 2007. Given the need for a clear definition of business rules in preparation for development of the new MMIS, the project's aggressive implementation timeline, the expansiveness of the project's scope, the complex nature of the MMIS with its myriad of claims processing and payment functions, and to manage costs associated with the implementation, it is critical that the efforts of dedicated staff from the Department and OIT are reinforced with the services provided by the Quality Assurance contractor under this agreement, to help ensure the integrity of the system and that project objectives are met.

The Quality Assurance services to be provided by the contractor are structured to meet project objectives during two major phases of the MMIS implementation, in coordination with

system Design, Development, and Implementation (DDI) project activities. Organized by phase, the QA services include:

1. **Pre-DDI Services** – Services to assist with Project Management and Organization and to enhance the Department's readiness for providing business rules criteria to support development of the systems rules logic. These services will be provided in advance of the start of system development and at a high level include:
 - Completing a business rules analysis to ensure the State has compiled all of the business process information that the Implementation Vendor will require thereby helping to ensure that aggressive project timeframes are met;
 - Defining and clearly confirming the business processing rules that will be used to inform the code logic of the new MMIS;
 - Conducting a Critical Report Analysis; and
 - Proposing a conversion strategy for historical MMIS Medicaid eligibility data.

2. **DDI Quality Assurance Services** – Services to monitor, verify, and validate the deliverables produced by the implementation contractor, to conduct all aspects of system testing, and to verify and validate operational readiness. These services will be provided throughout the systems development process through to implementation and at a high level include:
 - Understanding the State's requirements for the MMIS and ensuring that the new MMIS addresses and meets the functional, technical, and operational requirements specified by the State;
 - Participating in Joint Application Design Sessions (JAD) and deliverables review;
 - Providing project monitoring, identifying risks and proposing risk mitigation strategies;
 - Planning, preparing, and conducting requisite auditing and testing of the systems functionality and operations environment; and
 - Providing Independent Validation and Verification (IV&V) for the project.

3. **Post-DDI Services** – Services to assist the Department in its preparation for the eventual MMIS Federal Certification Review. The Centers for Medicare and Medicaid Services (CMS) must review the processing, performance, and output of the MMIS to ensure that it meets Federal MMIS requirements. These services will be provided after the system is operational in production and include:
 - Verifying that the requisite documentation is compiled and preparing the State for the CMS on-site MMIS certification review process; and
 - Facilitating the State's response to the CMS certification process, helping to ensure a successful certification and the realization of maximum Federal Financial Participation (FFP) for MMIS operations.

The implementation of the new MMIS will be a complex and challenging endeavor that will require a detailed translation of business rules logic, extensive data migration, expansion of

interfaces, new systems architecture, and expanded business operations support and claims adjudication and payment capabilities. The Quality Assurance Contractor will partner with the State to monitor that the functional requirements stipulated by the State, and approved by the Federal Government, are addressed adequately by the implementation contractor during the system design and development, that all aspects of the functional, technical, and operational components of the MMIS are verified and validated, and to monitor the project's progress according to plan.

The key drivers behind this request to contract for Quality Assurance Services for the MMIS Reprourement Project, in addition to the services to be acquired, are:

- The Federal Centers for Medicare and Medicaid Services (CMS) Regional Office has approved the State's MMIS Reprourement Project's Implementation Advanced Planning Document (IAPD), which includes the procurement of Quality Assurance contractor services to support the MMIS implementation initiative;
- CMS approval will result in 90% Federal Financial Participation (FFP) and the remaining 10% using State General Funds to cover the costs of the Quality Assurance contractor;
- The MMIS will process over 6 million Medicaid and other related claims totaling \$770 million a year and will issue payment to over 7,000 active providers for services provided on behalf of approximately 94,000 eligible recipients statewide; and the Quality Assurance services will help to ensure the integrity of claims and payment processing; and
- The pre-development business rules analysis to be conducted by the Quality Assurance vendor will enhance the Department's ability to confirm and document the business processing requirements for provider reimbursement methodologies in advance of requirements validation, thereby helping to keep the project moving forward from the onset.

FOX Systems, Inc. was selected for the MMIS QA contract through a competitive bid process. E-mail notification of the intent to publish a new RFP was sent to a comprehensive vendor list on May 13, 2004. Notification of the RFP publication was issued using standard Office of Information Technology (OIT) procedures. The Request for Proposals (RFP) was issued on May 14, 2004 and published on the Department of Administrative Services (DAS) website. Links to this website were also posted on the Department of Health and Human Services (DHHS) website and the OIT website. A mandatory bidder's conference was held on May 21, 2004. Formal responses by the Department and OIT to vendor questions were issued on June 2, 2004.

The Department received and evaluated three (3) proposals in response to the RFP - (Please see attached bidders list). These proposals were evaluated based on the vendor's approach, qualifications, price, and technical/service/project management, to determine the best solution at the best value to the State. The evaluations also included vendor on-site team presentations by each of the three vendors. FOX Systems, Inc. was selected as the winning

proposal following the evaluation process. FOX received the highest total score overall, concluding that the FOX proposal best met the objectives set forth in the RFP.

The Department, in its QA vendor procurement, was seeking many key components that could not be provided sufficiently in house. These included a critical reinforcement of the State testing effort and supplying MMIS/Medicaid Experience. FOX proposed staffing for the contract that allowed for addressing all of the requirements in the RFP. Other bidders required that the State trade-off or prioritize among requirements to obtain the same level of services. FOX demonstrated a strong commitment to reinforcing the State's system testing effort while other bidders viewed their position in testing as a passive or diminished role. FOX also proposed key individuals with extensive MMIS implementation experience and Medicaid expertise. These resources, which are both technical and business in nature, will help with the specific areas of need and include expertise in technical data architecture, programming code, Medicaid rules, Medicaid eligibility, system and operational readiness testing, Joint Application Design (JAD) and requirements validation. This expertise along with the FOX experience with MMIS Implementation and Quality Assurance will guide the State to ensure that the MMIS implemented in NH meets the project's objectives.

Overall, FOX was determined to be the best value to the State. The FOX proposal best met the Department's objectives and FOX was the lowest unit cost bidder. FOX was, however, the next to lowest total bid price. The cost proposal analysis determined that FOX and another of the three vendors bid the total number of hours required for the project within 2% of each other and the number of hours proposed by these two vendors was considered valid by the evaluation team, given the scope and objectives of the RFP. The third vendor bid 42% less hours than the average of the other two bids. When taking into account the broad scope of the RFP, the approach, and the hours proposed by the other bidders, this significant variance in hours was determined to be inadequate. The third vendor bid the lowest price but proposed significantly less hours. Comparing the bids on a cost per hour basis, where the cost per hour was the total cost of the contract divided by the total number of hours, it was determined that the FOX bid was the lowest cost per hour by approximately 20%. FOX not only proposed the approach that best met the Department's needs, but the cost analysis determined that of the three bidders, FOX was the lowest unit cost bidder and the overall best value to the State.

A key project objective is to have FOX commence work in December 2004; four months in advance of the projected MMIS Reprocurement project start date. FOX will complete the business rules analysis and other business preparatory activities in time for the start up of system development. The information that is compiled during the QA business rules analysis will be used to inform the business rules processing logic of the MMIS.

BACKGROUND

New Hampshire's current MMIS is a component-based system. It is comprised of three (3) distinct systems, each operated by a different vendor. The MMIS processes Medicaid payments for covered services provided to New Hampshire Medicaid-eligible persons in both its fee for service and pharmacy benefit management programs. The MMIS processed approximately 6.5 million claims, in excess of \$770 million in State Fiscal Year 2003 (SFY03). In addition, the MMIS performs various review, audit, and reporting functions to assess and evaluate the provision of Medicaid services and associated payment. The current MMIS meets all certification requirements as set forth by the Centers for Medicare and Medicaid Services (CMS) in the State Medicaid Manual Part 11 - Medicaid Management Information System.

The New Hampshire AIM (NH AIM) Fee for Service (FFS) system is the core component of the MMIS. It is the primary tool used by the Department of Health and Human Services (DHHS) to manage its Medicaid program and is operated by the State's fiscal agent, Electronic Data Systems (EDS). EDS implemented the NH AIM system in April 1994. The State owns the NH AIM hardware and software.

The FFS component is the traditional MMIS that processes all Medicaid claims, except for pharmacy, and issues payment to providers. Approximately 2.6 million claims for \$662 million were processed to payment through NH AIM in State Fiscal Year 2003. Recipient eligibility information is passed nightly to NH AIM from the eligibility determination system, New HEIGHTS.

A second component of the New Hampshire MMIS is the Pharmacy Benefits Management System (PBM). The State has contracted with First Health Services Corporation (FHSC) as its Pharmacy Benefits Manager for system and operations support. The PBM component was implemented in November 2001 and processes pharmacy point of sale (POS) claims and issues payments, via checks, to pharmacy providers. Functions supported through the PBM system include pharmacy claims processing and payment, preferred drug list, pharmacy audits, as well as drug rebate, drug utilization, and other clinical pharmacy initiatives. It also supports the supplemental and the Omnibus Budget Reconciliation Act (OBRA) drug rebate and drug utilization programs, auditing, and various other clinical initiatives. Approximately 4 million claims for \$112 million were processed to payment through the PBM system in State Fiscal Year 2003 (SFY03).

The third component, the Medicaid Decision Support System (MDSS), developed using The Medstat Group Inc.'s proprietary reporting tools, Advantage Suite, supports the State's Management and Administrative Reporting System (MARS), Surveillance and Utilization Review System (SURS) and federal reporting requirements of MMIS. It also provides statistical and Medicaid trend analysis and reporting support and additional federal reporting functionality. MDSS receives a weekly data file from the NH AIM source system, including the data received from PBM.

The State of New Hampshire issued an RFP to solicit proposals from qualified and experienced vendors to implement a state of the art, multi-payer, rules-driven, on-line and real-time, HIPAA compliant MMIS on September 14, 2004. The proposed solution must offer expanded and innovative functionality that reinforces best business practice, rather than a business as usual approach.

The new New Hampshire MMIS will be a web enabled, enterprise-wide MMIS solution. The flexibility and breadth of functionality will facilitate improved management of services across Medicaid program areas, effect more efficient, unduplicated service planning and payment, support the current and evolving business needs of the Department, and provide for improved provider access and communication.

The Department and OIT have worked collaboratively with the Federal Centers for Medicare and Medicaid Services (CMS) to acquire the requisite approvals to proceed with the project and to release the MMIS procurement RFP. The Department intends, through the MMIS RFP to replace its MMIS, seeking to transfer a state of the art system that will be certified and that will be customized to meet New Hampshire-specific present and future Medicaid business needs.

The New Hampshire MMIS Reprocurement RFP will seek a qualified, experienced vendor to implement an MMIS that supports the functions of the current MMIS, including Fee for Service claims processing as well as additional components including county billing and receipts, acuity rate determination, case tracking, and care management. The State will consider the merits and cost effectiveness of vendor proposals for integrating proposed additional components within the replacement MMIS, and at its option, will select the components to comprise the final solution.

The new NH MMIS will consolidate the automated processing of Medicaid claims transactions and requisite maintenance of provider, recipient, authorization, and reference data that presently is housed and supported in various applications across the Medicaid enterprise, into a single enterprise-wide MMIS solution. Several new interfaces will be created in support of this initiative.

Given the complex and comprehensive nature of the MMIS implementation, the aggressive project implementation timeline, and the considerable cost investment, this acquisition of a Quality Assurance vendor to assist the State in ensuring that the MMIS meets the State's objectives is essential.

