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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  
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Nicholas A. Toumpas  
Commissioner

William L. Baggeroer  
Chief Information  
Officer/Director

June 11, 2014

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

73% Federal funds  
17% General funds

REQUESTED ACTION

SOLE SOURCE

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 #1028843) with Xerox State Healthcare, LLC (Vendor #174951) 9040 Roswell Road, Suite 700, Atlanta, GA, 30350, to develop and operate the State's Medicaid Management Information System by increasing the price limitation by \$6,799,609 from \$110,525,511 to \$117,325,120, effective upon the approval of the Governor and Executive Council, with no change to the end date of March 31, 2018. This amendment expands the existing scope of services.

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), and Amendment 3 on June 23, 2010 (Item #97), Amendment 4 on March 7, 2012 (Item#22A), Amendment 5 on December 19, 2012 (Item#27A) and Amendment 6 on March 26, 2014 (Late Item A).

Funds are available in State Fiscal Years 2014 and 2015 and are anticipated to be available in State Fiscal Years 2016, 2017 and 2018 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.

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

**Design, Development and Implementation Phase**

State			Current	Increase/	Revised
<u>Fiscal Year</u>	<u>Class Object</u>	<u>Class Title</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>Budget</u>
2005	034/500099	Capital Projects	\$25,000,000	\$0	\$25,000,000
2006	034/500099	Capital Projects	\$1,076,918	\$0	\$1,076,918
2006	102/500731	Contracts for Program Services	\$76,326	\$0	\$76,326
2012	102/500731	Contracts for Program Services	\$7,152,125	\$0	\$7,152,125
2013	102/500731	Contracts for Program Services	\$4,298,885	\$0	\$4,298,885
2014	102/500731	Contracts for Program Services	\$26,444,473	\$3,794,622	\$30,239,095
2015	102/500731	Contracts for Program Services	\$4,321,110	\$0	\$4,321,110
<b>Total Design, Development and Implementation Phase</b>			<b><u>\$68,369,837</u></b>	<b><u>\$3,794,622</u></b>	<b><u>\$72,164,459</u></b>

**Operations Phase**

State			Current	Increase/	Revised
<u>Fiscal Year</u>	<u>Class Object</u>	<u>Class Title</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>Budget</u>
2013	102/500731	Contracts for Program Services	\$2,084,889	\$0	\$2,084,889
2014	102/500731	Contracts for Program Services	\$8,400,725	\$144,084	\$8,544,809
2015	102/500731	Contracts for Program Services	\$8,530,209	\$634,638	\$9,164,847
2016	102/500731	Contracts for Program Services	\$8,388,456	\$809,551	\$9,198,007
2017	102/500731	Contracts for Program Services	\$8,440,597	\$809,551	\$9,250,148
2018	102/500731	Contracts for Program Services	\$6,310,798	\$607,163	\$6,917,961
<b>Total Operations Phase</b>			<b><u>\$42,155,674</u></b>	<b><u>\$3,004,987</u></b>	<b><u>\$45,160,661</u></b>

<b>Grand Total</b>			<b><u>\$110,525,511</u></b>	<b><u>\$6,799,609</u></b>	<b><u>\$117,325,120</u></b>
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**EXPLANATION**

This is a **sole source** amendment that provides for the uninterrupted continuation of essential system development, implementation and operation services by the contractor in support of the New Hampshire Medicaid Management Information System's Design, Development and Implementation effort. This work has been progressing steadily. Given the intricacies of the multi-tiered New Hampshire Medicaid Management Information System solution, Xerox is most knowledgeable about the system architecture, integrated software products, and the internal design of the Medicaid Management Information System framework and is best suited to continue its implementation. The original agreement was competitively bid and the original bid list is attached.

The purpose of this requested action (Amendment 7) is to implement enhancements to the Medicaid Management Information System required for the implementation of the New Hampshire Health Protection Program. In addition, Amendment 7 will provide additional hardware and software required due to the New Hampshire Health Protection Program to support the Health Insurance Portability and Accountability Act Operating Rules and the ICD-10 Medical Coding enhancements that were originally included in Xerox Amendment 6. This amendment also provides for additional testing for the ICD-10 Medical Coding implementation.

This Amendment 7 provides for the following:

- **New Hampshire Health Projection Program:** enhancements to the Medicaid Management Information system are needed to meet state and/or federal requirements. Implementation of the program requires new member categories of eligibility and new benefit coverage based on State benchmarked Essential Health Benefits (EHB). These benefits must provide coverage equivalent to a widely provided commercial health plan with services in each of ten categories. Because some of these services are not currently covered by the New Hampshire State Plan, the Medicaid Management Information System must support the enrollment of new provider types who would be providing these new services and must process claims for those services, and issue payment. In addition, new interfaces, changes to existing interfaces, new reports and changes to existing reports are required.
- **Health Insurance Portability and Accountability Act Operating Rules:** Additional software and licenses are needed to fully implement the Edifecs (a health care information technology company) solution which requires a specific operating platform not currently in production.
- **ICD-110 Medical Coding** On April 1, 2014 Bill 4302 (Protecting Access to Medicare Act of 2014) was signed stating that any Health Insurance Portability and Accountability Act covered entity will continue to use ICD-9 through September 30, 2015. The United States Department of Health and Human Services Secretary adopted the extension of ICD-10 until October 1, 2015. In accordance with the Centers for Medicare and Medicaid Services and industry guidance, New Hampshire intends to continue full support of our current development and deployment strategy for ICD-10. However, we will extend the internal testing schedule by 4 weeks in SIT, QA and UAT over our initial estimates to allow for additional validation of the changes made. Two phases of end to end Trading Partner Testing will be offered to the New Hampshire community. Phase one of Trading Partner Testing is estimated to begin on October 6, 2015 through December 31, 2014 and phase two of trading partner testing will be from April 1, 2015 through August 1, 2015 in order to work with our providers in a smooth transition to the new code sets. Upon trading partner testing completion, Xerox will perform a full regression of ICD-10 with the most recent MMIS deployment to validate the ICD-10 changes are not impacted.

The role of the Medicaid Management Information System implementation contractor was described in the State's Implementation Advanced Planning Document for the New Hampshire Medicaid Management Information System Project, which was approved by the federal Centers for Medicare and Medicaid Services in May 2004. A Request for Proposals was issued in September 2004. Notification of the Request for Proposals publication was issued using standard Department of Information Technology procedures. The Medicaid Management Information System Request for Proposals 2005-004 was issued on September 14, 2004, and published on the Department of Administrative Services website. ACS State Healthcare, LLC, (now Xerox State

Healthcare,) was selected as the Medicaid Management Information System contractor through a competitive bid process.

Should the Governor and Executive Council determine not to approve this request, the Department of Health and Human Services could face a loss of federal funding from the Centers for Medicare and Medicaid Services due to not complying with federal regulations required for the implementation of the New Hampshire Health Protection Program, Health Insurance Portability and Accountability Act Operating Rules and ICD 10 Medical Coding. In addition, the Department of Health and Human Services will not be able to meet state requirements for implementation of the New Hampshire Health Protection Program.

Ninety percent (90%) federal funding for the Design, Development and Implementation efforts in this Amendment 7 is pending approval by the Centers for Medicare and Medicaid Services. Seventy-five percent (75%) federal funding of the Operations phase of this agreement is pending certification of the New Hampshire Medicaid Management Information System by the Centers for Medicare and Medicaid Services.

Source of Funds: Design, Development and Implementation phase: 90% federal funds, 10% general funds; Operations phase: 50% federal funds, 50% general funds (prior to federal certification) and 75% federal funds, 25% general funds (pending federal certification).

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

Approved by:



Nicholas A. Tourmpas  
Commissioner

**ATTACHMENT 1: Vendor Selection Matrix**

Vendor	Total Score	Proposed Cost				Total Proposed Cost	Final Cost
		Design, Development, and Implementation (DDI)	Proposed Cost 3 Years Operations	Proposed Cost Optional 2 Year Extension			
Xerox/ACS State Healthcare, LLC	772.25	\$26,153,244	\$21,776,083	\$13,838,384	\$61,767,711	\$60,860,763	
EDS Information Services, LLC	568.36	\$26,973,156	\$27,373,485	\$17,647,475	\$71,994,116	N/A	
First Health Services Corporation	409.69	\$28,146,514	\$44,969,694	\$31,336,031	\$104,452,239	N/A	
Unisys Corporation	N/A	N/A	N/A	N/A	*N/A	N/A	

\*Unisys did not propose the lowest overall cost



**STATE OF NEW HAMPSHIRE**  
**DEPARTMENT OF INFORMATION TECHNOLOGY**

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[www.nh.gov/doi/](http://www.nh.gov/doi/)

**Peter C. Hastings**  
*Commissioner*

June 11, 2014

Nicholas Toumpas, Commissioner  
State of New Hampshire  
Department of Health and Human Services  
129 Pleasant Street  
Concord, NH 03301-3857

Dear Commissioner Toumpas:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to amend existing contract 2005-004: Medicaid Management Information System Reprocurement, with Xerox State Healthcare, LLC ("Xerox") (formerly Affiliated Computer Systems or ACS) as described below and referenced as DoIT No. 2005-004G.

This is a request for approval to amend the contract with Xerox State Healthcare, LLC, effective upon Governor and Executive Council approval. This amendment is for enhancements to the Medicaid Management Information System required for the implementation of the New Hampshire Health Protection Program. In addition, Amendment 7 will provide additional hardware and software required due to the New Hampshire Health Protection Program to support the Health Insurance Portability and Accountability Act Operating Rules and the ICD-10 Medical Coding enhancements that were originally included in Xerox Amendment 6. The price limitation is increased by \$6,799,609 from \$110,525,511 to a new amount not to exceed \$117,325,120 through March 31, 2018. This project is set forth in the Department of Health and Human Services Strategic Information Technology Plan, dated October 21, 2005, Project No. 76 of Appendix VI.

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

Sincerely,

A handwritten signature in black ink that reads "Peter C. Hastings".

Peter C. Hastings

PCH/ltn  
2005-004G

cc: Leslie Mason, DoIT  
William Baggeroer, DHHS



Nicholas A. Toumpas  
Commissioner

William L. Baggeroer  
Chief Information  
Officer/Director

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

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June 11, 2014

Peter C. Hastings, Commissioner  
State of New Hampshire  
Department of Information Technology  
27 Hazen Drive  
Concord, NH 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 # 1028843) with Xerox State Healthcare, LLC (Vendor #174951) at 9040 Roswell Road, Suite 700, Atlanta, GA, 30350, to develop and operate the State's Medicaid Management Information System by increasing the price limitation by \$6,799,609 from \$110,525,511 to a new amount not to exceed \$117,325,120, effective upon the approval of the Governor and Executive Council through March 31, 2018. This amendment expands the existing scope of services. 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), and Amendment 3 on June 23, 2010 (Item#97), Amendment 4 on March 7, 2012 (Item#22A), Amendment 5 on December 19, 2012 (Item#27A) and Amendment 6 on March 26, 2014 (Late Item A).

**EXPLANATION**

This is a **sole source** amendment that provides for the uninterrupted continuation of essential system development, implementation and operation services by the contractor in support of the New Hampshire Medicaid Management Information System's Design, Development and Implementation effort. This work has been progressing steadily. Given the intricacies of the multi-tiered New Hampshire Medicaid Management Information System solution, Xerox is most knowledgeable about the system architecture, integrated software products, and the internal design of the Medicaid Management Information System framework and is best suited to continue its implementation.

The purpose of this requested action (Amendment 7) is to implement enhancements to the Medicaid Management Information System required for the implementation of the New Hampshire Health Protection Program. In addition, Amendment 7 will provide additional hardware and software required due to the New Hampshire Health Protection Program to support the Health Insurance Portability and

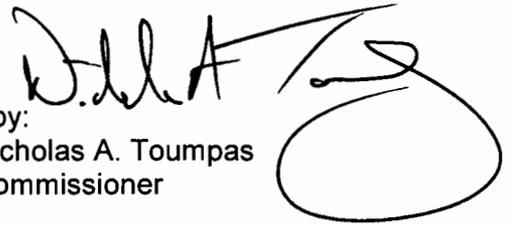
Her Excellency, Governor Margaret Wood Hassan  
and the Honorable Council  
June 11, 2014  
Page 2

Accountability Act Operating Rules and the ICD-10 Medical Coding enhancements that were originally included in Xerox Amendment 6. This amendment also provides for additional testing for the ICD-10 Medical Coding implementation.

Respectfully submitted,



William L. Baggeroer  
Chief Information Officer



Approved by:  
Nicholas A. Toumpas  
Commissioner

sk

**State of New Hampshire  
Department of Health and Human Services  
Amendment 7 to the Xerox State Healthcare, LLC Contract**

This 7th Amendment to the Xerox State Healthcare, LLC contract (hereinafter referred to as "Amendment 7") dated this 10<sup>th</sup> day of June 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 Xerox State Healthcare, LLC, with offices at 9040 Roswell Road, Suite 700, Atlanta, Georgia 30350 (hereinafter referred to as "Xerox" or "Contractor") and

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on December 7, 2005, and as amended by Amendment 1 on December 11, 2007, Amendment 2 on June 17, 2009, Amendment 3 on June 23, 2010, Amendment 4 on March 7, 2012, Amendment 5 on December 19, 2012, and Amendment 6 on March 26, 2014, 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 gave conditional approval for the MMIS "go-live" on March 31, 2013; and

WHEREAS, the Operations Phase commenced on April 1, 2013, the first day of the month immediately following the "go-live" date; and

WHEREAS, the State and the Contractor have agreed to make changes to Contractor's name, the payment schedules and terms and conditions of the Contract;

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 7, the obligations of the parties shall remain in full force and effect in accordance with the terms and conditions set forth in the original Contract, its Amendment 1 on December 11, 2007, its Amendment 2 on June 17, 2009, its Amendment 3 on June 23, 2010, its Amendment 4 on March 7, 2012, its Amendment 5 on December 19, 2012, and its Amendment 6 on March 26, 2014.
2. The provisions of Contract Paragraph 2. CONTRACT/ORDER OF PRECEDENCE are hereby replaced by:

2.1 Contract Documents

This Contract between the Department and the Contractor (the "Contract") consists of the following Contract Documents:

- New Hampshire Standard Contract Terms and Conditions, Form P-37, together with the following exhibits:
  - Exhibit A – Statement of Work
  - Exhibit B – Price and Payment Schedule
  - Exhibit C – Special Provisions

Contractor Initials: SMH  
Date: 6/10/14

- Exhibit C-1 Special Provisions for MMIS Contracts
- Exhibit D – Certification Regarding Drug Free Workplace Requirements
- Exhibit E – Certification Regarding Lobbying
- Exhibit F – Certification Regarding Debarment, Suspension and other Responsibility Matters
- Exhibit G – Certificate Regarding Americans with Disabilities Act Compliance
- Exhibit H – Certification Regarding Environmental Tobacco Smoke
- Exhibit I –HIPAA Business Associate Agreement
- Exhibit J – Certification Regarding Federal Funding Accountability and Transparency Act (FFATA) Compliance
- Exhibit K – Ownership and Control Statement
- Exhibit L – Performance Bond Continuation Certificate
- All Appendices and Tables, including but not limited to:
  - Appendix A.1 – Preliminary Work Plan
  - Appendix A.2 – Deliverables List and Payment Schedule
  - Appendix A.3 – Liquidated Damages
  - Appendix A.4 – System Change Requirements
  - Appendix A.5 – NH MMIS Outpatient Prospective Payment System
  - Appendix A.6 – NH MMIS Enhanced Analytics
  - Appendix A.7 – NH MMIS HIPAA 5010 Enhancements
  - Appendix A.8 – NH MMIS System Change Requirements
  - Appendix A.9 – NH MMIS Additional System Enhancements
  - Appendix A.10 – NH MMIS HIPAA Operating Rules Assessment
  - Appendix A.11 – NH MMIS System Change Requests and Testing Support
  - Appendix A.12 – NH MMIS System Enhancements to Meet Federal Requirements
  - Appendix A.13 – NH MMIS System Enhancements for the New Hampshire Health Protection Plan
- Amendment 1, Amendment 2, Amendment 3, Amendment 4, Amendment 5, Amendment 6, and Amendment 7 to the Contract.
- DHHS MMIS RFP 2005-004, including any appendices and exhibits, as amended, and the State’s written responses to written questions posed by vendors.
- The Contractor’s Technical Proposal submitted in response to RFP 2005-004 (1/5/2005), exclusive of any terms that are inconsistent with, or purport to modify or supersede, the New Hampshire Standard Contract Terms and Conditions, Form P-37, or the mandatory terms of RFP 2005-004.

### **General Terms and Conditions, Form P-37**

3. The General Provisions Form P-37 are hereby amended as follows:

3.1. Block 1.8, Price Limitation, is increased by \$6,799,609 from \$110,525,511 to \$117,325,120 to reflect the additional requirements set forth in this Amendment 7.

3.2. Block 3 Effective Date: Completion of Services is amended by adding the following sentences to section 3.1:

“The effective date of the original Contract is December 5, 2005. The effective date of Amendment 1 is December 11, 2007. The effective date of Amendment 2 is June 17, 2009. The effective date of Amendment 3 is June 23, 2010. The effective date of Amendment 4 is March 7, 2012. The effective

Contractor Initials: DMH  
Date: 6/10/14

date of Amendment 5 is December 19, 2012. The effective date of Amendment 6 is March 26, 2014. All of the preceding dates are the dates the Contract was approved by the New Hampshire Governor and Executive Council, or a date certain, whichever is later, as specified in each document. This Amendment 7 is effective on the date of Governor and Executive Council approval.”

#### Exhibit A

4. Exhibit A, Contract Section 3.4 System Specifications 3.4.32, *NH MMIS System Enhancements to Meet Federal Regulations*, Appendix A.12, Amendment 6, shall be deleted and replaced in its entirety with:

Xerox Amendment 7 Appendix A.12 NH MMIS System Enhancements to Meet Federal Requirements.

5. The provisions of Exhibit A, Contract Section 3.4 System Specifications shall be amended to add:

#### 3.4.33 NH MMIS System Enhancements for the New Hampshire Health Protection Plan

The Contractor shall work with the State to design, construct, test, and implement required enhancements to the NH MMIS specified in RFP 2005-004, Attachment 1, based on the State’s need to implement the system enhancements identified in Appendix A.13 of this Amendment 7. The State shall specify these requirements through deliverables specifically set forth in Amendment 7, Appendix A.13.

The Contractor shall purchase on behalf of the State all hardware and software necessary to affect the solution and the Contractor shall update the State’s hardware and software inventory to include any new hardware and/or software purchased in support of any provision of this Amendment 7.

The Contractor shall fully satisfy the requirements for the implementation of the system enhancements as outlined in Amendment 7, Appendix A.13 and in accordance with the payment schedule identified within Amendment 7, Appendix A.2.

6. The provisions of Exhibit A, Contract Paragraph 8.1.1, *Key Staff*, are hereby replaced with the following:

The Contractor’s “key staff” shall be comprised of the following individuals:

- Kimberly Price – Project Manager;
- Craig Heyrman – Functional Manager;
- Vidyaa Balasubramaniyan – QA/Test manager;
- Rishi Mehta – Technical Manager;
- Sudipto Sarkar - Conversion/Data Migration Manager;
- TBD – Documentation Specialist;
- TBD– Interface Lead;
- Nancy Stanieich – Provider Relations Manager;
- Brian Geiger – Ad Hoc Specialist;
- Rishi Mehta – Maintenance Manager;

Contractor Initials: DNH  
Date: 6/10/14

- Craig Heyrman – Modifications Manager.
- Jodi Fisk – Operations/Claims Processing Manager

7. The provisions of Amendment 6, Appendix A.2, *Deliverables List and Payment Schedule* of the Contract are hereby replaced with Amendment 7, Appendix A.2 as attached.

#### **Exhibit B**

8. The provisions of Exhibit B, Paragraph 1.1 *Firm Fixed Price* are replaced with the following paragraphs:

##### 1.1 Price

This Contract between The State of New Hampshire and Contractor is an agreement to plan, design, install, implement, support, maintain, and operate the State's new NH MMIS System for a base contract period of up to ten years and four months. The base contract includes a seven year and four-month DDI Phase, for an amount Not to Exceed \$50,864,605. The base contract period includes a three-year Base Operations Phase for an amount Not to Exceed \$8,339,558 for the first year, \$9,160,557 for the second year, and \$9,177,719 for the third year, for a total Base Operations Phase amount Not to Exceed \$26,677,834. The total amount for the base contract period shall not exceed \$77,524,439.

The Contract further provides for an optional two-year extension of the Operations Phase, which the State may exercise at its discretion by notifying the Contractor in writing of its intention to extend no later than 6 months before the expiration of the base Contract period, i.e. by September 30, 2015, at a firm fixed price of \$9,258,881 for the first year (extension operations year 1) and \$9,223,946 for the second year (extension operations year 2) for a total two year operations extension period price not to exceed \$18,482,827.

The Contract also provides for Post-DDI Phase Enhancements to be implemented during the base operations phase in accordance with Appendix A.12 and Appendix A.13 for a Post-DDI Phase Enhancement total amount not to exceed \$21,299,854. The total amount for the base contract, optional operations extension period, and the Post DDI Enhancements shall not exceed \$117,325,120.

The Contractor shall be responsible for performing the work in accordance with the Contract Documents, including without limitation, the requirements, and terms and conditions contained herein.

9. The provisions of Exhibit B, Paragraph 1.5 *Total Contract Price* are replaced with the following:

Notwithstanding anything in this Contract to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments under this Contract (excluding pass-through costs identified in section 1.4, above) exceed \$117,325,120, as set forth in Table 1.5-1: Total Contract Price – DDI, Operations, and Post DDI Enhancements. The payment by the State of the total Contract price shall be the only and the complete reimbursement to the Contractor for all fees and expenses, of whatever nature, incurred by the Contractor in performance hereof.

Contractor Initials: DMH  
Date: 6/10/14

**Table 1.5-1: Total Contract Price –DDI, Operations, and Post DDI Enhancements**

<b>AMENDMENT 7 PRICE ITEM</b>	
<b>DDI Phase</b>	<b>\$50,864,605</b>
<b>Subtotal DDI Phase:</b>	<b>\$50,864,605</b>
<b>Base Operations Year 1</b>	<b>\$8,339,558</b>
<b>Base Operations Year 2</b>	<b>\$9,160,557</b>
<b>Base Operations Year 3</b>	<b>\$9,177,719</b>
<b>Subtotal Base Operations Phase:</b>	<b>\$26,677,834</b>
<b>(DDI Phase and Base Operations Phase) Total Base Contract:</b>	<b>\$77,524,439</b>
<b>Extension Operations Year 1</b>	<b>\$9,258,881</b>
<b>Extension Operations Year 2</b>	<b>\$9,223,946</b>
<b>Subtotal Extension Operations Phase:</b>	<b>\$18,482,827</b>
<b>Total Operations Phase:</b>	<b>\$45,160,661</b>
<b>Post-DDI Phase Enhancements - Appendix A.12</b>	<b>\$18,376,067</b>
<b>Post-DDI Phase Enhancements – Appendix A.13</b>	<b>\$2,923,787</b>
<b>Subtotal Post DDI Enhancements:</b>	<b>\$21,299,854</b>
<b>(DDI Phase, Operations Phase, Post-DDI Phase Enhancements) Total Contract Price:</b>	<b>\$117,325,120</b>

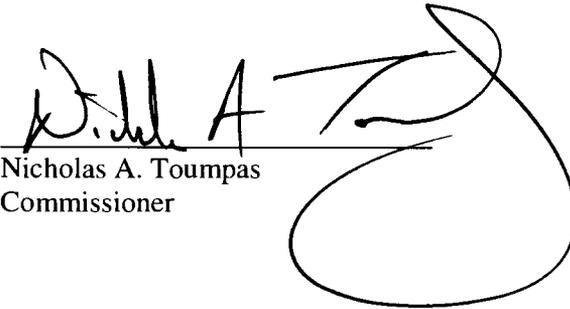
**Exhibit K**

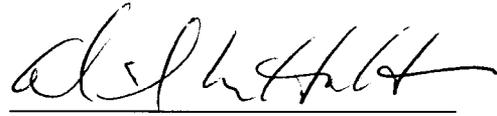
16. Exhibit K Ownership and Control is hereby replaced with the attached Exhibit K to reflect current information as of the effective date of this Amendment 7.

Contractor Initials: SMH  
 Date: 6/16/14

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

State of New Hampshire  
Department of Health and Human Services

  
\_\_\_\_\_  
Nicholas A. Toumpas  
Commissioner

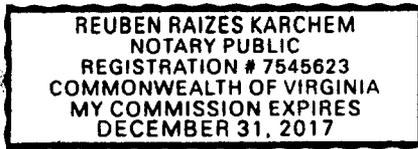
  
\_\_\_\_\_  
David Hamilton  
President  
Xerox State Healthcare, LLC

Contractor Initials: DMH  
Date: 0/10/14

STATE OF Virginia  
COUNTY OF Fairfax

On this the 10<sup>th</sup> day of June 2014, before me, Reuben Karchem the undersigned officer, personally appeared David Hamilton who acknowledged himself/herself to be the President of Xerox State Healthcare, LLC, a Delaware limited liability company, and that he/she, as such President 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 President.

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



Reuben Karchem  
Notary Public/Justice of the Peace  
My commission expires: 12/31/17

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

OFFICE OF THE ATTORNEY GENERAL

By: M.K. Brown

Date: June 12, 2014

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: \_\_\_\_\_

Contractor Initials: SHH  
Date: 6/10/2014

**Xerox Amendment 7**  
**Appendix A.12**  
**NH MMIS System Enhancements to Meet Federal Requirements**

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**Introduction**

The New Hampshire Medicaid Management Information System (MMIS) requires the following enhancements to meet state and/or federal requirements for three (3) different areas:

1. T-MSIS – Transformed Medicaid Statistical Information System
2. HIPAA Operating Rules
3. ICD-10

**1. T-MSIS**

Section 4735 of the Balanced Budget Act of 1997 included a statutory requirement for states to submit claims data, enrollee encounter data, and supporting information to the Centers for Medicare and Medicaid Services (CMS). Section 6504 of the Affordable Care Act strengthened this provision by requiring states to include data elements federally required for program integrity, program oversight, and administration.

New Hampshire is required by the federal Centers for Medicare and Medicaid Services (CMS) to implement the new Transformed Medicaid Statistical Information System (T-MSIS) data extract process by July 1, 2014. CMS is requiring States to implement T-MSIS in order to receive more comprehensive, complete, and timely Medicaid and CHIP-related data from States. CMS seeks to establish a new standardized process for states to submit and for CMS to receive the data in an administratively and technically efficient manner, and to help reduce the burden on states of having to support multiple CMS data requests. CMS expects that states will be able to sunset the present MSIS submissions with a consolidated, synchronized, and standardized T-MSIS data submission.

The functions of the new NH Health Enterprise MMIS and its supporting data systems and enabling processes (data processing, data repository, data extracts, data transmission) must be enhanced to meet T-MSIS requirements. T-MSIS requires the production of 8 new data extracts that must be sent to CMS on a monthly basis and requires the receipt and processing of error/respose files sent back from CMS to the MMIS. The eight data extracts include Member Eligibility, Third Party Liability, Provider, Managed Care, and four claims extracts: prescription, long term care, inpatient, and other (medical, outpatient, and dental).

The contractor Xerox shall:

1. Create a new data partition within the NH Health Enterprise Operational Reporting Repository to support the storage and production of the T-MSIS extracts. The partition shall hold a minimum of 24 months of T-MSIS data. Roll-off and purge capability for older data must be designed and developed.
2. Create Extract, Transformation and Load (ETL) processes, jobs and infrastructure to source the data from the MMIS transactional or Operational Reporting Repository (ORR) tables into the T-MSIS

**Xerox Amendment 7**  
**Appendix A.12**  
**NH MMIS System Enhancements to Meet Federal Requirements**

---

partition and then from the T-MSIS module into the outbound files using CMS-approved source to target logic.

3. Review the existing NH Health Enterprise data model and identify all existing data elements within Health Enterprise that map to or can be derived or translated into appropriate T-MSIS values.
4. Complete the CMS Source to Target Mapping spreadsheets as updated, identifying the source and transformation logic for each data element for each extract file.
5. Set default values for all missing data content, subject to State review and approval.
6. Initiate CMS Technical Assistance review and acquire approval for the target mapping.
7. Design, develop and deploy the T-MSIS data management and control processing modules to simplify the ease of maintenance over time.
8. Create the full outbound maps to support the accurate production of the 8 T-MSIS files and produce the 8 T-MSIS monthly data extracts according to standard specifications.
9. Process, generate and report on the three types of file extracts sent to CMS for each of the eight extracts, including the create file, replacement file, and the update file.
10. Receive and process the four files that will be sent from CMS: File Acknowledgements, Error Summary Report, Detailed Error Records, and Processed File Summary Report.
11. Implement key features and capabilities specifically designed to simplify operations and enhance adaptability to comply with changing requirements over time.
12. Design and build standardized jobs, processes, scripts, reports etc. to support the ongoing production and secure transmission of the extracts and all related balancing and control reports.
13. Support appropriate automated record correction and replacement capabilities and processes, generally without requiring technical intervention.
14. Conduct extract testing and validation, reconcile extract data to data tables to prove and demonstrate integrity of data extracts; support State testing of T-MSIS data table loads, extract creation, and error file handling during system integration and user acceptance testing, provide the State with contractor test data, scripts, data reconciliation as used by the Contractor for T-MSIS file processing testing.

**T-MSIS Deliverables / Payment Schedule:**

Activity	Milestone or Deliverable	Start	Finish	Cost
Phase I – Requirements Analysis				
Acquire Software License	License Acquired and Applied	3/3/2014	3/31/2014	\$229,784
Requirements Gathering	JAD Sessions Complete	3/3/2014	3/31/2014	Incl in Doc Change Req

Contractor Initials: SH

Date: 6/10/2014

**Xerox Amendment 7**  
**Appendix A.12**  
**NH MMIS System Enhancements to Meet Federal Requirements**

Requirements Elaboration	Documented Change Request	3/3/2014	3/31/2014	\$178,165
Detailed System Design (DSD) Updated	Detailed System Design Approved	3/3/2014	3/31/2014	\$178,165
<b>Phase II – Design</b>				
Technical Design	Technical Design Complete	4/1/2014	5/30/2014	\$249,374
<b>Phase III – Configuration, Modification, Development / Construction</b>				
Coding	Code Complete	5/2/2014	8/29/2014	\$293,381
Unit Testing	Unit Test Complete	5/2/2014	8/29/2014	Incl in Coding
Data Configuration	Data Configuration Complete	5/2/2014	8/29/2014	Incl in Coding
Dev Integration Testing	Dev Integration Testing Complete	5/2/2014	8/29/2014	\$293,381
<b>Phase IV – System Integration Testing</b>				
System Test Prep	System Test Environment Ready	9/1/2014	9/30/2014	Incl in Planning
System Test Planning	System Test Plan Approved	9/1/2014	9/30/2014	Incl in SIT Execution
SIT Execution	System Integration Test Complete	9/1/2014	9/30/2014	\$190,698
<b>Phase V – User Acceptance Testing</b>				
UAT Test Prep	UAT Environment Ready	10/1/2014	10/27/2014	Incl in Planning
UAT Test Planning	UAT Test Plan Approved	10/1/2014	10/27/2014	Incl in UAT Test Complete
UAT Execution (State Activity)	UAT Test Complete	10/1/2014	10/27/2014	\$102,684
<b>Phase VI – Implementation</b>				
Production Release	Production Ready	10/31/2014	10/31/2014	Incl in Prod Validation
Post Production Validation	Post Production Validation Complete	10/31/2014	12/30/2014	\$117,352
<b>Total Cost:</b>				<b>\$1,832,984</b>

In addition to the DDI costs, there are also annually recurring data storage fees, the costs for which are outlined below.

April 2014 - March 2015:	\$69,029	
April 2015 - March 2016:	\$69,029	
April 2016 - March 2017:	\$69,029	
April 2017 - March 2018:	\$69,029	Total Ongoing Operations Cost: \$276,116

Contractor Initials: DMH

Date: 6/10/2014

**Xerox Amendment 7**  
**Appendix A.12**  
**NH MMIS System Enhancements to Meet Federal Requirements**

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**2. HIPAA Operating Rules**

The NH Health Enterprise MMIS must be enhanced to be compliant with the Operating Rules standard as required under the Administrative Simplification provisions in Section 1104 of the Patient Protection and Affordable Care Act (ACA) of 2010 and the Health Insurance Portability and Accountability Act (HIPAA) Operating Rules. New requirements for administrative transactions were established to improve the utility of existing HIPAA transactions and to reduce administrative burdens.

The NH Department of Health and Human Services' Medicaid Program, as a healthcare payer and a covered entity under HIPAA, is obligated to be compliant with the HIPAA Operating Rules standard in its processing of HIPAA-standard electronic data interchange electronic transactions. These transactions include but are not limited to eligibility inquiry and response (270/271), claims (837), claims status inquiry and response (276/277), and claims payment/remittance advice (835). Further, under the requirements of the Operating Rules standard, the NH DHHS is required to file a statement with the federal Department of Health and Human Services attesting to NH Medicaid's compliance with the Operating Rules standard. Significant financial penalties could be imposed for failure to comply.

The high level requirements for the HIPAA Operating Rules enhancement to the NH Health Enterprise MMIS and for which Xerox shall be responsible are as follows:

1. Develop a workplan for the MMIS Operating Rules implementation subject to State approval;
2. Acquire necessary software licenses and install the EDIFECs Operating Rules solution within the New Hampshire Electronic Data Interchange Gateway;
3. Design, Develop, and Implement necessary changes to the NH Health Enterprise MMIS components, functions, processes, and documentation as approved by the State to achieve HIPAA Operating Rules compliance, including but not limited to the following:
  - o Electronic Data Interchange Solution;
  - o Online file upload and download functions;
  - o 270/271, 835, 277CA and any other impacted transactions;
  - o Member Module;
  - o Provider Enrollment Module; and
  - o Payment Cycle Processing including data interfaces;
4. Perform necessary system, transaction, and trading partner testing, to validate that the NH solution provides for Operating Rules compliance;
5. Provide for State participation in system integration and user acceptance testing of the NH solution;
6. Deliver the system and operational solution necessary for the NH Health Enterprise MMIS to be fully compliant with the HIPAA Operating Rules standard;

**Xerox Amendment 7**  
**Appendix A.12**  
**NH MMIS System Enhancements to Meet Federal Requirements**

7. Implement an Operating Rules solution that enables the NH Department of Health and Human Services to attest to compliance with the Operating Rules as federally required; and
8. Produce training and communication materials, and conduct provider and trading partner outreach to explain changes resulting from compliance with the Operating Rules requirements.

Update June 2014: Additional software and licenses are needed to fully implement the Edifecs HIPAA Operating Rules solution which requires a specific operating platform not currently in production.

**HIPAA Operating Rules Deliverables / Payment Schedule (Updated June 2014):**

Activity	Milestone or Deliverable	Start	Finish	Cost
<b>Phase I – Requirements Analysis</b>				
Acquire Software License	License acquired and applied	1/1/2014	1/31/2014	\$1,586,809
Acquire additional software licenses	Licenses acquired and applied	6/1/2014	7/30/2014	\$105,445
Tool Installation	Tool installed and ready to use	1/1/2014	1/31/2014	\$140,419
Requirements Gathering	JAD Sessions Complete	1/1/2014	1/15/2014	Incl in Doc Change Req
Requirements Elaboration	Change Request Documented and Approved	1/1/2014	1/31/2014	\$140,419
Detail System Design (DSD) Updated	Detail System Design Approved	1/1/2014	1/31/2014	\$140,419
<b>Phase II – Design</b>				
Technical Design	Technical Design Complete	1/1/2014	1/31/2014	\$421,256
<b>Phase III – Configuration, Modification, Development / Construction</b>				
Coding	Code Complete	2/3/2014	2/28/2014	\$547,633
Unit Testing	Unit Test Complete	2/3/2014	2/28/2014	Incl in Coding
Data Configuration	Data Configuration Complete	2/3/2014	2/28/2014	Incl in Coding
Dev Integration Testing	Dev Integration Testing Complete	2/3/2014	2/28/2014	\$547,633
<b>Phase IV – System Integration Testing</b>				
System Test Prep	System Test Environment Ready	3/3/2014	3/28/2014	Incl in Planning
System Test Planning	System Test Plan Approved	3/3/2014	3/28/2014	\$122,866
SIT Execution	System Integration Test Complete	3/3/2014	3/28/2014	\$368,599

Contractor Initials: SMH

Date: 6/10/2014

**Xerox Amendment 7**  
**Appendix A.12**  
**NH MMIS System Enhancements to Meet Federal Requirements**

Phase V – User Acceptance Testing				
UAT Test Prep	UAT Environment Ready	3/3/2014	3/28/2014	Incl in Planning
UAT Test Planning	UAT Test Plan	3/3/2014	3/28/2014	Incl in UAT Test Complete
UAT Execution (State)	UAT Test Complete	3/3/2014	3/28/2014	\$210,628
Phase VI – Implementation				
Production Release	Production Ready	4/30/2014	4/30/2014	Incl in Post Prod Validation
Post Production Validation	Post Production Validation Complete	5/1/2014	5/31/2014	\$168,504
<b>Total Cost:</b>				<b>\$4,500,630</b>

In addition to the DDI costs, there are also annually recurring license fees, the costs for which are outlined below.

April 2014 - March 2015:	\$390,869	
April 2015 - March 2016:	\$435,754	
April 2016 - March 2017:	\$435,755	
April 2017 - March 2018:	\$435,755	Total Ongoing Operations Cost: \$1,698,133

### 3. ICD-10

The compliance date for implementation of ICD-10-CM/PCS is October 1, 2014, for all Health Insurance Portability and Accountability Act (HIPAA) covered entities. ICD-10-CM/PCS will enhance accurate payment for services rendered and help evaluate medical processes and outcomes. ICD-10 diagnosis codes must be used for all health care services provided in the United States (U.S.) and ICD-10 procedure codes must be used for all hospital inpatient procedures. On and after October 1, 2014 providers are required to submit ICD-10 compliant transactions for all outpatient services and inpatient discharges with dates of service 10/01/2014 and thereafter. Any claims submitted after 10/01/2014 for dates of services and discharges prior to October 1, 2014 must be submitted with ICD-9 compliant transactions.

ICD-10 Code Set consists of two parts:

1. ICD-10-CM – (International Classification of Diseases, 10th Edition, Clinical Modifications Diagnosis) The diagnosis classification system developed by the Centers for Disease Control and

**Xerox Amendment 7**  
**Appendix A.12**  
**NH MMIS System Enhancements to Meet Federal Requirements**

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Prevention for use in all U.S. health care treatment settings. Diagnosis coding under this system uses three (3) to seven (7) alpha or numeric digits and full code titles, but the format is very similar to ICD-9-CM.

2. ICD-10-PCS – (International Classification of Diseases, 10th Edition, Procedure Coding System)- The procedure classification system developed by the Centers for Medicare & Medicaid Services (CMS) for use in the U.S. for inpatient hospital settings only. The new procedure coding system uses seven (7) alpha or numeric digits while the ICD-9-CM coding system uses three (3) or four (4) numeric digits. The ICD diagnosis and surgery qualifier code expands from two (2) to three (3) characters as well.

The objective of the NH MMIS ICD-10 project is to enhance the New Hampshire Health Enterprise MMIS to be compliant with the administrative simplification provision of the Health Insurance Portability and Accountability Act, relative to the adoption of the ICD-10 code set standard. Specifically, to achieve compliance with this federal mandate, effective October 1, 2014, the NH MMIS must be remediated to accurately handle the receipt and processing of claim transactions containing ICD-10 codes. Beginning October 1, 2014, the NH MMIS must be able to support both ICD-9 and ICD-10 code sets and transaction processing for a period of up to two years, when the legitimate use of ICD-9 codes in any transactions submitted to the NH MMIS is discontinued.

The NH MMIS ICD-10 project also requires for the contractor to provide technical assistance to the NH Department of Health and Human Services' Medicaid Program to complete the necessary ICD-9/ICD-10 forward and backward code mappings for procedures covered/not covered by NH Medicaid. These NH code mappings are the framework on which the ICD-10 project is reliant in order for the MMIS to process and pay claims correctly using ICD-10 codes beginning October 1, 2014.

This project will consist of three primary phases to include Benefit Plan and Rules Management ICD-10 Configuration changes, HIPAA Transactions ICD-10 Updates, and Reporting. Each primary phase will include sub-phases beginning with planning, analysis, and requirements review. Following State approval of the requirements validation, the project will move forward with design and construction, followed by testing and then implementation. All deliverables and progression between project phases are subject to State review and approval.

Within the ICD-10 project, the contractor Xerox shall:

1. Acquire the requisite software licenses and install the EDIFECS ICD-10 tool suite to reduce the risk of the extremely short NH ICD-10 project timeline and to increase productivity and standardization of the translation tasks. The three EDIFECS software tools that shall be implemented for NH include:
  1. ICD-10 Code Management: a medical concept ontology-based code map creation and management system that allows modeling and mapping of ICD-9 codes into ICD-10 equivalents

**Xerox Amendment 7**  
**Appendix A.12**  
**NH MMIS System Enhancements to Meet Federal Requirements**

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and vice versa.

2. ICD-10 Impact Analytics: automates the identification and visualization of relationships between ICD-9 coding patterns in historical claims data and all possible corresponding ICD-10 code matches
3. ICD-10 Testing: automates the creation of large volumes of ICD-10 test data and shows the differences between results processed in ICD-9 and in ICD-10.
2. Provide the technical consultative support necessary to assist the NH Medicaid Program with finalizing the NH specific ICD-9/ICD-10 maps to be used for the NH MMIS ICD-10 Project;
3. Extract and process a minimum of 12 months pertinent claims data to be used for NH ICD-9 code usage analysis and as a baseline for ICD-10 claims testing.
4. Design, Develop, Test and Implement changes necessary to user interface pages, functional modules, database, rules, adjudication processes, data interfaces, reports and other pertinent supporting processes of the NH Health Enterprise MMIS as required for ICD-10 compliance, subject to State approval, including but not limited to the following:
  - a. Update Electronic Data Interchange processes to handle either ICD-9 or ICD-10 codes
  - b. Create ICD-10 centric system rules for benefits, pricing, audits, service authorization criteria
  - c. Update or create new system lists to accommodate ICD-10
  - d. Update Member Benefit Plans and Coverage as needed for ICD-10
  - e. Modify Member Explanation of Medical Benefit (EOMB) processing where applicable
  - f. Update EPSDT for functional equivalency; update selection criteria, reports and letters
  - g. Update Service authorization criteria and letters
  - h. Modify the Third Party Liability (TPL) matrix and TPL processing
  - i. Review and update waiver criteria and processing for tracking and reporting
  - j. Process CMS ICD diagnosis and surgery procedure interface file to support ICD-10 updates
  - k. Create new business rules for ICD10 code validation
  - l. Review and Update Claim edits and audits
  - m. Update claim exception codes and their disposition
  - n. Modify Claims Entry processes including Internal, External, and OCR processes
  - o. Modify Claim Correction to handle ICD-10

**Xerox Amendment 7**  
**Appendix A.12**  
**NH MMIS System Enhancements to Meet Federal Requirements**

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- p. Update Reference Management to include storage, update, and online access to ICD-10 codes
  - q. Update remittance Advice reporting
  - r. Update data replication, reporting repository, and reports as required
  - s. Create ICD-10 centric system rules for the Surveillance Utilization Review System (SURS) and Fraud Analytics Detection System (FADS) to support appropriate peer reviews and audit analytics
  - t. Update and test all external data interface file exchanges to appropriately recognize and support ICD-9 and ICD-10 data
  - u. Modify, validate, and test other external trading partner interfaces that include ICD diagnosis or surgery procedure codes.
  - v. Update system design, interface specifications, other documentation and procedure manuals to support changes
5. Execute and support the State's participation in parallel testing, system integration testing, user acceptance testing, and trading partner end to end transaction testing
6. Participate with and provide requisite technical support to the State in meeting CMS's expectations for project meetings, testing, and other ICD-10 project related activities.
7. Coordinate and communicate testing and implementation activities with external trading partners, including NH Medicaid providers

**Update June 2014:** On April 1, 2014 Bill 4302 (Protecting Access to Medicare Act of 2014) was signed stating that any HIPAA covered entity will continue to use ICD-9 through September 30, 2015. The DHHS Secretary adopted the extension of ICD-10 until October 1, 2015. In accordance with CMS and industry guidance, New Hampshire intends to continue full support of our current development and deployment strategy for ICD-10. However, we will extend the internal testing schedule by 4 weeks in SIT, QA and UAT over our initial estimates to allow for additional validation of the changes made. Two phases of end to end Trading Partner Testing will be offered to the New Hampshire community. Phase one of Trading Partner Testing is estimated to begin on October 6, 2015 through December 31, 2014 and phase two of trading partner testing will be from April 1, 2015 through August 1, 2015 in order to work with our providers in a smooth transition to the new code sets. Upon trading partner testing completion, Xerox will perform a full regression of ICD-10 with the most recent MMIS deployment to validate the ICD-10 changes are not impacted.

**Xerox Amendment 7**  
**Appendix A.12**  
**NH MMIS System Enhancements to Meet Federal Requirements**

**ICD-10 Deliverables / Payment Schedule (Updated June 2014):**

Activity	Milestone or Deliverable	Start	Finish	Cost
Acquire Software License	Licenses Acquired and Applied	2/1/2014	4/12/2014	\$2,281,482
<b>Phase I – Requirements Analysis (ICD-10 Phase I)</b>				
Tool Installation	Tool installed and ready to use	3/12/2014	6/13/2014	\$1,977,211
Requirements Elaboration	JAD Sessions - Requirement Doc Approved	3/17/2014	6/26/2014	\$329,535
Technical Consulting	Requirements Technical Consulting Completed	3/12/2014	6/26/2014	\$80,000
	<b>Phase I Subtotal:</b>			<b>\$2,386,746</b>
<b>Phase II – Design (ICD-10 Phase I)</b>				
Technical Design	Updated DSD Chapters	4/23/2014	6/30/2014	\$1,235,757
Technical Consulting	Design Technical Consulting Completed	4/23/2014	6/30/2014	\$70,000
	<b>Phase II Subtotal:</b>			<b>\$1,305,757</b>
<b>Phase III – Configuration, Modification, Development / Construction (ICD-10 Phase I)</b>				
Coding	Code Complete	4/28/2014	6/30/2014	\$1,029,797
Unit Testing	Unit Test Complete	4/28/2014	6/30/2014	in Dev Int Test
Data Configuration	Data Configuration Complete	4/23/2014	6/09/2014	in Dev Int Test
Dev Integration Testing	Dev Integration Testing Complete	5/15/2014	6/30/2014	\$1,029,797
Technical Consulting	Configuration Technical Consulting Completed	4/28/2014	6/30/2014	\$70,000
	<b>Phase III Subtotal:</b>			<b>\$2,129,594</b>
<b>Phase IV – System Integration Testing (ICD-10 Phase I)</b>				
System Test Preparation	System Test Environment Ready	5/06/2014	6/26/2014	\$267,748
System Test Planning	System Test Plan	5/19/2014	6/09/2014	in SIT Execution
SIT Execution	System Integration Test Complete	6/4/2014	9/16/2014	\$803,242
Technical Consulting	SIT Technical Consulting Completed	5/06/2014	9/16/2014	\$70,000
	<b>Phase IV Subtotal:</b>			<b>\$1,140,990</b>
<b>Phase V – User Acceptance Testing (ICD-10 Phase I)</b>				
UAT Test Preparation	UAT Environment Ready	8/26/2014	10/05/2014	in UAT Execution
UAT Test Planning	UAT Test Plan	8/26/2014	10/05/2014	in UAT Execution

Contractor Initials: DMH

Date: 6/10/2014

**Xerox Amendment 7**  
**Appendix A.12**  
**NH MMIS System Enhancements to Meet Federal Requirements**

UAT Execution (State)	UAT Test Complete	10/06/2014	12/05/2014	\$659,070
Technical Consulting	UAT Technical Consulting Completed	8/26/2014	12/05/2014	\$70,000
	<b>Phase V Subtotal:</b>			<b>\$729,070</b>
<b>Phase VI – Training (ICD-10 Phase I)</b>				
Training Plan / Materials	Updated Training Plan / Materials	3/26/2014	10/03/2014	in Tech Design
Technical Consulting	Training Technical Consulting Completed	3/26/2014	10/03/2014	\$70,000
	<b>Phase VI Subtotal:</b>			<b>\$70,000</b>
<b>Phase VII – Implementation (ICD-10 Phase I)</b>				
Production Release	Production Implemented PIR Complete	12/03/2014	12/18/2014	\$906,222
	<b>Phase VII Subtotal:</b>			<b>\$906,222</b>
<b>Phase VIII – Implementation (ICD-10 Phase II)</b>				
Reporting Repository, ICD-10 Code Map Adjustments	Development, Configuration, Testing, Implementation Complete	6/09/2014	12/31/2014	\$257,202
Technical Consulting	Phase II Technical Consulting Completed	6/09/2014	12/31/2014	\$70,000
	<b>Phase VIII Subtotal:</b>			<b>\$327,202</b>
<b>Phase IX – Implementation (ICD-10 Phase III)</b>				
Acquire Avior Software License for Second Year	License Acquired and Applied	1/1/2015	1/31/2015	\$103,400
Extended Trading Partner Testing	Trading Partner Testing Complete	1/1/2015	8/5/2015	\$375,893
Technical Consulting	Phase III Technical Consulting Completed	1/1/2015	9/8/2015	\$125,000
Regression Testing	Full Regression Test Completed with Latest MMIS Release	8/6/2015	9/8/2015	\$161,097
	<b>Phase IX Subtotal:</b>			<b>\$765,390</b>
<b>NH ICD-10 Phases I, II and III Total Cost:</b>				<b>\$12,042,453</b>

**Xerox Amendment 7**  
**Appendix A.13**  
**NH MMIS System Enhancements for the NH Health Protection Plan**

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New Hampshire Medicaid Management Information System (MMIS) requires enhancements to meet state and/or federal requirements for the New Hampshire Health Protection Program. Implementation of the program requires new member categories of eligibility and new benefit coverage based on State benchmarked Essential Health Benefits (EHB). These benefits must provide coverage equivalent to a widely provided commercial health plan with services in each of ten categories. Because some of these services are not currently covered by the New Hampshire State Plan, the MMIS must support the enrollment of new provider types who would be providing these new services and must process claims for those services, and issue payment. In addition, new interfaces, changes to existing interfaces, new reports and changes to existing reports are required.

Although the MMIS is highly configurable, the Health Protection Program represents a major change to the system and will require programming as well as configuration. The magnitude of the development effort is greater due to the compressed time schedule, as shown by the table below:

<b>Activity</b>	<b>Start Date</b>
Enroll New Provider Types	June 30, 2014
Enroll Members in NHHPP Benefit Plans	July 15, 2014
Adjudicate Claims for New Benefit Plan	August 15, 2014
Produce Required Federal Reporting	September 30, 2014
Federal Reporting, EFADS, Other Non-Critical Path Changes Agreed to Implement	November 28, 2014

In order to support the healthcare services of this new population, Xerox has analyzed the impact of the program on the various modules of the MMIS. The activities to be performed for each module are detailed below:

Provider (due 06/30/2014)

- Provider Module Updates –new provider types will be required to provide service including Chiropractor and Substance Use Disorder (SUD). This will require additional provider enrollments. These provider types can be added through enhanced configuration in the Provider Enrollment User Interface. They will not require changes to the provider enrollment forms nor will they have distinctive enrollment processes or requirements. Enrollment credentialing and approval criteria will be updated for these provider types.
- Provider Billing Manuals and Updates – Changes will be made to provider manuals due to the need to document and communicate any differences in policy and coverage between the NHHPP and the

**Xerox Amendment 7**  
**Appendix A.13**  
**NH MMIS System Enhancements for the NH Health Protection Plan**

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traditional Medicaid program. Thirty days (30) after the State finalizes scope of benefits for NHHPP, two new provider manuals will be delivered. The two new manuals will be for Chiropractors and Substance Use Disorder providers. A third manual that will be revised is the General Billing Manual. The changes required will be made against the preliminary version of the General Billing Manual. The revised General Billing Manual will be submitted for approval as the final General Billing Manual under this project.

Member and Benefit Plan Coverage (due 07/15/2014)

- Configuration and testing of a new fee for service Alternative Benefit Plan is required to support member enrollment. There will need to be one (1) additional benefit plan configured.
- Changes to the member eligibility and enrollment interfaces from the New HEIGHTS system to receive data on the newly eligible Health Protection Plan members.
- New Member Categories of Eligibility (COE)s and Special Eligibility will require mapping to the new benefit plan established above and/or to existing benefit plans. Updates will be made to the control mapset to correctly map the new eligibility groups to benefit plans.
- Prepare and deliver Medicaid ID cards to all appropriate Health Protection Program members.
- Eligibility Inquiries and Responses – Configuration changes must be made to the 270/271 Eligibility transaction, eligibility verification system, and automated voice response when explicit eligibility requests are received, to return an appropriate response for eligibility for the services not currently covered within traditional Medicaid coverage.

PBM Interface (due 07/15/2014)

- Changes to the member eligibility interface with the Pharmacy Benefits Management (PBM) System to allow Health Protection Program members to access the pharmacy benefit.

Claims Processing (due 08/15/2014)

- Benefit Plan and Rules Management changes required to support service coverage under the fee for service Alternative Benefit Plan for Health Protection Program members.
- Category of Service – The new services will require mapping into either existing or new categories of service.
- New fund codes and fund code assignment criteria must be configured. Enhanced funding for services provided to Health Protection Plan members must be associated to claims, premium payments and capitation payments.
- Health Protection Plan members will be enrolled in their respective Managed Care Plan.
- Capitation pricing logic and rate cohort maps will be configured so that rates for Health Protection Plan members enrolled in Care Management plans are assigned correctly.
- The 834 enrollment transaction process will be updated to include the additional valid values (such valid values do not include changes in format of the record) and identify Health Protection Plan members, including the medically frail, and will generate an appropriate 834 to the proper MCO.

**Xerox Amendment 7**  
**Appendix A.13**  
**NH MMIS System Enhancements for the NH Health Protection Plan**

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- Reference Updates – Reference data for new procedures, revenue codes, diagnosis codes for any new services covered under the Alternative Benefit Plans will need to be configured, including limits and rates. Testing of the new codes will be conducted to ensure that they are configured appropriately.
- Claims Exception Rules – This will require additional rules or modification of existing rules for configuration of new or modified edits for the new services, new provider types. This could include constraints of Service to Provider Specialty edits for the new services.
- Service Authorization Updates– Benefit Plan service authorization criteria will be configured for any of the new services that require authorization.

Third Party Liability (TPL) (due 07/15/2014)

- Develop, test, and implement interface and business processes with Health Insurance Premium Payment third party administrator to establish TPL coverage.
- Modify the TPL Cost Avoidance Matrix to reflect changes related to the new services covered by the Alternative Benefit Plan.

Reporting and Interfaces (due 09/30/2014)

- Reports related to federal funding will be updated to appropriately recognize the new fund codes and represent the appropriate Federal Medical Assistance Percentage (FMAP).
- Many report related changes including accurately grouping and reporting the new populations and funding. Additionally, new reports need to be created. Financial reports will need to properly track all FMAP expenditures.
- Operational Reporting changes will be performed to incorporate new COE, benefits, populations, etc.
- Existing Views/Packages in the Claims data mart will be reviewed for impact and any necessary changes implemented.
- Management Administrative Reporting (MAR) and Fraud Abuse Detection (FAD) Reporting enhancements must be enhanced to correctly assign member data and expenditure data for the new Health Protection Population to federal and state reporting.
- MAR Large impact to Federal Reporting, as FMAP/financial reporting will be enhanced to appropriately track and claim the evolving FMAP for this population. Health Protection Plan related claims, premiums and capitated payments will need to be allocated to the proper funding lines.
- FAD – Existing reporting requires enhancement to correctly include and review the new services, provider types, and potentially place of service changes, etc. to accommodate the expanded coverage required under the essential health benefits provision.
- Existing data file exchanges and interfaces will be reviewed and analyzed. This includes such interfaces as County Billing, PBM, Bridges, etc. The new population will either be included or excluded as appropriate from these interfaces based on State guidance. System list and technical changes are required for this modification.
- Documentation and Publication: Updates to documentation and publications across the system, including the public facing portions of the web portal and provider notification bulletins.

**Xerox Amendment 7**  
**Appendix A.13**  
**NH MMIS System Enhancements for the NH Health Protection Plan**

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Infrastructure Hardware and Software (due 08/15/2014)

- Infrastructure and Hardware: Increase in traffic requires planning for both the increase in processing as well as the increase in data consumption. Expect increases in the following areas:
  - Electronic Data Interchange
  - Member Eligibility/Enrollment Processes
  - Third Party Liability
  - Claims
  - Payment/Financial Processing
  - Contact Management
  - Data Replication
  - Reporting
  - Auditing
  - Electronic Document Management System
  - Service Authorization
  - Provider
  - Reference

*The addition of four (4) IBM p740 2x8 cores / 256 GB RAM servers is needed to accommodate the increased volume due to Medicaid Expansion. The list of software components that will be on the servers is below.*

IBM Power VM Enterprise Edition (*)
IBM AIX Enterprise Edition (*)
IBM GPFS server (*)
Backup SW (NBU license)
Backup SW (maintenance)
Control-M/Enterprise Manager
Control-M/Enterprise Manager maint.
CONTROL-M for Distributed Systems CONTROL-M/Agent for AIXWorkgroup TIER 1-2 Processors
CONTROL-M for Distributed Systems CONTROL-M/Agent for AIXWorkgroup TIER 1-2 Processors Maint.
Blaze Advisor (Health Enterprise)
IBM WS Process Server
IBM WS Process Server
IBM Websphere application server network deployment processor value unit (PVU) license

Contractor Initials: SMH

Date: 6/10/2014

**Xerox Amendment 7**  
**Appendix A.13**  
**NH MMIS System Enhancements for the NH Health Protection Plan**

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Business Consulting Assistance

To support the above effort, the Xerox Payment Method Development team (PMD) will provide consultation and support to the Department business team during New Hampshire Health Projection Program (NHHPP) MMIS systems design, testing and implementation. This support will be provided from June 1, 2014 through October 31, 2014.

- PMD will designate a project director from the PMD team, and will call on other members of the PMD team for input and support as needed within the scope of this agreement. PMD consultants will be on hand in Concord for project meetings as required to provide support to the Department business team, and to act as a conduit of information between the technical team, the business team and the executive team. PMD staff will share all recommendations with the Department and obtain Department approval prior to implementation of any policy changes.
- PMD staff will participate in all planning and design meetings, and provide the Department with recommendations on NHHPP MMIS systems issues as they impact Department policies and priorities. For the purposes of this project, PMD staff will act to supplement Department staff capabilities in reviewing the system impacts resulting from the project. This shall include assisting the Department staff in implementing the MMIS related components of the NHHPP program based on the design of benefit plans, eligibility categories and provider payment methods already established.
- PMD will provide regularly scheduled updates on the HPP project to the Medicaid Director and other Department leadership. All policy decisions will be reviewed and finalized with the Medicaid Director.
- PMD will assist the Department business team with preparing and documentation related to the business requirements to be executed via the MMIS including changes to provider billing manuals.

Operations

Due to the increase in members and anticipated increase in call volume and claims review, there is a need for 2 additional call center representatives, 1 additional claims specialist and 1 additional QA specialist.

**Xerox Amendment 7**  
**Appendix A.13**  
**NH MMIS System Enhancements for the NH Health Protection Plan**

**PRICING**

**1. Design, Development, and Implementation Payment Milestones:**

Activity	Payment Milestone	% Payment	Payment
Enroll New Provider Types	June 30, 2014	10	\$185,061
Enroll Members in New Benefit Plan	July 15, 2014	15	\$277,591
Adjudicate Claims for New Benefit Plan	August 15, 2014	30	\$555,182
Non-Federal Reports, Claims Data Mart	September 30, 2014	25	\$462,652
Federal Reporting, EFADS, Other Non-Critical Path Changes Agreed to Implement	November 28, 2014	20	\$370,121
<b>Total:</b>			<b>\$1,850,607</b>

**2. Infrastructure Hardware and Software**

The infrastructure price is as follows:

- Server Set up and installation: \$282,330
- Software License Fees: \$790,850
- Ongoing License Fees and Support: The operational costs for IT support are related to the support the account receives from the Xerox Information Technology Office and are specifically related to the addition of 4 new servers. The support includes Physical Support, Storage Support, Server Support, and Hosting.

	IT Support	License Fees	Total
<b>June 2014 - March 2015:</b>	\$111,899	\$91,398	\$203,297
<b>April 2015 - March 2016:</b>	\$264,417	\$365,595	\$630,012
<b>April 2016 - March 2017</b>	\$264,417	\$365,595	\$630,012
<b>April 2017 - March 2018:</b>	\$264,417	\$365,595	\$630,012
		<b>Total:</b>	<b>\$2,093,333</b>

Contractor Initials: DMH

Date: 6/10/2014

**Xerox Amendment 7**  
**Appendix A.13**  
**NH MMIS System Enhancements for the NH Health Protection Plan**

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**3. Fiscal Agent Staff Increase:**

<b>June 2014 - March 2015:</b>	<b>\$238,383</b>
<b>Total:</b>	<b>\$238,383</b>

Contractor Initials: DMH

Date: 01/10/2014

Amendment 7 Appendix A.2  
Deliverable List and Payment Schedule

Ref #	Deliverable	Amend 6 Delivery Date	Amend 7 Revised Delivery Date	Amend 6 Invoice Date	Amend 7 Revised Invoice Date	Payment Amount	Holdback %	Holdback Amount	Payment less 15% holdback	Holdback Release Amt	Retained Holdback	Holdback Amount	Retained Amount
<b>Project Initiation and Planning</b>													
1	Concord, NH DDI Project Site Requirement	02/22/06	comp	04/11/06	comp	\$1,869,102.55	15%	\$280,365.38	\$1,588,737.17	\$0.00	\$0.00	\$1,588,737.17	\$280,365.38
2	Project Management Plan	01/30/06	comp	03/21/06	comp	\$1,810.50	15%	\$1,810.50	\$1,529.50	\$0.00	\$0.00	\$1,529.50	\$1,810.50
3	Detailed Project Work Plan	09/19/06	comp	08/03/07	comp	\$137,077.00	15%	\$20,666.55	\$117,110.45	\$0.00	\$0.00	\$117,110.45	\$20,666.55
4	Problem Control and Change Management Plan	02/02/06	comp	03/21/06	comp	\$1,810.50	15%	\$1,810.50	\$1,529.50	\$0.00	\$0.00	\$1,529.50	\$1,810.50
5	Project Communication Plan	02/02/06	comp	03/21/06	comp	\$1,810.50	15%	\$1,810.50	\$1,529.50	\$0.00	\$0.00	\$1,529.50	\$1,810.50
6	Quality Assurance Plan	02/02/06	comp	03/21/06	comp	\$1,810.50	15%	\$1,810.50	\$1,529.50	\$0.00	\$0.00	\$1,529.50	\$1,810.50
7	Requirements Traceability Matrix	01/24/06	comp	04/11/06	comp	\$42,452.00	15%	\$6,367.80	\$36,084.20	\$0.00	\$0.00	\$36,084.20	\$6,367.80
8	Weekly Project Status Reports	02/07/06	comp	03/21/06	comp	\$139,277.00	15%	\$20,891.55	\$118,385.45	\$0.00	\$0.00	\$118,385.45	\$20,891.55
9	(DIS) w/quarterly updates	02/02/06	comp	03/21/06	comp	\$21,014.00	15%	\$3,152.10	\$17,861.90	\$0.00	\$0.00	\$17,861.90	\$3,152.10
10	Performance Self-Reporting Mechanism-Monthly	03/14/06	comp	04/11/06	comp	\$55,024.00	15%	\$8,253.60	\$46,770.40	\$0.00	\$0.00	\$46,770.40	\$8,253.60
11	Preliminary CMS Certification Process Plan	01/24/06	comp	03/21/06	comp	\$12,075.00	15%	\$1,811.25	\$10,263.75	\$0.00	\$0.00	\$10,263.75	\$1,811.25
<b>Total Project Initiation and Planning Cost</b>						<b>\$2,325,001.55</b>	<b>15%</b>	<b>\$348,750.23</b>	<b>\$1,976,251.32</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,976,251.32</b>	<b>\$348,750.23</b>
<b>Requirements Analysis and Validation</b>													
12	Requirements Validation Specification	05/18/06	comp	06/12/06	comp	\$6,306,860.00	15%	\$946,029.00	\$5,360,831.00	1%	\$63,068.60	\$5,423,899.60	\$882,960.40
13	Issues Tracking and Resolution Document	02/01/06	comp	03/21/06	comp	\$52,132.00	15%	\$7,819.80	\$44,312.20	1%	\$521.32	\$44,833.52	\$7,298.48
14	Preliminary Test Plan	08/03/06	comp	09/19/06	comp	\$10,801.20	15%	\$1,620.18	\$9,181.02	1%	\$720.08	\$9,901.10	\$1,081.12
15	Preliminary Training Plan	10/17/07	comp	10/17/07	comp	\$48,653.00	15%	\$7,297.95	\$41,355.05	1%	\$486.53	\$41,841.58	\$6,811.42
16	Preliminary Conversion/Migration Plan	06/06/06	comp	08/07/06	comp	\$93,375.00	15%	\$14,006.25	\$79,368.75	1%	\$933.75	\$80,302.50	\$13,072.50
17	Preliminary Disaster Recovery Plan	01/23/06	comp	03/21/06	comp	\$106,791.00	15%	\$16,018.65	\$90,772.35	1%	\$1,067.91	\$91,840.26	\$14,950.74
<b>Total Requirements Analysis and Validation</b>						<b>\$6,679,819.00</b>	<b>15%</b>	<b>\$1,001,972.85</b>	<b>\$5,677,846.15</b>	<b>1%</b>	<b>\$66,798.19</b>	<b>\$5,744,644.34</b>	<b>\$935,174.66</b>
<b>Design</b>													
18	General System Design	05/15/07	comp	06/08/07	comp	\$2,813,754.00	15%	\$422,063.10	\$2,391,690.90	2%	\$56,275.08	\$2,447,965.98	\$385,788.02
19	Detailed System Design Group 1	02/08/08	comp	02/08/08	comp	\$1,303,702.44	15%	\$195,553.37	\$1,108,147.07	2%	\$26,074.05	\$1,134,221.12	\$169,481.32
20	Detailed System Design Group 2	03/06/08	comp	03/14/08	comp	\$1,303,702.44	15%	\$195,553.37	\$1,108,147.07	2%	\$26,074.05	\$1,134,221.12	\$169,481.32
21	Detailed System Design Group 3	06/11/08	comp	06/11/08	comp	\$1,303,702.44	15%	\$195,553.37	\$1,108,147.07	2%	\$26,074.05	\$1,134,221.12	\$169,481.32
22	Test Environment Preparation	02/01/07	comp	01/29/07	comp	\$104,082.00	15%	\$15,612.30	\$88,469.70	2%	\$2,081.64	\$90,551.34	\$13,530.66
23	Provider Operations Plan	05/31/14	06/30/14	06/30/14	06/30/14	\$30,000.00	15%	\$4,500.00	\$25,500.00	2%	\$600.00	\$26,100.00	\$4,200.00
24	Preliminary Operations Plan	04/19/06	comp	05/05/06	comp	\$110,391.00	15%	\$16,558.65	\$93,832.35	2%	\$2,207.82	\$96,040.17	\$15,454.74
25	Preliminary MMS Implementation Plan	01/28/06	comp	08/07/06	comp	\$84,422.00	15%	\$12,663.30	\$71,758.70	2%	\$1,684.12	\$73,442.82	\$11,068.78
26	Preliminary Contingency Plan	05/02/08	comp	05/02/08	comp	\$47,566.00	15%	\$7,134.90	\$40,431.10	2%	\$951.32	\$41,382.42	\$6,163.58
27	Finalized Disaster Recovery Plan	05/31/14	06/30/14	06/30/14	06/30/14	\$84,206.00	15%	\$12,630.90	\$71,575.10	2%	\$1,684.12	\$73,259.22	\$10,946.78
65a	MMS Change Order Analysis-DSD Update Gp 1-7	12/07/12	comp	05/28/13	comp	\$404,429.00	15%	\$60,664.35	\$343,764.65	2%	\$8,088.58	\$351,853.23	\$52,575.77
65b	MMS Change Order Analysis-DSD Update Gp 8-9	01/06/13	comp	05/28/13	comp	\$16,851.00	15%	\$2,527.65	\$14,323.35	2%	\$337.02	\$14,660.37	\$2,190.63
66a	Archive Claims Retrieval Solution	03/16/12	comp	04/20/12	comp	\$7,656,014.32	15%	\$1,148,402.15	\$6,507,612.17	2%	\$153,120.29	\$6,660,732.46	\$995,281.86
<b>Total Design</b>						<b>\$7,656,014.32</b>	<b>15%</b>	<b>\$1,148,402.15</b>	<b>\$6,507,612.17</b>	<b>2%</b>	<b>\$153,120.29</b>	<b>\$6,660,732.46</b>	<b>\$995,281.86</b>
<b>Construction and Unit Testing</b>													
29a	Functional Test Summary Iteration 1a	06/24/09	comp	06/30/09	comp	\$651,851.27	15%	\$97,777.68	\$554,073.59	2%	\$13,037.02	\$567,110.56	\$84,740.66
29b	Functional Test Summary Member Function	10/03/12	comp	11/02/12	comp	\$357,518.17	15%	\$53,627.73	\$303,890.44	2%	\$7,170.36	\$311,010.80	\$46,607.36
29c	Functional Test Summary Non-Functional Req.	10/03/12	comp	11/02/12	comp	\$357,518.17	15%	\$53,627.73	\$303,890.44	2%	\$7,170.36	\$311,010.80	\$46,607.36
30a	Functional Test Summary Operations Functions	12/07/12	comp	01/07/13	comp	\$1,466,665.40	15%	\$219,999.81	\$1,246,665.59	2%	\$29,333.31	\$1,275,998.90	\$190,666.50
30b	Functional Test Summary Program Functions	10/03/12	comp	11/02/12	comp	\$1,140,739.60	15%	\$171,110.94	\$969,628.66	2%	\$22,814.79	\$992,443.45	\$148,296.15
30c	Functional Test Summary Provider Functions	10/03/12	comp	11/02/12	comp	\$130,370.24	15%	\$19,555.54	\$110,814.70	2%	\$2,607.40	\$113,422.11	\$16,948.13
30d	Functional Test Summary Security Functions	10/03/12	comp	11/02/12	comp	\$65,185.12	15%	\$9,777.77	\$55,407.35	2%	\$1,303.70	\$56,711.05	\$8,474.07
31	Functional Test Results												
32	Integration and System Test Scripts												
33	MMS Change Orders # 2	11/30/14	comp	12/31/14	comp	\$96,830.00	15%	\$14,524.50	\$82,305.50	2%	\$1,936.60	\$84,242.10	\$12,587.90
33a	New PBM Interface Design and Construction	11/05/12	comp	09/17/13	comp	\$25,000.00	15%	\$3,750.00	\$21,250.00	2%	\$500.00	\$21,750.00	\$3,250.00
33b	Change Orders A.8	05/25/12	comp	06/29/12	comp	\$51,480.00	15%	\$7,722.00	\$43,758.00	2%	\$1,029.60	\$44,787.60	\$6,692.40
34	Preliminary Provider Handbooks	05/31/14	06/30/14	06/30/14	06/30/14	\$160,143.00	15%	\$24,021.45	\$136,121.55	2%	\$3,202.86	\$139,324.41	\$20,818.59
35a	Finalized MMS Implementation Plan-Provider Enroll	07/11/12	comp	08/10/12	comp	\$49,488.33	15%	\$7,423.25	\$42,065.08	2%	\$989.77	\$43,054.85	\$6,433.48
35b	Finalized MMS Implementation Plan-MMS	01/06/13	comp	09/17/13	comp	\$98,976.67	15%	\$14,846.50	\$84,130.17	2%	\$1,979.53	\$86,109.70	\$12,866.97
36	Finalized Integration and System Test Plan	06/24/09	comp	06/24/09	comp	\$21,263.55	15%	\$3,189.53	\$18,074.02	2%	\$423.25	\$18,497.27	\$2,750.75
37	Finalized Contingency Plan	05/31/14	06/30/14	06/30/14	06/30/14	\$148,465.00	15%	\$22,269.75	\$126,195.25	2%	\$2,835.14	\$129,030.39	\$19,365.15
38	Finalized Operations/Migration Plan	11/05/12	comp	05/28/13	comp	\$114,676.00	15%	\$17,201.40	\$97,474.60	2%	\$2,293.52	\$99,768.12	\$14,907.88
39	Finalized Security Plan	05/31/14	06/30/14	06/30/14	06/30/14	\$49,647.00	15%	\$7,447.05	\$42,199.95	2%	\$992.94	\$43,192.89	\$6,454.11
40	Finalized Security Plan	01/06/13	comp	09/17/13	comp	\$48,553.00	15%	\$7,282.95	\$41,270.05	2%	\$971.06	\$42,241.11	\$6,311.89
<b>Total Construction and Unit Testing</b>						<b>\$4,896,123.43</b>	<b>15%</b>	<b>\$734,418.51</b>	<b>\$4,161,704.92</b>	<b>2%</b>	<b>\$97,922.47</b>	<b>\$4,259,627.39</b>	<b>\$636,496.05</b>
<b>Integration and System Testing</b>													
41a	Integration and System Test Summary Iteration 1a	08/02/10	comp	09/07/10	comp	\$651,851.22	15%	\$97,777.68	\$554,073.54	2%	\$13,037.02	\$567,110.56	\$84,740.66
41b	Integration and System Test Summary Member Functions	03/27/13	comp	06/12/13	comp	\$195,553.36	15%	\$29,333.30	\$166,220.06	2%	\$3,911.11	\$170,131.16	\$25,422.20
41c	Integration and System Test Summary Non-Functional Req.	03/27/13	comp	06/12/13	comp	\$195,553.36	15%	\$29,333.30	\$166,220.06	2%	\$3,911.11	\$170,131.16	\$25,422.20
42a	Integration and System Test Summary Operations Functions	03/27/13	comp	06/12/13	comp	\$1,434,072.60	15%	\$215,110.89	\$1,218,961.71	2%	\$26,681.45	\$1,245,643.16	\$186,429.44
42b	Integration and System Test Summary Program Functions	03/27/13	comp	06/12/13	comp	\$1,336,295.00	15%	\$200,444.25	\$1,135,850.75	2%	\$26,725.90	\$1,162,576.65	\$173,718.35
42c	Integration and System Test Summary Provider Functions	03/27/13	comp	06/12/13	comp	\$195,553.36	15%	\$29,333.30	\$166,220.06	2%	\$3,911.11	\$170,131.16	\$25,422.20
42d	Integration and System Test Summary Security Functions	03/27/13	comp	06/12/13	comp	\$65,185.12	15%	\$9,777.77	\$55,407.35	2%	\$1,303.70	\$56,711.05	\$8,474.06
65c	Integration and System Test Summary Changes 1-7	03/27/13	comp	06/12/13	comp	\$885,504.00	15%	\$132,825.60	\$752,678.40	2%	\$17,710.08	\$770,388.48	\$115,115.52
65d	Integration and System Test Summary Iteration 6	11/30/14	11/30/14	12/31/14	12/31/14	\$36,896.00	15%	\$5,534.40	\$31,361.60	2%	\$737.92	\$32,099.52	\$4,796.48