The Department will monitor numerous performance measures throughout the life of the QA contract to ensure FOX Systems Inc meets or exceeds the contractual requirements. The Department will monitor the following performance measures at an overall level:

- Timely delivery of written deliverables;
- Quality of deliverables;
- Adequate and appropriate staffing; and

- Deliverables are produced at the cost outlined.

Additionally, the Department will review specific performance measures during the three (3) major phases of the project:

1. Pre-DDI Services:
 - Completed a Critical Report Analysis that was useful to the MMIS Project;
 - Defined and confirmed the business processing rules in a way that it was useful to the new MMIS; and
 - Proposed a logical conversion strategy that was effective during the implementation phase of the project.
2. DDI Quality Assurance Services:
 - Understood the State's requirement for the MMIS and ensured the new MMIS addressed the functional, technical, and operational requirements;
 - Assisted the State in Joint Application Design Sessions (JAD) and deliverables review;
 - Provided sufficient project monitoring;
 - Identified risk and proposed risk mitigation strategies;
 - Planned, prepared, and conducted requisite auditing and testing of the systems functionality and operations environment; and
 - Provided Independent Validation and Verification (IV&V) for the project.
3. Post-DDI Services:
 - Verifying that the requisite documentation is compiled and preparing the State for the CMS on-site MMIS certification review process; and
 - Helped prepare the State prepare for the CMS on-site visit.

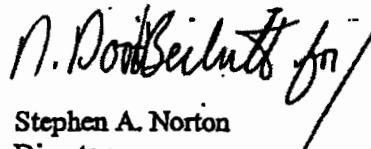
Source of Funds: 90% Federal Funds, 10% State General Funds

Geographic area to be served: Statewide

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

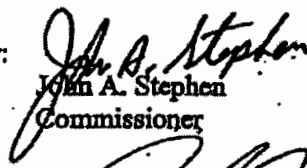
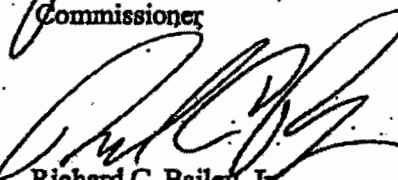
His Excellency, Governor Craig R. Benson
And the Honorable Executive Council
November 1, 2004
Page 8 of 9

Respectfully submitted,



Stephen A. Norton
Director

Approved by:

John A. Stephen
Commissioner

Richard C. Bailey, Jr.
Interim Chief Information
Officer



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

129 PLEASANT STREET, CONCORD, NH 03301-3857
603-271-5254 1-800-852-3345 Ext. 5254
Fax: 603-271-8431 TDD Access: 1-800-735-2964

Nicholas A. Toumpas
Commissioner

Kathleen A. Dunn
Director

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

November 25, 2008

APPROVED BY _____

DATE 12/18/08

PAGE 8

REQUESTED ACTION

ITEM # 57

Authorize the Department of Health and Human Services (DHHS), Office of Medicaid Business and Policy (OMBP), to enter into a sole source contract amendment (Amendment 3) to an existing contract (Contract #971134) with FOX Systems, Inc. (FOX), (Vendor #122726), Scottsdale, AZ 85250, to increase the price limitation by \$787,725 from \$4,471,470 to \$5,259,195, for quality assurance services for the State's Medicaid Management Information System (MMIS), and to extend the completion date from December 31, 2008 to June 30, 2010, effective upon approval of the Governor and Council through June 30, 2010. The Governor and Executive Council approved the original contract on December 1, 2004 (Late Item #E), Amendment 1 on December 12, 2006 (Item # 119A), and Amendment 2 on December 11, 2007 (Item # 60).

Funds to support this agreement are available in the following accounts according to State Fiscal Year, and are anticipated to be available in SFY 2010 upon the availability and continued appropriation of funds in the future operating budgets. Funds are available with authority to adjust amounts, if needed and justified, between fiscal years:

SFY	Account Number	Account Title	Current Modified Budget	Increase / (Decrease) Amount	Revised Modified Budget
2005	010-095-5691-031-0285	Computer Equipment	\$426,820	0	\$426,820
2006	010-095-6126-097-0285	Medicaid Contracts	\$818,733	0	\$818,733
2007	010-095-6126-102-0731	Medicaid Contracts	\$527,267	0	\$527,267
2008	010-095-6126-102-0731	Medicaid Contracts	\$1,750,691	(\$991,528)	\$759,163
2009	010-095-6134-102-0731	Medicaid Contracts	\$947,959	\$325,129	\$1,273,088
2010	010-095-6134-102-0731	Medicaid Contracts	0	\$1,454,124	\$1,454,124
	Total		\$4,471,470	\$ 787,725	\$5,259,195

EXPLANATION

The purpose of the above requested action is to enable the continuation of Quality Assurance services provided by FOX Systems, Inc. in support of the implementation of the new NH Medicaid Management Information System (MMIS). The NH MMIS Project is a major information systems initiative underway with the Department and the Department of Information Technology (DIT), to replace the existing 14 year old legacy MMIS with a new system that meets or exceeds the requirements of the NH MMIS Request For Proposals (RFP).

This Amendment extends the duration of the current Quality Assurance (QA) contract, updates the deliverables timeframes to align with the current project schedule, adjusts deliverables to accommodate the system testing and implementation methodology adopted by the DDI vendor, and adds post-implementation services and support for completing requirements necessary to obtain federal certification of the new system. This Amendment will enable the Department to retain the expertise of those FOX Systems' staff who to-date have developed an in-depth understanding of the overall NH MMIS design, development, and implementation (DDI) effort. Along with State project team staff, FOX QA staff will continue to monitor, verify, and validate implementation contractor deliverables and execute tests, to help ensure that the new MMIS meets the RFP requirements, and processes claims payment with integrity.

The implementation of the new MMIS is a complex and challenging endeavor that involves extensive data migration, expansion of internal and external data interfaces, a new web-based systems architecture, rules-based processing, and enhanced business operations to support real-time claims adjudication and claims payment capabilities. Given the expansiveness of the NH MMIS project's scope and the complex nature of the MMIS implementation, with its myriad of claims processing and payment functions, it is critical that the efforts of dedicated State staff from the Department and DIT are reinforced with the services of the Quality Assurance contractor.

FOX, the Quality Assurance contractor, has partnered with the State to monitor that the functional requirements stipulated by the State, and approved by the Federal Centers for Medicare and Medicaid Services (CMS), are addressed adequately by the implementation contractor. FOX assists the State during the system design and development effort, to ensure that all aspects of the functional, technical, and operational components of the MMIS are verified and validated, and to monitor the project's progress according to plan.

The Governor and Executive Council approved the original Quality Assurance contract with FOX Systems, Inc. on December 1, 2004 (Late Item #E), one year prior to finalizing the MMIS DDI contract. Prior to the start up of the implementation contract, FOX provided "Pre-DDI" services to the State. Pre-DDI services resulted in activities and deliverables that helped the State's MMIS project team and Medicaid program area staff organize historical information and prepare for the onset of the system development phase.

With the execution of the MMIS implementation contract with ACS State Healthcare, LLC (ACS) in December 2005, the DDI phase of the Quality Assurance project effort began. Under Amendment 1 to the QA contract, Quality Assurance services outlined in the original contract for the DDI phase were restructured to meet project objectives in coordination with the system Design, Development, and Implementation activities of the implementation contractor. Amendment 2 realigned and extended the Quality Assurance (QA) project timelines, deliverable schedule, and subsequent payment schedule with the extended project timelines and deliverable schedule of the MMIS implementation project. This Amendment 3 serves to maintain the critical QA services through to project completion.

His Excellency, Governor John H. Lynch
and the Honorable Executive Council

November 25, 2008

Page 3 of 6

Dates, deliverables, and payment schedules incorporated in the original QA contract were based on projected estimates for the implementation contractor's schedule of activity. Final execution and approval of the implementation contract with ACS was achieved a year after the QA contract was finalized. To accommodate the later than anticipated start-up of the system development phase of the contract, a no-cost amendment (Amendment 1) to the QA contract was requested and approved by Governor and Executive Council on December 12, 2006 (Item # 119A). Amendment 1 extended the duration of the QA contract to December 31, 2007 and Amendment 2, approved by Governor and Executive Council on December 11, 2007, extended the duration of the contract one additional year to December 31, 2008.

Section 5 of Amendment 1 included a provision to allow the State, at its sole discretion (with the approval of Governor and Council) to further extend the contract through June 30, 2009. By way of relevant background, due to administrative oversight, a reference to this added provision was omitted inadvertently from the Amendment 1 Governor and Council letter. A copy of Section 5 of Amendment 1 is attached. This omission was previously disclosed in the Governor and Council letter submitted on November 6, 2007 with Amendment 2 to this contract.

This requested Amendment 3 extends the QA contract period through June 30, 2010, with the option, at the State's sole discretion and with the approval of Governor and Council, to extend the contract period through December 31, 2010. The optional additional six months, from June 30, 2010 to December 31, 2010 has been identified as a period that may be necessary to conclude work related to testing and implementation. The requested Amendment 3 extends the current period from December 31, 2008 to and past June 30, 2009.

This Amendment aligns the FOX contract with the revised MMIS system implementation timeline, and continuing QA contractor services through to the projected system implementation date. Additionally, under Amendment 3, post-implementation services are included, and the distribution of payment is adjusted to cover the costs for the additional deliverables and the schedule of delivery. Project deliverable holdback amounts will continue to be withheld based on the total deliverable cost as was originally agreed upon with the contractor. However, this Amendment allows for the costs associated with certain QA deliverables, including but not limited to holdback amounts, to be divided and distributed across completed components of those deliverables.

This contract amendment is a fixed priced, sole source amendment. Services included in this Amendment were not competitively re-bid since they are a continuation of the services intended under the original contract and because FOX, given its involvement in this major systems initiative from its onset through the detailed system design to-date, has developed an integral understanding of the NH MMIS solution and is the most practical alternative for ensuring uninterrupted, informed support through to the MMIS implementation.

The key drivers behind this sole source request to amend and extend the FOX Systems, Inc. contract for Quality Assurance Services for the MMIS Reprocurement Project, in addition to the services to be acquired, are:

- This amendment allows the State to retain the services of the contractor that, since 12/01/2004 has developed a strong knowledge base of NH Medicaid Business rules, as well as a detailed understanding of the State's MMIS requirements as documented in the NH MMIS RFP, and has been engaged effectively with State staff in the requirements validation and general system design phases of the NH MMIS Project over the past year.

- This extension builds on the effort of the contractor to date, and is the most efficient and cost-effective approach. The information that FOX has gained over the course of the past
- two years can be applied directly, without disruption of service, to future development phases, without the lost time and effort that would be necessary to assist a new vendor with overcoming a significant learning curve.
- Each of the lifecycle phases of MMIS design, development, and implementation effort builds on the last, placing significant value on resources who have had prior exposure and understanding of the new MMIS requirements to date, thereby enhancing efforts to maintain project progress and sustain productive momentum.
- This amendment correctly aligns the DDI services of the Quality Assurance vendor with the iterative development methodology of the implementation contractor's approach, as well as with the deliverables and project timeline of the MMIS implementation effort, and restructures the QA deliverables to provide for additional support during testing.
- This project is guided by the parameters defined in the State's MMIS Reprocurement Project's Implementation Advanced Planning Document (IAPD). The State has submitted Amendment 5 to the IAPD, which is under review by the federal Centers for Medicare and Medicaid Services (CMS). Amendment 5 to the IAPD includes modification of the FOX contracted services, consistent with and as described in this amendment. DHHS anticipates that the CMS will approve the State's requested changes to the IAPD and MMIS project, thereby approving 90% Federal Financial Participation (FFP) for the continuation of FOX System's Quality Assurance contractor services to support the extended MMIS implementation timeline.