Amendment 7 Appendix A.2  
Deliverable List and Payment Schedule

Rel. #	Deliverable	Amend 6 Delivery Date	Amend 6 Revised Invoice Date	Amend 7 Invoice Date	Amend 7 Revised Invoice Date	Payment Amount	Holdback %	Holdback Amount	Payment less 15% Holdback	Holdback Release %	Holdback Release Amount	Payment with Holdback Release Amt	% Retained Holdback	Retained Amount
43	Integration and System Tests													
44	X12N EDI Companion Guides	11/05/12	05/28/13	05/28/13	06/30/14	\$7,300.80	15%	\$1,095.12	\$6,205.68	2%	\$124.11	\$6,329.79	13%	\$832.37
45	Provider Status Evaluation	05/31/14	06/30/14	06/30/14	06/30/14	\$1,490.60	15%	\$223.59	\$1,267.01	2%	\$25.34	\$1,292.35	13%	\$166.00
46	Preliminary Converted Files	01/06/13	05/28/13	05/28/13	06/30/14	\$8,791.50	15%	\$1,318.73	\$7,472.77	2%	\$112.09	\$7,584.86	13%	\$995.52
47	Revised Detailed System Design	01/06/13	05/28/13	05/28/13	06/30/14	\$12,369.15	15%	\$1,855.37	\$10,513.78	2%	\$158.72	\$10,672.50	13%	\$1,393.93
48	Acceptance Test Plan	11/05/12	05/28/13	05/28/13	06/30/14	\$82,461.00	15%	\$12,369.15	\$70,091.85	2%	\$1,149.22	\$71,241.07	13%	\$9,171.93
49	Acceptance Test Tracking System	11/05/12	05/28/13	05/28/13	06/30/14	\$48,672.00	15%	\$7,299.30	\$41,372.70	2%	\$520.68	\$41,903.38	13%	\$5,253.70
50	Finalized Training Plan	05/31/14	06/30/14	06/30/14	06/30/14	\$36,249.00	15%	\$5,437.35	\$30,811.65	2%	\$393.98	\$31,205.63	13%	\$3,973.37
51	Training Materials & Manuals - Provider Enrollment	12/05/11	03/30/12	03/30/12	06/30/14	\$16,061.76	15%	\$2,409.26	\$13,652.50	2%	\$171.87	\$13,824.37	13%	\$1,768.03
52	Training Materials & Manuals - MMIS	05/31/14	06/30/14	06/30/14	06/30/14	\$4,891.54	15%	\$733.73	\$4,157.81	2%	\$522.20	\$4,680.01	13%	\$598.03
53	Total Integration and System Testing					\$5,235,447.20	15%	\$785,017.08	\$4,450,430.12	2%	\$104,668.94	\$4,555,099.06	13%	\$580,430.12
53	Conversion													
53	Conversion Test Results	03/27/13	05/28/13	05/28/13	06/30/14	\$9,093.30	15%	\$1,364.00	\$7,729.30	1%	\$606.22	\$8,335.52	14%	\$1,073.28
53	Total Conversion					\$9,093.30	15%	\$1,364.00	\$7,729.30	1%	\$606.22	\$8,335.52	14%	\$1,073.28
54	Acceptance Test													
54	Acceptance Test Resolutions Document	05/31/14	06/30/14	06/30/14	06/30/14	\$22,174.35	15%	\$3,326.15	\$18,848.20	1%	\$1,478.29	\$20,326.49	14%	\$2,627.75
55	MMIS Change Order Acceptance Test	03/27/13	06/12/13	06/12/13	06/30/14	\$188,136.00	15%	\$28,220.40	\$160,000.00	1%	\$12,542.40	\$172,542.40	14%	\$22,542.40
55	Operational Readiness Report	05/31/14	06/30/14	06/30/14	06/30/14	\$4,826.25	15%	\$723.94	\$4,102.31	1%	\$321.75	\$4,424.06	14%	\$584.11
56	Program Expansion Enhancements	11/30/14	12/31/14	12/31/14	12/31/14	\$5,825.60	15%	\$873.84	\$4,951.76	1%	\$395.04	\$5,346.80	14%	\$706.76
57	Finalized MMIS Provider Handbooks	05/31/14	06/30/14	06/30/14	06/30/14	\$39,305.00	15%	\$5,895.75	\$33,409.25	1%	\$2,613.05	\$36,022.30	14%	\$4,739.35
57	Total Acceptance Test					\$1,513,053.00	15%	\$226,957.95	\$1,286,095.05	1%	\$15,130.53	\$1,301,225.58	14%	\$176,095.05
58	Implementation													
58	Finalized CMS Certification Process Plan	05/31/14	06/30/14	06/30/14	06/30/14	\$84,209.00	15%	\$12,631.35	\$71,577.65	1%	\$842.09	\$72,419.74	13%	\$9,281.65
59	Archive Claims Retrieval Solution	05/31/14	06/30/14	06/30/14	06/30/14	\$114,924.00	15%	\$17,238.60	\$97,685.40	1%	\$1,149.24	\$98,834.64	14%	\$12,885.40
59	MMIS Systems Documentation	08/31/14	09/30/14	09/30/14	09/30/14	\$47,040.00	15%	\$7,056.00	\$40,000.00	1%	\$3,136.00	\$43,136.00	14%	\$5,664.00
59	MMIS Change Order Readiness & Implementation	06/29/13	06/12/13	06/12/13	06/30/14	\$14,786.25	15%	\$2,217.94	\$12,568.31	1%	\$985.75	\$13,554.06	14%	\$1,768.31
60	Results of Final Conversion	05/31/14	06/30/14	06/30/14	06/30/14	\$91,696.20	15%	\$13,754.43	\$77,941.77	1%	\$893.81	\$78,835.58	14%	\$10,341.77
60	Total Implementation					\$2,857,773.00	15%	\$428,665.95	\$2,429,107.05	1%	\$244,553.53	\$2,673,660.58	14%	\$353,660.58
61	Post-implementation evaluation													
61	Evaluation plan	08/31/14	09/30/14	09/30/14	09/30/14	\$2,629.65	15%	\$394.45	\$2,235.20	1%	\$175.31	\$2,410.51	14%	\$315.70
62	Evaluation report	11/30/14	12/31/14	12/31/14	12/31/14	\$30,575.00	15%	\$4,586.25	\$25,988.75	1%	\$905.75	\$26,894.50	14%	\$3,588.75
63	Corrective action plan	11/30/14	11/30/14	12/31/14	12/31/14	\$27,470.00	15%	\$4,120.50	\$23,349.50	1%	\$274.70	\$23,624.20	14%	\$3,149.50
64	Certification manuals for each required system function, including first run reports for federally-required reports													
64	Total Post-implementation evaluation					\$13,805.00	15%	\$2,070.75	\$11,734.25	1%	\$138.05	\$11,872.30	14%	\$1,540.25
64	Total Post-implementation evaluation					\$89,381.00	15%	\$13,407.15	\$75,973.85	1%	\$893.81	\$76,867.66	14%	\$10,073.85
64	Total BASE SYSTEM					\$29,064,769.50	15%	\$4,359,715.43	\$24,705,054.08	1%	\$445,253.53	\$25,150,307.60	14%	\$3,214,661.90
64	Note:													
64	Note:													
64	Note:													
64	OUTPATIENT PROSPECTIVE PAYMENT SYSTEM Requirements Analysis													
1	Analytical Database	12/09/09	01/27/10	01/27/10	06/30/14	\$7,500.00	15%	\$1,125.00	\$6,375.00	1%	\$500.00	\$6,875.00	14%	\$912.50
2	Requirements Analysis Report 1	12/16/09	01/27/10	01/27/10	06/30/14	\$50,000.00	15%	\$7,500.00	\$42,500.00	1%	\$500.00	\$43,000.00	14%	\$5,600.00
3	Requirements Analysis Report 2	02/16/10	03/17/10	03/17/10	06/30/14	\$60,000.00	15%	\$9,000.00	\$51,000.00	1%	\$600.00	\$51,600.00	14%	\$6,600.00
3	Total Requirements Analysis					\$160,000.00	15%	\$24,000.00	\$136,000.00	1%	\$1,600.00	\$137,600.00	14%	\$17,800.00
4	Business Rules and Design													
4	Business Requirements Document - Report 1	04/01/10	05/07/10	05/07/10	06/30/14	\$10,500.00	15%	\$1,575.00	\$8,925.00	1%	\$700.00	\$9,625.00	14%	\$1,275.00
5	Business Requirements Document - Report 2	05/14/10	06/11/10	06/11/10	06/30/14	\$70,000.00	15%	\$10,500.00	\$59,500.00	1%	\$700.00	\$60,200.00	14%	\$7,800.00
6	Business Requirements Document - Report 3	07/07/10	08/09/10	08/09/10	06/30/14	\$11,250.00	15%	\$1,687.50	\$9,562.50	1%	\$750.00	\$10,312.50	14%	\$1,362.50
6	Total Business Rules and Design					\$215,000.00	15%	\$32,250.00	\$182,750.00	1%	\$2,150.00	\$184,900.00	14%	\$24,512.50
7	Construction													
7	Detailed System Design Update	05/31/14	06/30/14	06/30/14	06/30/14	\$43,650.00	15%	\$6,547.50	\$37,102.50	1%	\$2,910.00	\$39,012.50	14%	\$5,102.50
7	Total Construction					\$291,000.00	15%	\$43,650.00	\$247,350.00	1%	\$2,910.00	\$250,260.00	14%	\$32,910.00
8	Implementation													
8	Implementation Go Live	08/31/14	09/30/14	09/30/14	09/30/14	\$291,000.00	15%	\$43,650.00	\$247,350.00	1%	\$2,910.00	\$250,260.00	14%	\$32,910.00
8	Total Implementation					\$957,000.00	15%	\$143,550.00	\$813,450.00	1%	\$9,570.00	\$823,020.00	14%	\$107,320.00
8	TOTAL OUTPATIENT PROSPECTIVE PAYMENT SYSTEM													
8	ENHANCED ANALYTICS													
1	Requirements and Design													
1	Detailed System Design	05/31/14	06/30/14	06/30/14	06/30/14	\$122,801.00	15%	\$18,420.15	\$104,380.85	1%	\$1,228.01	\$105,608.86	14%	\$13,790.85
1	Total Requirements and Design					\$122,801.00	15%	\$18,420.15	\$104,380.85	1%	\$1,228.01	\$105,608.86	14%	\$13,790.85
1	Construction and User Acceptance Test													

Amendment 7 Appendix A.2  
Deliverable List and Payment Schedule

Ref #	Deliverable	Amend 6 Delivery Date	Amend 6 Revised Invoice Date	Amend 7 Delivery Date	Amend 7 Revised Invoice Date	Payment Amount	Holdback %	Holdback Amount	Payment less 15% Holdback	Holdback Release %	Holdback Release Amount	Payment with Holdback Release Amt	% Retained Holdback	Retained Amount
2	Initiation of UAT	07/01/14	08/01/14	08/01/14	08/01/14	\$204,316.80	15%	\$30,647.52	\$173,669.28	1%	\$1,736.69	\$175,405.97	14%	\$28,604.35
3	Completion of UAT	08/31/14	09/30/14	09/30/14	09/30/14	\$817,267.20	15%	\$122,590.08	\$694,677.12	1%	\$6,946.77	\$701,623.89	14%	\$102,524.90
	<b>Total Construction and Unit Test</b>					<b>\$1,021,584.00</b>	<b>15%</b>	<b>\$153,237.60</b>	<b>\$868,346.40</b>	<b>1%</b>	<b>\$10,215.84</b>	<b>\$878,562.24</b>	<b>14%</b>	<b>\$143,021.76</b>
	<b>Implementation</b>													
4	Completion of Implementation, Data & Report Balancing & Reconciliation	08/31/14	09/30/14	09/30/14	09/30/14	\$119,215.00	15%	\$17,882.25	\$101,332.75	1%	\$1,013.33	\$102,346.08	14%	\$16,690.10
	<b>Total Implementation</b>					<b>\$119,215.00</b>	<b>15%</b>	<b>\$17,882.25</b>	<b>\$101,332.75</b>	<b>1%</b>	<b>\$1,013.33</b>	<b>\$102,346.08</b>	<b>14%</b>	<b>\$16,690.10</b>
	<b>TOTAL DECISION SUPPORT SYSTEM</b>					<b>\$1,263,600.00</b>	<b>15%</b>	<b>\$189,540.00</b>	<b>\$1,074,060.00</b>	<b>1%</b>	<b>\$12,636.00</b>	<b>\$1,086,696.00</b>	<b>14%</b>	<b>\$176,904.00</b>
	<b>5010 Enhancements</b>													
1	Requirements Analysis and Start Up	03/28/12	04/02/12	comp	04/02/12	\$1,777,000.00	15%	\$266,550.00	\$1,510,450.00	0%	\$0.00	\$1,510,450.00	0%	\$0.00
2	Detailed System Design	04/06/12	05/04/12	comp	05/04/12	\$712,500.00	15%	\$106,875.00	\$605,625.00	1%	\$6,056.25	\$611,681.25	14%	\$99,750.00
	<b>Total Requirements and Design</b>					<b>\$2,489,500.00</b>	<b>15%</b>	<b>\$373,425.00</b>	<b>\$2,116,075.00</b>	<b>1%</b>	<b>\$24,895.00</b>	<b>\$2,140,970.00</b>	<b>14%</b>	<b>\$348,530.00</b>
3	Construction and User Acceptance Test	12/07/12	05/28/13	comp	05/28/13	\$1,790,300.00	15%	\$268,545.00	\$1,521,755.00	1%	\$15,217.55	\$1,536,972.55	14%	\$250,642.00
4	Completion of UAT	09/30/14	10/31/14	10/31/14	10/31/14	\$1,828,900.00	15%	\$274,335.00	\$1,554,565.00	1%	\$15,545.65	\$1,570,110.65	14%	\$256,046.00
5	Design, code, unit test, SIT - UAT testing for the COB changes	09/30/14	10/31/14	10/31/14	10/31/14	\$475,000.00	15%	\$71,250.00	\$403,750.00	1%	\$4,037.50	\$407,787.50	14%	\$66,500.00
	<b>Total Construction and Unit Test</b>					<b>\$4,094,200.00</b>	<b>15%</b>	<b>\$614,130.00</b>	<b>\$3,480,070.00</b>	<b>1%</b>	<b>\$40,842.00</b>	<b>\$3,520,912.00</b>	<b>14%</b>	<b>\$573,188.00</b>
	<b>Implementation</b>													
6	Completion of Implementation	10/31/14	11/30/14	11/30/14	11/30/14	\$568,425.00	15%	\$85,263.75	\$483,161.25	1%	\$4,831.61	\$488,000.00	14%	\$79,579.50
	<b>Total Implementation</b>					<b>\$568,425.00</b>	<b>15%</b>	<b>\$85,263.75</b>	<b>\$483,161.25</b>	<b>1%</b>	<b>\$4,831.61</b>	<b>\$488,000.00</b>	<b>14%</b>	<b>\$79,579.50</b>
	<b>TOTAL 5010 Enhancements</b>					<b>\$7,152,125.00</b>	<b>15%</b>	<b>\$1,072,818.75</b>	<b>\$6,079,306.25</b>	<b>1%</b>	<b>\$71,521.25</b>	<b>\$6,150,827.50</b>	<b>14%</b>	<b>\$1,001,297.50</b>
	<b>Managed Care System Enhancement Phase I</b>													
1	Requirements Analysis and Start Up	12/15/12	12/23/12	comp	12/23/12	\$442,250.00	15%	\$66,337.50	\$375,912.50	1%	\$3,759.13	\$379,671.63	14%	\$61,915.00
2	Detailed System Design	12/15/12	12/23/12	comp	12/23/12	\$93,750.00	15%	\$14,062.50	\$79,687.50	1%	\$796.88	\$80,484.38	14%	\$13,125.00
	<b>Total Requirements and Design</b>					<b>\$536,000.00</b>	<b>15%</b>	<b>\$80,400.00</b>	<b>\$455,600.00</b>	<b>1%</b>	<b>\$4,556.00</b>	<b>\$460,156.00</b>	<b>14%</b>	<b>\$75,040.00</b>
3	Construction and User Acceptance Test	03/30/13	05/28/13	comp	05/28/13	\$1,973,875.00	15%	\$296,081.25	\$1,677,793.75	1%	\$16,777.94	\$1,694,571.69	14%	\$276,342.50
	<b>Total Construction and Unit Test</b>					<b>\$1,973,875.00</b>	<b>15%</b>	<b>\$296,081.25</b>	<b>\$1,677,793.75</b>	<b>1%</b>	<b>\$16,777.94</b>	<b>\$1,694,571.69</b>	<b>14%</b>	<b>\$276,342.50</b>
	<b>Implementation</b>													
4	Completion of Implementation	05/31/14	06/30/14	06/30/14	06/30/14	\$292,400.00	15%	\$43,860.00	\$248,540.00	1%	\$2,485.40	\$251,025.40	14%	\$40,935.00
	<b>Total Implementation</b>					<b>\$292,400.00</b>	<b>15%</b>	<b>\$43,860.00</b>	<b>\$248,540.00</b>	<b>1%</b>	<b>\$2,485.40</b>	<b>\$251,025.40</b>	<b>14%</b>	<b>\$40,935.00</b>
	<b>TOTAL Managed Care Phase I Enhancements</b>					<b>\$2,802,275.00</b>	<b>15%</b>	<b>\$354,003.75</b>	<b>\$2,448,271.25</b>	<b>1%</b>	<b>\$28,022.75</b>	<b>\$2,476,294.00</b>	<b>14%</b>	<b>\$392,318.50</b>
	<b>Managed Care System Enhancement Phase II</b>													
1	Requirements Analysis and Start Up	05/31/14	05/31/14	05/31/14	05/31/14	\$237,800.00	15%	\$35,670.00	\$202,130.00	1%	\$2,021.30	\$204,151.30	14%	\$33,292.00
2	Detailed System Design	05/31/14	05/31/14	05/31/14	05/31/14	\$70,500.00	15%	\$10,575.00	\$59,925.00	1%	\$599.25	\$60,524.25	14%	\$9,870.00
	<b>Total Requirements and Design</b>					<b>\$308,300.00</b>	<b>15%</b>	<b>\$46,245.00</b>	<b>\$262,055.00</b>	<b>1%</b>	<b>\$2,620.55</b>	<b>\$264,675.55</b>	<b>14%</b>	<b>\$43,162.00</b>
3	Construction and User Acceptance Test	05/31/14	06/30/14	06/30/14	06/30/14	\$1,006,800.00	15%	\$151,020.00	\$855,780.00	1%	\$8,557.80	\$864,337.80	14%	\$140,952.00
	<b>Total Construction and Unit Test</b>					<b>\$1,006,800.00</b>	<b>15%</b>	<b>\$151,020.00</b>	<b>\$855,780.00</b>	<b>1%</b>	<b>\$8,557.80</b>	<b>\$864,337.80</b>	<b>14%</b>	<b>\$140,952.00</b>
	<b>Implementation</b>													
4	Completion of Implementation	05/31/14	05/31/14	05/31/14	05/31/14	\$99,973.00	15%	\$14,995.95	\$84,977.05	1%	\$849.77	\$85,826.82	14%	\$13,996.22
	<b>Total Implementation</b>					<b>\$99,973.00</b>	<b>15%</b>	<b>\$14,995.95</b>	<b>\$84,977.05</b>	<b>1%</b>	<b>\$849.77</b>	<b>\$85,826.82</b>	<b>14%</b>	<b>\$13,996.22</b>
	<b>TOTAL Managed Care Phase II Enhancements</b>					<b>\$1,415,073.00</b>	<b>15%</b>	<b>\$212,260.95</b>	<b>\$1,202,812.05</b>	<b>1%</b>	<b>\$14,150.73</b>	<b>\$1,216,962.78</b>	<b>14%</b>	<b>\$198,110.22</b>
	<b>Medicaid Hospice Benefit</b>													
1	Requirements Analysis and Start Up	05/31/14	06/30/14	06/30/14	06/30/14	\$42,250.00	15%	\$6,337.50	\$35,912.50	1%	\$359.13	\$36,271.63	14%	\$5,915.00
2	Detailed System Design	05/31/14	06/30/14	06/30/14	06/30/14	\$25,250.00	15%	\$3,787.50	\$21,462.50	1%	\$214.63	\$21,677.13	14%	\$3,535.00
	<b>Total Requirements and Design</b>					<b>\$67,500.00</b>	<b>15%</b>	<b>\$10,125.00</b>	<b>\$57,375.00</b>	<b>1%</b>	<b>\$573.76</b>	<b>\$57,948.76</b>	<b>14%</b>	<b>\$9,450.00</b>
3	Construction and User Acceptance Test	08/31/14	09/30/14	09/30/14	09/30/14	\$326,100.00	15%	\$48,915.00	\$277,185.00	1%	\$2,771.85	\$280,156.85	14%	\$45,654.00
	<b>Total Construction and Unit Test</b>					<b>\$326,100.00</b>	<b>15%</b>	<b>\$48,915.00</b>	<b>\$277,185.00</b>	<b>1%</b>	<b>\$2,771.85</b>	<b>\$280,156.85</b>	<b>14%</b>	<b>\$45,654.00</b>
	<b>Implementation</b>													
4	Completion of Implementation	11/30/14	12/31/14	12/31/14	12/31/14	\$75,194.00	15%	\$11,279.10	\$63,914.90	1%	\$639.15	\$64,554.05	14%	\$10,527.16
	<b>Total Implementation</b>					<b>\$75,194.00</b>	<b>15%</b>	<b>\$11,279.10</b>	<b>\$63,914.90</b>	<b>1%</b>	<b>\$639.15</b>	<b>\$64,554.05</b>	<b>14%</b>	<b>\$10,527.16</b>

Amendment 7 Appendix A.2  
Deliverable List and Payment Schedule

Ref #	Deliverable	Amend 6 Delivery Date	Amend 7 Revised Invoice Date	Amend 6 Invoice Date	Amend 7 Invoice Date	Payment Amount	Holdback %	Holdback Amount	Payment less 15% holdback	Holdback Release %	Holdback Release Amount	Payment with Holdback Release Amt	% Retained Holdback	Holdback Retained Amount
<b>TOTAL Medicaid Hospice Benefit Enhancements</b>														
						\$468,794.00	15%	\$70,319.10	\$398,474.90	1%	\$4,687.94	\$403,162.84	14%	\$55,631.16
<b>Family Planning Benefit Requirements and Design</b>														
1	Requirements Analysis and Start Up	05/31/14	05/31/14	06/30/14	06/30/14	\$2,077.50	15%	\$2,077.50	\$11,772.50	1%	\$138.50	\$11,911.00	14%	\$1,939.00
2	Detailed System Design	05/31/14	05/31/14	06/30/14	06/30/14	\$2,175.00	15%	\$2,175.00	\$12,325.00	1%	\$145.00	\$12,470.00	14%	\$2,030.00
	<b>Total Requirements and Design</b>					\$4,252.50	15%	\$4,252.50	\$24,097.50	1%	\$283.50	\$24,381.00	14%	\$3,969.00
<b>Construction and User Acceptance Test</b>														
3	Completion of UAT	08/31/14	08/31/14	09/30/14	09/30/14	\$33,337.50	15%	\$33,337.50	\$188,912.50	1%	\$2,222.50	\$191,135.00	14%	\$31,115.00
	<b>Total Construction and Unit Test</b>					\$33,337.50	15%	\$33,337.50	\$188,912.50	1%	\$2,222.50	\$191,135.00	14%	\$31,115.00
<b>Implementation</b>														
4	Completion of Implementation	11/30/14	11/30/14	12/31/14	12/31/14	\$9,205.35	15%	\$9,205.35	\$52,163.65	1%	\$613.69	\$52,777.34	14%	\$8,591.66
	<b>Total Implementation</b>					\$9,205.35	15%	\$9,205.35	\$52,163.65	1%	\$613.69	\$52,777.34	14%	\$8,591.66
<b>TOTAL Family Planning Benefit Enhancements</b>														
						\$46,795.35	15%	\$46,795.35	\$265,173.65	1%	\$3,119.69	\$268,293.34	14%	\$43,675.66
<b>Enhanced Provider Screening Requirements and Design</b>														
1	Requirements Analysis	05/31/14	05/31/14	06/30/14	06/30/14	\$16,687.50	15%	\$16,687.50	\$84,582.50	1%	\$1,112.50	\$85,695.00	14%	\$15,575.00
2	Detailed System Design	05/31/14	05/31/14	06/30/14	06/30/14	\$11,775.00	15%	\$11,775.00	\$66,725.00	1%	\$785.00	\$67,510.00	14%	\$10,990.00
	<b>Total Requirements and Design</b>					\$28,462.50	15%	\$28,462.50	\$161,287.50	1%	\$1,897.50	\$163,185.00	14%	\$26,565.00
<b>License Integration Construction and System Testing</b>														
3	Software Installed and Integrated	05/31/14	05/31/14	06/30/14	06/30/14	\$90,000.00	15%	\$90,000.00	\$510,000.00	1%	\$6,000.00	\$516,000.00	14%	\$84,000.00
4	Construction Completed	05/31/14	05/31/14	06/30/14	06/30/14	\$12,117.45	15%	\$12,117.45	\$68,685.55	1%	\$807.83	\$69,493.38	14%	\$11,309.82
5	System Integration Testing Completed	05/31/14	05/31/14	06/30/14	06/30/14	\$35,247.45	15%	\$35,247.45	\$199,735.55	1%	\$2,349.83	\$202,085.38	14%	\$32,897.82
	<b>Total Construction and Unit Test</b>					\$137,364.90	15%	\$137,364.90	\$778,401.10	1%	\$9,157.66	\$787,558.76	14%	\$128,207.24
<b>User Acceptance Testing and Implementation</b>														
6	User Acceptance Testing Completed	08/31/14	08/31/14	09/30/14	09/30/14	\$9,547.50	15%	\$9,547.50	\$54,102.50	1%	\$636.50	\$54,739.00	14%	\$8,911.00
7	Training	08/31/14	08/31/14	09/30/14	09/30/14	\$17,500.00	15%	\$17,500.00	\$92,932.50	1%	\$1,125.00	\$94,057.50	14%	\$14,280.00
8	Implementation	08/31/14	08/31/14	09/30/14	09/30/14	\$11,925.00	15%	\$11,925.00	\$67,575.00	1%	\$795.00	\$68,370.00	14%	\$10,300.00
	<b>Total Implementation</b>					\$29,972.50	15%	\$29,972.50	\$174,610.00	1%	\$2,146.50	\$176,756.50	14%	\$27,581.00
	<b>TOTAL Enhanced Provider Screening Enhancements</b>					\$187,817.40	15%	\$187,817.40	\$1,064,298.60	1%	\$12,521.16	\$1,076,819.76	14%	\$175,296.24
<b>Electronic Health Record Provider Incentive Program Requirements and Design</b>														
1	Requirements Analysis and Start Up	05/31/14	05/31/14	06/30/14	06/30/14	\$1,995.00	15%	\$1,995.00	\$11,305.00	1%	\$133.00	\$11,438.00	14%	\$1,862.00
2	Detailed System Design	05/31/14	05/31/14	06/30/14	06/30/14	\$4,087.50	15%	\$4,087.50	\$23,162.50	1%	\$272.50	\$23,435.00	14%	\$3,815.00
	<b>Total Requirements and Design</b>					\$6,082.50	15%	\$6,082.50	\$34,467.50	1%	\$405.50	\$34,873.00	14%	\$5,677.00
<b>Construction and User Acceptance Test</b>														
3	Completion of UAT	08/31/14	08/31/14	09/30/14	09/30/14	\$14,355.00	15%	\$14,355.00	\$81,345.00	1%	\$957.00	\$82,302.00	14%	\$13,398.00
	<b>Total Construction and Unit Test</b>					\$14,355.00	15%	\$14,355.00	\$81,345.00	1%	\$957.00	\$82,302.00	14%	\$13,398.00
<b>Implementation</b>														
5	Completion of Implementation	11/30/14	11/30/14	12/31/14	12/31/14	\$6,688.80	15%	\$6,688.80	\$37,903.20	1%	\$445.92	\$38,349.12	14%	\$6,242.88
	<b>Total Implementation</b>					\$6,688.80	15%	\$6,688.80	\$37,903.20	1%	\$445.92	\$38,349.12	14%	\$6,242.88
	<b>TOTAL EHR Provider Incentive Program Enhancements</b>					\$27,126.30	15%	\$27,126.30	\$159,715.70	1%	\$1,808.42	\$161,524.12	14%	\$25,317.88
<b>HIPAA Operating Rules Assessment</b>														
1	Project documentation and recommendations for remediation	05/31/14	05/31/14	06/30/14	06/30/14	\$489,250.00	15%	\$489,250.00	\$415,862.50	1%	\$4,892.50	\$420,755.00	14%	\$68,495.00
	<b>Total Assessment</b>					\$489,250.00	15%	\$489,250.00	\$415,862.50	1%	\$4,892.50	\$420,755.00	14%	\$68,495.00
	<b>TOTAL HIPAA Operating Rules Assessment</b>					\$489,250.00	15%	\$489,250.00	\$415,862.50	1%	\$4,892.50	\$420,755.00	14%	\$68,495.00
<b>Appendix A11 MMIS Change Requests/Staff Augmentation</b>														
1	All NH CRs identified in Appendix A-11 DDI Complete	03/31/13	comp	09/17/13	comp	\$5,117,750.00	15%	\$767,662.50	\$4,350,087.50	1%	\$51,177.50	\$4,401,265.00	14%	\$716,485.00
2	Testing Staff Augmentation January-February-March 2013	03/31/13	comp	09/17/13	comp	\$389,041.00	15%	\$58,356.15	\$330,684.85	1%	\$3,990.41	\$334,675.26	14%	\$54,465.74
	<b>Total Change Requests and Staff Augmentation</b>					\$5,506,791.00	15%	\$826,018.65	\$4,680,772.35	1%	\$55,067.91	\$4,735,840.26	14%	\$770,950.74
	<b>TOTAL A11 MMIS Change Requests/Staff Augmentation</b>					\$5,506,791.00	15%	\$826,018.65	\$4,680,772.35	1%	\$55,067.91	\$4,735,840.26	14%	\$770,950.74
	<b>TOTAL MMIS DDI Phase</b>					\$50,864,604.50	15%	\$7,629,690.68	\$43,234,913.83	1%	\$508,646.05	\$43,743,559.87	14%	\$7,121,044.63

Section B - Post DDI Phase  
MMIS Post DDI Phase System Enhancements  
T-MMIS

Contractor Initials: *DML*  
Date: *6/10/2014*

Amendment 7 Appendix A.2  
Deliverable List and Payment Schedule

Deliverable	Amend 6 Delivery Date	Amend 7 Delivery Date	Amend 6 Invoice Date	Amend 7 Invoice Date	Holdback Amount	Holdback %	Payment less 15% holdback	Holdback Release Amount	Holdback Release %	Payment with Holdback Release Amt	Holdback Retained Amount
1 Software License Acquired and Applied	03/31/14	03/31/14	04/30/14	04/30/14	\$229,784.00						
2 Requirements Elaboration - Documented Change Requests	03/31/14	03/31/14	04/30/14	04/30/14	\$178,165.00						
3 Updated Detailed System Design Approved	03/31/14	03/31/14	04/30/14	04/30/14	\$178,165.00						
4 Technical Design Completed	05/30/14	05/30/14	06/29/14	06/29/14	\$249,374.00						
5 Coding, Unit Testing, Data Configuration Updates Completed	08/29/14	08/29/14	09/28/14	09/28/14	\$293,381.00						
6 Development Integration Testing Completed	08/29/14	08/29/14	09/29/14	09/29/14	\$293,381.00						
7 System Integration Testing Completed	09/30/14	09/30/14	10/30/14	10/30/14	\$190,698.00						
8 T-MSIS User Acceptance Testing Completed	10/27/14	10/27/14	11/26/14	11/26/14	\$102,684.00						
9 Implementation - Post Production Validation Complete	12/30/14	12/30/14	12/30/14	12/30/14	\$117,352.00						
<b>TOTAL A12 T-MSIS</b>					<b>\$1,832,984.00</b>						
<b>HIPAA Operating Rules</b>					<b>\$1,586,809.00</b>						
1 Software License Acquired and Applied	01/31/14	01/31/14	03/02/14	03/02/14	\$105,445.00						
1a Additional Software License Acquired and Applied	06/01/14	06/01/14	07/30/14	07/30/14	\$140,419.00						
2 Tool Installed and Ready to Use	01/31/14	01/31/14	03/02/14	03/02/14	\$140,419.00						
3 Change Requests Documented and Approved	01/31/14	01/31/14	03/02/14	03/02/14	\$140,419.00						
4 Updated Detailed System Design Approved	01/31/14	01/31/14	03/02/14	03/02/14	\$421,256.00						
5 Technical Design Completed	01/31/14	01/31/14	03/02/14	03/02/14	\$547,633.00						
6 Coding, Unit Testing, and Data Configuration Completed	02/28/14	02/28/14	03/30/13	03/30/13	\$547,633.00						
7 Development Integration Testing Completed	02/28/14	02/28/14	03/30/13	03/30/13	\$122,866.00						
8 System Test Plan Approved	03/28/14	03/28/14	04/27/14	04/27/14	\$368,599.00						
9 System Integration Testing Completed	03/28/14	03/28/14	04/27/14	04/27/14	\$210,629.00						
10 User Acceptance Testing Completed	03/28/14	03/28/14	04/27/14	04/27/14	\$168,504.00						
11 Post-Production Validation Completed	05/31/14	05/31/14	06/30/14	06/30/14	\$4,500,630.00						
<b>TOTAL A12 HIPAA Operating Rules</b>					<b>\$4,500,630.00</b>						
<b>ICD-10</b>					<b>\$2,281,482.00</b>						
1 Software License Acquired and Applied	04/12/14	04/12/14	05/12/14	05/12/14	\$1,977,211.00						
2 Tool Installed	05/08/14	05/08/14	06/08/14	06/13/14	\$329,535.00						
3 JAD Sessions - Requirement Document Approved	04/07/14	03/26/14	05/07/14	06/26/14	\$80,000.00						
4 Requirements Technical Consulting	04/07/14	03/26/14	05/07/14	06/26/14	\$1,235,757.00						
5 Technical Design Updated Detailed System Design	05/20/14	04/23/14	04/06/14	06/30/14	\$70,000.00						
6 Design Technical Consulting	05/20/14	04/23/14	04/06/14	06/30/14	\$1,029,797.00						
7 Coding Complete	06/09/14	04/23/14	07/09/14	06/30/14	\$1,029,797.00						
8 Unit Test, Data Configuration, Dev Integration Test Complete	06/09/14	04/23/14	07/09/14	06/30/14	\$70,000.00						
9 Data Configuration, Technical Consulting	05/15/14	04/23/14	07/09/14	06/09/14	\$267,748.00						
10 System Test Plan and Environment Ready	04/30/14	05/06/14	05/30/14	06/26/14	\$803,242.00						
11 System Integration Testing Completed	07/31/14	06/04/14	08/30/14	09/16/14	\$70,000.00						
12 System Integration Testing Technical Consulting	07/31/14	05/08/14	08/30/14	09/16/14	\$659,070.00						
13 User Acceptance Testing Completed	09/23/14	08/26/14	10/23/14	12/05/14	\$70,000.00						
14 User Acceptance Testing Technical Consulting	09/23/14	08/26/14	10/23/14	12/05/14	\$70,000.00						
15 Training Technical Consulting	06/12/14	06/12/14	07/12/14	10/03/14	\$906,222.00						
16 Production Implementation and PIR Completed	09/30/14	12/03/14	10/30/14	12/18/14	\$257,202.00						
17 ORR, Dev Configuration Testing Completed - Phase II	12/31/14	06/09/14	01/30/15	12/31/14	\$70,000.00						
18 Phase II - Technical Consulting	12/31/14	06/09/14	01/30/15	12/31/14	\$103,400.00						
19 Avior 2nd Year License Acquired and Applied	01/01/15	01/01/15	01/31/15	01/31/15	\$375,893.00						
20 Trading Partner Testing Completed	01/01/15	01/01/15	09/08/15	09/08/15	\$125,000.00						
21 Phase III - Technical Consulting	01/01/15	01/01/15	09/08/15	09/08/15	\$161,097.00						
22 Full Regression Test with Latest MMIS Release Complete	08/06/15	08/06/15	09/08/15	09/08/15	\$12,042,453.00						
<b>TOTAL A12 ICD-10</b>					<b>\$18,376,067.00</b>						
<b>NHPP</b>					<b>\$790,850.00</b>						
1 Software License Acquired and Applied	06/18/14	06/18/14	07/15/14	07/15/14	\$282,330.00						
2 Servers Acquired and Installed	06/18/14	06/18/14	07/15/14	07/15/14	\$185,061.00						
3 Email New Provider Types	06/18/14	06/18/14	07/15/14	07/15/14	\$277,591.00						
4 Enroll New Members in NHPP Benefit Plan(s)	06/18/14	06/18/14	07/15/14	07/15/14	\$555,182.00						
5 Adjudicate Claims for New Benefit Plan	06/18/14	06/18/14	07/15/14	07/15/14	\$462,652.00						
6 Non-Federal Reports, Claims Data Mart for NHPP	06/18/14	06/18/14	09/30/14	09/30/14	\$370,121.00						
7 Federal Reporting, EFADS, Remaining Tasks	06/18/14	06/18/14	11/28/14	11/28/14	\$2,923,787.00						
<b>TOTAL MMIS Post DDI Enhancements A-13</b>					<b>\$2,923,787.00</b>						
<b>TOTAL MMIS Post DDI Enhancements A-12</b>					<b>\$2,923,787.00</b>						
<b>TOTAL MMIS Post DDI Enhancements A-13</b>					<b>\$2,923,787.00</b>						

Contractor Initials: *DJMH*  
Date: *6/12/2014*

NH Department of Health and Human Services

STANDARD EXHIBIT J

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

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

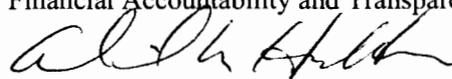
In accordance with 2 CFR Part 170 (*Reporting Subaward and Executive Compensation Information*), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

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

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

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

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

	David Hamilton, President
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(Contractor Representative Signature)	(Authorized Contractor Representative Name & Title)
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Xerox State Healthcare, LLC	June 10, 2014
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(Contractor Name)	(Date)
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Contractor initials: DMH  
 Date: 6/10/2014  
 Page # 1 of Page # 2

NH Department of Health and Human Services

STANDARD EXHIBIT J

FORM A

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

1. The DUNS number for your entity is: 073471476

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

NO  YES

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

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

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

NO  YES

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

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

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

Name: \_\_\_\_\_ Amount: \_\_\_\_\_

Contractor initials: DMH  
Date: 6/10/2014  
Page # 2 of Page # 2

## Ownership and Control Statement

Pursuant to 42 CFR §455.104 Xerox State Healthcare, LLC hereby provides the required Ownership and Control Statement to the State of New Hampshire, Department of Health and Human Services.

**Requirements:** *The Medicaid agency must require each disclosing entity to disclose the following information in accordance with 42 CFR §455.104(b):*

1. ***Provide the name and address of each person with an ownership or control interest in the disclosing entity (Xerox State Healthcare, LLC) and in any subcontractor in which the disclosing entity has direct or indirect ownership of 5 percent or more:***
  - A. Xerox State Healthcare, LLC (FEIN 58-2479287) is a wholly owned (100%) subsidiary of ACS Enterprise Solutions, LLC, located at 2828 North Haskell Avenue, Dallas, Texas 75204.
  - B. ACS Enterprise Solutions, LLC (FEIN 75-2179860) is a wholly owned (100%) subsidiary of ACS BRC Holdings, LLC, located at 2828 North Haskell Avenue, Dallas, Texas 75204.
  - C. ACS BRC Holdings, LLC (FEIN 75-1533071) is a wholly owned (100%) subsidiary of Xerox Business Services, LLC located at 2828 North Haskell Avenue, Dallas, Texas 75204.
  - D. Xerox Business Services, LLC (XBS) (FEIN 32-0293031) is a wholly owned (100%) subsidiary of Xerox Corporation, located at 45 Glover Avenue, Norwalk, Connecticut 06856-4505.
  - E. Through such indirect ownership, Xerox Corporation (FEIN 16-0468020) maintains ultimate controlling interest in XBS.
    - (i) See Attachment A for excerpts of Xerox Corporations' most recent Proxy Statement as of December 31, 2013, which identifies the beneficial owners of more than 5% of Xerox Corporation's equity securities.
    - (ii) See Attachment B for Xerox State Healthcare LLC's Certificate of Vote (Certificate of Assistant Secretary).
  - F. Xerox Corporation is a public company that trades on the New York Stock Exchange under the ticker symbol "XRX".
  - G. Xerox State Healthcare, LLC has no direct or indirect ownership of 5 percent or more of any subcontractors.
2. ***Additional addresses for Xerox State Healthcare, LLC are included in Attachment C.***
3. ***Whether any of the persons named, in compliance with paragraph 1 above, is related to another as spouse, parent, child, or sibling:***

As corporations, Xerox State Healthcare, LLC (Delaware Limited Liability Company), ACS Enterprise Solutions, LLC, ACS BRC Holdings, LLC, Xerox Business Services, LLC, or Xerox Corporation are not related to another as spouse, parent, child or sibling.

In addition, none of the persons or entities set forth in Section 1.E(i) above are related to each other.

4. ***The name of any other disclosing entity in which a person with an ownership or control interest in the disclosing entity also has an ownership or control interest. This requirement applies to the extent that the disclosing entity can obtain this information by requesting it in writing from the person. The disclosing entity must:***

- A. ***Keep copies of all these requests and the responses to them:***
- B. ***Make them available to the Secretary or the Medicaid agency upon request; and***
- C. ***Advise the Medicaid agency where there is not response to a request.***

There are no other disclosing entities in which a person with an ownership or control interest in the disclosing entity also has an ownership or control interest.

5. ***The name, address, date of birth, and Social Security Number of Managing Employees of the disclosing entity.***

Title	Name	Address	DOB	SS#
President	David M. Hamilton II			
CFO	Brian J. Webb-Walsh			
SVP	Daniel A. Dwyer			

All of the information provided in this statement is true, accurate, and complete, to the best of my knowledge and belief as of June 10, 2014.

(THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, Xerox State Healthcare LLC has caused this Ownership and Control Statement to be signed by its duly authorized officer on 10 of June, 2014.

By: *David Hamilton*

Printed Name: David Hamilton

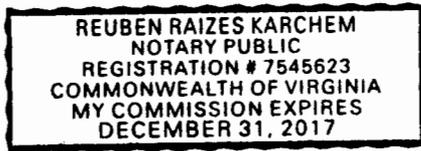
Title: President

Entity: Xerox State Healthcare, LLC

Date:

State of Virginia )  
County of Fairfax ) ss

On this 10<sup>th</sup> day of June, 2014, personally appeared before me David Hamilton who stated that he is the President of Xerox State Healthcare, LLC, a Limited Liability Company and that the instrument was signed on behalf of the said entity by authority of its board of directors and acknowledged said instrument to be its voluntary act and deed. Before me:



*Reuben Raizes Karchem*  
Notary Public for VA

My Commission Expires:  
12/31/17

- Attachments: Attachment A – Xerox Corporation Beneficial Owners  
Attachment B – Certificate of Assistant Secretary  
Attachment C - Addresses for Xerox State Healthcare, LLC

*DWH*  
*6/10/2014*



Xerox Corporation  
45 Glover Avenue  
P.O. Box 4505  
Norwalk, CT 06856-4505

April 7, 2014

Dear Shareholders:

You are cordially invited to attend the 2014 Annual Meeting of Shareholders of Xerox Corporation to be held on Tuesday, May 20, 2014, at Xerox's Corporate Headquarters, 45 Glover Avenue in Norwalk, Connecticut. Your Board of Directors and management look forward to greeting those shareholders who are able to attend.

At the Annual Meeting of Shareholders, you will be asked to vote upon the election of ten directors, the ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2014 and the approval, on an advisory basis, of the 2013 compensation of our named executive officers. The Board of Directors unanimously recommends that you vote in favor of each of these proposals.

It is important that your shares be represented and voted at the Annual Meeting of Shareholders, regardless of whether or not you plan to attend in person. Therefore, you are urged to vote your shares using one of the methods described in the following pages. Voting instructions are provided in the voting instruction and proxy card.

For the Board of Directors,

A handwritten signature in cursive script that reads "Ursula M. Burns".

Ursula M. Burns  
Chairman of the Board and Chief Executive Officer

*DNH*  
*6/10/2014*

DSUs equivalent in value (as of date of grant) to at least three times a director's current annual cash retainer. All of our independent directors currently hold DSUs in excess of this amount. The longer a director serves on the Board and is paid in the form of an equity retainer, the larger his/her equity ownership interest in the Company becomes because, by their terms, all DSUs are required to be held by directors until the earlier of one year after termination of Board service or the date of death.

DSUs are a bookkeeping entry that represent the right to receive one share of the Company's Common Stock at a future date. DSUs include the right to receive dividend equivalents, which are credited in the form of additional DSUs, at the same time and in approximately the same amounts that the holder of an equivalent number of shares of Common Stock would be entitled to receive in dividends. The DSUs are issued under the 2004 Directors Plan, which was approved by Xerox shareholders at the 2004 Annual Meeting of Shareholders and amended and restated in 2013. Individually, the compensation for each non-employee director during fiscal year 2013 was as follows:

Name of Director	Fees earned or paid in cash (\$)	Stock Awards (\$ (1))	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings (\$)	All Other Compensation (\$ (2))	Total (\$)
Glenn A. Britt	95,000	130,000	–	–	–	–	225,000
Richard J. Harrington	85,000	130,000	–	–	–	–	215,000
William Curt Hunter	75,000	130,000	–	–	–	–	205,000
Robert J. Keegan	80,000	130,000	–	–	–	–	210,000
Robert A. McDonald	80,000	130,000	–	–	–	–	210,000
Charles Prince	65,000	130,000	–	–	–	–	195,000
Ann N. Reese	75,000	130,000	–	–	–	–	205,000
Sara Martinez Tucker	65,000	130,000	–	–	–	–	195,000
Mary Agnes Wilderotter	75,000	130,000	–	–	–	–	205,000

- (1) Compensation awarded in the form of DSUs are reflected in this column. The amount presented in this column reflects the aggregate grant date fair value of the DSUs awarded during 2013 computed in accordance with Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) Topic 718, Compensation – Stock Compensation.

The total number and value of all DSUs (including dividend equivalents) as of the end of 2013 (based on the year-end closing market price of our Common Stock of \$12.17) held by each director is as follows: Mr. Britt, 131,031 (\$1,594,647); Mr. Harrington, 101,235 (\$1,232,030); Mr. Hunter, 122,926 (\$1,496,009); Mr. Keegan, 47,053 (\$572,635); Mr. McDonald, 88,085 (\$1,071,994); Mr. Prince, 71,307 (\$867,806); Ms. Reese, 110,131 (\$1,340,294); Ms. Tucker, 38,768 (\$471,807); and Mrs. Wilderotter, 83,515 (\$1,016,378).

- (2) In accordance with applicable SEC rules, dividend equivalents paid in 2013 on DSUs are not included in "All Other Compensation" because those amounts were factored into the grant date fair values of the DSUs.

For information on compensation for our director who is also an officer, see the executive compensation tables beginning on page 47.

## SECURITIES OWNERSHIP

### Ownership of Company Securities

We are not aware of any person who, or group which, owns beneficially more than 5% of any class of the Company's equity securities as of December 31, 2013, except as set forth below<sup>(1)</sup>.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class (1)
Common Stock	BlackRock, Inc. 40 East 52nd Street New York, NY 10022	83,193,013(2)	6.8%
Common Stock	State Street Corporation, as Trustee under other plans and accounts State Street Financial Center One Lincoln Street Boston, MA 02111	76,146,487(3)	6.2%
Common Stock	The Vanguard Group, Inc. 1041 W Valley Rd Malvern, PA 19355	71,070,628(4)	5.8%
Common Stock	Darwin Deason 8181 Douglas Avenue, 10th Floor Dallas, TX 75225	64,490,614(5)	5.3%
Common Stock	Franklin Mutual Advisers, LLC 101 John F. Kennedy Parkway Short Hills, NJ 07078-2789	61,849,774(6)	5.0%

- (1) The words "group" and "beneficial" are as defined in regulations issued by the SEC. Beneficial ownership under such definition means possession of sole voting power, shared voting power, sole dispositive power or shared dispositive power. The information provided in this table is based solely upon the information contained in the most recent Schedule 13G or Schedule 13G/A filed by the named entity with the SEC (other than the information provided regarding the holdings of State Street Corporation acting as ESOP Trustee under the Xerox ESOP). BlackRock, Inc. and Franklin Mutual Advisers, LLC are registered investment advisers under the Investment Advisers Act of 1940, as amended. BlackRock, Inc. has subsidiaries that are investment advisers under the Investment Advisers Act of 1940, as amended, with beneficial ownership of the shares.
- (2) BlackRock, Inc. and its subsidiary companies have sole voting power for 68,189,942 shares and sole dispositive power for 83,193,013 shares, and have no shared voting power or shared dispositive power for any of the shares.
- (3) Within the total shares reported, as to certain of the shares, State Street Corporation has shared voting power and shared dispositive power for 76,146,487 shares, and has no sole voting power or sole dispositive power for any of the shares. As of December 31, 2013, State Street Corporation held 11,378,601 of the total reported shares as ESOP Trustee under the Xerox ESOP. Each ESOP participant may direct the ESOP Trustee as to the manner in which shares allocated to his or her ESOP account shall be voted. The ESOP Trust Agreement provides that the ESOP Trustee shall vote any shares allocated to participants'

ESOP accounts as to which it has not received voting instructions in the same proportions as shares in participants' ESOP accounts as to which voting instructions are received. The power to dispose of shares is governed by the terms of the ESOP Plan and elections made by ESOP participants.

- (4) The Vanguard Group, Inc. and its subsidiary companies have sole voting power for 1,891,100 shares, sole dispositive power for 69,273,892 shares, shared dispositive power for 1,796,736 shares and have no shared voting power for any of the shares.
- (5) Based solely on the Schedule 13G filed on February 14, 2013, Darwin Deason has sole voting power and sole dispositive power for 64,490,614 shares, and has no shared dispositive or shared voting power for any of the shares. The percent of class is based on 1,210,320,410 shares of the Company's total common stock outstanding on December 31, 2013.
- (6) Franklin Mutual Advisers, LLC has sole voting power and sole dispositive power for 61,849,774 shares, and has no shared voting power or shared dispositive power for any of the shares. These securities are beneficially owned by clients of Franklin Mutual, which clients may include investment companies registered under the Investment Company Act of 1940, as amended, and other managed accounts.

Shares of Common Stock of the Company owned beneficially by its directors and nominees for director, each of the current executive officers named in the Summary Compensation Table and all directors and current executive officers as a group, as of February 28, 2014, were as follows:

Name of Beneficial Owner	Amount Beneficially Owned	Total Stock Interest
Lynn R. Blodgett	1,478,319	1,580,103
Glenn A. Britt	1,000	137,914
Ursula M. Burns	1,909,661	2,226,232
James A. Firestone	435,036	528,349
Richard J. Harrington	856	107,833
William Curt Hunter	50	136,595
Robert J. Keegan	0	52,540
Robert A. McDonald	0	93,765
Kathryn A. Mikells	0	129,871
Charles Prince	10,000	86,908
Ann N. Reese	6,654	122,569
Sara Martinez Tucker	0	44,216
Mary Agnes Wilderotter	0	89,174
Armando Zagalo de Lima	280,435	437,281
All directors and executive officers as a group (19)	4,691,556	6,619,214

*Percent Owned by Directors and Executive Officers:* Less than 1% of the aggregate number of shares of Common Stock outstanding at February 28, 2014 is owned by any director or executive officer. The amount beneficially owned by all directors and executive officers as a group amounted to less than 1%.

*Amount Beneficially Owned:* The numbers shown are the shares of Common Stock considered beneficially owned by the directors and executive officers in accordance with SEC rules. Shares of Common Stock which executive officers and directors had a right, within 60 days of February 28, 2014, to acquire upon the exercise of options or rights are included. Shares held in a grantor retained annuity trust or by family members, shares held

*DmH*  
*6/10/2014*

in the ESOP accounts and vested shares, the receipt of which have been deferred under one or more equity compensation programs, are also included. All these are counted as outstanding for purposes of computing the percentage of Common Stock outstanding and beneficially owned.

*Total Stock Interest:* The numbers shown include the amount shown in the Amount Beneficially Owned column plus options held by directors and executive officers not exercisable within 60 days of February 28, 2014, DSUs, performance shares and restricted stock units. The numbers also include the interests of executive officers and directors in the Xerox Stock Fund under the Xerox Corporation Savings Plan and the Deferred Compensation Plans.

### **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the 1934 Act requires the Company's directors, executive officers and persons who own more than ten percent of the Common Stock of the Company, to file with the SEC initial reports of beneficial ownership and reports of changes in beneficial ownership of Common Stock of the Company. Directors, executive officers and greater than ten percent shareholders are required by the regulations of the SEC to furnish the Company with copies of all Section 16(a) reports they file. Based solely on review of the copies of such reports furnished to the Company or written representations that no other reports were required to be filed with the SEC, the Company believes that all reports for the Company's directors and executive officers that were required to be filed under Section 16 of the Securities Exchange Act of 1934 during the fiscal year ended December 31, 2013 were timely filed, except for Joseph H. Mancini, Jr. who reported one late transaction.

## **EXECUTIVE COMPENSATION**

### **COMPENSATION DISCUSSION AND ANALYSIS**

#### **EXECUTIVE SUMMARY**

#### **2013 Financial Performance**

Our 2013 priorities included growing Services revenues, maintaining Document Technology profitability, expanding earnings and delivering strong cash flow. Highlights of our 2013 financial performance follows:

- Total revenue was \$21.4 billion, a decline of 1 percent from 2012 including a 1 percentage point positive impact from currency. Revenues in our Services segment grew by 3 percent (there was no impact from currency) reflecting growth in all three of our outsourcing offerings. Growth was below our expectations primarily due to lower than expected contributions from acquisitions and the effects of the run-off of our student loan business. Document Technology segment revenues declined 6 percent (there was no impact from currency) reflecting migration of customers to Xerox managed print services, which is included in our Services segment, weakness in developing markets, lower supplies sales and price declines. These declines were partially offset by the benefits from the refresh of our mid-range products and improving trends on our high-end products.
- Adjusted earnings per share (EPS) from continuing operations was \$1.09, an increase from 2012 adjusted EPS of \$1.02. This increase reflects a lower average share count resulting from share repurchases over the last two years. See the Management's Discussion and Analysis section in our Form 10-K for the fiscal year ended December 31, 2013 for a reconciliation of our adjusted EPS to our GAAP EPS.
- Operating cash flow was \$2.4 billion. Our cash generation enabled us to continue to provide a strong return to shareholders through our share repurchase program and dividends.

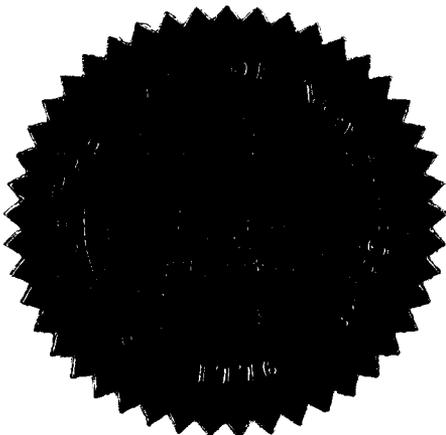
#### **Named Executive Officers**

Our executive compensation program plays an important role in attracting, retaining and rewarding individuals with the ability, drive and vision to manage our business, ensure our long-term success and deliver shareholder value. Our named executive officers for fiscal year 2013 are Ursula M. Burns, Chairman and Chief Executive Officer; Kathryn A. Mikells, Executive Vice President and Chief Financial Officer; Lynn R. Blodgett, Executive Vice President; Armando Zagalo de Lima, Executive Vice President and President, Xerox Technology;

# 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 Xerox State Healthcare, LLC, a(n) Delaware limited liability company registered to do business in New Hampshire on July 1, 1999. 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 11<sup>th</sup> day of June, A.D. 2014

William M. Gardner  
Secretary of State

DMH  
6/11/2014

**CERTIFICATE OF SOLE MANAGER AND SECRETARY**

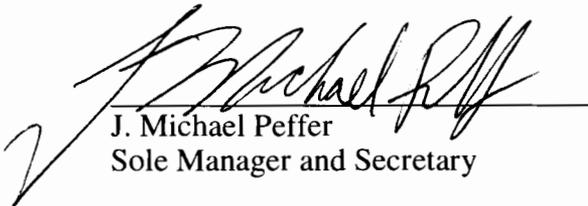
I, J. Michael Peffer, do hereby certify as follows:

(1) I am the duly appointed, qualified and acting Sole Manager and Secretary of Xerox State Healthcare, LLC, a Delaware limited liability company (the "Company") in accordance with the Amended and Restated Limited Liability Company Agreement of Xerox State Healthcare, LLC, adopted as of October 21, 2009, and in such capacity I am authorized to execute this Certificate on behalf of the Company.

(2) David Hamilton is a duly appointed, qualified and acting President of the Company in accordance with the Amended and Restated Limited Liability Company Agreement of Xerox State Healthcare, LLC, adopted as of October 21, 2009, and in such capacity is authorized to obligate, bind, and execute Amendment No. 7 to that certain Medicaid Management Information System Reprocurement agreement by and between the Company and the State of New Hampshire Department of Health and Human Services, effective December 7, 2005.

**IN WITNESS WHEREOF**, I have subscribed this Certificate of Sole Manager and Secretary this 10th day of June, 2014.

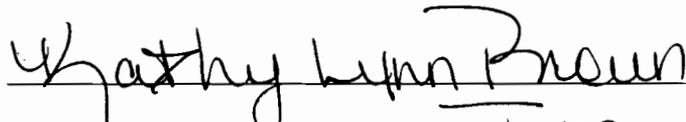
XEROX STATE HEALTHCARE, LLC  
a Delaware limited liability company

  
\_\_\_\_\_  
J. Michael Peffer  
Sole Manager and Secretary

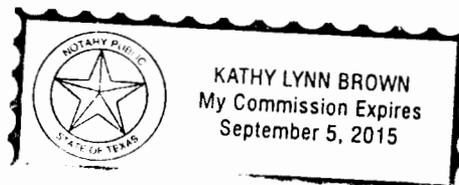
STATE OF TEXAS  
COUNTY OF DALLAS, ss.:

On this day, personally appeared before me, J. Michael Peffer, known to be the person(s) described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his voluntary act and deed, for the uses and purposes therein mentioned.

Witness my hand and official seal hereto affixed this 10th day of June, 2014.

  
\_\_\_\_\_  
Notary Public in and for the State of Texas.

My commission expires 9/5/15.



**CERTIFICATE OF SOLE MANAGER AND SECRETARY**

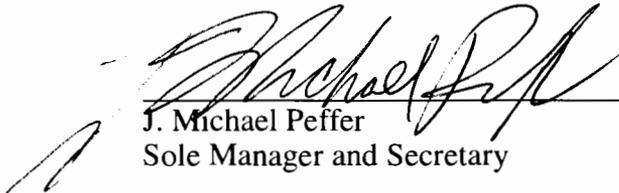
I, J. Michael Peffer, do hereby certify as follows:

(1) I am the duly appointed, qualified and acting Sole Manager and Secretary of Xerox State Healthcare, LLC, a Delaware limited liability company (the "Company") in accordance with the Amended and Restated Limited Liability Company Agreement of Xerox State Healthcare, LLC, adopted as of October 21, 2009, and in such capacity I am authorized to execute this Certificate on behalf of the Company.

(2) David Hamilton is a duly appointed, qualified and acting President of the Company in accordance with the Amended and Restated Limited Liability Company Agreement of Xerox State Healthcare, LLC, adopted as of October 21, 2009, and in such capacity is authorized to obligate, bind, and execute Amendment No. 7 to that certain Medicaid Management Information System Reprocurement agreement by and between the Company and the State of New Hampshire Department of Health and Human Services, effective December 7, 2005.

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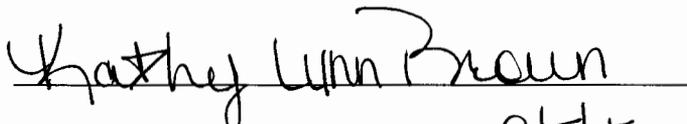
XEROX STATE HEALTHCARE, LLC  
a Delaware limited liability company

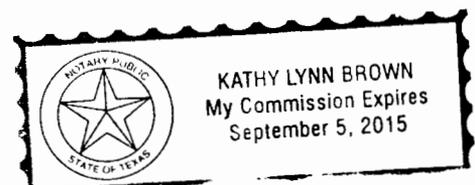
  
\_\_\_\_\_  
J. Michael Peffer  
Sole Manager and Secretary

STATE OF TEXAS  
COUNTY OF DALLAS, ss.:

On this day, personally appeared before me, J. Michael Peffer, known to be the person(s) described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his voluntary act and deed, for the uses and purposes therein mentioned.

Witness my hand and official seal hereto affixed this 10th day of June, 2014.

  
\_\_\_\_\_  
Notary Public in and for the State of 9/5/15  
My commission expires Texas





# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
02/04/2014

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).

<b>PRODUCER</b> MARSH USA, INC. 1166 AVENUE OF THE AMERICAS NEW YORK, NY 10036 Attn: ACS.CertRequest@marsh.com  303099-ALL-CAS-14-15	CONTACT NAME: PHONE (A/C, No, Ext): E-MAIL ADDRESS: FAX (A/C, No):
NOC	NAIC # 22667 N/A 43575

**COVERAGES**                      **CERTIFICATE NUMBER:** NYC-005796003-27                      **REVISION NUMBER:** 14

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			HDO G27329445	01/01/2014	01/01/2015	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 2,000,000 MED EXP (Any one person) \$ N/A PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 10,000,000 PRODUCTS - COMP/OP AGG \$ INCLUDED
A	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS  <b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED    RETENTION \$			ISA H08815586	01/01/2014	01/01/2015	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ EACH OCCURRENCE \$ AGGREGATE \$
C	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N	WLR C47876710 (AOS) WLR C47876709 (AZ, CA and MA) SCF C47876722 (WI)	01/01/2014 01/01/2014 01/01/2014	01/01/2015 01/01/2015 01/01/2015	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)**  
 RE: XEROX STATE HEALTHCARE, LLC; MEDICAID MANAGEMENT INFORMATION SYSTEM RFP #: 2005-004  
 OTHER NAMED INSURED: XEROX STATE HEALTHCARE, LLC  
 THE STATE OF NEW HAMPSHIRE IS ADDITIONAL INSURED UNDER THE ABOVE GENERAL LIABILITY AND AUTO LIABILITY BUT ONLY WITH RESPECTS TO LIABILITY ARISING FROM NEGLIGENT ACTS OR OMISSIONS OF XEROX BUSINESS SERVICES, LLC AND TO THE EXTENT WHERE REQUIRED BY WRITTEN CONTRACT. WORKERS' COMPENSATION IS PROVIDED AT THE STATUTORY LIMITS IN NEW HAMPSHIRE.

<b>CERTIFICATE HOLDER</b> STATE OF NEW HAMPSHIRE DEPARTMENT OF HEALTH AND HUMAN SERVICES OFFICE OF COMMISSIONER 129 PLEASANT STREET CONCORD, NH 03301	<b>CANCELLATION</b> 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 of Marsh USA Inc. Jessica A. May <i>Jessica A May</i>
--	--

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*DWH  
01/16/2014*



**ADDITIONAL REMARKS SCHEDULE**

<b>AGENCY</b> MARSH USA, INC.		<b>NAMED INSURED</b> *XEROX BUSINESS SERVICES LLC D/B/A AFFILIATED COMPUTER SERVICES LLC 2828 N. HASKELL AVENUE DALLAS, TX 75204	
<b>POLICY NUMBER</b>		<b>EFFECTIVE DATE:</b>	
<b>CARRIER</b>	<b>NAIC CODE</b>		

**ADDITIONAL REMARKS**

**THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,**  
**FORM NUMBER:** 25 **FORM TITLE:** Certificate of Liability Insurance

EACH OF THE INSURANCE POLICIES REFERENCED ABOVE PROVIDES THAT SHOULD SUCH POLICY BE CANCELLED BY THE INSURER BEFORE THE EXPIRATION DATE THEREOF FOR ANY REASON OTHER THAN NONPAYMENT OF PREMIUM, THE INSURING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE THEREOF TO THE CERTIFICATE HOLDER, BUT FAILURE TO PROVIDE SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER OR ITS AGENTS OR REPRESENTATIVES, WILL NOT EXTEND ANY POLICY CANCELLATION DATE AND WILL NOT NEGATE ANY CANCELLATION OF THE POLICY.

*TDMH*  
*6/10/2014*



# CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)  
05/22/2014

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).

Holder Identifier :

<b>PRODUCER</b> Aon Risk Services Northeast, Inc. New York NY Office 199 Water Street New York NY 10038-3551 USA	<b>CONTACT NAME:</b> PHONE (A/C. No. Ext): (866) 283-7122      FAX (A/C. No.): 800-363-0105	
	<b>E-MAIL ADDRESS:</b>	
<b>INSURED</b> Xerox Business Services, LLC. dba Affiliated Computer Services 2828 N. Haskell Ave. Dallas TX 75204 USA	<b>INSURER(S) AFFORDING COVERAGE</b>	
	<b>INSURER A:</b> AIG Specialty Insurance Company	<b>NAIC #</b> 26883
	<b>INSURER B:</b>	
	<b>INSURER C:</b>	
	<b>INSURER D:</b>	
	<b>INSURER E:</b>	

**COVERAGES**      **CERTIFICATE NUMBER: 570053822338**      **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:						EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG
	<b>AUTOMOBILE LIABILITY</b>  <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED    RETENTION						EACH OCCURRENCE AGGREGATE
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT E.L. DISEASE-EA EMPLOYEE E.L. DISEASE-POLICY LIMIT
A	E&O-PL-Primary			011818900 SIR applies per policy terms & conditions	05/26/2014	05/26/2015	Aggregate \$10,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
 Named Insured includes: Xerox State Healthcare, LLC. RE: Medicaid Management Information System, RFP Number: 2005-004.

Certificate No : 570053822338

**CERTIFICATE HOLDER****CANCELLATION**

State of New Hampshire Department of Health and Human Services Office of Commissioner 129 Pleasant Street Concord NH 03301 USA	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  <i>Aon Risk Services Northeast Inc</i>
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ACORD 25 (2014/01)

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DWH  
6/10/2014



**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

March 21, 2014

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

**REQUESTED ACTION**

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 # 700073) with Xerox State Healthcare, LLC (Vendor #177830) at 9040 Roswell Road, Suite 700, Atlanta, GA, 30350, to develop and operate the State's Medicaid Management Information System by increasing the price limitation by \$18,806,210 from \$91,719,301 to a new amount not to exceed \$110,525,511 effective upon the approval of the Governor and Executive Council through March 31, 2018. This amendment expands the existing scope of services. 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), and Amendment 3 on June 23, 2010 (Item#97), Amendment 4 on March 7, 2012 (Item#22A) and Amendment 5 on December 19, 2012 (Item#27A).

Due to the time sensitive nature of this contract, Care Management Account # 7948000 is being used for this contract. A transfer of funds request is being prepared for submission to Fiscal and Governor and Council approval in April to accept and expend additional funds in Account # 59520000. At which time, a request will be sent to Bureau of Accounts to move the encumbrance of this contract from Account # 7948000 to 5942000.

Funds are available in State Fiscal Years 2014 and 2015 and are anticipated to be available in SFY 2016 through SFY 2018 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**

**Design, Development and Implementation**

<u>State</u>			<u>Current</u>	<u>Increase/</u>	<u>Modified</u>
<u>Fiscal Year</u>	<u>Class/Object</u>	<u>Class Title</u>	<u>Budget</u>	<u>Decrease</u>	<u>Budget</u>
2005	034/500099	Capital Projects	\$25,000,000	\$0	\$25,000,000
2006	034/500099	Capital Projects	\$1,076,918	\$0	\$1,076,918
2006	102/500731	Contract for Program Services	\$76,326	\$0	\$76,326
2012	102/500731	Contract for Program Services	\$7,152,125	\$0	\$7,152,125
2013	102/500731	Contract for Program Services	\$4,298,885	\$0	\$4,298,885
2014	102/500731	Contract for Program Services	\$13,260,351	\$0	\$13,260,351
2015	102/500731	Contract for Program Services	\$0	\$4,321,110	\$4,321,110
<b>Sub Total: Design, Development and Implementation</b>			<b>\$50,864,605</b>	<b>\$4,321,110</b>	<b>\$55,185,715</b>

**Operations Funding**

<u>State</u>			<u>Current</u>	<u>Increase/</u>	<u>Modified</u>
<u>Fiscal Year</u>	<u>Class/Object</u>	<u>Class Title</u>	<u>Budget</u>	<u>Decrease</u>	<u>Budget</u>
2013	102/500731	Contract for Program Services	\$2,084,889	\$0	\$2,084,889
2014	102/500731	Contract for Program Services	\$8,319,368	\$0	\$8,319,368
2015	102/500731	Contract for Program Services	\$8,205,011	\$325,198	\$8,530,209
2016	102/500731	Contract for Program Services	\$8,063,214	\$325,242	\$8,388,456
2017	102/500731	Contract for Program Services	\$8,115,351	\$325,246	\$8,440,597
2018	102/500731	Contract for Program Services	\$6,066,863	\$243,935	\$6,310,798
<b>Sub Total: Operations Phase</b>			<b>\$40,854,696</b>	<b>\$1,219,621</b>	<b>\$42,074,317</b>

**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 AND MEDICAID CARE MANAGEMENT**

**Amendment 6: Design, Development and Implementation**

<u>State</u>			<u>Current</u>	<u>Increase/</u>	<u>Modified</u>
<u>Fiscal Year</u>	<u>Class/Object</u>	<u>Class Title</u>	<u>Budget</u>	<u>Decrease</u>	<u>Budget</u>
2014	102/500731	Contract for Program Services	\$0	\$13,184,122	\$13,184,122
<b>Sub Total: Amendment 6</b>			<b>\$0</b>	<b>\$13,184,122</b>	<b>\$13,184,122</b>

**Design, Development and Implementation**

**Total Design, Development and Implementation Phase**      **\$50,864,605**      **\$17,505,232**      **\$68,369,837**

**Amendment 6 Operations**

<u>State</u>			<u>Current</u>	<u>Increase/</u>	<u>Modified</u>
<u>Fiscal Year</u>	<u>Class/Object</u>	<u>Class Title</u>	<u>Budget</u>	<u>Decrease</u>	<u>Budget</u>
2014	102/500731	Contract for Program Services	\$0	\$81,357	\$81,357
<b>Sub-Total: Amendment 6 Operations</b>			<b>\$0</b>	<b>\$81,357</b>	<b>\$81,357</b>

**Total Operations Phase**      **\$40,854,696**      **\$1,300,978**      **\$42,155,674**

**Grand Total**      **\$91,719,301**      **\$18,806,210**      **\$110,525,511**

**EXPLANATION**

This is a **sole source** amendment that provides for uninterrupted continuation of essential system development and implementation services by the contractor in support of the New Hampshire Medicaid Management Information System's Design, Development and Implementation effort that has been progressing steadily. Given the intricacies of the multi-tiered New Hampshire Medicaid Management Information System solution, Xerox/ACS is most knowledgeable about the system architecture, integrated software products, and the internal design of the Medicaid Management Information System framework and is best suited to continue its implementation.

Because of the nature of the new enhancements, their broad impact across the Medicaid Management Information System, and the need to integrate and implement the federally mandated changes into the overall framework of the new Medicaid Management Information System, while striving to implement the new Medicaid Management Information System by the go live date, Xerox possesses the requisite knowledge base required to incorporate these changes most efficiently and effectively.

The role of the Medicaid Management Information System implementation contractor was described in the State's Implementation Advanced Planning Document for the New Hampshire Medicaid Management Information System Project, which was approved by the federal Centers for Medicare and Medicaid Services in May 2004. A Request For Proposal was issued in September 2004. Notification of the Request For Proposal publication was issued using standard Department of Information Technology procedures. The Medicaid Management Information System Request For Proposal 2005-004 was issued on September 14, 2004, and published on the Department of Administrative Services web site. ACS State Healthcare, LLC, (now Xerox State Healthcare,) was selected as the Medicaid Management Information System contractor through a competitive bid process.

The purpose of this requested action (Amendment 6) is to design, develop and implement three federally required enhancements to the Medicaid Management Information Systems: 1. T-MSIS (Medicaid Statistical Information System), 2. Health Insurance Portability and Accountability Act Operating Rules and 3. ICD-10 Medical Codes. The duration of the Xerox State Healthcare, LLC contract is unchanged from Amendment 5. Details on these enhancements are provided below:

1. T-MSIS (Medicaid Statistical Information System): Section 4735 of the Balanced Budget Act of 1997 included a statutory requirement for states to submit claims data, enrollee encounter data, and supporting information to the Centers for Medicare and Medicaid Services (CMS). Section 6504 of the Affordable Care Act strengthened this provision by requiring states to include data elements federally required for program integrity, program oversight, and administration.. New Hampshire is required by the federal Centers for Medicare and Medicaid Services (CMS) to implement the new Transformed Medicaid Statistical Information System (T-MSIS) data extract process by July 1, 2014. CMS is requiring States to implement T-MSIS in order to receive more comprehensive, complete, and timely Medicaid and CHIP-related data from States. CMS seeks to establish a new standardized process for states to submit and for CMS to receive the data in an administratively and technically efficient manner, and to help reduce the burden on states of having to support multiple CMS data requests. CMS expects that states will be able to sunset the present MSIS submissions with a consolidated, synchronized, and standardized T-MSIS data submission.
2. Health Insurance Portability and Accountability Act Operating Rules: The New Hampshire Health Enterprise Medicaid Management Information System must be enhanced to be compliant with the Operating Rules standard as required under the Administrative Simplification provisions in Section 1104 of the Patient Protection and Affordable Care Act (ACA) of 2010 and the Health Insurance Portability and Accountability Act (HIPAA) Operating Rules. New requirements for administrative transactions were established to improve the utility of existing HIPAA transactions and to reduce administrative burdens. The New Hampshire Department of Health and Human Services' Medicaid Program, as a healthcare payer and a covered entity under Health Insurance Portability and Accountability Act, is obligated to be compliant with the Health Insurance Portability and Accountability Act Operating Rules standard in its processing of Health Insurance Portability and Accountability Act-standard electronic data interchange electronic transactions. These transactions include but are not limited to eligibility inquiry and response (270/271), claims (837), claims status inquiry and response (276/277), and claims payment/remittance advice (835). Further, under the requirements of the Operating Rules standard, the New Hampshire Department of Health and Human Services is required to file a statement with the federal Department of Health and Human Services attesting to NH Medicaid's compliance with the Operating Rules standard. Significant financial penalties could be imposed for failure to comply.

3. ICD-10 Medical Codes: The compliance date for implementation of ICD-10-CM/PCS is October 1, 2014, for all Health Insurance Portability and Accountability Act (HIPAA) covered entities. ICD-10-CM/PCS will enhance accurate payment for services rendered and help evaluate medical processes and outcomes. ICD-10 diagnosis codes must be used for all health care services provided in the United States (U.S.) and ICD-10 procedure codes must be used for all hospital inpatient procedures. On and after October 1, 2014 providers are required to submit ICD-10 compliant transactions for all outpatient services and inpatient discharges with dates of service 10/01/2014 and thereafter. Any claims submitted after 10/01/2014 for dates of services and discharges prior to October 1, 2014 must be submitted with ICD-9 compliant transactions.