BACKGROUND

The role of the Quality Assurance (QA) Contractor was described in the State's Implementation Advanced Planning Document for the NH MMIS Project, which was approved by the federal Centers for Medicare and Medicaid Services (CMS) in May 2004. A Request for Proposal (RFP) was issued in June 2004 and FOX Systems, Inc. was selected as the MMIS QA contractor through a competitive bid process. Email notification of the intent to publish a new RFP was sent to a comprehensive vendor list on May 13, 2004. Notification of the RFP publication was issued using standard DIT (formerly known as the "Office of Information Technology" or "OIT") procedures. The RFP was issued on May 14, 2004 and published on the Department of Administrative Services (DAS) website. Links to this website were also posted on the Department of Health and Human Services (DHHS) website and the DIT (formerly OIT) website. A mandatory bidder's conference was held on May 21, 2004. Formal responses by the Department and DIT (formerly OIT) to vendor questions were issued on June 2, 2004.

The Department received and evaluated three (3) proposals in response to the RFP. (Please see attached bidders list). These proposals were evaluated based on the vendor's approach, qualifications, price, and technical/service/project management, to determine the best solution at the best value to the State. The evaluations also included vendor on-site team presentations by each of the three vendors. FOX Systems, Inc. was selected as the winning proposal following the evaluation process. FOX received the highest total score overall,

His Excellency, Governor John H. Lynch
and the Honorable Executive Council
November 25, 2008
Page 5 of 6

and the evaluation team concluded that the FOX proposal best met the objectives set forth in the RFP. The Governor and Executive Council approved the original contract with FOX Systems on December 1, 2004.

Under the contract, FOX agreed to provide a variety of quality assurance services, including services to review and analyze NH Medicaid business rules in preparation for the onset of the development effort for the new NH MMIS. Between December 2004 and December 2005, prior to the start-up of the MMIS Design, Development and Implementation effort, FOX Systems staff worked with Department and DIT staff to complete the Business Rules analysis and other pre-development MMIS-related preparatory activities.

The State awarded a contract to ACS State Healthcare on December 7, 2005, to design, develop, and implement the new NH MMIS, and also to provide on-going maintenance and fiscal agent operations services. The MMIS Project kick-off meeting was held in December 2005, with Joint Application Design Requirement Validation Sessions commencing in January 2006. Since that January, FOX Systems staff has participated along with State staff in all requirement validation and general system and detailed system design sessions, and have been engaged in the review and comment of all implementation contractor deliverables.

Continuity of the FOX Quality Assurance effort throughout the duration of this project is essential to helping the State ensure that its objectives for the implementation of the new MMIS are met at each phase of the project's activity. As the overall duration of the project has increased, FOX has remained committed to its success and has worked with the State to ensure the retention of the same key resources throughout the project lifecycle.

Prior to the start-up of the MMIS implementation effort, State staff invested a significant amount of effort into providing the FOX team with a strong knowledge base of the NH Medicaid Program and MMIS-RFP requirements. Over the course of their daily participation on the MMIS implementation project, the FOX team has developed a more in-depth understanding of the functionality supported by the new NH MMIS, and will apply that understanding to future system testing and validation to ensure that the new MMIS functions and performs as expected.

The expansiveness and complexity of the NH MMIS implementation presents a significant number of challenges and risks that need to be managed and mitigated. Continuation of the Quality Assurance contractor services is essential to the State in ensuring that the MMIS meets the State's objectives.

Source of Funds: 90% Federal Funds, 10% General Funds

Geographic area to be served: Statewide

[This section intentionally left blank.]

His Excellency, Governor John H. Lynch
and the Honorable Executive Council
November 25, 2008
Page 6

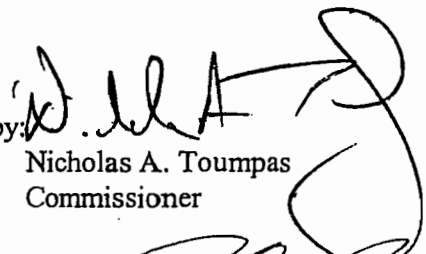
In the event that the Federal Funds are not approved for the costs of this Amendment,
General Funds will not be requested to support this program.

Respectfully submitted,

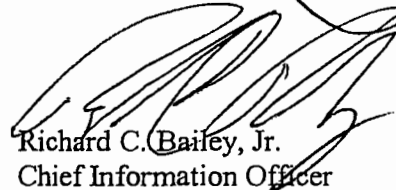


Kathleen A. Dunn, MPH
Medicaid Director

Approved by:



Nicholas A. Toumpas
Commissioner



Richard C. Bailey, Jr.
Chief Information Officer



John A. Stephen
Commissioner

Norman W. Cordell
Director

STATE OF NEW HAMPSHIRE
 APPROVED BY _____
DEPARTMENT OF HEALTH AND HUMAN SERVICES
 DATE 12/12/06
OFFICE OF MEDICAID BUSINESS AND POLICY

PAGE _____
 129 PLEASANT STREET, CONCORD, NH 03301-3857
 603-271-4344 1-800-852-3345 Ext. 4796
 Fax: 603-271-4365 TDD Access: 1-800-852-2964 #119A

November 30, 2006

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

REQUESTED ACTION

Authorize the Department of Health and Human Services (DHHS), Office of Medicaid Business and Policy (OMBP), to amend (Amendment 1) an existing Agreement (971134) with FOX Systems, Inc. ("FOX"), Scottsdale, AZ 85250, (Vendor #122726), to provide quality assurance services for the State's Medicaid Management Information System (MMIS) and the Medicaid Program. The Governor and Executive Council approved the original contract on December 1, 2004 (Late Item #E). This Amendment 1 extends the contract termination date from December 31, 2006 to December 31, 2007, effective January 1, 2007 or date of Governor and Council approval, whichever is later, with no increase to the total original purchase value of \$2,997,995.

The existing contract with FOX is due to expire on December 31, 2006. This Amendment 1 extends the term of the MMIS Quality Assurance service contract with FOX for a 12-month period from December 31, 2006 through December 31, 2007 and provides for a redistribution of contract deliverables and expenditures across fiscal years to align with changes in the MMIS implementation project schedule. This Amendment does not change the total value of the contract.

Funds to support this agreement are available in the following accounts according to State Fiscal Year, with authority to adjust amounts, if needed and justified, between fiscal years:

SFY	Appropriation	Description	Original Contract	Change in Contract	Amended Contract
2005	010-095-5691-031-0285	Computer Equipment	\$986,127	(\$559,307)	\$426,820
2006	010-095-6126-097-0285	Medicaid Contracts	\$817,437	\$1,296	\$818,733
2007	010-095-6126-097-0285	Medicaid Contracts	\$1,174,431	(\$252,655)	\$921,776
2008	010-095-6126-097-0285	Medicaid Contracts	-	\$810,666	\$810,666
	Total Contract		\$2,977,995	0	\$2,977,995

EXPLANATION

The purpose of the above requested action is to enable the continuation of Quality Assurance services of FOX Systems, Inc. in support of the major information systems initiative underway within the Department, in conjunction with the Office of Information Technology (OIT), to replace the existing Medicaid Management Information System and to implement a new MMIS. The amendment will extend the duration of the original contract and adjust the deliverables schedule to accommodate the later than anticipated start of the system development phase of the overall MMIS project. The extension will enable the Department to retain the expertise of those FOX Systems' staff who have developed to date an in-depth understanding of the NH MMIS design, development, and implementation effort, and who will continue to monitor, verify, and validate deliverables and execute tests, to help ensure that the new replacement MMIS meets the requirements of the NH Medicaid program and processes payment with integrity.

Given the expansiveness of the NH MMIS project's scope and the complex nature of the MMIS implementation with its myriad of claims processing and payment functions, it is critical that the efforts of dedicated staff from the Department and OIT are reinforced with the services designated to be provided by the Quality Assurance contractor under the original agreement. The deliverables provided by FOX support the need to manage costs associated with the implementation, stay on schedule with the aggressive project timeline, and help ensure that the integrity of the system and that project objectives are met.

The Quality Assurance services outlined in the original contract were structured to meet project objectives during two major phases of the MMIS implementation, in coordination with system Design, Development, and Implementation (DDI) project activities of the implementation vendor. The QA services include:

- Pre-DDI Services – Services provided in advance of the start of system development to assist with Project Management and Organization and to enhance the Department's readiness for providing business rules criteria to support development of the systems rules logic. At this juncture, all services in support of the Pre-DDI project phase have been satisfactorily delivered as defined in the original contract.
- DDI Quality Assurance Services – Services provided throughout the systems development process through to implementation to monitor, verify, and validate the deliverables produced by the implementation contractor, to conduct all aspects of system testing, and to verify and validate operational readiness. Deliverables required to support DDI project phase are in progress with ongoing activity extending into the first half of SFY08, aligning with the overall MMIS project schedule.

This amendment aligns the Quality Assurance project timelines, deliverable schedule, and subsequent payment schedule with the project timelines and deliverable schedule of the

MMIS implementation project. The original Quality Assurance contract with FOX Systems, Inc. was approved and became effective on December 1, 2004, one year prior to finalizing the MMIS implementation contract. Dates, deliverables, and payment schedules incorporated in the original QA contract were based on estimates and projections for the implementation contractor schedule. The number of actual deliverables within this amendment has increased, given the iterative development methodology employed by the implementation contractor, the schedule for deliverable reviews has been modified to flow with the development effort, and the distribution of payment has been adjusted to cover the costs for the additional deliverables and the schedule of delivery.

The contract period is extended for one-year. The list of deliverables covered under the scope of services was expanded to reflect the actual delivery schedule of the implementation contractor deliverables. Although the total cost of the contract remains the same, dollars not expended to date due to the later start-up of the MMIS development effort have been redistributed to cover the actual deliverables for the period of this amendment. The payment schedule was adjusted to accommodate the overall deliverable schedule.

The implementation of the new MMIS is a complex and challenging endeavor that requires a detailed translation of business rules logic, extensive data migration, expansion of interfaces, new systems architecture, and expanded business operations support and claims adjudication and payment capabilities. FOX, the Quality Assurance contractor, has partnered with the State to monitor that the functional requirements stipulated by the State, and approved by the Federal Government, are addressed adequately by the implementation vendor during the system design and development, that all aspects of the functional, technical, and operational components of the MMIS are verified and validated, and to monitor the project's progress according to plan.

The key drivers behind this request to amend and extend the FOX Systems, Inc. contract for Quality Assurance Services for the MMIS Reprocurement Project, in addition to the services to be acquired, are:

- This amendment allows the State to retain the services of the contractor that, since 12/01/2004 has developed a strong knowledge base of NH Medicaid Business rules, as well as a detailed understanding of the State's MMIS requirements as documented in the NH MMIS RFP, and has been engaged effectively with State staff in the requirements validation and general system design phases of the NH MMIS Project over the past year.
- This extension builds on the effort of the contractor to date, and is the most efficient and cost-effective approach since the information that has been gained over the course of the past two years can be applied directly, without disruption of service, to future development phases, without the lost time and effort that would be necessary to assist a new vendor with overcoming a significant learning curve.
- Each of the lifecycle phases of MMIS design, development, and implementation effort builds on the last, placing significant value on

resources who have had prior exposure and understanding of the new MMIS requirements to date, thereby enhancing efforts to maintain project progress and sustain productive momentum.