Should the Governor and Executive Council determine to not approve this Request, the Department of Health and Human Services could face a loss of federal funding from the Centers for Medicare and Medicaid Services due to the failure of implementing T-MSIS (Medicaid Statistical Information System) enhancements. Financial penalties could also result from failure to implement the Health Insurance Portability and Accountability Act Operating Rules. In addition, failure to implement ICD-10 Medical Code enhancements could result in Medicaid Claims not processing starting October 1, 2014 and the loss of additional federal funds from the Centers for Medicare and Medicaid Services.

Ninety percent (90%) federal funding for the Design, Development and Implementation phase in this Amendment 6 is pending approval by the Centers for Medicare and Medicaid Services. Seventy-five percent (75%) federal funding of the Operations phase of this agreement is pending certification of the New Hampshire Medicaid Management Information System by the Centers for Medicare and Medicaid Services.

Source of Funds: Design, Development and Implementation phase: 90% federal funds, 10% general funds; Operations phase: 50% federal funds, 50% general funds (prior to federal certification) and 75% federal funds, 25% general funds (pending federal certification).

Area served: Statewide.

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

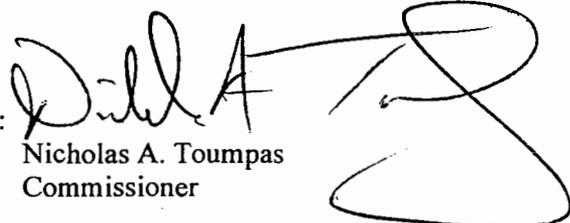
Respectfully submitted,



for

William L. Baggeroer  
Chief Information Officer/Director

Approved by:



Nicholas A. Toumpas  
Commissioner



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

March 21, 2014

Peter C. Hastings  
Commissioner  
Department of Information Technology  
Concord, New Hampshire 03301

**REQUESTED ACTION**

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 # 700073) with Xerox State Healthcare, LLC (Vendor #177830) at 9040 Roswell Road, Suite 700, Atlanta, GA, 30350, to develop and operate the State's new Medicaid Management Information System by increasing the price limitation by \$18,806,210 from \$91,719,301 to a new amount not to exceed \$110,525,511 effective upon the approval of the Governor and Executive Council. This amendment expands the existing scope of services.

**EXPLANATION**

This is a **sole source** amendment that provides for uninterrupted continuation of essential system development and implementation services by the contractor in support of the New Hampshire Medicaid Management Information System's Design, Development and Implementation effort that has been progressing steadily. Given the intricacies of the multi-tiered New Hampshire Medicaid Management Information System solution, Xerox/ACS is most knowledgeable about the system architecture, integrated software products, and the internal design of the Medicaid Management Information System framework and is best suited to continue its implementation.

Because of the nature of the new enhancements, their broad impact across the Medicaid Management Information System, and the need to integrate and implement the federally mandated changes into the overall framework of the new Medicaid Management Information System, while striving to implement the new Medicaid Management Information System by the go live date, Xerox possesses the requisite knowledge base required to incorporate these changes most efficiently and effectively.

The role of the Medicaid Management Information System implementation contractor was described in the State's Implementation Advanced Planning Document for the New Hampshire Medicaid Management Information System Project, which was approved by the federal Centers for Medicare and Medicaid Services in May 2004. A Request For Proposal was issued in September 2004. Notification of the Request For Proposal publication was issued using standard Department of Information Technology procedures. The Medicaid Management Information System Request For Proposal 2005-004 was issued on September 14, 2004, and published on the Department of Administrative Services web site. ACS State Healthcare, LLC, (now Xerox State Healthcare,) was selected as the Medicaid Management Information System contractor through a competitive bid process.

March 21, 2014

Page 2

The purpose of this requested action (Amendment 6) is to design, develop and implement three federally required enhancements to the Medicaid Management Information Systems: 1. T-MSIS (Medicaid Statistical Information System), 2. Health Insurance Portability and Accountability Act Operating Rules and 3. ICD-10 Medical Codes. The duration of the Xerox State Healthcare, LLC contract is unchanged from Amendment 5. Details on these enhancements are provided below:

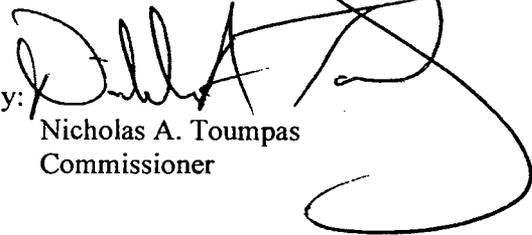
1. **T-MSIS (Medicaid Statistical Information System):** Section 4735 of the Balanced Budget Act of 1997 included a statutory requirement for states to submit claims data, enrollee encounter data, and supporting information to the Centers for Medicare and Medicaid Services (CMS). Section 6504 of the Affordable Care Act strengthened this provision by requiring states to include data elements federally required for program integrity, program oversight, and administration.. New Hampshire is required by the federal Centers for Medicare and Medicaid Services (CMS) to implement the new Transformed Medicaid Statistical Information System (T-MSIS) data extract process by July 1, 2014. CMS is requiring States to implement T-MSIS in order to receive more comprehensive, complete, and timely Medicaid and CHIP-related data from States. CMS seeks to establish a new standardized process for states to submit and for CMS to receive the data in an administratively and technically efficient manner, and to help reduce the burden on states of having to support multiple CMS data requests. CMS expects that states will be able to sunset the present MSIS submissions with a consolidated, synchronized, and standardized T-MSIS data submission.
2. **Health Insurance Portability and Accountability Act Operating Rules:** The New Hampshire Health Enterprise Medicaid Management Information System must be enhanced to be compliant with the Operating Rules standard as required under the Administrative Simplification provisions in Section 1104 of the Patient Protection and Affordable Care Act (ACA) of 2010 and the Health Insurance Portability and Accountability Act (HIPAA) Operating Rules. New requirements for administrative transactions were established to improve the utility of existing HIPAA transactions and to reduce administrative burdens. The New Hampshire Department of Health and Human Services' Medicaid Program, as a healthcare payer and a covered entity under Health Insurance Portability and Accountability Act, is obligated to be compliant with the Health Insurance Portability and Accountability Act Operating Rules standard in its processing of Health Insurance Portability and Accountability Act-standard electronic data interchange transactions. These transactions include but are not limited to eligibility inquiry and response (270/271), claims (837), claims status inquiry and response (276/277), and claims payment/remittance advice (835). Further, under the requirements of the Operating Rules standard, the New Hampshire Department of Health and Human Services is required to file a statement with the federal Department of Health and Human Services attesting to NH Medicaid's compliance with the Operating Rules standard. Significant financial penalties could be imposed for failure to comply.
3. **ICD-10 Medical Codes:** The compliance date for implementation of ICD-10-CM/PCS is October 1, 2014, for all Health Insurance Portability and Accountability Act (HIPAA) covered entities. ICD-10-CM/PCS will enhance accurate payment for services rendered and help evaluate medical processes and outcomes. ICD-10 diagnosis codes must be used for all health care services provided in the United States (U.S.) and ICD-10 procedure codes must be used for all hospital inpatient procedures. On and after October 1, 2014 providers are required to submit ICD-10 compliant transactions for all outpatient services and inpatient discharges with dates of service 10/01/2014 and thereafter. Any claims submitted after 10/01/2014 for dates of services and discharges prior to October 1, 2014 must be submitted with ICD-9 compliant transactions.

Respectfully submitted,

Handwritten signature of William L. Baggeroer, appearing as "W. Baggeroer for".

William L. Baggeroer  
Chief Information Officer/Director

Approved by:

Handwritten signature of Nicholas A. Toumpas, appearing as "Nicholas A. Toumpas".

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/doit/](http://www.nh.gov/doit/)

**Peter C. Hastings**  
*Commissioner*

March 21, 2014

Nicholas Toumpas, Commissioner  
State of New Hampshire  
Department of Health and Human Services  
129 Pleasant Street  
Concord, NH 03301-3857

Dear Commissioner Toumpas:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to amend existing contract 2005-004: Medicaid Management Information System Reprocurement, with Xerox State Healthcare, LLC ("Xerox") (formerly Affiliated Computer Systems or ACS) as described below and referenced as DoIT No. 2005-004F.

This is a request for approval to amend the contract with Xerox State Healthcare, LLC, effective upon Governor and Executive Council approval. This amendment will allow uninterrupted continuation of essential system development and implementation services by the contractor in support of the New Hampshire Medicaid Management Information System's Design, Development, and Implementation effort that has been progressing steadily. The price limitation is increased by \$18,806,210 from \$91,719,301 to an amount not to exceed \$110,525,511. This project is set forth in the Department of Health and Human Services Strategic Information Technology Plan, dated October 21, 2005, Project No. 76 of Appendix VI.

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

Sincerely,

  
Peter C. Hastings

PCH/ltn  
2005-004F

cc: Leslie Mason, DoIT  
Brian Earp, DHHS

**State of New Hampshire  
Department of Health and Human Services  
Amendment 6 to the Xerox State Healthcare, LLC Contract**

This 6th Amendment to the Xerox State Healthcare, LLC contract (hereinafter referred to as "Amendment 6") dated this 20<sup>th</sup> day of March, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Xerox State Healthcare, LLC, with offices at 9040 Roswell Road, Suite 700, Atlanta, Georgia 30350 (hereinafter referred to as "Xerox" or "Contractor") and

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on December 7, 2005, and as amended by Amendment 1 on December 11, 2007, Amendment 2 on June 17, 2009, Amendment 3 on June 23, 2010, and Amendment 4 on March 7, 2012, and Amendment 5 on December 19, 2012, 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 gave conditional approval for the MMIS "go-live" on March 31, 2013; and

WHEREAS, the Operations Phase commenced on April 1, 2013, the first day of the month immediately following the "go-live" date; and

WHEREAS, the State and the Contractor have agreed to make changes to Contractor's name, the payment schedules and terms and conditions of the Contract;

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 6, the obligations of the parties shall remain in full force and effect in accordance with the terms and conditions set forth in the original Contract, its Amendment 1 on December 11, 2007, its Amendment 2 on June 17, 2009, its Amendment 3 on June 23, 2010, its Amendment 4 on March 7, 2012, and its Amendment 5 on December 19, 2012.
2. The provisions of Contract Paragraph 2. CONTRACT/ORDER OF PRECEDENCE are hereby replaced by:

2.1 Contract Documents

This Contract between the Department and the Contractor (the "Contract") consists of the following Contract Documents:

- New Hampshire Standard Contract Terms and Conditions, Form P-37, together with the following exhibits:
  - Exhibit A – Statement of Work
  - Exhibit B – Price and Payment Schedule
  - Exhibit C – Special Provisions
  - Exhibit C-1 Special Provisions for MMIS Contracts

- Exhibit D – Certification Regarding Drug Free Workplace Requirements
- Exhibit E – Certification Regarding Lobbying
- Exhibit F – Certification Regarding Debarment, Suspension and other Responsibility Matters
- Exhibit G – Certificate Regarding Americans with Disabilities Act Compliance
- Exhibit H – Certification Regarding Environmental Tobacco Smoke
- Exhibit I – HIPAA Business Associate Agreement
- Exhibit J – Certification Regarding Federal Funding Accountability and Transparency Act (FFATA) Compliance
- Exhibit K – Ownership and Control Statement
- Exhibit L – Performance Bond Continuation Certificate
- All Appendices and Tables, including but not limited to:
  - Appendix A.1 – Preliminary Work Plan
  - Appendix A.2 – Deliverables List and Payment Schedule
  - Appendix A.3 – Liquidated Damages
  - Appendix A.4 – System Change Requirements
  - Appendix A.5 – NH MMIS Outpatient Prospective Payment System
  - Appendix A.6 – NH MMIS Enhanced Analytics
  - Appendix A.7 – NH MMIS HIPAA 5010 Enhancements
  - Appendix A.8 – NH MMIS System Change Requirements
  - Appendix A.9 – NH MMIS Additional System Enhancements
  - Appendix A.10 – NH MMIS HIPAA Operating Rules Assessment
  - Appendix A.11 – NH MMIS System Change Requests and Testing Support
  - Appendix A.12 – NH MMIS System Enhancements to Meed Federal Requirements
- Amendment 1, Amendment 2, Amendment 3, Amendment 4, Amendment 5, and Amendment 6 to the Contract.
- DHHS MMIS RFP 2005-004, including any appendices and exhibits, as amended, and the State's written responses to written questions posed by vendors.
- The Contractor's Technical Proposal submitted in response to RFP 2005-004 (1/5/2005), exclusive of any terms that are inconsistent with, or purport to modify or supersede, the New Hampshire Standard Contract Terms and Conditions, Form P-37, or the mandatory terms of RFP 2005-004.

**General Terms and Conditions, Form P-37**

3. The General Provisions Form P-37 are hereby amended as follows:

3.1. Block 1.8, Price Limitation, is increased by \$18,806,210 from \$91,719,301 to \$110,525,511 to reflect the additional requirements set forth in this Amendment 6.

3.2. Block 3 Effective Date: Completion of Services is amended by adding the following sentences to section 3.1:

“The effective date of the original Contract is December 5, 2005. The effective date of Amendment 1 is December 11, 2007. The effective date of Amendment 2 is June 17, 2009. The effective date of Amendment 3 is June 23, 2010. The effective date of Amendment 4 is March 7, 2012. The effective date of Amendment 5 is December 19, 2012. All of the preceding dates are the dates the Contract was approved by the New Hampshire Governor and Executive Council, or a date certain, whichever is

Contractor Initials:           DH            
          2/12/14

later, as specified in each document. This Amendment 6 is effective on the date of Governor and Executive Council approval.”

**Exhibit A**

4. Exhibit A, Contract Section 3.4 System Specifications 3.4.25 *Outpatient Prospective Payment System (OPPS)* Appendix A.5 , Amendment 5 shall be deleted and replaced in its entirety with:  
Xerox Amendment 6 Appendix A.5 NH MMIS Outpatient Prospective Payment System (OPPS).
5. Exhibit A, Contract Section 3.4 *System Specifications* 3.4.26 Appendix A.6, Amendment 5 shall be deleted and replaced in its entirety with:  
Xerox Amendment 6 Appendix A.6 NH MMIS Enhanced Analytics.
6. Exhibit A, Contract Section 3.4 System Specifications 3.4.28, *NH MMIS Federally Mandated 5010 Upgrade*, Appendix A.7, Amendment 5, shall be deleted and replaced in its entirety with:  
Xerox Amendment 6 Appendix A.7 NH MMIS HIPAA 5010 Enhancement.
7. Exhibit A, Contract Section 3.4 System Specifications 3.4.29, *NH MMIS Additional System Enhancements*, Appendix A.9, Amendment 5, shall be deleted and replaced in its entirety with:  
Xerox Amendment 6 Appendix A.9 NH MMIS Additional System Enhancements.
8. The provisions of Exhibit A, Contract Section 3.4 System Specifications shall be amended to add:

3.4.32 NH MMIS System Enhancements to Meet Federal Requirements

The Contractor shall work with the State to design, construct, test, and implement required enhancements to the NH MMIS specified in RFP 2005-004, Attachment 1, based on the State's need to implement the system enhancements identified in Appendix A.12 of this Amendment 6. The State shall specify these requirements through deliverables specifically set forth in Amendment 6, Appendix A.12.

The Contractor shall purchase on behalf of the State all hardware and software necessary to affect the solution and the Contractor shall update the State's hardware and software inventory to include any new hardware and/or software purchased in support of any provision of this Amendment 6.

The Contractor shall fully satisfy the requirements for the implementation of the system enhancements as outlined in Amendment 6, Appendix A.12 and in accordance with the payment schedule identified within Amendment 6, Appendix A.2.

9. The provisions of Exhibit A, Contract Paragraph 4.2.1 are hereby replaced with the following:

The DDI Phase is the period of the MMIS Implementation commencement of work through March 31, 2013, and March 31, 2013 is the “go-live date” for which the State gave conditional approval. The Contractor shall meet and deliver, subject to State approval, all requirements set forth in this Contract under the DDI Phase that were not met or delivered at go-live. The Contractor shall meet and deliver those DDI Phase requirements that were not delivered at go-live by the time of system Certification, with the exception of the requirements under Appendix A.5,

Contractor Initials: DA

Date: 3/20/14

Appendix A.6, and requirements for Medicaid Hospice, Family Planning, and Electronic Health Record Provider Incentive under Appendix A.9 that could be delivered later as agreed upon by the State and Contractor. All outstanding defects shall be corrected by the end of the Warranty Period.

10. The provisions of Exhibit A, Contract Paragraph 4.2.2 are hereby replaced with the following:

The Operations Phase is the period beginning April 1, 2013, the "Start Date" of operations for which the State gave conditional approval. The Contractor shall meet and deliver, subject to State approval, all operations requirements set forth in this Contract under the DDI Phase that were not met or delivered at the Start Date of Operations, and the Contractor shall meet and deliver those requirements that were not delivered for the Start Date of operations by the time of system Certification, with any outstanding defects corrected by the end of the Warranty Period.

11. The provisions of Exhibit A, Contract Paragraph 8.1.1, *Key Staff*, are hereby replaced with the following:

The Contractor's "key staff" shall be comprised of the following individuals:

- Paul LaRoche – Project Manager;
- Kimberly Price – Implementation Manager;
- Craig Heyrman – Functional Manager;
- Vidyaa Balasubramaniyan – QA/Test manager;
- Rishi Mehta – Technical Manager;
- Sudipto Sarkar - Conversion/Data Migration Manager;
- TBD – Documentation Specialist;
- TBD– Interface Lead;
- Nancy Stanieich – Provider Relations Manager;
- Brian Geiger – Ad Hoc Specialist;
- Rishi Mehta – Maintenance Manager;
- Craig Heyrman – Modifications Manager.
- Jodi Fisk – Operations/Claims Processing Manager

12. The first sentence of Exhibit A, Contract Paragraph 13.1, *Warranty Period*, which states, "The Warranty Period shall commence upon the operational start date of the state-approved new MMIS, and shall continue until Federal Certification is received" is hereby replaced with the following:

The Warranty Period shall commence upon the start date of Operations, April 1, 2013, and shall continue until Federal Certification is received.

13. The provisions of Amendment 5, Appendix A.2, *Deliverables List and Payment Schedule* of the Contract are hereby replaced with Amendment 6, Appendix A.2 as attached.

#### **Exhibit B**

14. The provisions of Exhibit B, Paragraph 1.1 *Firm Fixed Price* are replaced with the following paragraphs:

Contractor Initials: DK

2/22/14

1.1 Price

This Contract between The State of New Hampshire and Contractor is an agreement to plan, design, install, implement, support, maintain, and operate the State's new NH MMIS System for a base contract period of up to ten years and four months. The base contract includes a seven year and four-month DDI Phase, for an amount Not to Exceed \$50,864,605. The base contract period includes a three-year Base Operations Phase for an amount Not to Exceed \$8,339,558 for the first year, \$8,584,223 for the second year, and \$8,368,168 for the third year, for a total Base Operations Phase amount Not to Exceed \$25,291,949. The total amount for the base contract period shall not exceed \$76,156,554.

The Contract further provides for an optional two-year extension of the Operations Phase, which the State may exercise at its discretion by notifying the Contractor in writing of its intention to extend no later than 6 months before the expiration of the base Contract period, i.e. by September 30, 2015, at a firm fixed price of \$8,449,330 for the first year (extension operations year 1) and \$8,414,395, for the second year (extension operations year 2) for a total two year operations extension period price not to exceed \$16,863,725.

The Contract also provides for Post-DDI Phase Enhancements to be implemented during the base operations phase in accordance with Amendment 6 Appendix A.12 for a Post-DDI Phase Enhancement total amount not to exceed \$17,505,232. The total amount for the base contract, optional operations extension period, and the Post DDI Enhancements shall not exceed \$110,525,511.

The Contractor shall be responsible for performing the work in accordance with the Contract Documents, including without limitation, the requirements, and terms and conditions contained herein.

15. The provisions of Exhibit B, Paragraph 1.5 *Total Contract Price* are replaced with the following:

Notwithstanding anything in this Contract to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments under this Contract (excluding pass-through costs identified in section 1.4, above) exceed \$110,525,511, as set forth in Table 1.5-1: Total Contract Price – DDI, Operations, and Post DDI Enhancements. The payment by the State of the total Contract price shall be the only and the complete reimbursement to the Contractor for all fees and expenses, of whatever nature, incurred by the Contractor in performance hereof.

**Table 1.5-1: Total Contract Price –DDI, Operations, and Post DDI Enhancements**

AMENDMENT 6 PRICE ITEM	
<i>DDI Phase</i>	<b>\$50,864,605</b>
<i>Subtotal DDI Phase:</i>	<b>\$50,864,605</b>
<i>Base Operations Year 1</i>	<b>\$8,339,558</b>
<i>Base Operations Year 2</i>	<b>\$8,584,223</b>
<i>Base Operations Year 3</i>	<b>\$8,368,168</b>
<i>Subtotal Base Operations Phase:</i>	<b>\$25,291,949</b>
<i>(DDI Phase and Base Operations Phase) Total Base Contract:</i>	<b>76,156,554</b>
<i>Extension Operations Year 1</i>	<b>\$8,449,330</b>

Contractor Initials: SH

Date: 3/20/14

<b>Extension Operations Year 2</b>	<b>\$8,414,395</b>
<b>Subtotal Extension Operations Phase:</b>	<b>16,863,725</b>
<b>Total Operations Phase:</b>	<b>\$42,155,674</b>
<b>Post-DDI Phase Enhancements - Amendment 6</b>	<b>\$17,505,232</b>
<b>Subtotal Post DDI Enhancements:</b>	<b>\$17,505,232</b>
<b>(DDI Phase, Operations Phase, Post-DDI Phase Enhancements)</b>	
<b>Total Contract Price:</b>	<b>\$110,525,511</b>

**Exhibit J**

16. Exhibit J Certification Regarding the Federal Funding Accountability and Transparency Act (FFATA) Compliance is hereby replaced with the attached Exhibit K to reflect current information as of the effective date of the Amendment 6.

**Exhibit K**

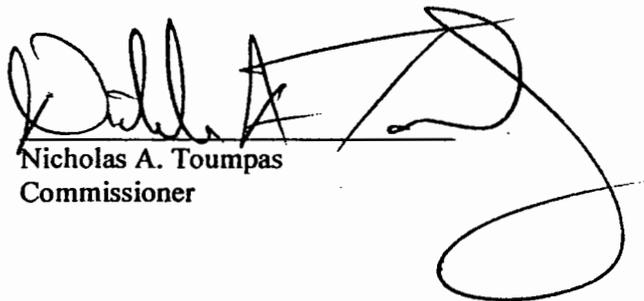
17. Exhibit K Ownership and Control is hereby replaced with the attached Exhibit K to reflect current information as of the effective date of this Amendment 6.

Contractor Initials: DA

01/20/14

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

State of New Hampshire  
Department of Health and Human Services



Nicholas A. Toumpas  
Commissioner



David Hamilton  
President  
Xerox State Healthcare, LLC

Contractor Initials: DH

Date: 3/20/17

STATE OF New Hampshire  
COUNTY OF Merrimack

On this the 20<sup>th</sup> day of March 2014, before me, Tanya Davis the undersigned officer, personally appeared David Hamilton who acknowledged himself/herself to be the President of Xerox State Healthcare, LLC, a Delaware limited liability company, and that he/she, as such President 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 President.

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

Tanya Davis  
Notary Public/Justice of the Peace  
My commission expires: \_\_\_\_\_  
**TANYA M. DAVIS, Notary Public**  
**My Commission Expires July 28, 2015**

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

OFFICE OF THE ATTORNEY GENERAL

By: [Signature]

Date: 3/21/14

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: \_\_\_\_\_

Contractor Initials: DH  
alalid

Amendment 6 Appendix A2  
Deliverable List and Payment Schedule

Ref #	Deliverable	Amend 5 Delivery Date	Amend 6 Revised Delivery Date	Amend 5 Invoice Date	Amend 6 Revised Invoice Date	Payment Amount	Holdback %	Holdback Amount	Payment less 15% holdback	Holdback Release	Release %	Holdback Amount	Holdback Release Amt	% Retained	Holdback	Retained Amount
1	Project Initiation and Planning	02/22/06	04/11/06	04/11/06	04/11/06	\$1,899,102.65	15%	\$280,366.38	\$1,598,737.17	\$1,598,737.17	0%	\$0.00	\$1,598,737.17	15%	\$280,366.38	\$1,879,103.55
2	Concord, NH DDI Project Site Requirement	01/30/06	03/21/06	03/21/06	03/21/06	\$12,070.00	15%	\$1,810.50	\$10,259.50	\$10,259.50	0%	\$0.00	\$10,259.50	15%	\$1,810.50	\$12,070.00
3	Project Management Plan	06/19/06	08/03/07	08/03/07	08/03/07	\$137,777.00	15%	\$20,666.55	\$117,110.45	\$117,110.45	0%	\$0.00	\$117,110.45	15%	\$20,666.55	\$137,777.00
4	Delivered Project Work Plan	02/02/06	03/21/06	03/21/06	03/21/06	\$12,070.00	15%	\$1,810.50	\$10,259.50	\$10,259.50	0%	\$0.00	\$10,259.50	15%	\$1,810.50	\$12,070.00
5	Problem Control and Change Management Plan	02/02/06	03/21/06	03/21/06	03/21/06	\$12,070.00	15%	\$1,810.50	\$10,259.50	\$10,259.50	0%	\$0.00	\$10,259.50	15%	\$1,810.50	\$12,070.00
6	Project Communication Plan	02/02/06	03/21/06	03/21/06	03/21/06	\$12,070.00	15%	\$1,810.50	\$10,259.50	\$10,259.50	0%	\$0.00	\$10,259.50	15%	\$1,810.50	\$12,070.00
7	Quality Assurance Plan	01/24/06	03/21/06	03/21/06	03/21/06	\$12,070.00	15%	\$1,810.50	\$10,259.50	\$10,259.50	0%	\$0.00	\$10,259.50	15%	\$1,810.50	\$12,070.00
8	Requirements Traceability Matrix	02/09/06	04/11/06	04/11/06	04/11/06	\$42,452.00	15%	\$6,367.80	\$36,084.20	\$36,084.20	0%	\$0.00	\$36,084.20	15%	\$6,367.80	\$42,452.00
9	Weekly Project Status Reports	02/07/06	03/21/06	03/21/06	03/21/06	\$139,277.00	15%	\$20,891.55	\$118,385.45	\$118,385.45	0%	\$0.00	\$118,385.45	15%	\$20,891.55	\$139,277.00
10	Delivered Implementation Schedule	02/02/06	03/21/06	03/21/06	03/21/06	\$21,014.00	15%	\$3,152.10	\$17,861.90	\$17,861.90	0%	\$0.00	\$17,861.90	15%	\$3,152.10	\$21,014.00
11	(D/S) Quarterly updates	03/14/06	04/11/06	04/11/06	04/11/06	\$55,022.00	15%	\$8,253.30	\$46,768.70	\$46,768.70	0%	\$0.00	\$46,768.70	15%	\$8,253.30	\$55,022.00
12	Performance Self-Reporting Mechanism-Monthly	01/24/06	03/21/06	03/21/06	03/21/06	\$12,070.00	15%	\$1,810.50	\$10,259.50	\$10,259.50	0%	\$0.00	\$10,259.50	15%	\$1,810.50	\$12,070.00
13	Total Project Initiation and Planning Cost					\$2,325,091.55	15%	\$348,760.23	\$1,976,281.32	\$1,976,281.32	0%	\$0.00	\$1,976,281.32	15%	\$348,760.23	\$2,325,091.55
14	Requirements Analysis and Validation	05/18/06	08/12/06	08/12/06	08/12/06	\$9,500,890.00	15%	\$1,425,028.00	\$8,075,862.00	\$8,075,862.00	0%	\$0.00	\$8,075,862.00	15%	\$1,425,028.00	\$9,500,890.00
15	Requirements Validation Specification	02/01/06	03/21/06	03/21/06	03/21/06	\$52,132.00	15%	\$7,819.80	\$44,312.20	\$44,312.20	0%	\$0.00	\$44,312.20	15%	\$7,819.80	\$52,132.00
16	Issues Tracking and Resolution Document	08/03/06	09/18/06	09/18/06	09/18/06	\$72,000.00	15%	\$10,800.00	\$61,200.00	\$61,200.00	0%	\$0.00	\$61,200.00	15%	\$10,800.00	\$72,000.00
17	Preliminary Test Plan	10/12/07	10/17/07	10/17/07	10/17/07	\$48,653.00	15%	\$7,297.95	\$41,355.05	\$41,355.05	0%	\$0.00	\$41,355.05	15%	\$7,297.95	\$48,653.00
18	Preliminary Training Plan	08/09/06	08/07/06	08/07/06	08/07/06	\$93,975.00	15%	\$14,096.25	\$79,878.75	\$79,878.75	0%	\$0.00	\$79,878.75	15%	\$14,096.25	\$93,975.00
19	Preliminary Conversion/Migration Plan	01/23/06	03/21/06	03/21/06	03/21/06	\$109,971.00	15%	\$16,495.65	\$93,475.35	\$93,475.35	0%	\$0.00	\$93,475.35	15%	\$16,495.65	\$109,971.00
20	Total Requirements Analysis and Validation					\$6,879,818.00	15%	\$1,001,972.56	\$5,877,845.44	\$5,877,845.44	1%	\$87,969.19	\$5,789,876.25	14%	\$935,174.56	\$6,879,818.00
21	Design	05/15/07	08/08/07	08/08/07	08/08/07	\$2,813,764.00	15%	\$422,063.10	\$2,391,699.80	\$2,391,699.80	2%	\$58,275.08	\$2,333,424.72	13%	\$365,788.02	\$2,813,764.00
22	General System Design	02/08/08	02/08/08	02/08/08	02/08/08	\$1,303,702.44	15%	\$195,553.37	\$1,108,149.07	\$1,108,149.07	2%	\$28,074.05	\$1,080,075.02	13%	\$169,481.32	\$1,303,702.44
23	Delimited System Design Group 1	03/06/08	03/14/08	03/14/08	03/14/08	\$1,303,702.44	15%	\$195,553.37	\$1,108,149.07	\$1,108,149.07	2%	\$28,074.05	\$1,080,075.02	13%	\$169,481.32	\$1,303,702.44
24	Delimited System Design Group 2	06/11/08	06/13/08	06/13/08	06/13/08	\$1,303,702.44	15%	\$195,553.37	\$1,108,149.07	\$1,108,149.07	2%	\$28,074.05	\$1,080,075.02	13%	\$169,481.32	\$1,303,702.44
25	Delimited System Design Group 3	06/11/08	06/13/08	06/13/08	06/13/08	\$1,303,702.44	15%	\$195,553.37	\$1,108,149.07	\$1,108,149.07	2%	\$28,074.05	\$1,080,075.02	13%	\$169,481.32	\$1,303,702.44
26	Test Environment Preparation	02/01/07	01/28/07	01/28/07	01/28/07	\$104,082.00	15%	\$15,612.30	\$88,469.70	\$88,469.70	2%	\$20,861.84	\$67,607.86	14%	\$8,861.84	\$104,082.00
27	Preliminary Operations Plan	05/30/12	06/29/12	06/29/12	06/29/12	\$30,000.00	15%	\$4,500.00	\$25,500.00	\$25,500.00	2%	\$600.00	\$24,900.00	14%	\$3,300.00	\$30,000.00
28	Preliminary MMS Implementation Plan	01/08/13	02/06/13	02/06/13	02/06/13	\$110,981.00	15%	\$16,647.15	\$94,333.85	\$94,333.85	2%	\$23,585.22	\$70,748.63	14%	\$9,163.44	\$110,981.00
29	Preliminary Contingency Plan	07/28/08	08/07/08	08/07/08	08/07/08	\$44,322.00	15%	\$6,648.30	\$37,673.70	\$37,673.70	2%	\$941.60	\$36,732.10	13%	\$4,730.50	\$44,322.00
30	Preliminary Security Plan	05/20/08	05/20/08	05/20/08	05/20/08	\$47,666.00	15%	\$7,149.90	\$40,516.10	\$40,516.10	2%	\$1,012.80	\$39,503.30	13%	\$5,140.50	\$47,666.00
31	Finalized Disaster Recovery Plan	09/14/12	02/06/13	02/06/13	02/06/13	\$47,666.00	15%	\$7,149.90	\$40,516.10	\$40,516.10	2%	\$1,012.80	\$39,503.30	13%	\$5,140.50	\$47,666.00
32	MMS Change Order Analysis-OSD Update Gr 1-7	12/07/12	05/28/13	05/28/13	05/28/13	\$40,428.00	15%	\$6,064.20	\$34,363.80	\$34,363.80	2%	\$866.56	\$33,507.24	13%	\$4,496.68	\$40,428.00
33	MMS Change Order Analysis-OSD Update Gr 8-9	10/09/13	01/09/13	01/09/13	01/09/13	\$18,861.00	15%	\$2,829.15	\$16,031.85	\$16,031.85	2%	\$400.77	\$15,631.08	13%	\$2,028.07	\$18,861.00
34	Archive Claims Retrieval Solution	03/16/12	04/20/12	04/20/12	04/20/12	\$7,658,014.32	15%	\$1,148,402.16	\$6,509,612.17	\$6,509,612.17	2%	\$163,120.28	\$6,346,491.89	13%	\$985,281.86	\$7,658,014.32
35	Total Design					\$1,148,402.16	15%	\$172,827.66	\$975,574.50	\$975,574.50	2%	\$243,915.12	\$731,659.38	13%	\$103,358.38	\$1,148,402.16
36	Construction and Unit Testing	08/24/08	06/30/09	06/30/09	06/30/09	\$651,851.22	15%	\$97,777.68	\$554,073.54	\$554,073.54	2%	\$138,037.02	\$416,036.52	13%	\$53,600.00	\$651,851.22
37	Functional Test Summary Iteration 1a	10/03/12	11/02/12	11/02/12	11/02/12	\$358,518.17	15%	\$53,777.73	\$304,740.44	\$304,740.44	2%	\$76,185.11	\$228,555.33	13%	\$29,980.10	\$358,518.17
38	Functional Test Summary Member Function	10/03/12	11/02/12	11/02/12	11/02/12	\$97,777.68	15%	\$14,666.65	\$83,111.03	\$83,111.03	2%	\$20,777.76	\$62,333.27	13%	\$8,255.55	\$97,777.68
39	Functional Test Summary Non-Functional Req.	10/03/12	11/02/12	11/02/12	11/02/12	\$1,408,688.40	15%	\$212,998.81	\$1,195,689.59	\$1,195,689.59	2%	\$298,933.51	\$896,756.08	13%	\$118,922.50	\$1,408,688.40
40	Functional Test Summary Operations Functions	10/03/12	11/02/12	11/02/12	11/02/12	\$1,140,759.60	15%	\$171,110.94	\$969,648.66	\$969,648.66	2%	\$242,413.66	\$727,235.00	13%	\$92,521.34	\$1,140,759.60
41	Functional Test Summary Program Functions	10/03/12	11/02/12	11/02/12	11/02/12	\$130,970.24	15%	\$19,645.54	\$111,324.70	\$111,324.70	2%	\$28,074.05	\$83,250.65	13%	\$10,770.05	\$130,970.24
42	Functional Test Summary Provider Functions	10/03/12	11/02/12	11/02/12	11/02/12	\$85,185.12	15%	\$12,777.77	\$72,407.35	\$72,407.35	2%	\$18,103.70	\$54,303.65	13%	\$7,000.00	\$85,185.12
43	Functional Test Results	06/29/13	07/29/13	07/29/13	07/29/13	\$80,830.00	15%	\$12,124.50	\$68,705.50	\$68,705.50	2%	\$17,177.63	\$51,527.87	13%	\$6,650.00	\$80,830.00
44	MMS Change Order # 2	11/05/12	09/17/13	09/17/13	09/17/13	\$25,000.00	15%	\$3,750.00	\$21,250.00	\$21,250.00	2%	\$5,312.50	\$15,937.50	13%	\$2,062.50	\$25,000.00
45	New PMA Interface Design and Construction	05/25/12	08/29/12	08/29/12	08/29/12	\$51,480.00	15%	\$7,722.00	\$43,758.00	\$43,758.00	2%	\$11,189.50	\$32,568.50	13%	\$4,218.50	\$51,480.00
46	Change Orders A 8	11/05/12	05/31/14	12/05/12	06/30/14	\$180,143.00	15%	\$27,021.45	\$153,121.55	\$153,121.55	2%	\$38,282.68	\$114,838.87	13%	\$14,943.68	\$180,143.00
47	Preliminary Provider Handbooks	07/11/12	08/17/12	08/17/12	08/17/12	\$89,488.87	15%	\$13,423.28	\$76,065.59	\$76,065.59	2%	\$19,016.14	\$57,049.45	13%	\$7,537.14	\$89,488.87
48	Finalized MMS Implementation Plan-Provider Enroll	06/24/08	08/24/08	08/24/08	08/24/08	\$141,757.00	15%	\$21,263.55	\$120,493.45	\$120,493.45	2%	\$30,123.39	\$90,370.06	13%	\$11,756.67	\$141,757.00
49	Finalized Integration and System Test Plan	01/06/13	02/06/13	02/06/13	02/06/13	\$148,465.00	15%	\$22,269.75	\$126,195.25	\$126,195.25	2%	\$31,548.75	\$94,646.50	13%	\$12,497.75	\$148,465.00
50	Finalized Conversion/Migration Plan	11/05/12	06/28/13	06/28/13	06/28/13	\$114,076.00	15%	\$17,111.40	\$96,964.60	\$96,964.60	2%	\$24,241.15	\$72,723.45	13%	\$9,472.20	\$114,076.00
51	Finalized Operations Plan	01/08/13	02/06/13	02/06/13	02/06/13	\$47,984.70	15%	\$7,197.70	\$40,787.00	\$40,787.00	2%	\$10,196.75	\$30,590.25	13%	\$3,993.25	\$47,984.70
52	Total Construction and Unit Testing					\$4,886,123.43	15%	\$734,418.51	\$4,151,704.92	\$4,151,704.92	2%	\$1,037,224.47	\$3,114,480.45	13%	\$399,486.05	\$4,886,123.43
53	Integration and System Testing	08/02/10	09/07/10	09/07/10	09/07/10	\$651,851.22	15%	\$97,777.68	\$554,073.54	\$554,073.54	2%	\$138,037.02	\$416,036.52	13%	\$53,600.00	\$651,851.22
54	Integration and System Test Summary Iteration 1a	03/27/13	03/27/13	03/27/13	03/27/13	\$105,555.36	15%	\$15,833.30	\$89,722.06	\$89,722.06	2%	\$22,430.51	\$67,291.55			



Ref #	Deliverable	Amend 5 Delivery Date	Amend 6 Revised Delivery Date	Amend 5 Invoice Date	Amend 6 Revised Invoice Date	Payment Amount	Holdback %	Holdback Amount	Payment Less 15% Holdback	Release %	Release Amount	Payment with Holdback Release Amt	% Retained Holdback	Retained Amount
<b>PROSPECTIVE PAYMENT SYSTEM</b>														
TOTAL	OUTPATIENT PROSPECTIVE PAYMENT SYSTEM					\$957,000.00	15%	\$143,550.00	\$813,450.00	1%	\$9,870.00	\$823,580.00	14%	\$133,980.00
1	Requirements and Design	07/07/13	05/31/14	08/11/13	06/30/14	\$122,801.00	15%	\$18,420.15	\$104,380.85	1%	\$1,228.01	\$105,608.86	14%	\$17,192.14
	Total Requirements and Design					\$122,801.00	15%	\$18,420.15	\$104,380.85	1%	\$1,228.01	\$105,608.86	14%	\$17,192.14
<b>CONSTRUCTION AND USER ACCEPTANCE TEST</b>														
2	Initiation of UAT	08/11/13	07/01/14	08/11/13	08/01/14	\$204,316.80	15%	\$30,647.52	\$173,669.28	1%	\$2,043.17	\$175,712.45	14%	\$28,604.35
3	Completion of UAT	10/05/13	08/31/14	11/03/13	09/30/14	\$817,267.20	15%	\$122,580.08	\$694,687.12	1%	\$8,172.87	\$702,860.00	14%	\$102,860.00
	Total Construction and Unit Test					\$1,021,584.00	15%	\$153,227.60	\$868,356.40	1%	\$10,216.04	\$878,572.44	14%	\$143,021.18
<b>IMPLEMENTATION</b>														
4	Completion of Implementation, Data & Report Balancing & Reconciliation	01/01/14	08/31/14	02/03/13	09/30/14	\$119,215.00	15%	\$17,882.25	\$101,332.75	1%	\$1,182.15	\$102,514.90	14%	\$16,890.10
	Total Implementation					\$119,215.00	15%	\$17,882.25	\$101,332.75	1%	\$1,182.15	\$102,514.90	14%	\$16,890.10
<b>TOTAL DECISION SUPPORT SYSTEM</b>														
TOTAL	DECISION SUPPORT SYSTEM					\$1,283,800.00	15%	\$189,540.00	\$1,094,260.00	1%	\$12,636.00	\$1,081,624.00	14%	\$176,904.00
<b>6010 ENHANCEMENTS</b>														
1	Requirements and Design	03/28/12	comp	04/02/12	comp	\$1,777,000.00	15%	\$266,550.00	\$1,510,450.00	0%	\$0.00	\$1,510,450.00	0%	\$0.00
2	Detailed System Design	04/08/12	comp	05/04/12	comp	\$712,500.00	15%	\$106,875.00	\$605,625.00	1%	\$7,125.00	\$612,750.00	14%	\$89,780.00
	Total Requirements and Design					\$2,489,500.00	15%	\$373,425.00	\$2,116,075.00	1%	\$24,895.00	\$2,140,970.00	14%	\$348,530.00
<b>CONSTRUCTION AND USER ACCEPTANCE TEST</b>														
3	Initiation of UAT	12/07/12	12/07/12	05/28/13	comp	\$1,780,300.00	15%	\$267,045.00	\$1,513,255.00	1%	\$17,903.00	\$1,531,158.00	14%	\$250,642.00
4	Completion of UAT	03/01/13	09/30/14	04/01/13	10/31/14	\$1,828,800.00	15%	\$274,320.00	\$1,554,480.00	1%	\$18,288.00	\$1,572,768.00	14%	\$256,046.00
5	Design, code, unit test, SIT - UAT testing for the COB changes	09/20/13	09/20/14	11/01/13	10/31/14	\$475,000.00	15%	\$71,250.00	\$403,750.00	1%	\$4,750.00	\$408,500.00	14%	\$68,500.00
	Total Construction and Unit Test					\$4,084,200.00	15%	\$614,130.00	\$3,470,070.00	1%	\$40,942.00	\$3,511,012.00	14%	\$573,188.00
<b>IMPLEMENTATION</b>														
6	Completion of Implementation	03/01/13	10/31/14	04/30/13	11/30/14	\$568,425.00	15%	\$85,263.75	\$483,161.25	1%	\$5,684.25	\$488,845.50	14%	\$79,579.50
	Total Implementation					\$568,425.00	15%	\$85,263.75	\$483,161.25	1%	\$5,684.25	\$488,845.50	14%	\$79,579.50
<b>TOTAL 6010 ENHANCEMENTS</b>														
TOTAL	6010 ENHANCEMENTS					\$7,152,125.00	15%	\$1,072,818.75	\$6,079,306.25	1%	\$71,521.25	\$6,150,827.50	14%	\$1,001,287.50
<b>CONSTRUCTION AND USER ACCEPTANCE TEST</b>														
3	Completion of UAT	03/20/13	03/20/13	12/23/13	comp	\$1,873,875.00	15%	\$281,081.25	\$1,592,793.75	1%	\$18,728.75	\$1,611,522.50	14%	\$278,342.50
	Total Construction and Unit Test					\$1,873,875.00	15%	\$281,081.25	\$1,592,793.75	1%	\$18,728.75	\$1,611,522.50	14%	\$278,342.50
<b>IMPLEMENTATION</b>														
4	Completion of Implementation	05/01/13	05/31/14	06/01/13	06/30/14	\$282,400.00	15%	\$42,360.00	\$240,040.00	1%	\$2,400.40	\$242,440.40	14%	\$40,936.00
	Total Implementation					\$282,400.00	15%	\$42,360.00	\$240,040.00	1%	\$2,400.40	\$242,440.40	14%	\$40,936.00
<b>TOTAL Managed Care Phase I Enhancements</b>														
TOTAL	Managed Care Phase I Enhancements					\$2,802,275.00	15%	\$424,003.75	\$2,378,271.25	1%	\$28,022.75	\$2,406,294.00	14%	\$392,318.50
<b>CONSTRUCTION AND USER ACCEPTANCE TEST</b>														
1	Requirements Analyze and Start Up	02/15/13	05/31/14	03/15/13	05/31/14	\$237,800.00	15%	\$35,670.00	\$202,130.00	1%	\$2,378.00	\$204,508.00	14%	\$33,292.00
2	Detailed System Design	02/15/13	05/31/14	03/15/13	05/31/14	\$70,500.00	15%	\$10,575.00	\$59,925.00	1%	\$705.00	\$60,630.00	14%	\$9,870.00
	Total Construction and Design					\$308,300.00	15%	\$46,245.00	\$262,055.00	1%	\$3,083.00	\$265,138.00	14%	\$43,162.00
<b>IMPLEMENTATION</b>														
3	Completion of UAT	08/15/13	05/31/14	07/15/13	08/30/14	\$1,006,800.00	15%	\$151,020.00	\$855,780.00	1%	\$10,068.00	\$865,848.00	14%	\$140,952.00
	Total Construction and Unit Test					\$1,006,800.00	15%	\$151,020.00	\$855,780.00	1%	\$10,068.00	\$865,848.00	14%	\$140,952.00
<b>IMPLEMENTATION</b>														
4	Completion of Implementation	07/01/13	05/31/14	08/01/13	05/31/14	\$89,873.00	15%	\$14,985.95	\$74,887.05	1%	\$898.73	\$85,875.78	14%	\$13,996.22
	Total Implementation					\$89,873.00	15%	\$14,985.95	\$74,887.05	1%	\$898.73	\$85,875.78	14%	\$13,996.22
<b>TOTAL Managed Care Phase II Enhancements</b>														
TOTAL	Managed Care Phase II Enhancements					\$1,415,073.00	15%	\$212,260.95	\$1,202,812.05	1%	\$14,150.73	\$1,216,962.78	14%	\$198,110.22
<b>CONSTRUCTION AND DESIGN</b>														
	Requirements and Design													

Contractor Initials: *PH*  
Date: *3/20/14*

Ref #	Deliverable	Amount 5 Delivery Date	Amend 6 Revised Delivery Date	Amend 5 Invoice Date	Amend 6 Revised Invoice Date	Payment Amount	Holdback %	Holdback Amount	Payment less 15% holdback	Holdback Release %	Holdback Amount	Payment with Holdback Release Amt	% Retained Holdback	Holdback Retained Amount
1	Requirements Analysis and Start Up	06/22/13	06/31/14	07/22/13	06/30/14	\$42,250.00	15%	\$6,337.50	\$35,912.50	1%	\$359.1250	\$36,271.6250	14%	\$5,915.00
2	Detailed System Design	06/22/13	06/31/14	07/22/13	06/30/14	\$22,250.00	15%	\$3,337.50	\$18,912.50	1%	\$189.1250	\$19,101.6250	14%	\$2,865.00
	Total Requirements and Design					\$64,500.00		\$9,675.00	\$54,825.00		\$548.2500	\$55,373.2500		\$8,780.00
3	Construction and User Acceptance Test	11/28/13	08/31/14	12/28/13	08/30/14	\$326,100.00	15%	\$48,915.00	\$277,185.00	1%	\$2,771.8500	\$280,446.00	14%	\$40,554.00
	Total Construction and Unit Test					\$326,100.00		\$48,915.00	\$277,185.00		\$2,771.8500	\$280,446.00		\$40,554.00
4	Implementation	12/31/13	11/30/14	01/31/14	12/31/14	\$75,194.00	15%	\$11,278.10	\$63,914.80	1%	\$639.1480	\$64,553.9480	14%	\$9,037.16
	Total Implementation					\$75,194.00		\$11,278.10	\$63,914.80		\$639.1480	\$64,553.9480		\$9,037.16
	TOTAL Medicaid Hospice Benefit Enhancements					\$468,794.00	15%	\$70,319.10	\$398,474.90	1%	\$4,887.94	\$403,362.84	14%	\$55,631.16
<b>PHYSICIAN ASSISTANT</b>														
1	Requirements and Design	06/22/13	06/31/14	07/22/13	06/30/14	\$13,850.00	15%	\$2,077.50	\$11,772.50	1%	\$117.7250	\$11,890.2250	14%	\$1,669.00
2	Detailed System Design	06/22/13	06/31/14	07/22/13	06/30/14	\$14,500.00	15%	\$2,175.00	\$12,325.00	1%	\$123.2500	\$12,448.2500	14%	\$1,747.00
	Total Requirements and Design					\$28,350.00	15%	\$4,252.50	\$24,097.50	1%	\$240.9750	\$24,338.4750	14%	\$3,416.00
3	Construction and User Acceptance Test	11/28/13	08/31/14	12/28/13	08/30/14	\$222,250.00	15%	\$33,337.50	\$188,912.50	1%	\$1,889.1250	\$190,801.6250	14%	\$26,514.00
	Total Construction and Unit Test					\$222,250.00		\$33,337.50	\$188,912.50		\$1,889.1250	\$190,801.6250		\$26,514.00
4	Implementation	12/31/13	11/30/14	01/31/14	12/31/14	\$61,369.00	15%	\$9,205.35	\$52,163.65	1%	\$521.6365	\$52,685.2865	14%	\$7,375.96
	Total Implementation					\$61,369.00		\$9,205.35	\$52,163.65		\$521.6365	\$52,685.2865		\$7,375.96
	TOTAL Family Planning Benefit Enhancements					\$311,969.00	15%	\$46,795.35	\$265,173.65	1%	\$2,651.7365	\$267,825.3865	14%	\$37,367.92
<b>PHYSICIAN</b>														
1	Requirements and Design	02/01/13	05/31/14	03/01/13	06/30/14	\$11,250.00	15%	\$1,687.50	\$9,562.50	1%	\$95.6250	\$9,658.1250	14%	\$1,352.00
2	Detailed System Design	03/01/13	05/31/14	04/01/13	06/30/14	\$78,500.00	15%	\$11,775.00	\$66,725.00	1%	\$667.2500	\$67,392.2500	14%	\$9,236.00
	Total Requirements and Design					\$189,750.00	15%	\$28,462.50	\$161,287.50	1%	\$1,612.8750	\$162,900.3750	14%	\$21,588.00
3	License Integration Construction and System Testing	03/04/13	05/31/14	04/04/13	06/30/14	\$600,000.00	15%	\$90,000.00	\$510,000.00	1%	\$5,100.0000	\$515,100.0000	14%	\$70,700.00
4	Software Installed and Integrated	04/11/13	05/31/14	05/11/13	06/30/14	\$80,783.00	15%	\$12,117.45	\$68,665.55	1%	\$686.6555	\$69,352.1055	14%	\$9,509.82
5	System Integration Testing Completed	05/01/13	05/31/14	06/01/13	06/30/14	\$234,993.00	15%	\$35,248.95	\$199,744.05	1%	\$1,997.4405	\$201,741.4905	14%	\$27,843.82
	Total Construction and Unit Test					\$915,776.00	15%	\$137,366.90	\$778,409.10	1%	\$7,784.0110	\$786,193.1110	14%	\$108,253.64
6	User Acceptance Testing and Implementation	05/21/13	06/31/14	06/21/13	08/30/14	\$63,650.00	15%	\$9,547.50	\$54,102.50	1%	\$541.0250	\$54,643.5250	14%	\$7,448.90
7	Training	04/30/13	06/31/14	05/31/13	08/30/14	\$3,450.00	15%	\$517.50	\$2,932.50	1%	\$29.3250	\$2,961.8250	14%	\$406.66
8	Implementation	05/31/13	06/31/14	06/30/13	08/30/14	\$78,500.00	15%	\$11,775.00	\$66,725.00	1%	\$667.2500	\$67,392.2500	14%	\$9,236.00
	Total Implementation					\$145,600.00	15%	\$21,840.00	\$123,760.00	1%	\$1,237.6000	\$125,000.0000	14%	\$17,280.66
	TOTAL Enhanced Provider Screening Enhancements					\$1,252,116.00	15%	\$187,817.40	\$1,064,298.60	1%	\$10,642.9860	\$1,074,941.5860	14%	\$146,296.24
<b>PHYSICIAN ASSISTANT</b>														
1	Requirements and Design	06/01/13	05/31/14	07/01/13	06/30/14	\$13,300.00	15%	\$1,995.00	\$11,305.00	1%	\$113.0500	\$11,418.0500	14%	\$1,589.00
2	Detailed System Design	06/01/13	05/31/14	07/01/13	06/30/14	\$27,250.00	15%	\$4,087.50	\$23,162.50	1%	\$231.6250	\$23,394.1250	14%	\$3,253.00
	Total Requirements and Design					\$40,550.00	15%	\$6,082.50	\$34,467.50	1%	\$344.6750	\$34,812.1750	14%	\$4,842.00
3	Construction and User Acceptance Test	08/21/13	08/31/14	08/21/13	08/30/14	\$95,700.00	15%	\$14,355.00	\$81,345.00	1%	\$813.4500	\$82,158.4500	14%	\$11,299.00
	Total Construction and Unit Test					\$95,700.00		\$14,355.00	\$81,345.00		\$813.4500	\$82,158.4500		\$11,299.00
5	Implementation	08/31/13	11/30/14	09/30/13	12/31/14	\$44,592.00	15%	\$6,688.80	\$37,903.20	1%	\$379.0320	\$38,282.2320	14%	\$5,156.92
	Total Implementation					\$44,592.00		\$6,688.80	\$37,903.20		\$379.0320	\$38,282.2320		\$5,156.92
	TOTAL EHR Provider Incentive Program Enhancements					\$180,842.00	15%	\$27,126.30	\$153,715.70	1%	\$1,537.1570	\$155,252.8570	14%	\$20,918.88
<b>PHYSICIAN</b>														
1	Project documentation and recommendations for remediation	08/30/13	05/31/14	07/01/13	06/30/14	\$489,250.00	15%	\$73,387.50	\$415,862.50	1%	\$4,158.6250	\$420,021.1250	14%	\$56,700.00
	Total Assessment					\$489,250.00	15%	\$73,387.50	\$415,862.50	1%	\$4,158.6250	\$420,021.1250	14%	\$56,700.00

Contractor Initial: *DK*  
Date: *3/11/14*

Ref #	Deliverable	Amend 5 Delivery Date	Amend 6 Revised Delivery Date	Amend 5 Invoice Date	Amend 6 Revised Invoice Date	Payment Amount	Holdback %	Holdback Amount	Payment less 15% Holdback	Holdback % Release	Holdback Release Amount	Payment with Holdback Release Amt	% Retained Holdback	Holdback Retained Amount
<b>Section A - Pre-Production Phase</b>														
<b>Change Request Designed, Developed, Implemented</b>														
1	All NH CRs Identified in Appendix A-11 DDI Complete	03/31/13	03/31/13	08/17/13	comp	\$5,117,750.00	15%	\$767,262.50	\$4,350,487.50	1%	\$51,177.50	\$4,401,265.00	14%	\$718,485.00
2	Training Staff Augmentation January/February/March 2013	03/31/13	03/31/13	08/17/13	comp	\$390,041.00	15%	\$58,506.15	\$331,534.85	1%	\$3,990.41	\$334,575.26	14%	\$54,485.74
	Total Change Requests and Staff Augmentation					\$5,507,791.00	15%	\$826,018.65	\$4,681,772.35	1%	\$55,067.91	\$4,736,840.26	14%	\$770,950.74
<b>TOTAL A11 MMIS Change Requests/Staff Augmentation</b>						<b>\$5,507,791.00</b>	<b>15%</b>	<b>\$826,018.65</b>	<b>\$4,681,772.35</b>	<b>1%</b>	<b>\$55,067.91</b>	<b>\$4,736,840.26</b>	<b>14%</b>	<b>\$770,950.74</b>
<b>TOTAL MMIS DDI Phase</b>						<b>\$50,864,604.50</b>	<b>15%</b>	<b>\$7,629,689.68</b>	<b>\$43,234,913.83</b>	<b>1%</b>	<b>\$508,646.05</b>	<b>\$43,743,559.87</b>	<b>14%</b>	<b>\$7,121,044.63</b>
<b>Section B - Post DDI Phase</b>														
<b>MMIS Post DDI/Phase System Enhancements</b>														
1	Software License Acquired and Applied	03/31/14		04/30/14		\$229,794.00								
2	Requirements Elaboration - Documented Change Requests	03/31/14		04/30/14		\$178,166.00								
3	Updated Detailed System Design Approved	03/31/14		04/30/14		\$178,166.00								
4	Technical Design Completed	05/30/14		06/29/14		\$249,374.00								
5	Coding, Unit Testing, Data Configuration Updates Completed	08/29/14		08/29/14		\$293,981.00								
6	Development Integration Testing Completed	08/29/14		08/29/14		\$293,981.00								
7	System Integration Testing Completed	10/27/14		11/26/14		\$190,998.00								
8	T-MSIS User Acceptance Testing Completed	12/30/14		12/30/14		\$117,352.00								
9	Implementation - Post Production Validation Complete					\$1,932,984.00								
<b>TOTAL A12 T-MSIS</b>						<b>\$1,932,984.00</b>								
<b>Section C - Post Production Phase</b>														
<b>MMIS Post Production Phase System Enhancements</b>														
1	Software License Acquired and Applied	01/31/14		03/02/14		\$1,589,509.00								
2	Tool Installed and Ready to Use	01/31/14		03/02/14		\$140,418.00								
3	Change Request Documented and Approved	01/31/14		03/02/14		\$140,418.00								
4	Updated Detailed System Design Approved	01/31/14		03/02/14		\$140,418.00								
5	Technical Design Completed	01/31/14		03/02/14		\$421,266.00								
6	Coding, Unit Testing, and Data Configuration Completed	02/28/14		03/30/13		\$547,533.00								
7	Development Integration Testing Completed	02/28/14		03/30/13		\$547,533.00								
8	System Test Plan Approved	03/28/14		04/27/14		\$122,968.00								
9	System Integration Testing Completed	03/28/14		04/27/14		\$388,999.00								
10	User Acceptance Testing Completed	03/28/14		04/27/14		\$210,828.00								
11	Post Production Validation Completed	05/31/14		06/30/14		\$189,504.00								
<b>TOTAL A13 HIPAA Operating Rules</b>						<b>\$4,395,185.00</b>								
<b>Section D - Post Production Phase</b>														
<b>MMIS Post Production Phase System Enhancements</b>														
1	Software License Acquired and Applied	04/12/14		05/12/14		\$2,281,482.00								
2	Tool Installed	05/09/14		06/08/14		\$1,977,211.00								
3	JAD Sessions - Requirement Document Approved	04/07/14		05/07/14		\$328,535.00								
4	Requirements Technical Consulting	04/07/14		04/08/14		\$80,000.00								
5	Technical Design Updated Detailed System Design	05/20/14		04/08/14		\$1,235,757.00								
6	Design Technical Consulting	05/20/14		04/08/14		\$70,000.00								
7	Coding Complete	06/09/14		07/09/14		\$1,029,787.00								
8	Unit Test, Data Configured, Dev Integration Test Complete	06/09/14		07/09/14		\$1,029,787.00								
9	Data Configuration Technical Consulting	05/15/14		07/09/14		\$70,000.00								
10	System Test Plan and Environment Ready	04/30/14		05/30/14		\$287,748.00								
11	System Integration Testing Completed	07/31/14		08/30/14		\$803,242.00								
12	System Integration Testing Technical Consulting	07/31/14		08/30/14		\$70,000.00								
13	User Acceptance Testing Completed	08/23/14		10/23/14		\$659,070.00								
14	User Acceptance Testing Technical Consulting	08/23/14		10/24/14		\$70,000.00								
15	Training Technical Consulting	08/12/14		07/12/14		\$70,000.00								
16	Production Implementation and PIR Completed	08/30/14		10/30/14		\$906,222.00								
17	PIR, Dev Configuration Testing Completed - Phase II	12/31/14		01/30/15		\$257,202.00								
18	Phase II - Technical Consulting	12/31/14		01/30/15		\$70,000.00								
<b>TOTAL A12 ICD-10</b>						<b>\$11,277,083.00</b>								
<b>TOTAL MMIS Post DDI Enhancements Amendment 6</b>						<b>\$17,505,232.00</b>								
<b>TOTAL MMIS DDI and Post DDI Enhancements Amendment 6</b>						<b>\$68,369,836.50</b>								

**Xerox Amendment 6  
Appendix A.5  
NH MMIS Outpatient Prospective Payment System  
(OPPS)**

#	Milestone or Deliverable	Payment	Date
1	Start work - Phase 1: Requirements Analysis		
2	Receipt of data extract from DHHS	\$50,000	12/9/2009
3	Delivery of summary of analytical database		
4	DHHS acceptance of analytical database		
5	Delivery of draft requirements analysis report	\$50,000	12/16/2009
6	DHHS acceptance of draft requirements analysis report		
7	Delivery of requirements analysis report	\$60,000	2/16/2010
8	DHHS acceptance of requirements analysis report		
9	Start work - Phase 2 Business Rules and Design		
10	Delivery of first draft Business Requirements Document	\$70,000	4/1/2010
11	DHHS acceptance of first draft Business Requirements Document		
12	Delivery of second draft Business Requirements Document	\$70,000	5/14/2010
13	DHHS acceptance of second draft Business Requirements Document		
14	Delivery of Business Requirements Document	\$75,000	7/7/2010
15	DHHS acceptance of Business Requirements Document		
16	Start Work - Phase 3 Construction		
17	Delivery of the Detailed Systems Design updates	\$291,000	6/4/2012
18	State acceptance of the Detailed System Design update		
19	Start Work - Phase 4 Implementation		
19	Delivery of the system test plan and results	\$291,000	10/1/2014
20	State acceptance of the system test results		
21	Execute User Acceptance Testing; State approves implementation		
22	Implementation - Outpatient Prospective Payment Enhancements		
	<b>Total Cost:</b>	<b>\$957,000</b>	

**Xerox Amendment 6**  
**Appendix A.6**  
**NH MMIS Enhanced Analytics**

Project Phase	Activity / Focus Category	Enhanced Analytics Details	Cost	Date
Requirements and Design	Detailed Design	Requirements Validation and Detailed System Design	\$122,801	
		<b>Design Subtotal:</b>	<b>\$122,801</b>	<b>4/7/2013</b>
Construction and Unit Test	Cubes	Design and implement data cubes where each cube could have 8-10 dimensions and about 10 facts with 1-2 complex derivations.	\$120,289	
	Metadata	Present a description of the columns in Cognos Query Studio/Report Studio as a user hovers over a column for derived data elements so that it is clear to the user what variables were factored into those derived factors.	\$53,401	
	Summary facts	Design and Implement complex queries pre-built on summary facts that either combine claim lines or provide predefined counts or costs for different claim types that can be executed expeditiously with efficient run times for reporting.	\$171,585	
	Groupings	Design and Implement Pre-Built Grouped Classifications of Claims, Members, and Providers based on preconstructed dimensions, that can be modified to adapt to changing conditions.	\$59,855	
	Pre-Built Filters	Design and Implement Prebuilt Filters as provided for by the Department.	\$44,552	
	Integrate ETG Capability	Integrate the functionality to support Episode Treatment Groupings (ETG).	\$226,952	
	Integrate GoSearch Capability	Integrate the functionality to support indexing and searching for attributes across reports.	\$77,641	
	Inpatient Stay/ Member Months	Design and implement complex summary facts relative to continuous enrollment that require additional tables than other summary facts.	\$142,565	
	Adapt existing functionality to accommodate added functionality	Security setup, Balancing Procedure Changes and Reports, Adhoc Package Changes to include new data columns, User Guide Updates.	\$124,744	
		<b>Development/Construction/Unit Test Subtotal:</b>	<b>\$1,021,584</b>	<b>7/31/2014</b>
Testing & Implementation	Testing, Data and Report Balancing & Reconciliation	Execute Integration Testing, Support User Acceptance Testing, Operational Readiness, and Implementation.	\$119,215	
		<b>SIT/UAT Testing, and Implementation Subtotal:</b>	<b>\$119,215</b>	<b>10/31/2014</b>
		<b>Grand Total:</b>	<b>\$1,263,600</b>	

**Xerox Amendment 6**  
**Appendix A.7**  
**NH MMIS HIPAA 5010 Enhancement**

**5010 Project Requirements:**

The Contractor shall design, develop, test, and implement enhancements to the New Hampshire Health Enterprise MMIS to make the system compliant with the requirements set forth in 45 CFR Part 162, "Health Insurance Reform; Modifications to the Health Insurance Portability and Accountability Act (HIPAA) Electronic Transaction Standards". The Contractor shall implement system changes to allow the system to receive, accept/reject, translate, process, present, store, and return data compliant with the American National Standards Institute (ANSI) Electronic Data Interchange (EDI) X12 Version 5010 (v5010) standards as required under 45 CFR Part 162. The Contractor shall implement the EDIFECS solution to support the validation, mapping, and translation of data received and responded to via Electronic Data Interchange (EDI) transactions.

The Contractor shall implement the following Electronic Data Interchange transactions for NH:

- 837 Institutional, Professional and Dental (Claims Submission)
- 276 / 277 - Claims Status Request / Response
- 270 / 271 - Member Eligibility Verification Inquiry and Response
- 271 / 270 - Third Party Coverage Verification
- 835 - Provider Remittance Advice
- 278 - Service Authorization Request / Response
- 277CA - Suspended Claim Notification
- 999 - Implementation Acknowledgement

The Contractor shall modify external provider-facing and internal user interface pages that support Claims Entry, Claims Status Validation, Member Eligibility Verification and Service Authorization submission so that the revised content of the v5010 transaction set can be entered, validated stored, and retrieved within the system. The Contractor shall modify all letters and reports impacted by the v5010 system changes.

The Contractor shall complete a comparative analysis of the previous v4010 transaction standards to v5010 using the transaction implementation guides and shall identify differences by transaction.

Based on the results of the comparative analysis, the Contractor shall complete an impact analysis to assess the impact to the various system components on the NH Health Enterprise MMIS, including User Interfaces (UI), Database, Translator, Valid Values, Reports, Letters, processing and business rules, etc. The Contractor shall update all applicable design deliverables and related artifacts as applicable based on the results of the impact analysis.

The Contractor shall ensure that the system design is in alignment with the v5010 X12 Transaction Implementation Guides and HIPAA standards for covered transactions.

**System Remediation Approach:**

The Contractor shall implement v5010 system enhancements under a phased approach utilizing the EDIFECS toolset as follows:

**Phase 1:**

- Modify EDI solution to support the 5010 X12 Transaction Set.
- Modify the External UIs to accept 5010 data
  - All external UIs will be 5010 data content compliant

- Add / Modify Validation Rules on the portal layer
- Service Authorization (278) will be fully 5010 compliant (including internal UI's)
- Letters & Reports associated with SA will be remediated
- Member/TPL (270/271) will be fully 5010 compliant
- Claim Status (276/277) will be fully 5010 compliant
- Claim Remittance (835) will be fully 5010 compliant

**Phase 2:**

- Implement changes to the internal claims processing and Internal Claims User Interfaces to take advantage of new or revised content available in the 5010 transaction set
- Implement 277CA to replace the suspended claims reporting that was on the 835 under 4010 but is no longer allowed on the 5010 version of the 835
- Claims Internal facing UIs will be modified during this phase

**Phase 3: Coordination of Benefits**

- Implement Electronic Coordination of Benefits using the 837 transaction to trade COB claims with a select group of third party carriers.

**Project Scope by Phase:**

**Phase 1 - Transaction Scope**

Functional Area	Description	Inbound	Outbound
Member	Eligibility & Benefit	270 Request	271 Response
Third Party Liability	Third Party Coverage Verification	271 Response	270 Request
Healthcare Claims	Professional, Institutional, Dental	837 D, I, P (SUSD)	---
Healthcare Claims	Claim Status	276 Request	277 Response
Healthcare Claims	Payment /Remittance Advice	---	835
Service Authorization	Service Authorization Request and Response	278 Request	278 Response
B2B (EDI)	Implementation Acknowledgement	N/A	999 replaces 997

**Phase 1 - System Change Scope Details**

- Total of 24 External UIs
- Total of 15 Report Templates
- Total of 3 Internal SA UI's
- Total of 4 Letter Templates

Phase 2 - Transaction Scope

Functional Area	Description	Inbound	Outbound
Healthcare Claims	Professional, Institutional, Dental	837 D, I, P (FULL)	
Healthcare Claims	Coordination of Benefits - Part A	837 I, P	
Healthcare Claims	Claim Acknowledgement	...	277 CA Suspend Claim Notification

Phase 2 - System Change Scope Details

- Total of 9 Internal UIs

Phase 3 - Transaction Scope

Functional Item	Scope Disposition
Create outbound 837 I, P and D COB transactions for selected TPL trading partners	For selected trading partners, the TPL claim facsimiles will be replaced with electronic 837 transactions. Companion guides and trading partner agreements will need to be negotiated as well as communication with Trading Partners to ensure that these 837 transactions are not processed by them as secondary payer claims, but as Medicaid TPL claims.
Accept inbound 835 transactions from COB Trading partners	Upon receipt of payment from the third party, the 835 information will be used to disposition the outstanding TPL billing recoveries.

5010 Payment Schedule:

Project Phase	Activity / Focus	Enhancement Activity	Cost	Date
Project Initiation	Secure EDIFECs toolset	Requirements Validation and Initial license and year 1 TSM	\$1,777,000	04/02/12
Requirements and Design	Detailed System Design	Detailed System Design	\$712,500	05/04/12
		<b>Requirements and Design Subtotal:</b>	<b>\$2,489,500</b>	
Construction/Testing	Completion of SIT/Begin UAT	Design, code, unit test and SIT testing for 5010 changes	\$1,790,300	07/06/12
	Completion of UAT Phase	State has tested and accepted 5010 enhancements as documented in the DSD documents	\$1,828,900	03/01/14
	Completion of Phase 3 Coordination of Benefits	Design, code, unit test, SIT and UAT testing for the COB changes	\$475,000	10/31/14
		<b>Construction and Testing Subtotal:</b>	<b>\$4,094,200</b>	
Implementation	Implementation of 5010 Changes	Concurrent with the implementation of the Enterprise MMIS	\$568,425	11/01/14
		<b>Implementation Subtotal:</b>	<b>\$568,425</b>	
		<b>Grand Total:</b>	<b>\$7,152,125</b>	

**Xerox Amendment 6**  
**Appendix A.9**  
**NH MMIS Additional System Enhancements**

**Introduction**

The New Hampshire Medicaid Management Information System (MMIS) requires the following enhancements to meet state and/or federal requirements for five (5) different areas:

1. Electronic Health Record Provider Incentive Program
2. Medicaid Hospice Benefit
3. Family Planning Benefit
4. Care Management
5. Enhanced Provider Screening

**1. Electronic Health Record (EHR) Provider Incentive Program**

The New Hampshire Medicaid Electronic Health Record (EHR) Incentive Program provides incentive payments to Eligible Professionals and Eligible Hospitals as they demonstrate adoption, implementation, upgrade, or meaningful use of certified EHR technology. This incentive program is designed to support providers during this period of health information technology transition and instill the use of EHRs in meaningful ways to help our nation to improve the quality, safety, and efficiency of patient health care.

The New Hampshire Medicaid Management Information System (MMIS) will be enhanced to interface with the EHR system to send and receive provider information in support of the EHR program and disburse incentive payments to eligible professionals and hospitals at pre-determined intervals. These payments will be tracked in the MMIS and reported based on funding source.

**EHR Provider Incentive Program Deliverables / Payment Schedule:**

Activity	Milestone or Deliverable	Start	Finish	Cost
<b>Phase I – Requirements Analysis</b>				
Requirements Gathering	JAD Sessions Complete	04/28/2014	05/09/2014	Incl in Doc Change Requests
Requirements Elaboration	Documented Change Request	05/12/2014	06/06/2014	\$6,650
	Updated DSD Chapters	06/09/2014	06/27/2014	\$6,650
	Updated L1 Spreadsheets	06/09/2014	06/27/2014	Incl in DSD
<b>Phase II – Design</b>				
Technical Design	Technical Design Complete	06/30/2014	07/11/2014	\$27,250
<b>Phase III – Configuration, Modification, Development / Construction</b>				
Coding	Code Complete	07/14/2014	07/25/2014	\$59,150
Unit Testing	Unit Test Complete	07/28/2014	08/08/2014	Incl in Coding
Data Configuration	Data Configuration Complete	07/28/2014	08/08/2014	Incl in Coding
Dev Integration Testing	Dev Integration Testing Complete	07/28/2014	08/08/2014	Incl in Coding

**Xerox Amendment 6**  
**Appendix A.9**  
**NH MMIS Additional System Enhancements**

Phase IV – System Integration Testing				
System Test Prep	System Test Environment Ready	08/11/2014	08/22/2014	Incl in Coding
System Test Planning	System Test Plan	08/11/2014	08/22/2014	\$6,650
SIT Execution	System Test Complete	08/25/2014	09/12/2014	\$19,950
Phase V – User Acceptance Testing				
UAT Test Prep	UAT Environment Ready	08/25/2014	09/12/2014	Incl in Coding
UAT Test Planning	UAT Test Plan	08/25/2014	09/12/2014	\$9,950
UAT Execution (State Activity)	UAT Test Complete	09/15/2014	10/03/2014	State Activity
Phase VI – Training				
Training Plan Development	Training Plan	NA	NA	No training needed
Training Materials Updates	Updated Training Materials	NA	NA	No training needed
Train Staff / State Users	Training Completed	NA	NA	No training needed
Phase VII – Implementation				
Production Release	Production Ready	10/03/2014	10/03/2014	\$44,592
Post Production Validation	Post Production Validation Complete	10/06/2014	10/31/2014	Incl in Prod Release
			<b>Total:</b>	<b>\$180,842</b>

**2. Medicaid Hospice Benefit**

Effective 07/01/2010, the NH Medicaid Program instituted a Hospice benefit for Medicaid eligible children and adults. To qualify for the benefit, a Medicaid beneficiary must be (1) under age 65, (2) impoverished, and (3) diagnosed with a terminal condition from which death is expected within six months or less. As with Medicare, the person electing Medicaid state plan hospice care must waive his or her right to regular Medicaid coverage for services related to the terminal illness with the exception of children who as a result of healthcare reform legislation are allowed both curative and hospice care simultaneously.

The New Hampshire Medicaid Management Information System (MMIS) will be enhanced to include processing and payment of Hospice claims and reporting of the expenditures as documented in the Hospice Final Rule 2010-18 provisions He-W 544.01 – 544.16. The MMIS will be enhanced to include a new provider type for providers specializing in Hospice care as well as networks and benefit plans required to accommodate providing Hospice services. Appropriate edits and audits will be added to ensure the correct and accurate payment of Hospice services in accordance with the Hospice Final Rule provisions.