- The original quality assurance contract was approved prior to the approval of the contract for the MMIS implementation contractor. Quality assurance deliverables, deliverable due dates, and project timelines were estimated based on the projected MMIS implementation timeline. This amendment correctly aligns the DDI services of the Quality Assurance vendor with the iterative development methodology of the implementation contractor's approach, as well as with the deliverables and project timeline of the implementation effort.
- The Federal Centers for Medicare and Medicaid Services (CMS) Regional Office has approved the State's MMIS Reprourement Project's Implementation Advanced Planning Document (IAPD), which includes the procurement of Quality Assurance contractor services to support the MMIS implementation initiative.
- CMS approval will result in 90% Federal Financial Participation (FFP) and the remaining 10% using State General Funds to cover the costs of the Quality Assurance contractor.

Services included in this Amendment were not competitively re-bid since they are a continuation of the original contract deliverables and FOX is in the best position to continue uninterrupted support of the QA services for the MMIS project through implementation. The contract amendment is fixed price at the original purchase value and is not subject to re-approval from the federal Centers for Medicare and Medicaid Services.

BACKGROUND

The role of the Quality Assurance Contractor was described in the State's Implementation Advanced Planning Document for the NH MMIS Project, which was approved by the federal Centers for Medicare and Medicaid Services in May 2004. FOX Systems, Inc. was selected as the MMIS QA contractor through a competitive bid process. The Governor and Executive Council approved the original contract with FOX Systems on December 1, 2004.

Under the contract, FOX agreed to provide a variety of quality assurance services, including services to review and analyze NH Medicaid business rules in preparation for the onset of the development effort for the new NH MMIS. Between December 2004 and December 2005, FOX Systems staff worked with Department and OIT staff to complete Business Rules analysis and other pre-development analytical activities prior to the start-up of the MMIS Design, Development and Implementation effort.

Following a competitive bid, on December 7, 2005 the State awarded a contract to ACS State Healthcare to design, develop, and implement the new NH MMIS, and to provide on-going maintenance and fiscal agent operations services. The MMIS Project kick-off meeting was held in December 2005, with Joint Application Design Requirement Validation Sessions

His Excellency, Governor John H. Lynch
And the Honorable Executive Council
November 30, 2006
Page 5

commencing in January 2006. Since January, FOX Systems staff has participated along with State staff in all requirement validation and general systems design sessions, and have been engaged in the review and comment of all implementation contractor deliverables.

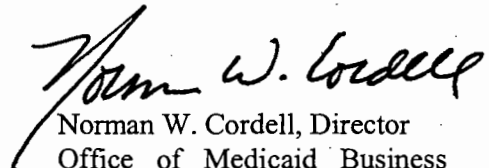
Given the complex and comprehensive nature of the MMIS implementation, the aggressive project implementation timeline, and the considerable cost investment of over \$26 million in the overall implementation effort, this extension of Quality Assurance contractor services to assist the State in ensuring that the MMIS meets the State's objectives is essential.

Source of Funds: 90% Federal Funds, 10% State General Funds

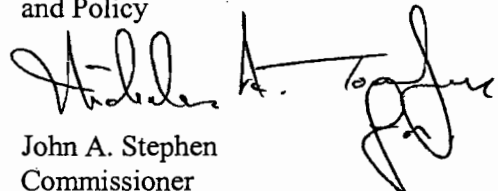
Geographic area to be served: Statewide

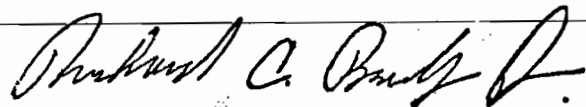
In the event that the Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,


Norman W. Cordell, Director
Office of Medicaid Business
and Policy

Approved by:


John A. Stephen
Commissioner



Richard C. Bailey, Jr.
Chief Information Officer



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

129 PLEASANT STREET, CONCORD, NH 03301-3857
603-271-8166 1-800-852-3345 Ext. 8166
Fax: 603-271-8431 TDD Access: 1-800-735-2964

Nicholas A. Toumpas
Acting Commissioner

Kathleen A. Dunn
Acting Director

November 6, 2007

APPROVED BY _____

DATE 12/11/07

PAGE 9

ITEM # 60

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

REQUESTED ACTION

Authorize the Department of Health and Human Services (DHHS), Office of Medicaid Business and Policy (OMBP), to enter into a sole source contract amendment (Amendment 2) to an existing contract (Contract #971134) with FOX Systems, Inc. (FOX), (Vendor #122726), Scottsdale, AZ 85250, to increase the price limitation by \$1,493,475 from \$2,977,995 to \$4,471,470, for quality assurance services for the State's Medicaid Management Information System (MMIS), and to extend the completion date from December 31, 2007 to December 31, 2008, effective upon approval of the Governor and Council through December 31, 2008. The Governor and Executive Council approved the original contract on December 1, 2004 (Late Item #E) and Amendment 1 on December 12, 2006 (Item # 119A).

Funds to support this agreement are available in the following accounts according to State Fiscal Year, with authority to adjust amounts, if needed and justified, between fiscal years:

SFY	Account Number	Account Title	Current Modified Budget	Increase / (Decrease) Amount	Revised Modified Budget
2005	010-095-5691-031-0285	Computer Equipment	\$426,820	0	\$426,820
2006	010-095-6126-097-0285	Medicaid Contracts	\$818,733	0	\$818,733
2007	010-095-6126-097-0285	Medicaid Contracts	\$921,776	(\$394,509)	\$527,267
2008	010-095-6126-097-0285	Medicaid Contracts	\$810,666	\$940,025	\$1,750,691
2009	010-095-6126-097-0285	Medicaid Contracts	\$0	\$947,959	\$947,959
	Total		\$2,977,995	\$1,493,475	\$4,471,470

EXPLANATION

The purpose of the above requested action is to enable the continuation of Quality Assurance services provided by FOX Systems, Inc. in support of the implementation of the new NH Medicaid Management Information System (MMIS). The NH MMIS Project is a major information systems initiative underway with the Department and the Office of Information Technology (OIT), to replace the existing 13 year old legacy MMIS with a new system that meets or exceeds the requirements of the NH MMIS Request For Proposals (RFP).

This Amendment extends the duration of the current Quality Assurance (QA) contract, and adjusts the deliverables and schedule to align with the extended MMIS implementation date of January 1, 2009. This Amendment will enable the Department to retain the expertise of those FOX Systems' staff who have developed to date an in-depth understanding of the overall NH MMIS design, development, and implementation (DDI) effort. Along with State project team staff, FOX QA staff will continue to monitor, verify, and validate implementation contractor deliverables and execute tests, to help ensure that the new MMIS meets the RFP requirements, and processes claims payment with integrity.

The implementation of the new MMIS is a complex and challenging endeavor that involves extensive data migration, expansion of internal and external data interfaces, a new web-based systems architecture, rules-based processing, and enhanced business operations to support real-time claims adjudication and claims payment capabilities. Given the expansiveness of the NH MMIS project's scope and the complex nature of the MMIS implementation, with its myriad of claims processing and payment functions, it is critical that the efforts of dedicated State staff from the Department and OIT are reinforced with the services of the Quality Assurance contractor.

FOX, the Quality Assurance contractor, has partnered with the State to monitor that the functional requirements stipulated by the State, and approved by the Federal Centers for Medicare and Medicaid Services (CMS), are addressed adequately by the implementation contractor. FOX assists the State during the system design and development effort, to ensure that all aspects of the functional, technical, and operational components of the MMIS are verified and validated, and to monitor the project's progress according to plan.

The Governor and Executive Council approved the original Quality Assurance contract with FOX Systems, Inc. on December 1, 2004 (Late Item #E), one year prior to finalizing the MMIS DDI contract. Prior to the start up of the implementation contract, FOX provided "Pre-DDI" services to the State. Pre-DDI services resulted in activities and deliverables that helped the State's MMIS project team and Medicaid program area staff organize historical information and prepare for the onset of the system development phase.

With the execution of the MMIS implementation contract with ACS State Healthcare, LLC (ACS) in December 2005, the DDI phase of the Quality Assurance project effort began. Under Amendment 1 to the QA contract, Quality Assurance services outlined in the original contract for the DDI phase were restructured to meet project objectives in coordination with the system Design, Development, and Implementation activities of the implementation contractor.

This Amendment 2 realigns and extends the Quality Assurance project timelines, deliverable schedule, and subsequent payment schedule with the extended project timelines and deliverable schedule of the MMIS implementation project.

Dates, deliverables, and payment schedules incorporated in the original QA contract were based on projected estimates for the implementation contractor's schedule of activity. Final execution and approval of the implementation contract with ACS was achieved a year after the QA contract was finalized. To accommodate the later than anticipated start-up of the system development phase of the contract, a no-cost amendment (Amendment 1) to the QA contract was requested and approved by Governor and Executive Council on December 12, 2006 (Item # 119A). Amendment 1 extended the duration of the QA contract to December 31, 2007. Section 5 of Amendment 1 also included a provision to allow the State at its sole discretion to further extend the contract to June 30, 2009. Due to administrative oversight, a reference to this added provision was omitted inadvertently from the Amendment 1 Governor and Council letter. A copy of Section 5 of Amendment 1 is attached.

This requested Amendment 2 extends the QA contract period through December 31, 2008, thereby aligning this contract with the revised system implementation timeline, and continuing QA contractor services through to the projected system implementation date. Additionally, under Amendment 2, the number of QA deliverables is increased, the schedule for QA deliverable reviews is aligned with the development effort, and the distribution of payment is adjusted to cover the costs for the additional deliverables and the schedule of delivery. This Amendment allows for the costs associated with certain QA deliverables to be divided and distributed across completed components of those deliverables. Project deliverable holdback amounts will continue to be withheld based on the total deliverable cost as was originally agreed upon with the contractor.

This contract amendment is a fixed priced, sole source amendment. Services included in this Amendment were not competitively rebid since they are a continuation of the services intended under the original contract and because FOX, given its involvement in this major systems initiative from its onset through the detailed system design to-date, has developed an integral understanding of the NH MMIS solution and is the most practical alternative for ensuring uninterrupted, informed support through to the MMIS implementation.

The key drivers behind this sole source request to amend and extend the FOX Systems, Inc. contract for Quality Assurance Services for the MMIS Reprocurement Project, in addition to the services to be acquired, are:

- This amendment allows the State to retain the services of the contractor that, since 12/01/2004 has developed a strong knowledge base of NH Medicaid Business rules, as well as a detailed understanding of the State's MMIS requirements as documented in the NH MMIS RFP, and has been engaged effectively with State staff in the requirements validation and general system design phases of the NH MMIS Project over the past year.
- This extension builds on the effort of the contractor to date, and is the most efficient and cost-effective approach. The information that FOX has gained

over the course of the past two years can be applied directly, without disruption of service, to future development phases, without the lost time and effort that would be necessary to assist a new vendor with overcoming a significant learning curve.