**Xerox Amendment 6**  
**Appendix A.9**  
**NH MMIS Additional System Enhancements**

**Medicaid Hospice Benefit Deliverables / Payment Schedule:**

Activity	Milestone or Deliverable	Start	Finish	Cost
<b>Phase I – Requirements Analysis</b>				
Requirements Gathering	JAD Sessions Complete	04/28/2014	05/09/2014	Incl in Document Change Request
Requirements Elaboration	Documented Change Request	05/12/2014	06/06/2014	\$19,500
	Updated DSD Chapters	06/09/2014	06/27/2014	\$22,750
	Updated L1 Spreadsheets	06/09/2014	06/27/2014	Incl in DSD
<b>Phase II – Design</b>				
Technical Design	Technical Design Complete	06/30/2014	07/11/2014	\$25,250
<b>Phase III – Configuration, Modification, Development / Construction</b>				
Coding	Code Complete	07/14/2014	07/25/2014	\$177,600
Unit Testing	Unit Test Complete	07/28/2014	08/08/2014	Incl in Coding
Data Configuration	Data Configuration Complete	07/28/2014	08/08/2014	Incl in Coding
Dev Integration Testing	Dev Integration Testing Complete	07/28/2014	08/08/2014	Incl in Coding
<b>Phase IV – System Integration Testing</b>				
System Test Prep	System Test Environment Ready	08/11/2014	08/22/2014	Incl in Coding
System Test Planning	System Test Plan	08/11/2014	08/22/2014	\$38,900
SIT Execution	System Test Complete	08/25/2014	09/12/2014	\$100,500
<b>Phase V – User Acceptance Testing</b>				
UAT Test Prep	UAT Environment Ready	08/25/2014	09/12/2014	Incl in Coding
UAT Test Planning	UAT Test Plan	08/25/2014	09/12/2014	\$6,500
UAT Execution (State Activity)	UAT Test Complete	09/15/2014	10/03/2014	State Activity
<b>Phase VI – Training</b>				
Training Plan Development	Training Plan	09/15/2014	10/03/2014	Incl in Training

**Xerox Amendment 6  
Appendix A.9  
NH MMIS Additional System Enhancements**

				Comp
Training Materials Updates	Updated Training Materials	09/15/2014	10/3/2014	Incl in Training Comp
Train Staff/ State Users	Training Completed	09/15/2014	10/3/2014	\$2,600
<b>Phase VII – Implementation</b>				
Production Release	Production Ready	10/03/2014	10/03/2014	\$75,194
Post Production Support	Post Production Support Complete	10/06/2014	10/31/2014	Incl in Prod Release
<b>Total:</b>				<b>\$468,794</b>

**3. Family Planning Benefit**

The Social Security Act at 42 USC 1396(a)(10)(A)(ii) establishes a new Medicaid eligibility group eligible only for family planning services and family planning-related services. This expands the NH Title XIX Medicaid coverage to include a benefit for citizens who are not otherwise qualified for Title XIX programs or services, but now would be eligible for these family planning/family planning-related services.

The NH Medicaid Management System (MMIS) will enhance the existing interface with the New HEIGHTS system to support receipt of the eligibility information related to the new benefit plan for family planning and family planning related services for men and women. The MMIS will pay for these services and supplies under the program for those individuals who meet DFA eligibility requirements and program policies and business rules.

**Family Planning Benefit Deliverables / Payment Schedule:**

Activity	Milestone or Deliverable	Start	Finish	Cost
<b>Phase I – Requirements Analysis</b>				
Requirements Gathering	JAD Sessions Complete	04/28/2014	05/09/2014	Incl in Document CR
Requirements Elaboration	Documented Change Request	05/12/2014	06/06/2014	\$7,550
	Updated DSD Chapters	06/09/2014	06/27/2014	\$6,300
	Updated L1 Spreadsheets	06/09/2014	06/27/2014	Incl in DSD
<b>Phase II – Design</b>				
Technical Design	Technical Design Complete	06/30/2014	07/11/2014	\$14,500

**Xerox Amendment 6**  
**Appendix A.9**  
**NH MMIS Additional System Enhancements**

<b>Phase III – Configuration, Modification, Development / Construction</b>				
Coding	Code Complete	07/14/2014	07/25/2014	\$124,650
Unit Testing	Unit Test Complete	07/28/2014	08/08/2014	Incl in Coding
Data Configuration	Data Configuration Complete	07/28/2014	08/08/2014	Incl in Coding
Dev Integration Testing	Dev Integration Testing Complete	07/28/2014	08/08/2014	Incl in Coding
<b>Phase IV – System Integration Testing</b>				
System Test Prep	System Test Environment Ready	08/11/2014	08/22/2014	Incl in Coding
System Test Planning	System Test Plan	08/11/2014	08/22/2014	\$13,200
SIT Execution	System Test Complete	08/25/2014	09/12/2014	\$77,500
<b>Phase V – User Acceptance Testing</b>				
UAT Test Prep	UAT Environment Ready	08/25/2014	09/12/2014	Incl in Coding
UAT Test Planning	UAT Test Plan	08/25/2014	09/12/2014	\$4,400
UAT Execution (State Activity)	UAT Test Complete	09/15/2014	10/03/2014	State Activity
<b>Phase VI – Training</b>				
Training Plan Development	Training Plan	09/15/2014	10/03/2014	Incl in Training Comp
Training Materials Updates	Updated Training Materials	09/15/2014	10/03/2014	Incl in Training Comp
Train Staff / State Users	Training Completed	09/15/2014	10/03/2014	\$2,500
<b>Phase VII – Implementation</b>				
Production Release	Production Ready	10/03/2014	10/03/2014	\$61,369
Post Production Support	Post Production Support Complete	10/06/2014	10/31/2014	Incl in Prod Release
			<b>Total:</b>	<b>\$311,969</b>

**4. Care Management**

The NH State Legislature passed SB 147 (Chapter 125, Laws of New Hampshire 2011), which directed the New Hampshire Department of Health and Human Services (DHHS) to develop a comprehensive

**Xerox Amendment 6**  
**Appendix A.9**  
**NH MMIS Additional System Enhancements**

statewide care management program for all Medicaid enrollees. The program would focus on improving the value, quality, and efficiency of services provided in the New Hampshire Medicaid program, stimulate innovation, and generate program savings.

As a critical component of the total managed care program, the MMIS needs to be enhanced to incorporate functions necessary for a managed care program. These enhancements will take place in two project segments. The first project segment will include changes to the Benefit Plan, Member, Claims, Provider, and Service Authorization components of the system. The second project segment will include additional updates to Claims and Service Authorization, as well as the Third Party Liability component of the system.

**Care Management Deliverables / Payment Schedule – Segment I:**

Activity	Milestone or Deliverable	Start	Finish	Cost
<b>Phase 0 – Initiation</b>				
Management Oversight			Ongoing	\$74,800
Planning	Implementation Workplan	10/01/2012	11/15 + Ongoing Updates	\$127,250
<b>Phase I – Requirements Analysis</b>				
Requirements Gathering	JAD Sessions Complete	09/24/2012	11/15/2012	Incl in Doc Change Requests
Requirements Elaboration	Documented Change Requests	11/01/2012	11/29/2012	\$115,500
	Updated DSD Chapters	11/29/2012	12/15/2012	\$124,700
	Updated L1 Spreadsheets	11/01/2012	11/29/2012	Incl in DSD
<b>Phase II – Design</b>				
Technical Design	Technical Design Complete	11/08/2012	12/15/2012	\$93,750
<b>Phase III – Configuration, Modification, Development / Construction</b>				
Coding	Code Complete	11/15/2012	01/21/2013	\$1,029,125
Unit Testing	Unit Test Complete	12/06/2012	01/31/2013	Incl in Coding
Data Configuration	Data Configuration Complete	11/29/2012	12/06/2012	Incl in Coding
Dev Integration Testing	Dev Integration Testing Complete	12/10/2012	01/31/2013	Incl in Coding
<b>Phase IV – System Integration Testing</b>				
System Test Prep	System Test Environment Ready	12/24/2012	02/01/2013	Incl in Coding
System Test Planning	System Test Plan	12/21/2012	02/01/2013	\$54,500

**Xerox Amendment 6**  
**Appendix A.9**  
**NH MMIS Additional System Enhancements**

SIT Execution	System Test Complete	01/02/2013	03/21/2013	\$740,500
<b>Phase V – User Acceptance Testing</b>				
UAT Test Prep	UAT Environment Ready	02/01/2013	02/15/2013	Incl in Coding
UAT Test Planning	UAT Test Plan	01/15/2013	02/15/2013	\$138,250
UAT Execution (State Activity)	UAT Test Complete	02/15/2013	11/15/2013	State Activity
<b>Phase VI – Training</b>				
Training Plan Development	Training Plan	11/04/2013	11/15/2013	Incl in Train Staff
Training Materials Updates	Updated Training Materials	11/04/2013	11/15/2013	Incl in Train Staff
Train Staff / State Users	Training Completed	11/04/2013	11/15/2013	\$11,500
<b>Phase VII – Implementation</b>				
Production Release	Production Ready	11/15/2013	11/15/2013	\$292,400
Post Production Validation	Post Production Validation Complete	12/01/2013	12/31/2013	Incl in Prod Release
			<b>Total:</b>	<b>\$2,802,275</b>

Contractor Initials: DH

Date: 3/20/14

**Xerox Amendment 6**  
**Appendix A.9**  
**NH MMIS Additional System Enhancements**

**Care Management Deliverables / Payment Schedule – Segment II:**

Activity	Milestone or Deliverable	Start	Finish	Cost
<b>Phase 0 – Initiation</b>				
Management Oversight			Ongoing	\$56,500
Planning	Implementation Workplan	12/01/2012	01/15/2013 + Ongoing Updates	Incl in Phase (I)
<b>Phase I – Requirements Analysis</b>				
Requirements Gathering	JAD Sessions Complete	01/01/2014	01/31/2014	Incl in Doc Change Requests
Requirements Elaboration	Documented Change Requests	01/01/2014	03/28/2014	\$87,150
	Updated DSD Chapters	01/01/2014	03/28/2014	\$94,150
	Updated L1 Spreadsheets	01/01/2014	03/28/2014	Incl in DSD
<b>Phase II – Design</b>				
Technical Design	Technical Design Complete	02/01/2014	04/04/2014	\$70,500
<b>Phase III – Configuration, Modification, Development / Construction</b>				
Coding	Code Complete	02/05/2014	04/25/2014	\$535,000
Unit Testing	Unit Test Complete	02/05/2014	04/25/2014	Incl in Coding
Data Configuration	Data Configuration Complete	02/10/2014	04/25/2014	Incl in Coding
Dev Integration Testing	Dev Integration Testing Complete	02/28/2014	04/25/2014	Incl in Coding
<b>Phase IV – System Integration Testing</b>				
System Test Prep	System Test Environment Ready	03/01/2014	04/25/2014	Incl in Coding
System Test Planning	System Test Plan	03/01/2014	04/25/2014	\$41,000
SIT Execution	System Test Complete	03/01/2014	04/25/2014	\$318,100
<b>Phase V – User Acceptance Testing</b>				
UAT Test Prep	UAT Environment Ready	03/01/2014	04/25/2014	Incl in Coding
UAT Test Planning	UAT Test Plan	03/01/2014	04/25/2014	\$104,250
UAT Execution	UAT Test	03/01/2014	04/25/2014	State

**Xerox Amendment 6**  
**Appendix A.9**  
**NH MMIS Additional System Enhancements**

(State Activity)	Complete			Activity
<b>Phase VI – Training</b>				
Training Plan Development	Training Plan	03/01/2014	04/25/2014	Incl in Train Staff
Training Materials Updates	Updated Training Materials	03/01/2014	04/25/2014	Incl in Train Staff
Train Staff / State Users	Training Completed	03/01/2014	04/25/2014	\$8,450
<b>Phase VII – Implementation</b>				
Production Release	Production Ready	03/31/2014	04/25/2014	\$99,973
Post Production Validation	Post Production Validation Complete	04/25/2014	05/23/2014	Incl in Prod Release
			<b>Total:</b>	<b>\$1,415,073</b>

**Care Management Impact on Fiscal Agent Operations Costs**

The transition to a managed care delivery model will result in additional operational costs. These costs are based on the need for additional system staff as well as additional call center staff. The operational costs are as follows:

YEAR 1: April 2013 – March 2014: \$373,732  
 YEAR 2: April 2014 – March 2015: \$321,924  
 YEAR 3: April 2015 – March 2016: \$267,067  
 YEAR 4: April 2016 – March 2017: \$209,020  
 YEAR 5: April 2017 – March 2018: \$215,012

**5. Enhanced Provider Screening**

As per ACA Section 6028 States must validate all new providers using comprehensive database checks that include checking all applicable state licensing credentials. Further the regulations require states to collect SSN and Dates of Birth for all affiliated parties (owners, officers and directors) and validate the identities at the time of enrollment or revalidation (for existing enrollments). Rules also require risk scoring the providers and perform enhanced database checks for higher risk scores. The rules also mandate minimum monthly monitoring of all providers and affiliated parties for any change in sanction and eligibility status. The provider screening and monitoring solution allows the State to meet all ACA requirements. The application provides the ability for the New Hampshire Program Integrity staff to review results of all automated checks, to drill down into details and the ability to do manual verifications or enhanced due diligence where necessary. The application manages the entire screening workflow including all communications, evidence capture and reporting. The proposed solution is comprised of two

**Xerox Amendment 6**  
**Appendix A.9**  
**NH MMIS Additional System Enhancements**

primary modules, a screening module and a monitoring module. The system will also be fully integrated with the MMIS.

**Enhanced Provider Screening Deliverables / Payment Schedule:**

One-Time Perpetual Software Licensing Fee: \$600,000 to be invoiced when software is installed and ready for configuration and integration during Phase III.

Activity	Milestone or Deliverable	Start	Finish	Cost
<b>Phase I – Requirements Analysis</b>				
Requirements Gathering	JAD Sessions Complete	01/06/2014	01/31/2014	\$10,000
Requirements Elaboration	Documented Change Request	02/03/2014	04/04/2014	\$26,000
	Updated DSD Chapters	04/07/2014	04/25/2014	\$30,250
	Updated LI Spreadsheets	04/07/2014	04/25/2014	\$45,000
<b>Phase II – Design</b>				
Technical Design	Technical Design Complete	04/28/2014	05/09/2014	\$78,500
<b>Phase III – Configuration, Modification, Development / Construction</b>				
Licensed Software Integration	Software installed, ready for configuration	05/12/2014	05/16/2014	\$600,000
Coding	Code Complete	05/19/2014	05/30/2014	\$35,783
Unit Testing	Unit Test Complete	06/02/2014	06/13/2014	Incl in Coding
Data Configuration	Data Configuration Complete	06/02/2014	06/13/2014	Incl in Coding
Dev Integration Testing	Dev Integration Testing Complete	06/02/2014	06/13/2014	\$45,000
<b>Phase IV – System Integration Testing</b>				
System Test Prep	System Test Environment Ready	06/16/2014	06/27/2014	\$0 incl in Planning
System Test Planning	System Test Plan	06/16/2014	06/27/2014	\$51,750
SIT Execution	System Test Complete	06/30/2014	07/18/2014	\$183,233
<b>Phase V – User Acceptance Testing</b>				
UAT Test Prep	UAT Environment Ready	06/30/2014	07/18/2014	Incl in Coding
UAT Test Planning	UAT Test Plan	06/30/2014	07/18/2014	\$53,650
UAT Execution (State)	UAT Test Complete	07/21/2014	08/08/2014	\$10,000
<b>Phase VI – Training</b>				
Training Plan Development	Training Plan	07/21/2014	08/08/2014	Incl in Training
Training Materials Updates	Updated Training Materials	07/21/2014	08/08/2014	Incl in Training
Train Staff / State Users	Training Completed	07/21/2014	08/08/2014	\$3,450

**Xerox Amendment 6**  
**Appendix A.9**  
**NH MMIS Additional System Enhancements**

Phase VII – Implementation				
Production Release	Production Ready	08/08/2014	08/08/2014	\$34,500
Post Production Validation	Post Production Validation Complete	08/11/2014	09/05/2014	\$45,000
<b>Total:</b>				<b>\$1,252,116</b>

**Total cost for services plus licenses for the DDI is \$1,252,116.**

**Enhanced Provider Screening Impact to Fiscal Agent Operations Costs:**

In addition to the DDI costs, there is also an operational component to the provider screening costs. These costs are associated with license, maintenance and support for the procured commercial off the shelf software product, list and data management services, data subscriptions, finger printing, and hosting. The operational costs are as follows:

YEAR 1:	May 2013 – March 2014:	\$363,825
YEAR 2:	April 2014 – March 2015:	\$396,900
YEAR 3:	April 2015 – March 2016:	\$396,900
YEAR 4:	April 2016 – March 2017:	\$396,900
YEAR 5:	April 2017 – March 2018:	\$396,900



**ACS Amendment 6  
Appendix A.10  
HIPAA Operating Rules**

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Price Category	Rate	Quantity	Amount
Xerox Staff	\$125 per hour	3,354 Hours	\$419,250
Edifecs Professional Services	\$200 per hour	350 Hours	\$70,000
<b>Total Price – Contracted Services</b>			<b>\$489,250</b>

Contractor Initials: DH

Date: 3/20/14

**Xerox Amendment 6**  
**Appendix A.12**  
**NH MMIS System Enhancements to Meet Federal Requirements**

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**Introduction**

The New Hampshire Medicaid Management Information System (MMIS) requires the following enhancements to meet state and/or federal requirements for three (3) different areas:

1. T-MSIS – Transformed Medicaid Statistical Information System
2. HIPAA Operating Rules
3. ICD-10

**1. T-MSIS**

Section 4735 of the Balanced Budget Act of 1997 included a statutory requirement for states to submit claims data, enrollee encounter data, and supporting information to the Centers for Medicare and Medicaid Services (CMS). Section 6504 of the Affordable Care Act strengthened this provision by requiring states to include data elements federally required for program integrity, program oversight, and administration.

New Hampshire is required by the federal Centers for Medicare and Medicaid Services (CMS) to implement the new Transformed Medicaid Statistical Information System (T-MSIS) data extract process by July 1, 2014. CMS is requiring States to implement T-MSIS in order to receive more comprehensive, complete, and timely Medicaid and CHIP-related data from States. CMS seeks to establish a new standardized process for states to submit and for CMS to receive the data in an administratively and technically efficient manner, and to help reduce the burden on states of having to support multiple CMS data requests. CMS expects that states will be able to sunset the present MSIS submissions with a consolidated, synchronized, and standardized T-MSIS data submission.

The functions of the new NH Health Enterprise MMIS and its supporting data systems and enabling processes (data processing, data repository, data extracts, data transmission) must be enhanced to meet T-MSIS requirements. T-MSIS requires the production of 8 new data extracts that must be sent to CMS on a monthly basis and requires the receipt and processing of error/respone files sent back from CMS to the MMIS. The eight data extracts include Member Eligibility, Third Party Liability, Provider, Managed Care, and four claims extracts: prescription, long term care, inpatient, and other (medical, outpatient, and dental).

The contractor Xerox shall:

1. Create a new data partition within the NH Health Enterprise Operational Reporting Repository to support the storage and production of the T-MSIS extracts. The partition shall hold a minimum of 24 months of T-MSIS data. Roll-off and purge capability for older data must be designed and developed.
2. Create Extract, Transformation and Load (ETL) processes, jobs and infrastructure to source the data from the MMIS transactional or Operational Reporting Repository (ORR) tables into the T-MSIS partition and then from the T-MSIS module into the outbound files using CMS-approved source to target logic.
3. Review the existing NH Health Enterprise data model and identify all existing data elements within

2/11/14

**Xerox Amendment 6**

**Appendix A.12**

**NH MMIS System Enhancements to Meet Federal Requirements**

- Health Enterprise that map to or can be derived or translated into appropriate T-MSIS values.
4. Complete the CMS Source to Target Mapping spreadsheets as updated, identifying the source and transformation logic for each data element for each extract file.
  5. Set default values for all missing data content, subject to State review and approval.
  6. Initiate CMS Technical Assistance review and acquire approval for the target mapping.
  7. Design, develop and deploy the T-MSIS data management and control processing modules to simplify the ease of maintenance over time.
  8. Create the full outbound maps to support the accurate production of the 8 T-MSIS files and produce the 8 T-MSIS monthly data extracts according to standard specifications.
  9. Process, generate and report on the three types of file extracts sent to CMS for each of the eight extracts, including the create file, replacement file, and the update file.
  10. Receive and process the four files that will be sent from CMS: File Acknowledgements, Error Summary Report, Detailed Error Records, and Processed File Summary Report.
  11. Implement key features and capabilities specifically designed to simplify operations and enhance adaptability to comply with changing requirements over time.
  12. Design and build standardized jobs, processes, scripts, reports etc. to support the ongoing production and secure transmission of the extracts and all related balancing and control reports.
  13. Support appropriate automated record correction and replacement capabilities and processes, generally without requiring technical intervention.
  14. Conduct extract testing and validation, reconcile extract data to data tables to prove and demonstrate integrity of data extracts; support State testing of T-MSIS data table loads, extract creation, and error file handling during system integration and user acceptance testing, provide the State with contractor test data, scripts, data reconciliation as used by the Contractor for T-MSIS file processing testing.

**T-MSIS Deliverables / Payment Schedule:**

Activity	Milestone or Deliverable	Start	Finish	Cost
<b>Phase I – Requirements Analysis</b>				
Acquire Software License	License Acquired and Applied	3/3/2014	3/31/2014	\$229,784
Requirements Gathering	JAD Sessions Complete	3/3/2014	3/31/2014	Incl in Doc Change Req
Requirements Elaboration	Documented Change Request	3/3/2014	3/31/2014	\$178,165
Detailed System Design (DSD) Updated	Detailed System Design Approved	3/3/2014	3/31/2014	\$178,165
<b>Phase II – Design</b>				
Technical Design	Technical Design Complete	4/1/2014	5/30/2014	\$249,374
<b>Phase III – Configuration, Modification, Development / Construction</b>				

*DH 3/20/14*

**Xerox Amendment 6**

**Appendix A.12**

**NH MMIS System Enhancements to Meet Federal Requirements**

Coding	Code Complete	5/2/2014	8/29/2014	\$293,381
Unit Testing	Unit Test Complete	5/2/2014	8/29/2014	Incl in Coding
Data Configuration	Data Configuration Complete	5/2/2014	8/29/2014	Incl in Coding
Dev Integration Testing	Dev Integration Testing Complete	5/2/2014	8/29/2014	\$293,381
<b>Phase IV – System Integration Testing</b>				
System Test Prep	System Test Environment Ready	9/1/2014	9/30/2014	Incl in Planning
System Test Planning	System Test Plan Approved	9/1/2014	9/30/2014	Incl in SIT Execution
SIT Execution	System Integration Test Complete	9/1/2014	9/30/2014	\$190,698
<b>Phase V – User Acceptance Testing</b>				
UAT Test Prep	UAT Environment Ready	10/1/2014	10/27/2014	Incl in Planning
UAT Test Planning	UAT Test Plan Approved	10/1/2014	10/27/2014	Incl in UAT Test Complete
UAT Execution (State Activity)	UAT Test Complete	10/1/2014	10/27/2014	\$102,684
<b>Phase VI – Implementation</b>				
Production Release	Production Ready	10/31/2014	10/31/2014	Incl in Prod Validation
Post Production Validation	Post Production Validation Complete	10/31/2014	12/30/2014	\$117,352
<b>Total Cost:</b>				<b>\$1,832,984</b>

The software and license cost of \$229,784 is for software and licenses on the additional server to be used as a test environment for all enhancements.

In addition to the DDI costs, there are also annually recurring data storage fees, the costs for which are outlined below. These are costs related to infrastructure increase which go into effect at project kickoff. The additional storage required for T-MSIS was calculated based on the need to store 8 production file extracts and related data transformations and processing. It also includes summary data for reporting, balancing and control tables for error correction and system management and file and transaction history. The resulting storage requirements also need to take into account the storage for the replicate of the Oracle database server in the secondary disaster recovery data center. The total storage increase for T-MSIS is estimated at 0.6 Terabytes. There are also minimal ongoing fees associated with the software.

April 2014 - March 2015:	\$69,029	
April 2015 - March 2016:	\$69,029	
April 2016 - March 2017:	\$69,029	
April 2017 - March 2018:	\$69,029	Total Ongoing Operations Cost: \$276,116

11/3/2014

**Xerox Amendment 6**  
**Appendix A.12**  
**NH MMIS System Enhancements to Meet Federal Requirements**

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**2. HIPAA Operating Rules**

The NH Health Enterprise MMIS must be enhanced to be compliant with the Operating Rules standard as required under the Administrative Simplification provisions in Section 1104 of the Patient Protection and Affordable Care Act (ACA) of 2010 and the Health Insurance Portability and Accountability Act (HIPAA) Operating Rules. New requirements for administrative transactions were established to improve the utility of existing HIPAA transactions and to reduce administrative burdens.

The NH Department of Health and Human Services' Medicaid Program, as a healthcare payer and a covered entity under HIPAA, is obligated to be compliant with the HIPAA Operating Rules standard in its processing of HIPAA-standard electronic data interchange electronic transactions. These transactions include but are not limited to eligibility inquiry and response (270/271), claims (837), claims status inquiry and response (276/277), and claims payment/remittance advice (835). Further, under the requirements of the Operating Rules standard, the NH DHHS is required to file a statement with the federal Department of Health and Human Services attesting to NH Medicaid's compliance with the Operating Rules standard. Significant financial penalties could be imposed for failure to comply.

The high level requirements for the HIPAA Operating Rules enhancement to the NH Health Enterprise MMIS and for which Xerox shall be responsible are as follows:

1. Develop a workplan for the MMIS Operating Rules implementation subject to State approval;
2. Acquire necessary software licenses and install the EDIFECs Operating Rules solution within the New Hampshire Electronic Data Interchange Gateway;
3. Design, Develop, and Implement necessary changes to the NH Health Enterprise MMIS components, functions, processes, and documentation as approved by the State to achieve HIPAA Operating Rules compliance, including but not limited to the following:
  - o Electronic Data Interchange Solution;
  - o Online file upload and download functions;
  - o 270/271, 835, 277CA and any other impacted transactions;
  - o Member Module;
  - o Provider Enrollment Module; and
  - o Payment Cycle Processing including data interfaces;
4. Perform necessary system, transaction, and trading partner testing, to validate that the NH solution provides for Operating Rules compliance;
5. Provide for State participation in system integration and user acceptance testing of the NH solution;
6. Deliver the system and operational solution necessary for the NH Health Enterprise MMIS to be fully compliant with the HIPAA Operating Rules standard;
7. Implement an Operating Rules solution that enables the NH Department of Health and Human Services to attest to compliance with the Operating Rules as federally required; and
8. Produce training and communication materials, and conduct provider and trading partner outreach to explain changes resulting from compliance with the Operating Rules requirements.

DHA 3/20/14

**Xerox Amendment 6**  
**Appendix A.12**  
**NH MMIS System Enhancements to Meet Federal Requirements**

**HIPAA Operating Rules Deliverables / Payment Schedule:**

Activity	Milestone or Deliverable	Start	Finish	Cost
<b>Phase I – Requirements Analysis</b>				
Acquire Software License	License acquired and applied	1/1/2014	1/31/2014	\$1,586,809
Tool Installation	Tool installed and ready to use	1/1/2014	1/31/2014	\$140,419
Requirements Gathering	JAD Sessions Complete	1/1/2014	1/15/2014	Incl in Doc Change Req
Requirements Elaboration	Change Request Documented and Approved	1/1/2014	1/31/2014	\$140,419
Detail System Design (DSD) Updated	Detail System Design Approved	1/1/2014	1/31/2014	\$140,419
<b>Phase II – Design</b>				
Technical Design	Technical Design Complete	1/1/2014	1/31/2014	\$421,256
<b>Phase III – Configuration, Modification, Development / Construction</b>				
Coding	Code Complete	2/3/2014	2/28/2014	\$547,633
Unit Testing	Unit Test Complete	2/3/2014	2/28/2014	Incl in Coding
Data Configuration	Data Configuration Complete	2/3/2014	2/28/2014	Incl in Coding
Dev Integration Testing	Dev Integration Testing Complete	2/3/2014	2/28/2014	\$547,633
<b>Phase IV – System Integration Testing</b>				
System Test Prep	System Test Environment Ready	3/3/2014	3/28/2014	Incl in Planning
System Test Planning	System Test Plan Approved	3/3/2014	3/28/2014	\$122,866
SIT Execution	System Integration Test Complete	3/3/2014	3/28/2014	\$368,599
<b>Phase V – User Acceptance Testing</b>				
UAT Test Prep	UAT Environment Ready	3/3/2014	3/28/2014	Incl in Planning
UAT Test Planning	UAT Test Plan	3/3/2014	3/28/2014	Incl in UAT Test Complete
UAT Execution (State)	UAT Test Complete	3/3/2014	3/28/2014	\$210,628
<b>Phase VI – Implementation</b>				
Production Release	Production Ready	4/30/2014	4/30/2014	Incl in Post Prod Validation

SIL 3/20/14

**Xerox Amendment 6**  
**Appendix A.12**  
**NH MMIS System Enhancements to Meet Federal Requirements**

Post Production Validation	Post Production Validation Complete	5/1/2014	5/31/2014	\$168,504
<b>Total Cost:</b>				<b>\$4,395,185</b>

The software and license price of \$1,586,809 is for the software described below. It is calculated at a package rate rather than individually in order to obtain discount pricing for the State.

**1. EDIFECS Operating Rules Standard Edition – Phases I and II and XEngine Connect Standard Edition**

- Customer may use Operating Rules Standard Edition – Phases I and II with the existing Transaction Management Standard Edition license, subject to the terms and restrictions governing the use of Customer’s existing Transaction Management license. No additional Transaction Management Standard Edition license is included.
- XEngine Connect Standard Edition is included for use with Operating Rules Foundation Edition - Phases I and II solely to process transaction types 270, 271, 276, 277 and the associated acknowledgements as they pertain to Operating Rules Standard Edition – Phases I and II.

**2. EDIFECS Operating Rules Standard Edition – Phase III and XEngine Connect Standard Edition**

- Customer may use Operating Rules Standard Edition – Phase III with the existing Transaction Management Standard Edition license, subject to the terms and restrictions governing the use of Customer’s existing Transaction Management license. No additional Transaction Management Standard Edition license is included.
- XEngine Connect Standard Edition is included for use with Operating Rules Standard Edition - Phase III solely to process transaction types 835 and EFT CCD+ and the associated acknowledgements as they pertain to Operating Rules Standard Edition – Phase III.

In addition to the DDI costs, there are also annually recurring Technical Support & Maintenance (“TSM”) Services Fees (perpetual license), the costs for which are outlined below.

April 2014 - March 2015:	\$256,215	
April 2015 - March 2016:	\$256,215	
April 2016 - March 2017:	\$256,216	
April 2017 - March 2018:	\$256,216	Total Ongoing Operations Cost: \$1,024,862

**3. ICD-10**

JH 3/2/14

**Xerox Amendment 6**  
**Appendix A.12**  
**NH MMIS System Enhancements to Meet Federal Requirements**

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The compliance date for implementation of ICD-10-CM/PCS is October 1, 2014, for all Health Insurance Portability and Accountability Act (HIPAA) covered entities. ICD-10-CM/PCS will enhance accurate payment for services rendered and help evaluate medical processes and outcomes. ICD-10 diagnosis codes must be used for all health care services provided in the United States (U.S.) and ICD-10 procedure codes must be used for all hospital inpatient procedures. On and after October 1, 2014 providers are required to submit ICD-10 compliant transactions for all outpatient services and inpatient discharges with dates of service 10/01/2014 and thereafter. Any claims submitted after 10/01/2014 for dates of services and discharges prior to October 1, 2014 must be submitted with ICD-9 compliant transactions.

ICD-10 Code Set consists of two parts:

1. ICD-10-CM – (International Classification of Diseases, 10th Edition, Clinical Modifications Diagnosis) The diagnosis classification system developed by the Centers for Disease Control and Prevention for use in all U.S. health care treatment settings. Diagnosis coding under this system uses three (3) to seven (7) alpha or numeric digits and full code titles, but the format is very similar to ICD-9-CM.
2. ICD-10-PCS – (International Classification of Diseases, 10th Edition, Procedure Coding System) – The procedure classification system developed by the Centers for Medicare & Medicaid Services (CMS) for use in the U.S. for inpatient hospital settings only. The new procedure coding system uses seven (7) alpha or numeric digits while the ICD-9-CM coding system uses three (3) or four (4) numeric digits. The ICD diagnosis and surgery qualifier code expands from two (2) to three (3) characters as well.

The objective of the NH MMIS ICD-10 project is to enhance the New Hampshire Health Enterprise MMIS to be compliant with the administrative simplification provision of the Health Insurance Portability and Accountability Act, relative to the adoption of the ICD-10 code set standard. Specifically, to achieve compliance with this federal mandate, effective October 1, 2014, the NH MMIS must be remediated to accurately handle the receipt and processing of claim transactions containing ICD-10 codes. Beginning October 1, 2014, the NH MMIS must be able to support both ICD-9 and ICD-10 code sets and transaction processing for a period of up to two years, when the legitimate use of ICD-9 codes in any transactions submitted to the NH MMIS is discontinued.

The NH MMIS ICD-10 project also requires for the contractor to provide technical assistance to the NH Department of Health and Human Services' Medicaid Program to complete the necessary ICD-9/ICD-10 forward and backward code mappings for procedures covered/not covered by NH Medicaid. These NH code mappings are the framework on which the ICD-10 project is reliant in order for the MMIS to process and pay claims correctly using ICD-10 codes beginning October 1, 2014.

This project will consist of three primary phases to include Benefit Plan and Rules Management ICD-10 Configuration changes, HIPAA Transactions ICD-10 Updates, and Reporting. Each primary phase will include sub-phases beginning with planning, analysis, and requirements review. Following State approval of the requirements validation, the project will move forward with design and construction, followed by

DH 10/20/14

**Xerox Amendment 6**  
**Appendix A.12**  
**NH MMIS System Enhancements to Meet Federal Requirements**

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testing and then implementation. All deliverables and progression between project phases are subject to State review and approval.

Within the ICD-10 project, the contractor Xerox shall:

1. Acquire the requisite software licenses and install the EDIFECS ICD-10 tool suite to reduce the risk of the extremely short NH ICD-10 project timeline and to increase productivity and standardization of the translation tasks. The three EDIFECS software tools that shall be implemented for NH include:
  1. ICD-10 Code Management: a medical concept ontology-based code map creation and management system that allows modeling and mapping of ICD-9 codes into ICD-10 equivalents and vice versa.
  2. ICD-10 Impact Analytics: automates the identification and visualization of relationships between ICD-9 coding patterns in historical claims data and all possible corresponding ICD-10 code matches
  3. ICD-10 Testing: automates the creation of large volumes of ICD-10 test data and shows the differences between results processed in ICD-9 and in ICD-10.
2. Provide the technical consultative support necessary to assist the NH Medicaid Program with finalizing the NH specific ICD-9/ICD-10 maps to be used for the NH MMIS ICD-10 Project;
3. Extract and process a minimum of 12 months pertinent claims data to be used for NH ICD-9 code usage analysis and as a baseline for ICD-10 claims testing.
4. Design, Develop, Test and Implement changes necessary to user interface pages, functional modules, database, rules, adjudication processes, data interfaces, reports and other pertinent supporting processes of the NH Health Enterprise MMIS as required for ICD-10 compliance, subject to State approval, including but not limited to the following:
  - a. Update Electronic Data Interchange processes to handle either ICD-9 or ICD-10 codes
  - b. Create ICD-10 centric system rules for benefits, pricing, audits, service authorization criteria
  - c. Update or create new system lists to accommodate ICD-10
  - d. Update Member Benefit Plans and Coverage as needed for ICD-10
  - e. Modify Member Explanation of Medical Benefit (EOMB) processing where applicable
  - f. Update EPSDT for functional equivalency; update selection criteria, reports and letters
  - g. Update Service authorization criteria and letters
  - h. Modify the Third Party Liability (TPL) matrix and TPL processing
  - i. Review and update waiver criteria and processing for tracking and reporting
  - j. Process CMS ICD diagnosis and surgery procedure interface file to support ICD-10 updates

DH 3/20/14

**Xerox Amendment 6**  
**Appendix A.12**  
**NH MMIS System Enhancements to Meet Federal Requirements**

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- k. Create new business rules for ICD10 code validation
  - l. Review and Update Claim edits and audits
  - m. Update claim exception codes and their disposition
  - n. Modify Claims Entry processes including Internal, External, and OCR processes
  - o. Modify Claim Correction to handle ICD-10
  - p. Update Reference Management to include storage, update, and online access to ICD-10 codes
  - q. Update remittance Advice reporting
  - r. Update data replication, reporting repository, and reports as required
  - s. Create ICD-10 centric system rules for the Surveillance Utilization Review System (SURS) and Fraud Analytics Detection System (FADS) to support appropriate peer reviews and audit analytics
  - t. Update and test all external data interface file exchanges to appropriately recognize and support ICD-9 and ICD-10 data
  - u. Modify, validate, and test other external trading partner interfaces that include ICD diagnosis or surgery procedure codes.
  - v. Update system design, interface specifications, other documentation and procedure manuals to support changes
5. Execute and support the State's participation in parallel testing, system integration testing, user acceptance testing, and trading partner end to end transaction testing
  6. Participate with and provide requisite technical support to the State in meeting CMS's expectations for project meetings, testing, and other ICD-10 project related activities.
  7. Coordinate and communicate testing and implementation activities with external trading partners, including NH Medicaid providers

**ICD-10 Deliverables / Payment Schedule:**

Activity	Milestone or Deliverable	Start	Finish	Cost
Acquire Software License	Licenses Acquired and Applied	2/1/2014	4/12/2014	\$2,281,482
<b>Phase I – Requirements Analysis (ICD-10 Phase I)</b>				
Tool Installation	Tool installed and ready to use	2/1/2014	5/8/2014	\$1,977,211
Requirements Elaboration	JAD Sessions - Requirement Doc Approved	1/6/2014	4/7/2014	\$329,535
Technical Consulting	Requirements Technical Consulting Completed	3/12/2014	4/7/2014	\$80,000
	<b>Phase I Subtotal:</b>			<b>\$2,386,746</b>
<b>Phase II – Design (ICD-10 Phase I)</b>				

- 11 2/20/14

**Xerox Amendment 6**

**Appendix A.12**

**NH MMIS System Enhancements to Meet Federal Requirements**

Technical Design	Updated DSD Chapters	3/7/2014	5/20/2014	\$1,235,757
Technical Consulting	Design Technical Consulting Completed	3/7/2014	5/20/2014	\$70,000
	<b>Phase II Subtotal:</b>			<b>\$1,305,757</b>
<b>Phase III – Configuration, Modification, Development / Construction (ICD-10 Phase I)</b>				
Coding	Code Complete	3/12/2014	6/9/2014	\$1,029,797
Unit Testing	Unit Test Complete	4/1/2014	5/1/2014	in Dev Int Test
Data Configuration	Data Configuration Complete	5/1/2014	5/15/2014	in Dev Int Test
Dev Integration Testing	Dev Integration Testing Complete	5/15/2014	6/9/2014	\$1,029,797
Technical Consulting	Configuration Technical Consulting Completed	3/12/2014	6/9/2014	\$70,000
	<b>Phase III Subtotal:</b>			<b>\$2,129,594</b>
<b>Phase IV – System Integration Testing (ICD-10 Phase I)</b>				
System Test Preparation	System Test Environment Ready	4/4/2014	4/30/2014	\$267,748
System Test Planning	System Test Plan	5/1/2014	5/31/2014	in SIT Execution
SIT Execution	System Integration Test Complete	6/1/2014	7/31/2014	\$803,242
Technical Consulting	SIT Technical Consulting Completed	4/4/2014	7/31/2014	\$70,000
	<b>Phase IV Subtotal:</b>			<b>\$1,140,990</b>
<b>Phase V – User Acceptance Testing (ICD-10 Phase I)</b>				
UAT Test Preparation	UAT Environment Ready	8/1/2014	9/23/2014	in UAT Execution
UAT Test Planning	UAT Test Plan	8/1/2014	9/23/2014	in UAT Execution
UAT Execution (State)	UAT Test Complete	8/1/2014	9/23/2014	\$659,070
Technical Consulting	UAT Technical Consulting Completed	8/1/2014	9/23/2014	\$70,000
	<b>Phase V Subtotal:</b>			<b>\$729,070</b>
<b>Phase VI – Training (ICD-10 Phase I)</b>				
Training Plan / Materials	Updated Training Plan / Materials	3/7/2014	6/12/2014	in Tech Design
Technical Consulting	Training Technical Consulting Completed	3/7/2014	6/12/2014	\$70,000
	<b>Phase V Subtotal:</b>			<b>\$70,000</b>
<b>Phase VII – Implementation (ICD-10 Phase I)</b>				
Production Release	Production Implemented PIR Complete	9/24/2014	9/30/2014	\$906,222
	<b>Phase VI Subtotal:</b>			<b>\$906,222</b>
<b>Phase VIII – Implementation (ICD-10 Phase II)</b>				
Reporting Repository, ICD-10 Code Map Adjustments	Development, Configuration, Testing, Implementation Complete	9/30/2014	12/31/2014	\$257,202
Technical Consulting	Phase II Technical Consulting Completed	9/24/2014	12/31/2014	\$70,000
	<b>Phase VII Subtotal:</b>			<b>\$327,202</b>

DH 3/20/14

**Xerox Amendment 6**  
**Appendix A.12**  
**NH MMIS System Enhancements to Meet Federal Requirements**

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<b>NH ICD-10 Phases I and II Total Cost:</b>	<b>\$11,277,063</b>
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The software and license price of \$2,281,482 is for the software listed below. It is calculated at a package rate rather than individually in order to obtain discount pricing for the State.