- Each of the lifecycle phases of MMIS design, development, and implementation effort builds on the last, placing significant value on resources who have had prior exposure and understanding of the new MMIS requirements to date, thereby enhancing efforts to maintain project progress and sustain productive momentum.
- The original quality assurance contract was approved prior to the approval of the contract for the MMIS implementation contractor. Quality assurance deliverables, deliverable due dates, and project timelines were estimated based on the projected MMIS implementation timeline. This amendment correctly aligns the DDI services of the Quality Assurance vendor with the iterative development methodology of the implementation contractor's approach, as well as with the deliverables and project timeline of the MMIS implementation effort.
- The Federal Centers for Medicare and Medicaid Services (CMS) has approved Amendment 4 to the State's MMIS Reprocurement Project's Implementation Advanced Planning Document (IAPD), thereby approving 90% Federal Financial Participation (FFP) for the continuation of FOX System's Quality Assurance contractor services to support the extended MMIS implementation timeline.

BACKGROUND

The role of the Quality Assurance (QA) Contractor was described in the State's Implementation Advanced Planning Document for the NH MMIS Project, which was approved by the federal Centers for Medicare and Medicaid Services (CMS) in May 2004. A Request for Proposal (RFP) was issued in June 2004 and FOX Systems, Inc. was selected as the MMIS QA contractor through a competitive bid process. Email notification of the intent to publish a new RFP was sent to a comprehensive vendor list on May 13, 2004. Notification of the RFP publication was issued using standard Office of Technology (OIT) procedures. The RFP was issued on May 14, 2004 and published on the Department of Administrative Services (DAS) website. Links to this website were also posted on the Department of Health and Human Services (DHHS) website and the OIT website. A mandatory bidder's conference was held on May 21, 2004. Formal responses by the Department and OIT to vendor questions were issued on June 2, 2004.

The Department received and evaluated three (3) proposals in response to the RFP. (Please see attached bidders list). These proposals were evaluated based on the vendor's approach, qualifications, price, and technical/service/project management, to determine the best solution at the best value to the State. The evaluations also included vendor on-site team presentations by each of the three vendors. FOX Systems, Inc. was selected as the winning

proposal following the evaluation process. FOX received the highest total score overall and that the FOX proposal best met the objectives set forth in the RFP. The Governor and Executive Council approved the original contract with FOX Systems on December 1, 2004.

Under the contract, FOX agreed to provide a variety of quality assurance services, including services to review and analyze NH Medicaid business rules in preparation for the onset of the development effort for the new NH MMIS. Between December 2004 and December 2005, prior to the start-up of the MMIS Design, Development and Implementation effort, FOX Systems staff worked with Department and OIT staff to complete the Business Rules analysis and other pre-development MMIS-related preparatory activities.

The State awarded a contract to ACS State Healthcare on December 7, 2005, to design, develop, and implement the new NH MMIS, and also to provide on-going maintenance and fiscal agent operations services. The MMIS Project kick-off meeting was held in December 2005, with Joint Application Design Requirement Validation Sessions commencing in January 2006. Since that January, FOX Systems staff has participated along with State staff in all requirement validation and general system and detailed system design sessions, and have been engaged in the review and comment of all implementation contractor deliverables.

Continuity of the FOX Quality Assurance effort throughout the duration of this project is essential to helping the State ensure that its objectives for the implementation of the new MMIS are met at each phase of the project's activity. As the overall duration of the project has increased, FOX has remained committed to its success and has worked with the State to ensure the retention of the same key resources throughout the project lifecycle.

Prior to the start-up of the MMIS implementation effort, State staff invested a significant amount of effort into providing the FOX team with a strong knowledge base of the NH Medicaid Program and MMIS-RFP requirements. Over the course of their daily participation on the MMIS implementation project, the FOX team has developed a more in-depth understanding of the functionality supported by the new NH MMIS, and will apply that understanding to future system testing and validation to ensure that the new MMIS functions and performs as expected.

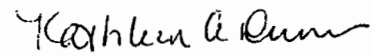
The expansiveness and complexity of the NH MMIS implementation presents a significant number of challenges and risks that need to be managed and mitigated. Continuation of the Quality Assurance contractor services is essential to the State in ensuring that the MMIS meets the State's objectives.

Source of Funds: 90% Federal Funds, 10% General Funds

Geographic area to be served: Statewide

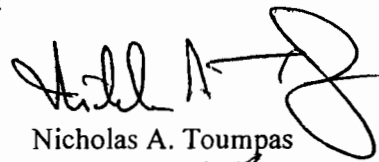
In the event that the Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,

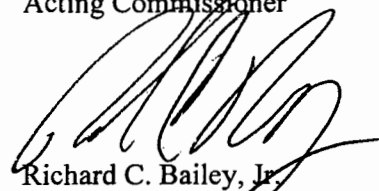


Kathleen A. Dunn
Acting Medicaid Director

Approved by:



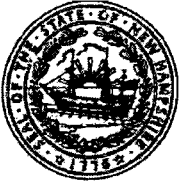
Nicholas A. Toumpas
Acting Commissioner



Richard C. Bailey, Jr.
Chief Information Officer

AK

To DAS 6-1-10



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

129 PLEASANT STREET, CONCORD, NH 03301-3857
603-271-5254 1-800-852-3345 Ext. 5254
Fax: 603-271-8431 TDD Access: 1-800-735-2964

Nicholas A. Toumpas
Commissioner

Kathleen A. Dunn
Director

May 18, 2010

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

APPROVED BY _____

DATE 6/23/10

PAGE 13

ITEM # 95

REQUESTED ACTION

Authorize the Department of Health and Human Services (DHHS), Office of Medicaid Business and Policy (OMB) to enter into a sole source contract amendment (Amendment 4) to an existing contract (P.O. # 1002153 with FOX Systems, LLC (FOX or Contractor), Vendor #172138, 6263 North Scottsdale Road, Suite 200, Scottsdale, AZ 85250 (formerly FOX Systems, Inc.) to extend the completion date from June 30, 2010 to June 30, 2012, for continuation of quality assurance services related to the State's Medicaid Management Information System project and to increase the price limitation by \$1,811,579 from \$5,259,195 to \$7,070,774 effective June 23, 2010 or the date of Governor and Executive Council approval, whichever is later. The Governor and Executive Council approved the original contract on December 1, 2004 (Late Item #E), Amendment 1 on December 12, 2006 (Item #119A), Amendment 2 on December 11, 2007 (Item #60) and Amendment 3 on December 18, 2008 (Item #57).

Funds are anticipated to be available in SFY 2011 and SFY 2012 as identified below with authority to adjust amounts between fiscal years if needed and justified.

05-95-95-956010-6134 HEALTH AND SOCIAL SERVICES, DEPARTMENT OF HEALTH AND HUMAN SERVICES HHS: COMMISSIONER, OFF OF MEDICAID & BUSINESS POLICY, MEDICAID CLAIMS MANAGEMENT SYSTEMS

<u>State Fiscal Year</u>	<u>Class Object</u>	<u>Class Title</u>	<u>Current Modified Budget</u>	<u>Increase/ (Decrease)</u>	<u>Revised Modified Budget</u>
SFY 2005	102/500731	Contracts for Program Services	\$426,820.00	\$0	\$426,820.00
SFY 2006	102/500731	Contracts for Program Services	\$818,733.00	\$0	\$818,733.00
SFY 2007	102/500731	Contracts for Program Services	\$527,267.00	\$0	\$527,267.00
SFY 2008	102/500731	Contracts for Program Services	\$759,163.00	\$0	\$759,163.00
SFY 2009	102/500731	Contracts for Program Services	\$1,273,088.00	(\$667,286.00)	\$605,802.00
SFY 2010	102/500731	Contracts for Program Services	\$1,454,124.00	(\$983,864.00)	\$470,260.00
SFY 2011	102/500731	Contracts for Program Services	\$0.00	\$2,313,181.00	\$2,313,181.00
SFY 2012	102/500731	Contracts for Program Services	\$0.00	\$1,149,548.00	\$1,149,548.00
TOTAL			\$5,259,195.00	\$1,811,579.00	\$7,070,774.00

EXPLANATION

The purpose of the above requested action is to enable the continuation of quality assurance (QA) services provided by FOX Systems, LLC in support of the DHHS's Medicaid Management Information System (MMIS) implementation. The NH MMIS project is a major information systems initiative underway with the DHHS and the Department of Information Technology (DoIT), to replace the existing 16 year old legacy MMIS with a new system that meets or exceeds the requirements of the NH MMIS Request For Proposals (RFP).

Delays in the design, development and implementation (DDI) of the MMIS underway with ACS State Healthcare LLC (ACS), as previously acknowledged to the Governor and Executive Council, require extending FOX's QA support for testing, system go-live, and post-implementation certification. This Amendment 4 updates the deliverables timeframes to align with the current project schedule and adjusts deliverables to accommodate the system testing and implementation methodology adopted by the DDI vendor. The amendment will enable the DHHS to retain the expertise of those FOX Systems' staff who, to date, have developed an in-depth understanding of the overall NH MMIS DDI effort. Along with State project team staff, FOX QA staff will continue to monitor, verify, and validate implementation contractor deliverables and execute tests, to help ensure that the new MMIS meets the RFP requirements, and processes claims payment with integrity.

The Governor and Executive Council approved the original QA contract with FOX Systems, LLC on December 1, 2004 (Late Item #E), one year prior to finalizing the MMIS DDI contract. Pre-DDI services resulted in activities and deliverables that helped the State's MMIS project team and Medicaid program area staff organize historical information and prepare for the onset of the system development phase. Final execution and approval of the implementation contract with ACS was achieved a year after the QA contract was finalized. A no-cost amendment (Amendment 1) to the QA contract, necessary to accommodate the later than anticipated start-up of the system development phase of the contract, was approved by Governor and Executive Council on December 12, 2006 (Item # 119A) and extended the duration of the QA contract to December 31, 2007. Amendment 2, approved by Governor and Executive Council on December 11, 2007 (Item #60), extended the duration of the contract one additional year to December 31, 2008. Amendment 3 extended the contract period through June 30, 2010 (Item #57), with the option, at the State's sole discretion and with the approval of Governor and Executive Council, to extend the contract period through December 31, 2010. This Amendment 4 adds a minimum of 18 months and a maximum of two years to the contract period, from June 30, 2010 to June 30, 2012, a period of up to 18 months beyond the extension period approved in Amendment 3.

The MMIS implementation is currently anticipated to go live on or before October 1, 2011. Amendment 4 provides for QA service coverage to conclude work related to testing, implementation, and six months of post-implementation support. The post-implementation support is required to help support federal certification of the MMIS that will entitle the DHHS to an enhanced rate of Federal Financial Participation (FFP) for MMIS operations. In addition, this Amendment provides the DHHS with the option to terminate the contract early if possible, as soon as the MMIS is implemented and the post-implementation certification phase is complete. Specifically, the DHHS, at its sole option, may terminate the contract effective as early as December 31, 2011, or the last day of any month thereafter, by providing the contractor with 30 calendar days advance written notice.

This amendment is a fixed priced, sole source amendment. Services included in this Amendment were originally competitively bid, but were not re-bid because they are a continuation of the services procured under the original contract and because FOX, given its involvement in this major systems initiative from its onset through detailed system design to the current testing phase, has developed an integral understanding of the NH

MMIS solution and is the most practical alternative for ensuring uninterrupted, informed support through to the MMIS implementation.

The key drivers behind this sole source request to amend and extend the FOX Systems, LLC contract for quality assurance Services for the MMIS Reprocurement Project, in addition to the services to be acquired, are:

- This amendment allows the State to retain the services of the contractor that, since 12/01/2004 has developed a strong knowledge base of NH Medicaid Business rules, as well as a detailed understanding of the State's MMIS requirements as documented in the NH MMIS RFP, and has been engaged effectively with State staff in the requirements validation and general system design phases of the NH MMIS Project over the past year.
- This extension builds on the effort of the contractor to date, and is the most efficient and cost-effective approach. The information that FOX has gained over the course of the project can be applied directly, without disruption of service, to future testing, implementation, and certification phases, without the lost time and effort that would be necessary to assist a new vendor with overcoming a significant learning curve.
- Each of the lifecycle phases of MMIS DDI effort builds on the last, placing significant value on resources who have had prior exposure and understanding of the new MMIS requirements to date, thereby enhancing efforts to maintain project progress and sustain productive momentum.
- This amendment correctly aligns the DDI services of the quality assurance vendor with the iterative development methodology of the implementation contractor's approach, as well as with the deliverables and project timeline of the MMIS implementation effort, and restructures the QA deliverables to provide for additional support during testing.
- This project is guided by the parameters defined in the State's MMIS Reprocurement Project's Implementation Advanced Planning Document (IAPD). Upon determination that the DDI Phase of the MMIS required additional time for completion, the DHHS and ACS executives and key program leaders met with Regional Directors from the federal Centers for Medicare and Medicaid Services (CMS) to review the project status and future strategy. CMS concurred with the DHHS on the direction of the project and verbally extended continued support. The DHHS is now preparing Amendment 7 to the IAPD, which will be formally reviewed by the federal Centers for Medicare and Medicaid Services (CMS). Amendment 7 to the IAPD will include modification of the FOX contract, with scope of services and pricing consistent with and as described in this amendment. A copy of the contract itself will be submitted to CMS for review along with IAPD Amendment 7. DHHS fully anticipates that the CMS will approve the DHHS's requested changes to the IAPD and the MMIS project, thereby approving 90% Federal Financial Participation (FFP) for the continuation of FOX's quality assurance contractor services to support the extended MMIS implementation timeline.

The implementation of the new MMIS is a complex and challenging endeavor that involves extensive data migration, expansion of internal and external data interfaces, a new web-based systems architecture, rules-based processing, and enhanced business operations to support real-time claims adjudication and claims

His Excellency, Governor John H. Lynch
and the Honorable Executive Council
May 18, 2010
Page 4 of 6

payment capabilities. Given the expansiveness of the NH MMIS project's scope and the complex nature of the MMIS implementation, with its myriad of claims processing and payment functions, it is critical that the efforts of dedicated State staff from the DHHS and the Department of Information Technology (DoIT, formerly known as the "Office of Information Technology" or "OIT") are reinforced with the continued services of the quality assurance contractor.

BACKGROUND

The role of the quality assurance (QA) contractor was described in the State's Implementation Advanced Planning Document (IAPD) for the NH MMIS Project, which was approved by the federal Centers for Medicare and Medicaid Services (CMS) in May 2004. A Request for Proposal (RFP) was issued in June 2004 and FOX Systems, Inc. was selected as the MMIS QA contractor through a competitive bid process. Email notification of the intent to publish a new RFP was sent to a comprehensive vendor list on May 13, 2004. Notification of the RFP publication was issued using standard DoIT procedures. The RFP was issued on May 14, 2004 and published on the Department of Administrative Services (DAS) website. Links to this website were also posted on the Department of Health and Human Services (DHHS) website and the DoIT website. A mandatory bidder's conference was held on May 21, 2004. Formal responses by the DHHS and DoIT to vendor questions were issued on June 2, 2004.

The DHHS received and evaluated three (3) proposals in response to the RFP. These proposals were evaluated based on the vendor's approach, qualifications, price, and technical/service/project management, to determine the best solution at the best value to the State. The evaluations also included vendor on-site team presentations by each of the three vendors. FOX Systems, Inc. was selected as the winning proposal following the evaluation process. FOX received the highest total score overall, and the evaluation team concluded that the FOX proposal best met the objectives set forth in the RFP. The Governor and Executive Council approved the original contract with FOX Systems on December 1, 2004.

Under the contract, FOX agreed to provide a variety of quality assurance services, including services to review and analyze NH Medicaid business rules in preparation for the onset of the development effort for the new NH MMIS. Between December 2004 and December 2005, prior to the start-up of the MMIS DDI effort, FOX Systems staff worked with DHHS and DoIT staff to complete the Business Rules analysis and other pre-development MMIS-related preparatory activities.

The State awarded a contract to ACS State Healthcare on December 7, 2005, to design, develop, and implement the new NH MMIS, and also to provide on-going maintenance and fiscal agent operations services. The MMIS project kick-off meeting was held in December 2005, with "Joint Application Design Requirement Validation Sessions" commencing in January 2006. Since that January, FOX Systems staff has participated along with State staff in all requirement validation and general system and detailed system design sessions, and have been engaged in the review and comment of all implementation contractor deliverables.

FOX, the quality assurance contractor, has partnered with the State to monitor that the functional requirements stipulated by the State, and approved by the Federal Centers for Medicare and Medicaid Services (CMS), are addressed adequately by the implementation contractor. FOX assists the State during the system design and development effort, to ensure that all aspects of the functional, technical, and operational components of the MMIS are verified and validated, and to monitor the project's progress according to plan.

His Excellency, Governor John H. Lynch
and the Honorable Executive Council
May 18, 2010
Page 5 of 6

Continuity of the FOX quality assurance effort throughout the duration of this project is essential to helping the State ensure that its objectives for the implementation of the new MMIS are met at each phase of the project's activity. As the overall duration of the project has increased, FOX has remained committed to its success and has worked with the State to ensure the retention of the same key resources throughout the project lifecycle. Over the course of their daily participation on the MMIS implementation project, the FOX team has developed a more in-depth understanding of the functionality supported by the new NH MMIS, and will apply that understanding to future system testing and validation to ensure that the new MMIS functions and performs as expected.

The expansiveness and complexity of the NH MMIS implementation presents a significant number of challenges and risks that need to be managed and mitigated. To support critical changes in Medicaid regulations and policy, New Hampshire added new functions and required the integration of new technology into the solution. The development and construction effort took longer than planned, and the current effort to comprehensively test the full functionality will require additional time, as well. The DHHS is committed to implementing a solution that is fully tested to ensure delivery of the requisite functionality and performance standards that support operational requirements. Continuation of the quality assurance contractor services is essential to the State in ensuring that the MMIS meets the State's objectives.

This Amendment is necessary to align the FOX contract with the revised MMIS system implementation timeline and continue QA contractor services through to the projected system implementation date and the post-implementation certification of the new MMIS.

Source of Funds: 90% Federal Funds, 10% General Funds

Geographic area to be served: Statewide

His Excellency, Governor John H. Lynch
and the Honorable Executive Council
May 18, 2010
Page 6 of 6

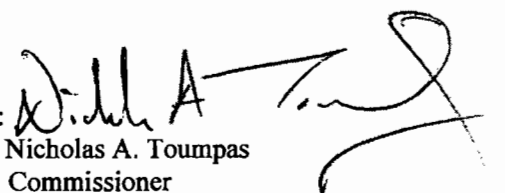
In the event that the Federal Funds are not approved for the costs of this Amendment, General Funds will not be requested to support this program.

Respectfully submitted,

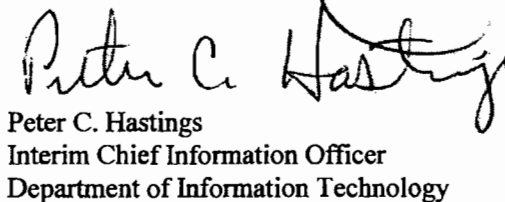


Kathleen A. Dunn, MPH
Director

Approved by:



Nicholas A. Toumpas
Commissioner



Peter C. Hastings
Interim Chief Information Officer
Department of Information Technology

4/18/12
5/7/12



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

Nicholas A. Toumpas
 Commissioner

129 PLEASANT STREET, CONCORD, NH 03301-3857
 603-271-8160 1-800-852-3345 Ext. 8160
 Fax: 271-4912 TDD Access: 1-800-735-2964 www.dhha.nh.gov

William L. Baggeroer
 Chief Information Officer

March 21, 2012

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

APPROVED BY _____
 DATE 4/18/12
 PAGE 9
 ITEM # 57

REQUESTED ACTION

Authorize the Department of Health and Human Services, Office of Information Services, to enter into a **sole source**, amendment (Amendment 5) to an existing contract (Purchase Order # 1018352) with Cognosante, LLC (Vendor #223062) (formerly FOX Systems, LLC) at 6263 North Scottsdale Road, Suite 200, Scottsdale, AZ 85250, to extend the completion date from June 30, 2012 to December 31, 2013, for continuation of quality assurance services related to the State's Medicaid Management Information System project and increase the price limitation by \$2,535,902 from \$7,070,774 to a new amount not to exceed \$9,606,676, effective July 1, 2012 or upon the approval of the Governor and Executive Council whichever is later. The Governor and Executive Council approved the original contract on December 7, 2005 (Late Item #C), Amendment 1 on December 11, 2007 (Item #59), Amendment 2 on June 17, 2009 (Item #92), Amendment 3 on June 23, 2010 (Item#97) and Amendment 4 on June 23, 2010 (Item #94).

Funds are available in SFY 2013 as follows and are anticipated to be available in SFY 2014 upon the availability and continued appropriation of funds in future operating budgets with authority to adjust amounts between State Fiscal Years if needed and justified.

05-95-95-954010-5952 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS:COMMISSIONER, OFFICE OF INFORMATION SERVICES, OFFICE OF INFORMATION SERVICES

State Fiscal Year	Class Object	Class Title	Current Modified Budget	Increase/ (Decrease)	Revised Modified Budget
SFY 2005	102/500731	Contracts for Program Services	\$426,820.00	\$0.00	\$426,820.00
SFY 2006	102/500731	Contracts for Program Services	\$818,733.00	\$0.00	\$818,733.00
SFY 2007	102/500731	Contracts for Program Services	\$527,267.00	\$0.00	\$527,267.00
SFY 2008	102/500731	Contracts for Program Services	\$759,163.00	\$0.00	\$759,163.00
SFY 2009	102/500731	Contracts for Program Services	\$605,802.00	\$0.00	\$605,802.00
SFY 2010	102/500731	Contracts for Program Services	\$470,260.00	\$0.00	\$470,260.00
SFY 2011	102/500731	Contracts for Program Services	\$2,313,181.00	(\$1,674,868.00)	\$638,313.00
SFY 2012	102/500731	Contracts for Program Services	\$1,149,548.00	\$747,571.00	\$1,897,119.00
SFY 2013	102/500731	Contracts for Program Services	\$0.00	\$3,210,487.00	\$3,210,487.00
SFY 2014	102/500731	Contracts for Program Services	\$0.00	\$252,712.00	\$252,712.00
TOTAL			\$7,070,774.00	\$2,535,902.00	\$9,606,676.00

EXPLANATION

This amendment is a fixed priced, sole source amendment. Services included in this Amendment were originally competitively bid, but were not re-bid because they are a continuation of the services procured under the original contract and because Cognosante, given its involvement in this major systems initiative from its onset through detailed system design to the current testing phase, has developed an integral understanding of the NH Medicaid Management Information System solution and is the most practical alternative for ensuring uninterrupted, informed support through to the Medicaid Management Information System implementation. See Attachment A Bidders List at the end of this document.

The purpose of the above requested action is to continue the provision of quality assurance services provided by Cognosante, LLC through December 31, 2013 in support of the Department's implementation of a new Medicaid Management Information System and to expand the scope of services in the Contract to include additional resources for end-to-end and user acceptance testing, dedicated support for preparation and review of the post-implementation certification requirements, and incremental quality assurance testing and reporting specifically focused on the new "5010" electronic transaction functionality recently approved and added to the System design strategy.

The NH Medicaid Management Information System project is a major information systems initiative underway with the Department of Health and Human Services and the Department of Information Technology (DoIT), to replace the existing 18 year old legacy Medicaid Management Information System with a new system that meets or exceeds the requirements of the NH Medicaid Management Information System Request For Proposals #RFP-DHHS-2005-002.

On March 7, 2012 (Item #22A) the Governor and Executive Council approved expanding the scope and extending schedule for the design, development and implementation of the MMIS currently underway with ACS State Healthcare LLC (ACS) to enable the new system to support electronic transactions in a 5010 format compatible with federal requirements mandated under the Health Insurance Portability and Accountability Act and 45 CFR 162. Consequently, these modifications create the need to extend and expand Cognosante's quality assurance support for testing, system go-live, and post-implementation certification. The Medicaid Management Information System implementation is currently anticipated to go live on or before December 31, 2012.

Specifically, Amendment 5 re-aligns the schedule of quality assurance services with the revised project schedule for design, development and implementation of the Medicaid Management Information System. It extends the Contract completion date for up to 18 months, through December 31, 2013, with the option for early termination by the State as soon as the Medicaid Management Information System is implemented and the post-implementation federal certification phase is complete. The Amendment provides the Department, at its sole discretion, the option to terminate the contract as early as July 31, 2013, or the last day of any month thereafter, by providing the contractor with 30 calendar days advance written notice.

Additionally, the Amendment expands the scope of services to provide for:

- Additional user acceptance and end-to-end testing services through the duration of design and development, and implementation of the System during which all system processes will be executed multiple times in a coordinated manner to replicate daily, weekly, monthly, quarterly, and annual cycle processing;
- Dedicated support for coordination of CMS Certification preparation activities including early collection of operations and system artifacts and readiness review. These activities must take place just prior to and immediately following system go-live, during which time State project

resources must focus on implementation and operations transition issues. These services will help support federal certification of the Medicaid Management Information System that will entitle the Department to an enhanced rate of Federal Financial Participation (FFP) for Medicaid Management Information System operations.

- Additional resources for testing and certification support to correspond with the new “5010” functional system requirements for electronic transaction processing added to the design of the Medicaid Management Information System. The breadth of the 5010 changes across the system necessitates that many system functions previously tested and validated during system integration testing must be retested in their entirety to ensure that 5010 related changes have not adversely impacted system processing capabilities or their integrity.

The Medicaid Management Information System, including its Medicaid claims adjudication and payment functions, is a mission critical system for the Department of Health and Human Services. The Medicaid Management Information System processes over \$900 million in payments to over 5,000 actively billing and enrolled New Hampshire Medicaid providers annually, for services provided to eligible recipients under the New Hampshire Medicaid program. It is the Department of Health and Human Services’ primary system for administering and managing costs for the New Hampshire Medicaid program.

It is critically important that the new Medicaid Management Information System is able to perform all of its required functions, and to perform them with integrity. The new Medicaid Management Information System must be secure, stable, accurate, and efficient. It must be able to store eligibility data for the current annual New Hampshire Medicaid population of approximately 120,000, enrolled provider data for approximately 19,000 providers, and 7 years of claims payment history. It must be able to receive over 6 million paper and electronic claims from providers, process those claims against the available data, execute applicable edits, and determine the appropriate payment. The Medicaid Management Information System must be able to generate reliable reports, avoid costs where other insurance for a member exists, and to identify potentially fraudulent provider billing practices for further investigation.

The significant progress realized to date on the New Hampshire Medicaid Management Information System Project is due in part to the quality assurance support provided by Cognosante. This amendment will enable the Department to retain the expertise of those Cognosante staff who have developed an in-depth understanding of the overall NH Medicaid Management Information System DDI effort. Along with State project team staff, Cognosante staff will continue to monitor, verify, and validate implementation contractor deliverables and execute tests, to help ensure that the new MMIS meets the RFP requirements, and processes claims payment with integrity. Should the Governor and Executive Council determine to not approve this Request, the Department would experience a gap in quality assurance services and increased risk to the project which may jeopardize the integrity of the Medicaid Management Information System implementation

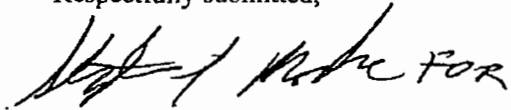
Source of Funds: Design, Development and Implementation phase: 90% federal funds,
10% general funds.

Geographic area to be served: Statewide.

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

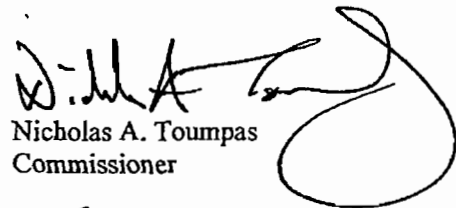
His Excellency, Governor John H. Lynch
and the Honorable Executive Council
March 21, 2012
Page 4

Respectfully submitted,



William L. Baggeroer
Chief Information Officer

Approved by:



Nicholas A. Toumpas
Commissioner



S. Williams Rogers
Commissioner
Department of Information Technology

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

3A0

05/21/12 PM 2:51 DAS

17



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

129 PLEASANT STREET, CONCORD, New Hampshire New Hampshire 03301-3857
603-271-8160 1-800-852-3345 Ext. 8160
Fax: 271-4912 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

Nicholas A. Toumpas
Commissioner

William L. Baggeroer
Chief Information
Officer/Director

December 14, 2012

SOLE SOURCE

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

REQUESTED ACTION

90% FED 10% GEN

Authorize the Department of Health and Human Services, Office of Information Services, to enter into a **sole source** amendment (Amendment 6) to an existing contract (Purchase Order # 1018352) with Cognosante, LLC (Vendor #223062) (formerly FOX Systems, LLC), 6263 North Scottsdale Road, Suite 200, Scottsdale, AZ 85250, for continuation of quality assurance services and expansion of the scope of services in compliance with the Centers for Medicare and Medicaid Services regulations related to the State's Medicaid Management Information System project by increasing the price limitation by \$2,663,798 from \$9,606,677 to a new amount not to exceed \$12,270,475 and by extending the completion date from December 31, 2013, to December 31, 2014, effective December 19, 2012, or upon Governor and Executive Council approval, whichever is later. Governor and Executive Council approved the original contract on December 1, 2004 (Late Item #E), Amendment 1 on December 12, 2006 (Item #119A), Amendment 2 on December 11, 2007 (Item #60), Amendment 3 on December 18, 2008 (Item #57), Amendment 4 on June 23, 2010 (Item #95) and Amendment 5 on April 18, 2012 (Item #57). Funds are available in State Fiscal Year 2013 and are anticipated to be available in State Fiscal Years 2014 and 2015 upon the availability and continued appropriation of funds in future operating budgets with authority to adjust amounts between State Fiscal Years if needed and justified.

05-95-95-954010-5952 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS:COMMISSIONER, OFFICE OF INFORMATION SERVICES, OFFICE OF INFORMATION SERVICES

<u>State Fiscal Year</u>	<u>Class Object</u>	<u>Class Title</u>	<u>Current Modified</u>	<u>Increase/</u>	<u>Revised</u>
			<u>Budget</u>	<u>(Decrease)</u>	<u>Modified Budget</u>
SFY 2005	102/500731	Contracts for Program Services	\$426,820.00	\$0.00	\$426,820.00
SFY 2006	102/500731	Contracts for Program Services	\$818,733.00	\$0.00	\$818,733.00
SFY 2007	102/500731	Contracts for Program Services	\$527,267.00	\$0.00	\$527,267.00

<u>State Fiscal Year</u>	<u>Class Object</u>	<u>Class Title</u>	<u>Current Modified</u>	<u>Increase/</u>	<u>Revised</u>
			<u>Budget</u>	<u>(Decrease)</u>	<u>Modified Budget</u>
SFY 2008	102/500731	Contracts for Program Services	\$759,163.00	\$0.00	\$759,163.00
SFY 2009	102/500731	Contracts for Program Services	\$605,802.00	\$0.00	\$605,802.00
SFY 2010	102/500731	Contracts for Program Services	\$470,260.00	\$0.00	\$470,260.00
SFY 2011	102/500731	Contracts for Program Services	\$638,313.00	\$0.00	\$638,313.00
SFY 2012	102/500731	Contracts for Program Services	\$1,897,119.00	\$0.00	\$1,897,119.00
SFY 2013	102/500731	Contracts for Program Services	\$3,210,487.00	(\$3,210,487.00)	\$0.00
SFY 2014	102/500731	Contracts for Program Services	\$252,713.00	\$2,003,960.00	\$2,256,673.00
SFY 2015	102/500731	Contracts for Program Services	\$0.00	\$333,346.00	\$333,346.00
Sub Total			\$9,606,677.00	(\$873,181.00)	\$8,733,496.00

**05-95-956010-6147 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVC,
HHS:COMMISSIONER, OFF MEDICAID & BUSINESS POLICY, PROVIDER PAYMENTS**

<u>State Fiscal Year</u>	<u>Class Object</u>	<u>Class Title</u>	<u>Current Modified</u>	<u>Increase/</u>	<u>Revised</u>
			<u>Budget</u>	<u>(Decrease)</u>	<u>Modified Budget</u>
SFY 2013	101/500729	Medical Payments to Provider	\$0.00	\$3,536,979.00	\$3,536,979.00
Sub Total			\$0.00	\$3,536,979.00	\$3,536,979.00
Total			\$9,606,677.00	\$2,663,798.00	\$12,270,475.00

EXPLANATION

This amendment is identified as sole source. The quality assurance services included in this amendment are a continuation of the services procured under the original contract that was competitively bid. Cognosante, LLC has been involved in this major systems initiative from its onset. The vendor has provided oversight of the detailed system design and the current testing phase. They have developed an integral understanding of the New Hampshire Medicaid Management Information System and are in a unique position to continue in their support of this effort and are the most practical alternative for ensuring uninterrupted, informed support to the Medicaid Management Information System; including the expanded scope of services included in this amendment. See The Bid Summary is attached.

The purpose of this request is to continue the provision of quality assurance services provided by Cognosante, LLC through December 31, 2014, in support of the Department's implementation of a new Medicaid Management Information System and to expand the scope of services to include additional resources for user acceptance testing, dedicated support for preparation and review of the post-implementation federal certification requirements and for project monitoring and reporting.

The Medicaid Management Information System, including its Medicaid claims adjudication and payment functions, is a critical system for the Department of Health and Human Services. The Medicaid Management Information System processes over \$900 million in payments to over 5,000 actively billing and enrolled New Hampshire Medicaid providers annually. These services are provided to eligible recipients under the New Hampshire Medicaid program. The New Hampshire Medicaid Management Information System is the Department's primary system for administering and managing costs for the New Hampshire Medicaid program.

It is vitally important that the new Medicaid Management Information System is able to perform all of its required functions, and to perform them with integrity. The new Medicaid Management Information System must be secure, stable, accurate, and efficient. It must be able to store eligibility data for the current annual New Hampshire Medicaid population of approximately 130,000, enrolled provider data for approximately 19,000 providers, and 7 years of claims payment history. It must be able to receive over 6 million paper and electronic claims from providers, process those claims against the available data, execute applicable edits, and determine the appropriate payment. The System must be able to generate reliable reports, avoid costs where other insurance for a member exists, and identify potentially fraudulent provider billing practices for further investigation.

The new New Hampshire Medicaid Management Information System will replace the existing 18-year-old legacy Medicaid Management Information System. On April 18, 2012 (Item #57) the Governor and Executive Council approved Amendment #5 to extend the agreement for up to 18 months, through December 31, 2013. That Amendment also revised the project schedule for design, development and implementation of System and expanded the scope of services.

This amendment (Amendment 6):

- re-aligns the schedule of quality assurance services with a revised project schedule for design, development and implementation of the New Hampshire Medicaid Management Information System, including the extension of the contract completion date for up to 12 months, from December 31, 2013, to deployment on April 1, 2013, and through December 31, 2014, for post-deployment certification and the testing of both federal and state mandated enhancements;
- provides the Department, at its sole discretion, the option to terminate the contract as early as December 31, 2013, by providing the contractor with 30 calendar days advance written notice. It also allows the State to reduce the level of Cognosante staffing for testing and certification activities after December 31, 2013, by providing 30 calendar days advanced notice;
- expands the scope of services to provide for additional user acceptance and end-to-end testing services through the duration of design and development, and implementation of the System during which all system processes will be executed multiple times in a coordinated manner to replicate daily, weekly, monthly, quarterly, and annual cycle processing; and

- expands the scope of services to provide for dedicated support for coordination of CMS Certification preparation activities including early collection of operations and system artifacts and readiness review. These activities must take place just prior to system go-live, during which time State project resources must focus on implementation and operations transition issues, and continue after implementation in preparation for actual CMS certification. These services will help support federal certification of the Medicaid Management Information System that will entitle the Department to an enhanced rate of Federal Financial Participation (FFP) for Medicaid Management Information System operations.

The significant progress realized to date on the New Hampshire Medicaid Management Information System Project is due in part to the consistent quality assurance support provided by Cognosante. This amendment will enable the Department to retain the expertise of those Cognosante's staff who have developed an in-depth understanding of the overall New Hampshire Medicaid Management Information System design, development and implementation effort. Along with the State project team, Cognosante staff will continue to monitor, verify, and validate implementation contractor deliverables and execute tests, to help ensure that the new system meets the requirements and processes claims payment with integrity.

Should the Governor and Executive Council determine to not approve this Request, the Department would experience a gap in quality assurance services and increased risk to the project, that would jeopardize the integrity of the new Medicaid Management Information System implementation. Because the Centers for Medicare and Medicaid Services requires a quality assurance vendor, a determination to not approve this Request would result in loss of federal funding for the new system.

Federal funding for this agreement is pending the Centers for Medicare and Medicaid Services approval of an upcoming amendment to the Department's Implementation Advanced Planning Document.

Source of Funds: 90% federal funds and 10% general funds.

Area served: Statewide.

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

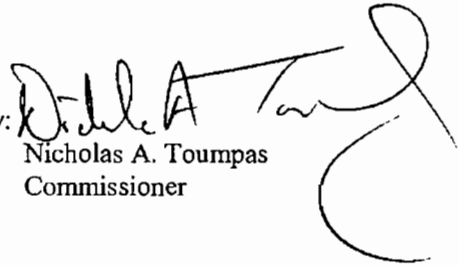
Respectfully submitted,



William L. Baggeroer
Chief Information Officer/
Director

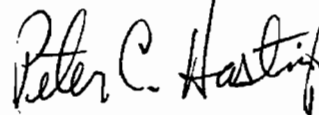
Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
December 14, 2012
Page 5

Approved by:



Nicholas A. Toumpas
Commissioner

Peter Hastings
Acting Commissioner
Department of Information Technology





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

129 PLEASANT STREET, CONCORD, NH 03301-3857
 603-271-8160 1-800-852-3345 Ext. 8160
 Fax: 271-4912 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

Nicholas A. Toumpas
 Commissioner

William L. Baggeroer
 Chief Information
 Officer/Director

July 12, 2013

Her Excellency, Governor Margaret Wood Hassan
 and the Honorable Council
 State House
 Concord, N.H. 03301

REQUESTED ACTION

Authorize the Department of Health and Human Services, Office of Information Services, to enter into a sole source amendment (Amendment 7) to an existing contract (Purchase Order # 1018352) with Cognosante, LLC (Vendor #223062) (formerly FOX Systems, LLC) at 6263 North Scottsdale Road, Suite 200, Scottsdale, AZ 85250, for continuation of quality assurance services and expansion of the scope of services in compliance with the Centers for Medicare and Medicaid Services by increasing the price limitation by \$986,400 from \$12,270,475 to a new amount not to exceed \$13,256,875 and by extending the completion date from December 31, 2014, to June 30, 2015, effective July 24, 2013, or upon Governor and Council approval, whichever is later.. The Governor and Executive Council approved the original contract on December 7, 2005 (Late Item #C), Amendment 1 on December 11, 2007 (Item #59), Amendment 2 on June 17, 2009 (Item #92), Amendment 3 on June 23, 2010 (Item#97), Amendment 4 on June 23, 2010 (Item #94), Amendment 5 on April 18, 2012 (Item#57) and Amendment 6 on January 16, 2013 (Item#17).

Funds are available in SFY 2014 through SFY 2015 as follows with the authority to adjust amounts within price limitation and amend the related terms of the contract without further approval from the Governor and Executive Council.

05-95-95-954010-5952 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS: COMMISSIONER, OFFICE OF INFORMATION SERVICES, OFFICE OF INFORMATION SERVICES

<u>State Fiscal Year</u>	<u>Class Object</u>	<u>Class Title</u>	<u>Current Modified Budget</u>	<u>Increase/ (Decrease)</u>	<u>Revised Modified Budget</u>
2005	102/500731	Contracts for Program Services	\$426,820	\$0	\$426,820
2006	102/500731	Contracts for Program Services	\$818,733	\$0	\$818,733
2007	102/500731	Contracts for Program Services	\$527,267	\$0	\$527,267
2008	102/500731	Contracts for Program Services	\$759,163	\$0	\$759,163
2009	102/500731	Contracts for Program Services	\$605,802	\$0	\$605,802
2010	102/500731	Contracts for Program Services	\$470,260	\$0	\$470,260
2011	102/500731	Contracts for Program Services	\$638,313	\$0	\$638,313
2012	102/500731	Contracts for Program Services	\$1,727,698	\$0	\$1,727,698
2013	102/500731	Contracts for Program Services	\$3,536,979	\$0	\$3,536,979
2014	102/500731	Contracts for Program Services	\$2,426,094	\$0	\$2,426,094
2015	102/500731	Contracts for Program Services	\$333,346	\$0	\$333,346
	Sub-Total		\$12,270,475	\$0	\$12,270,475

05-95-45-450010-TBD HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS: TRANSTIONAL ASSISTANCE, DIVISION OF FAMILY ASSISTANCE, NEW HEIGHTS INCREMENTAL MODERNIZATION

<u>State Fiscal Year</u>	<u>Class Object</u>	<u>Class Title</u>	<u>Current Modified Budget</u>	<u>Increase/ (Decrease)</u>	<u>Revised Modified Budget</u>
2014	34/500099	Major IT Systems	\$0	\$499,520	\$499,520
2015	34/500099	Major IT Systems	\$0	\$486,880	\$486,880
Sub Total			\$0	\$986,400	\$986,400
Total			\$12,270,475	\$986,400	\$13,256,875

EXPLANATION

This amendment is identified as sole source. The quality assurance services included in this amendment are an expansion of the services procured under the original contract that was competitively bid. Cognosante, LLC has been providing ongoing Quality Assurance Services to the Medicaid Management Information System starting in State Fiscal Year 2005 as required by the Centers for Medicare and Medicaid Services. The purpose of this Amendment is to expand the scope of services provided by Cognosante, LLC to include providing Quality Assurance Services to the New Heights Incremental Modernization project. A quality assurance vendor is required by the Centers for Medicare and Medicaid Services for States to receive 90% reimbursement for modernization of Medicaid Eligibility systems - in our case New HEIGHTS. The Department had intended to competitively procure this service as had been outlined to the Centers for Medicare and Medicaid Services in the Advance Planning Document Update approved August 10, 2012. However the timeline to complete this procurement had an anticipated start date of January 2014. The Centers for Medicare and Medicaid Services informed New Hampshire on April 24, 2013 of the mandate that New Hampshire would have to have this service in place no later than July of 2013 to be able to interface with the Federal Data Hub. Amending our existing Medicaid Management Information System Reprocurement quality assurance contract with Cognosante is our only viable option. Cognosante is very familiar with New Hampshire Medicaid systems having worked with us for several years (vender is qualified), their billing rates were already set and approved by the State of New Hampshire (fair cost), and an agreement to expand their quality assurance work to Medicaid eligibility is doable by the Centers for Medicare and Medicaid Services imposed deadline of July 2013 (timeliness).

The goal of the New Heights Incremental Modernization project is to further streamline the Department of Health and Human Services' operations and to enhance client services. Enhancements to New Heights system are expected to yield significant efficiencies to contain operating costs and improve productivity. The savings are based on improved worker productivity of an average 6% or 120 hours annually per DCA case worker. These efficiencies will contribute towards the Department of Health and Human Services' ability to maintain increased caseloads, including partial mitigation of the administrative expense which will be incurred if New Hampshire expands Medicaid under the Patient Protection and Affordable Care Act.

In addition to the quantitative benefits described above, these enhancements are critical to support the Department of Health and Human Service's strategic vision for improved service delivery, client-centric orientation with operational efficiencies. For example, a text reminder for appointments offers improved client service and improves the Division of Client Services case management efficiency by reducing the "no show" percentage and costs associated with lost productivity and rescheduling. In the long term, the Department of Health and Human Services will be in a stronger position to support ongoing evolution using a contemporary case management system which enhances customer service, contains administrative expense and provides infrastructure to manage benefits and policy.

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
July 12, 2013
Page 3

Should the Governor and Executive Council determine to not approve this Request, the Department of Health and Human Services would experience a gap in quality assurance services and increase risk to the New Heights Incremental Modernization project, that would jeopardize the integrity of the New Heights System. Because the Centers for Medicare and Medicaid Services require a quality assurance vendor, a determination to not approve this Request would result in loss of federal funding.

Funding for the New Heights Incremental Modernization project is provided through the Patient Protection and Affordable Care Act: Public Law 111-1148. The Centers for Medicare and Medicaid Services has approved funding of \$500,000 for Quality Assurance Services and the remaining federal approval is anticipated based on additional Advanced Planning Documents scheduled for submission by the Department of Health and Human Services.

Source of Funds: Design, Development and Implementation phase: 90% federal funds,
10% general funds.

Geographic area to be served: Statewide.

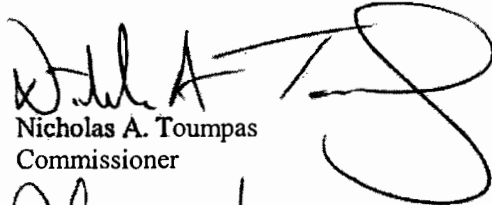
In the event that the Federal funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



William L. Baggeroer
Chief Information Officer/Director

Approved by:



Nicholas A. Toumpas
Commissioner



Peter C. Hastings
Commissioner
Department of Information Technology