- 1. Edifecs ICD-10 Impact Analytics Standard Edition (perpetual): Hosted**
- 2. Edifecs ICD-10 Code Management Standard Edition (perpetual): Hosted**
- 3. Edifecs Test Management Standard Edition (annual): Hosted**
- 4. Edifecs Transaction Management Standard Edition – additional environment (perpetual):  
Installed**

The tool installation price of \$1,977,211 includes creation and preparation of the ICD-10 test environment, installation and integration of all three Edifecs software tools, validation that tool integration is completed, tool configuration set-up for NH, and user profile set-up.

There are no ongoing annual software maintenance and support fees for ICD-10. Due to the length of the implementation, the software is being purchased to cover two full years. Once implementation is complete, the State has the option to purchase additional years of licensure based on projected need.

## **Ownership and Control Statement**

Pursuant to 42 CFR §455.104 Xerox State Healthcare, LLC hereby provides the required Ownership and Control Statement to the State of New Hampshire, Department of Health and Human Services.

**Requirements:** *The Medicaid agency must require each disclosing entity to disclose the following information in accordance with 42 CFR §455.104(b):*

1. ***Provide the name and address of each person with an ownership or control interest in the disclosing entity (Xerox State Healthcare, LLC) and in any subcontractor in which the disclosing entity has direct or indirect ownership of 5 percent or more:***
  - A. Xerox State Healthcare, LLC is a wholly owned (100%) subsidiary of ACS Enterprise Solutions, LLC, located at 2828 North Haskell Avenue, Dallas, Texas 75204.
  - B. ACS Enterprise Solutions, LLC is a wholly owned (100%) subsidiary of ACS BRC Holdings, LLC, located at 2828 North Haskell Avenue, Dallas, Texas 75204.
  - C. ACS BRC Holdings, LLC is a wholly owned (100%) subsidiary of Xerox Business Services, located at 2828 North Haskell Avenue, Dallas, Texas 75204.
  - D. Xerox Business Services, LLC (XBS) is a wholly owned (100%) subsidiary of Xerox Corporation, located at 45 Glover Avenue, Norwalk, Connecticut 06856-4505.
  - E. Through such indirect ownership, Xerox Corporation maintains ultimate controlling interest in XBS.
    - (i) See Attachment A for excerpts of Xerox Corporation's most recent Proxy Statement as of December 31, 2013, which identifies the beneficial owners of more than 5% of Xerox Corporation's equity securities.
    - (ii) See Attachment B for Xerox State Healthcare LLC's Certificate of Vote (Certificate of Secretary).
  - F. Xerox Corporation is a public company that trades on the New York Stock Exchange under the ticker symbol "XRX".
  - G. Xerox State Healthcare, LLC has no direct or indirect ownership of 5 percent or more of any subcontractors.

2. ***Whether any of the persons named, in compliance with paragraph 1 above, is related to another as spouse, parent, child, or sibling:***

As corporations, Xerox State Healthcare, LLC (Delaware Limited Liability Company), ACS Enterprise Solutions, LLC, ACS BRC Holdings, LLC, Xerox Business Services, LLC or Xerox Corporation are not related to another as spouse, parent, child or sibling.

Exhibit K

In addition, none of the persons or entities set forth in Section 1.E(i) above are related to each other.

**3. *The name of any other disclosing entity in which a person with an ownership or control interest in the disclosing entity also has an ownership or control interest. This requirement applies to the extent that the disclosing entity can obtain this information by requesting it in writing from the person. The disclosing entity must:***

- A. Keep copies of all these requests and the responses to them:***
- B. Make them available to the Secretary or the Medicaid agency upon request; and***
- C. Advise the Medicaid agency where there is not response to a request.***

There are no other disclosing entities in which a person with an ownership or control interest in the disclosing entity also has an ownership or control interest.

All of the information provided in this statement is true, accurate, and complete, to the best of my knowledge and belief as of March 19, 2014.

(THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

Exhibit K

IN WITNESS WHEREOF, Xerox State Healthcare LLC has caused this Ownership and Control Statement to be signed by its duly authorized officer on 20 of March, 2014.

By: *David Hamilton* *David Hamilton*

Printed Name: David Hamilton

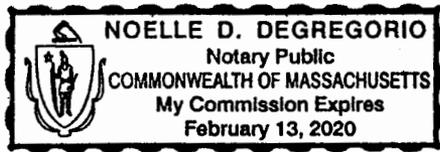
Title: President

Entity: Xerox State Healthcare, LLC

Date: 3/20/14

State of Massachusetts )  
 ) ss  
County of Essex )

On this 20 day of March, 2014, personally appeared before me David Hamilton who stated that he is the President of Xerox State Healthcare, LLC, a Limited Liability Company and that the instrument was signed on behalf of the said entity by authority of its board of directors and acknowledged said instrument to be its voluntary act and deed. Before me:



*Noelle D. Degregorio*  
Notary Public

My Commission Expires:  
2/13/2020

Attachments: Attachment A – Xerox Corporation Beneficial Owners  
Attachment B - Certificate of Secretary

*DH*  
*3/20/14*

Notice of 2013 Annual Meeting of Shareholders

- Date and Time: Tuesday, May 21, 2013, at 9:00 a.m.
- Location: Xerox's Corporate Headquarters, 45 Glover Avenue in Norwalk, Connecticut
- Purpose:
- (1) Election of 10 directors;
  - (2) Ratification of the selection of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2013;
  - (3) Approval, on an advisory basis, of the 2012 compensation of our named executive officers;
  - (4) Approval of the 2013 Amendment and Restatement of the Company's 2004 Equity Compensation Plan for Non-Employee Directors; and
  - (5) Consider such other business as may properly come before the meeting.
- Record Date: March 25, 2013 — You are eligible to vote if you were a shareholder of record as of the close of business on this date.
- Proxy Voting:
- (1) Telephone;
  - (2) Internet; or
  - (3) Proxy Card.
- Please review the Notice of Internet Availability of Proxy Materials or accompanying proxy card for voting instructions.
- Importance of Vote: Whether or not you plan to attend, please submit your proxy as soon as possible to ensure that your shares are represented.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to be Held on May 21, 2013.

The Proxy Statement and 2012 Annual Report are available at [www.edocumentview.com/XRX](http://www.edocumentview.com/XRX) or [www.xerox.com/investor](http://www.xerox.com/investor)

By order of the Board of Directors,



Don H. Liu  
Senior Vice President, General Counsel and Secretary

April 8, 2013

SECURITIES OWNERSHIP

Ownership of Company Securities

We are not aware of any person who, or group which, owns beneficially more than 5% of any class of the Company's equity securities as of December 31, 2012, except as set forth below<sup>(1)</sup>.

<u>Title of Class</u>	<u>Name and Address of Beneficial Owner</u>	<u>Amount and Nature of Beneficial Ownership</u>	<u>Percent of Class (2)</u>
Common Stock	Dodge & Cox . . . . . 555 California Street, 40th Floor San Francisco, CA 94104	115,437,432(2)	9.1%
Common Stock	State Street Corporation, as Trustee under other plans and accounts . . . . . State Street Financial Center One Lincoln Street Boston, MA 02111	79,398,801(3)	6.2%
Common Stock	Franklin Mutual Advisers, LLC . . . . . 101 John F. Kennedy Parkway Short Hills, NJ 07078-2789	71,195,146(4)	5.6%
Common Stock	BlackRock, Inc. . . . . 40 East 52nd Street New York, NY 10022	64,831,301(5)	5.1%
Common Stock	Darwin Deason . . . . . 8181 Douglas Avenue, 10th Floor Dallas, TX 75225	64,490,614(6)	5.1%

- (1) The words "group" and "beneficial" are as defined in regulations issued by the SEC. Beneficial ownership under such definition means possession of sole voting power, shared voting power, sole dispositive power or shared dispositive power. The information provided in this table is based solely upon the information contained in the most recent Form 13G or Form 13G/A filed by the named entity with the SEC (other than the information provided regarding the holdings of State Street Corporation acting as ESOP Trustee under the Xerox ESOP). Dodge & Cox, BlackRock, Inc. and Franklin Mutual Advisers, LLC are registered investment advisers under the Investment Advisers Act of 1940, as amended. BlackRock, Inc. has subsidiaries that are investment advisers under the Investment Advisers Act of 1940, as amended, with beneficial ownership of the shares.
- (2) Within the total shares reported, as to certain of the shares, Dodge & Cox has sole voting power for 108,536,945 shares, sole dispositive power for 115,437,432 shares and has no shared voting or shared dispositive power for any of the shares. These securities are beneficially owned by clients of Dodge & Cox, which clients may include investment companies registered under the Investment Company Act of 1940 and other managed accounts.
- (3) Within the total shares reported, as to certain of the shares, State Street Corporation has shared voting power and shared dispositive power for 79,398,801 shares, and has no sole voting power or sole dispositive power for any of the shares. As of December 31, 2012, State Street Corporation held 12,822,710 of the total reported shares as ESOP Trustee under the Xerox ESOP. Each ESOP participant may direct the ESOP Trustee as to the manner in which shares allocated to his or her ESOP account shall be voted. The ESOP Trust Agreement provides that the ESOP Trustee shall vote any shares allocated to participants' ESOP accounts as to which it has not received voting instructions in the same proportions as shares in participants' ESOP accounts as to which voting instructions are received. The power to dispose of shares is governed by the terms of the ESOP Plan and elections made by ESOP participants.

DH  
3/20/14

- (4) Franklin Mutual Advisers, LLC has sole voting power and sole dispositive power for 71,195,146 shares, and has no shared voting power or shared dispositive power for any of the shares. These securities are beneficially owned by clients of Franklin Mutual, which clients may include investment companies registered under the Investment Company Act of 1940 and other managed accounts.
- (5) BlackRock, Inc. and its subsidiary companies have sole voting power and sole dispositive power for 64,831,301 shares, and have no shared voting power or shared dispositive power for any of the shares.
- (6) Darwin Deason has sole voting power and sole dispositive power for 64,490,614 shares, and has no shared dispositive or shared voting power for any of the shares.

Shares of Common Stock of the Company owned beneficially by its directors and nominees for director, each of the current executive officers named in the Summary Compensation Table and all directors and current executive officers as a group, as of February 28, 2013, were as follows:

Name of Beneficial Owner	Amount Beneficially Owned	Total Stock Interest
Lynn R. Blodgett	3,548,851	3,733,649
Glenn A. Britt	1,000	123,097
Ursula M. Burns	1,385,801	2,077,764
James A. Firestone	595,023	779,821
Richard J. Harrington	856	93,705
William Curt Hunter	50	121,826
Robert J. Keegan	0	39,662
Luca Maestri	0	100,223
Robert A. McDonald	0	79,941
Charles Prince	10,000	73,470
Ann N. Reese	11,654	113,235
Sara Martinez Tucker	0	31,529
Mary Agnes Wilderotter	0	75,454
Armando Zagalo de Lima	244,116	647,195
All directors and executive officers as a group (18)	6,278,214	8,866,854

Luca Maestri stepped down from his position of Executive Vice President and Chief Financial Officer effective February 28, 2013.

Percent Owned by Directors and Executive Officers: Less than 1% of the aggregate number of shares of Common Stock outstanding at February 28, 2013 is owned by any director or executive officer. The amount beneficially owned by all directors and executive officers as a group amounted to less than 1%.

Amount Beneficially Owned: The numbers shown are the shares of Common Stock considered beneficially owned by the directors and executive officers in accordance with SEC rules. Shares of Common Stock which executive officers and directors had a right, within 60 days, to acquire upon the exercise of options or rights are included. Shares held in a grantor retained annuity trust or by family members, shares held in the ESOP accounts and vested shares, the receipt of which have been deferred under one or more equity compensation programs, are also included. All these are counted as outstanding for purposes of computing the percentage of Common Stock outstanding and beneficially owned.

Total Stock Interest: The numbers shown include the amount shown in the Amount Beneficially Owned column plus options held by directors and executive officers not exercisable within 60 days, DSUs, performance shares and restricted stock units. The numbers also include the interests of executive officers and directors in the Xerox Stock Fund under the Xerox Corporation Savings Plan and the Deferred Compensation Plans.

DH

## Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the 1934 Act requires the Company's directors, executive officers and persons who own more than ten percent of the Common Stock of the Company, to file with the SEC initial reports of beneficial ownership and reports of changes in beneficial ownership of Common Stock of the Company. Directors, executive officers and greater than ten percent shareholders are required by the regulations of the SEC to furnish the Company with copies of all Section 16(a) reports they file. Based solely on review of the copies of such reports furnished to the Company or written representations that no other reports were required to be filed with the SEC, the Company believes that all reports for the Company's directors and executive officers that were required to be filed under Section 16 of the Securities Exchange Act of 1934 during the fiscal year ended December 31, 2012 were timely filed.

## EXECUTIVE COMPENSATION

### COMPENSATION DISCUSSION AND ANALYSIS

#### EXECUTIVE SUMMARY

##### 2012 Performance Overview

During 2012, we focused on aligning our costs, investments, diverse portfolio and operations with our services-led strategy that is designed to accelerate growth in our services business segment while maximizing the profitability of our technology business segment. Highlights of our 2012 financial performance include:

- Total revenue was \$22.4 billion, a decline of 1 percent from the prior year and includes a 1-percentage point negative impact from currency. Revenues in our services segment grew by 6 percent, while revenues in our technology segment declined 8 percent from the prior year and included a 2-percentage point unfavorable impact from currency. Revenues in our technology segment continued to be impacted by the weak macro-economic environment as well as an increasing migration of customers to our managed print services.
- Adjusted earnings per share (EPS) of \$1.03, a decrease from 2011 adjusted EPS of \$1.08. GAAP EPS of \$0.88 and \$0.90 in 2012 and 2011, respectively, were both adjusted to exclude the amortization of intangible assets. 2012 results reflect continued pressure on margins as we ramp-up services contracts partially offset by operational improvements and cost reductions from restructuring actions. We incurred additional restructuring charges of \$0.06 in 2012 as we actively manage our cost structure to improve our profitability and align it with our services-focused business model.
- Operating cash flow of \$2.58 billion. Our strong cash generation enables us to provide a return to shareholders through our share repurchase program, acquisitions and an increase in our quarterly dividend.

##### Linking Pay to Performance

Our compensation philosophy is to attract, retain and develop first-class executive talent, reward past performance and motivate future performance. Our approach to executive compensation is to pay for performance and align executive compensation with the Company's business strategy and the creation of long-term shareholder value. We reward named executive officers when the Company achieves annual and long-term performance objectives. Likewise, performance below targeted levels results in less than target compensation. Generally, two-thirds or more of our named executive officers' pay is performance-based and, therefore, at risk and variable from year to year. In 2012, 90% of our Chief Executive Officer's (CEO) target compensation (base pay, short-term and long-term incentives at target) was performance-based. By making performance a substantial component of executive compensation, we link our executives' short- and long-term interests to those of our shareholders. Named executive officer compensation for 2012 was consistent with the objectives of our compensation philosophy and with our performance. The compensation actions taken by the Compensation Committee for our named executive officers are summarized below:

- Base Salaries: Based on concerns about the continuing uncertainties in the worldwide economy, the Committee determined that there would be no salary increases for named executive officers in 2012 with the exception of Luca Maestri whose salary was low based on internal comparisons and in light of his contributions to the Company since his hire into the Chief Financial Officer (CFO) role.



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

December 13, 2012

APPROVED BY \_\_\_\_\_

DATE

12/19/12

PAGE

4

ITEM #

22A

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, Office of Information Services, to enter into a sole source, amendment (Amendment 5) to an existing contract (Purchase Order # 700073) with Xerox State Healthcare, LLC (Vendor #177830) at 9040 Roswell Road, Suite 700, Atlanta, GA, 30350, to develop and operate the State's new Medicaid Management Information System by increasing the price limitation by \$15,765,290 from \$75,954,011 to a new amount not to exceed \$91,719,301 and extending the completion date from December 31, 2017 to March 31, 2018, effective upon the approval of the Governor and Executive Council. This amendment expands the existing scope of services. 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), and Amendment 3 on June 23, 2010 (Item#97) and Amendment 4 on March 7, 2012 (Item#22A).

Funds are available in SFY 2013 and are anticipated to be available in SFY 2014 through SFY 2018 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

Design, Development and Implementation Phase

<u>State Fiscal</u> <u>Year</u>	<u>Class Object</u>	<u>Class Title</u>	<u>Current Modified</u> <u>Budget</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Revised</u> <u>Modified Budget</u>
SFY 2005	034/500099	Capital Projects	\$ 25,000,000.00	\$ -	\$25,000,000.00
SFY 2006	034/500099	Capital Projects	\$ 1,076,918.00	\$ -	\$ 1,076,918.00
		Contracts for Program			
SFY 2006	102/500731	Services	\$ 76,326.00	\$ -	\$ 76,326.00

His Excellency, Governor John H. Lynch  
 and the Honorable Executive Council  
 December 13, 2012  
 Page 2

**Design, Development and Implementation Phase Continued**

State Fiscal Year	Class Object	Class Title	Current Modified Budget	Increase/ (Decrease)	Revised Modified Budget
		Contracts for Program			
SFY 2012	102/500731	Services	\$ 7,152,125.00	\$ -	\$ 7,152,125.00
		Contracts for Program			
SFY 2013	102/500731	Services	\$ -	\$ -	\$ -
		Contracts for Program			
SFY 2014	102/500731	Services	\$ -	\$ 10,213,114.00	\$ 10,213,114.00
Total Design, Development and Implementation Phase			\$ 33,305,369.00	\$ 10,213,114.00	\$ 43,518,483.00

**Operations Phase**

State Fiscal Year	Class Object	Class Title	Current Modified Budget	Increase/ (Decrease)	Revised Modified Budget
		Contracts for Program			
SFY 2009	102/500731	Services	\$0.00	\$0.00	\$0.00
		Contracts for Program			
SFY 2010	102/500731	Services	\$0.00	\$0.00	\$0.00
		Contracts for Program			
SFY 2011	102/500731	Services	\$0.00	\$0.00	\$0.00
		Contracts for Program			
SFY 2012	102/500731	Services	\$0.00	\$0.00	\$0.00
		Contracts for Program			
SFY 2013	102/500731	Services	\$3,341,317.00	(\$3,341,317.00)	\$0.00
		Contracts for Program			
SFY 2014	102/500731	Services	\$7,540,155.00	\$779,258.00	\$8,319,413.00
		Contracts for Program			
SFY 2015	102/500731	Services	\$7,378,957.00	\$826,009.00	\$8,204,966.00
		Contracts for Program			
SFY 2016	102/500731	Services	\$7,518,165.00	\$545,049.00	\$8,063,214.00
		Contracts for Program			
SFY 2017	102/500731	Services	\$7,477,238.00	\$638,113.00	\$8,115,351.00
		Contracts for Program			
SFY 2018	102/500731	Services	\$4,260,684.00	\$1,806,179.00	\$6,066,863.00
Total Operations Phase			\$37,516,516.00	\$1,253,291.00	\$38,769,807.00
TOTAL			\$75,954,011.00	\$11,466,405.00	\$87,420,416.00

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

Operations Phase

<u>State Fiscal</u> <u>Year</u>	<u>Class Object</u>	<u>Class Title</u>	<u>Current Modified</u> <u>Budget</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Revised</u> <u>Modified Budget</u>
SFY 2013	101/500729	Medical Providers	\$0.00	4,298,885.00	4,298,885.00
Total			\$0.00	\$4,298,885.00	\$4,298,885.00
Grand Total			\$75,954,011.00	\$15,765,290.00	\$91,719,301.00

EXPLANATION

This is a sole source amendment that provides for uninterrupted continuation of essential system development and implementation services by the contractor in support of the New Hampshire Medicaid Management Information System's Design, Development and Implementation effort that has been progressing steadily. Given the intricacies of the multi-tiered New Hampshire Medicaid Management Information System solution, Xerox/ACS is most knowledgeable about the system architecture, integrated software products, and the internal design of the Medicaid Management Information System framework and is best suited to continue its implementation.

Because of the nature of the new enhancements, their broad impact across the Medicaid Management Information System, and the need to integrate and implement the care management related changes into the overall framework of the new Medicaid Management Information System, while striving to implement the new Medicaid Management Information System by the go live date, Xerox possesses the requisite knowledge base required to incorporate these changes most efficiently and effectively.

The role of the Medicaid Management Information System implementation contractor was described in the State's Implementation Advanced Planning Document for the New Hampshire Medicaid Management Information System Project, which was approved by the federal Centers for Medicare and Medicaid Services in May 2004. A Request For Proposal was issued in September 2004. Notification of the Request For Proposal publication was issued using standard Department of Information Technology procedures. The Medicaid Management Information System Request For Proposal 2005-004 was issued on September 14, 2004, and published on the Department of Administrative Services web site. ACS State Healthcare, LLC, (now Xerox State Healthcare,) was selected as the Medicaid Management Information System contractor through a competitive bid process.

The purpose of this requested action (Amendment 5) is to extend the period of the contract by three months to March 31, 2018, and to expand on the scope of services from prior Amendments to design, develop, test and implement additional technical system enhancements to the new Medicaid Management Information System. The additional enhancements include functionality for the Care Management Program, Medicaid Hospice Benefit, Family Planning Benefit, Enhanced Provider Screening, and the Electronic Health Record Provider Incentive Program. Details are documented in Appendix A.9. In addition, this requested action includes ~~the Health Insurance Portability and Accountability Act Operational Rules Assessment required~~ in order to achieve compliance with federal law, Section 1104 of the Administrative Simplification provisions of the Patient Protection and Affordable Care Act. Details are documented in Appendix A.10. Furthermore the scope of services is expanded to include the development and implementation of a number of software change requests and the inclusion of testing resources to support the State's testing efforts between January 1, 2013 and March 31, 2013. Details are documented in Appendix A.11.

The cost for the design, development, and implementation of the scope of effort approved under Amendment 4 remains the same. This amendment (Amendment 5) includes additional system modifications to the Medicaid Management Information System that increase the cost of the Design, Development and Implementation phase by \$12,427,110 and increase ongoing operations costs by a total Operations increase of \$3,338,180, thereby increasing the total contract amount by \$15,765,290.

This amendment will extend the time allowed for the Design, Development and Implementation phase of the project as had been previously been established by Amendment 4 and result in a projected new system go-live date of April 1, 2013, which is three months later than had previously been established. Accordingly, this action defers the start up of the three-year operations phase without increasing the overall duration of the operations phase established with the original Contract, and extends the completion date of the Contract from December 31, 2017 to March 31, 2018.

This Amendment 5 provides additional protection and safeguards to the State by adding performance standards to the schedule of Liquidated Damages, Appendix A.3. These protections include:

- If on March 15, 2013 (the Go-Live Decision Date), the NH MMIS does not satisfy the MMIS Go-Live System Readiness Criteria to permit the Xerox MMIS Enterprise to go into Production (become the State's operating MMIS system) on or before April 1, 2013, and if the NH MMIS does not perform in Production compliant with the MMIS Go-Live Readiness Criteria and the MMIS Critical Functional Requirements, from the MMIS Go-Live Date through the 15 days following the MMIS Go-Live Date, liquidated damages may be assessed against Xerox in the amount of \$5,506,791.
- If the NH MMIS does not perform in production compliant with the the MMIS Critical Functional Requirements for the period of April 16, 2013 through June

30, 2013, liquidated damages may be assessed against Xerox in the amount of \$2,753,395.50.

- If after Go-Live, online access to the NH MMIS through the Web is not available from 6:00 a.m. to 6:00 p.m., local time, 7 days a week with downtime not to exceed 5% each month for the period April 1, 2013 through June 30, 2013, excluding scheduled down-time, and if, outside of these hours online access to the NH MMIS is not available with downtime not to exceed 10%, liquidated damages may be assessed against Xerox in the amount of \$2,753,395.50.

#### Explanation of Changes to Schedule

The original contract included a 24-month Design, Development and Implementation phase, a three-year base operations phase, and an optional provision for the Department of Health and Human Services to extend the operations phase for an additional two-year period. This option was outlined in the Governor and Council letter approved on December 7, 2005, Late Item C.

Through Amendment 1, the Department of Health and Human Services requested to extend the Design, Development and Implementation phase for a 12-month period, and this request was approved on December 11, 2007, Item #59.

Amendment 2 requested an 18-month extension to the Design, Development and Implementation phase, which was approved on June 17, 2009, Item #92 to complete the design, development, and testing phases of the project. The system design under Amendment 2 was expanded to incorporate system change request and new functionality essential to support the New Hampshire Medicaid Program. The testing phase was also expanded to allow for a more extensive and structured system integration test phase.

Through Amendment 3 the Department of Health and Human Services requested to extend the Design, Development and Implementation phase for a 15-month period, and this request was approved on June 23, 2010, Item #97.

Amendment 4 requested a 15-month extension to the project's Design, Development and Implementation phase from October 1, 2011 through to December 31, 2012, and extended the contract completion date to December 31, 2017. It was approved on March 7, 2012, Item #22A. The additional time requested under Amendment 4 was necessary to design, construct, test and implement 5010 processing enhancements mandated by the federal Health Insurance Portability and Accountability Act and to allow for more comprehensive testing of the new Medicaid Management Information System.

This Amendment 5 extends the duration of the project's Design, Development and Implementation Phase from December 31, 2012 to March 31, 2013 to provide for additional testing (including staff augmentation of the State's testing resources) and readiness for the Medicaid Management Information System. It also supports the analysis, design, development

His Excellency, Governor John H. Lynch  
 and the Honorable Executive Council  
 December 13, 2012  
 Page 6

testing and implementation of enhancements including Care Management, Medicaid Hospice Benefit, Family Planning Benefit, Enhanced Provider Screening, and the Electronic Health Record Provider Incentive Program and several other software modifications. This requested action also includes services to complete a Health Insurance Portability and Accountability Act Operational Rules Assessment that is necessary to determine the impact and system changes required to achieve compliance with Section 1104 of the Administrative Simplification provisions of the Patient Protection and Affordable Care Act. The amendment extends the completion date of the contract from December 31, 2013 to March 31, 2014.

Adjustments to the Xerox State Healthcare, LLC contract duration, by phase, are outlined in the following table.

Xerox Contract Duration Adjustment					
Original Contract	Amendment 1	Amendment 2	Amendment 3	Amendment 4	Amendment 5
Phase/Year	Phase/Year	Phase/Year	Phase/Year	Phase/Year	Phase/Year
12/7/05 – 1/1/08	12/7/05 – 1/1/09	12/7/05 – 6/30/10	12/7/05 – 9/30/11	12/7/05 – 12/31/12	12/7/05 – 3/31/13
Year 1	Year 1	Year 1	Year 1	Year 1	Year 1
1/2/08 – 1/1/09	1/2/09 – 1/1/10	7/1/10 – 6/30/11	10/1/11 – 9/30/12	1/1/13 – 12/31/13	4/1/13 – 3/31/14
Year 2	Year 2	Year 2	Year 2	Year 2	Year 2
1/2/09 – 1/1/10	1/2/10 – 1/1/11	07/1/11 – 6/30/12	10/1/12 – 9/30/13	1/1/14 – 12/31/14	4/1/14 – 3/31/15
Year 3	Year 3	Year 3	Year 3	Year 3	Year 3
1/2/10 – 1/1/11	1/2/11 – 1/1/12	7/1/12 – 6/30/13	10/1/13 – 9/30/14	1/1/15 – 12/31/15	4/1/15 – 3/31/16
Year 1	Year 1	Year 1	Year 1	Year 1	Year 1
1/2/11 – 1/1/12	1/2/12 – 1/1/13	07/1/13 – 6/30/14	10/1/14 – 9/30/15	1/1/16 – 12/31/16	4/1/16 – 3/31/17
Year 2	Year 2	Year 2	Year 2	Year 2	Year 2
1/2/12 – 1/1/13	1/2/13 – 1/1/14	7/1/14 – 6/30/15	10/1/15 – 9/30/16	1/1/17 – 12/31/17	4/1/17 – 3/31/18

The "\*" indicates an optional extension period, built into the original contract, which may be exercised at the discretion of the Department.

#### Explanation of Changes to Cost

Amendment 1 was a no-cost time extension to the original contract.

The price increases of Amendment 2 were driven by the need to expand the scope of the Design, Development and Implementation effort and operations services to include system change requests that were not included in the original Medicaid Management Information System Request for Proposal, to implement an outpatient prospective payment reimbursement methodology, and to implement enhanced reporting analytics as needed by the Department of Health and Human Services. Under Amendment 2, Design, Development and Implementation costs were increased by \$5,132,126 to cover the system change requests, the new Outpatient Prospective Payment System, and enhanced analytical capabilities of the Medicaid Management Information System reporting repository. Operations costs were increased by \$923,997 to cover expanded services needed to maintain the enhanced reporting repository.

Amendment 3 was a no-cost time extension.

Amendment 4 increased costs by \$7,152,125 for the Design, Development and Implementation Phase and \$1,885,000 during the Operational Phase driven by the need to enhance the system to handle Health Insurance Portability and Protection Act 5010 transaction capabilities.

Amendment 5 increases costs by \$12,427,110 for the Design, Development and Implementation Phase and an additional \$3,338,180 over the next five years of the Operational Phase. These cost increases are associated with the analysis, design testing and implementation of federally and state mandated Medicaid enhancements, including Care Management, Medicaid Hospice Benefit, Family Planning Benefit, Enhanced Provider Screening, Electronic Health Record Provider Incentive Program, several additional change requests, staff augmentation of State testing resources and Health Insurance Portability and Accountability Act Operational Rules Assessment required to achieve compliance with Section 1104 of the Administrative Simplification provisions of the Patient Protection and Affordable Care Act.

There have been no increases in costs for the original scope of the Design, Development and Implementation phase of the project. The pricing remains consistent with what was agreed to in the original Contract. All cost increases to date have been driven by the need to modify the system to provide processing capabilities above and beyond those required under the original system design.

### ADDITIONAL BACKGROUND

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, 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 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 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 development and implementation and testing of a Medicaid Management Information System remains a very arduous undertaking. The contractor has taken appropriate action to mitigate the schedule slippage realized to date, including implementing process improvements, increasing the number of system developers, and restructuring the oversight and composition of developer teams. Despite these actions being taken, the system development and testing effort requires more time. It is, however, nearing completion.

The complexity of the system cannot be overstated. The potential for adverse impacts to the Department of Health and Human Services and to the Provider community at large is very real if the Medicaid Management Information System is released sooner than it is ready. The Department of Health and Human Services will not "go-live" until the system, through comprehensive testing, is determined to be a reliable, production ready, and quality solution.

Significant progress continues to be realized on the New Hampshire Medicaid Management Information System Project. The most significant and promising achievement was that on December 17, 2011 Phase 1 of the project supporting Provider Re-Enrollment went live. The web portal for the new Medicaid Management Information System is accessible from the Internet at [www.nhmmis.nh.gov](http://www.nhmmis.nh.gov). Since its implementation on December 17, 2011, the system's performance has been stable, all functions continue to be operational, and no critical issues have arisen. Providers have been receptive to using the new system and have expressed their perspective that it is easy for them to use. The Xerox/ACS Provider Call Center in Concord was fully staffed and ready for the start up of operations prior to the Phase I go-live. Xerox/ACS field representatives have traveled to provider offices to assist providers with completing

enrollment applications, and call center agents have been assisting providers over the phone. The success of the Phase I Provider Re-Enrollment implementation validates the approach taken to date to ensure thoroughness of the testing effort, readiness for operations, and the decision not to release the system until it is ready.

End-to-end testing will continue and allows for verification that sequential and concurrent processes work with each other, that processes are executed and completed within available time windows, and that they produce intended results. Expanding requirements analysis, design, construction and the end-to-end cycle testing to include Care Management program changes to the system requires more time but enhances the State's ability to verify that the integrated processing of the new Medicaid Management Information System is sound and reliable.

This Amendment 5 projects the implementation of the core Medicaid Management Information System on or before April 1, 2013. The Provider Re-Enrollment component of the Medicaid Management Information System was implemented successfully in December 2011. The go-live date for the new Medicaid Management Information System will be coordinated with the New Hampshire Medicaid provider community, interfacing entities, Hewlett-Packard Development Company and the legacy Medicaid Management Information System, and the State business units it impacts.

The Contractor, Xerox/ACS, has confirmed its corporate commitment to the delivery of the New Hampshire Medicaid Management Information System that meets or exceeds the requirements of the New Hampshire Medicaid Management Information System Request For Proposal, and to the delivery of a high quality solution. Xerox/ACS commits to all of its obligations under the contract. The Department of Health and Human Services believes that the potential future benefits to be achieved once this system is operational will far outweigh the challenges that must be managed during its design and implementation.

Other related items include approval to release the Department of Health and Human Services Medicaid Management Information System Request For Proposal Number 2005-004 to procure vendor services to design, install, operate and maintain a customized Medicaid Management Information System as specified; approval of Amendments 1, 2, 3, 4, 5 and 6 (pending) to Cognosante's (formerly FOX Systems, Inc.) Medicaid Management Information System Quality Assurance service contract; approval of Amendments 15, 16, 17 and 18 to the Hewlett Packard Development Corporation, Enterprise Services (formerly EDS) contract for the continued maintenance, operations, and modifications in support of the existing legacy Medicaid Management Information System; approval for the Medicaid Management Information Service interface contract and Amendments 1, 2, 3 and 4 with Deloitte Consulting LLP; and approval of the original contract and Amendments A, B, C, D, E, F and G (pending) with Truven Health Analytics (formerly Thomson Reuters (Healthcare) Inc. and formerly The Medstat Group).

State of New Hampshire  
Department of Health and Human Services  
Amendment 5 to the ACS State Healthcare, LLC Contract

This 5th Amendment to the ACS State Healthcare, LLC contract (hereinafter referred to as "Amendment 5") dated this 13<sup>th</sup> day of December, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and ACS State Healthcare, LLC, with offices at 9040 Roswell Road, Suite 700, Atlanta, Georgia 30350 (hereinafter referred to as "ACS" or "Contractor") and

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on December 7, 2005, and as amended by Amendment 1 on December 11, 2007, Amendment 2 on June 17, 2009, Amendment 3 on June 23, 2010, and Amendment 4 on March 7, 2012, 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 Contractor's name, the payment schedules and terms and conditions of the Contract;

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 5, the obligations of the parties shall remain in full force and effect in accordance with the terms and conditions set forth in the original Contract, its Amendment 1 on December 11, 2007, its Amendment 2 on June 17, 2009, its Amendment 3 on June 23, 2010, and its Amendment 4 on March 7, 2012.
2. On April 1, 2012, ACS State Healthcare, LLC changed its name in its state of domestication to Xerox State Healthcare, LLC. Wherever the words "ACS State Healthcare, LLC", "ACS", or "Contractor" appear in the Agreement or any amendments, it shall be deemed replaced by the term "Xerox State Healthcare, LLC" or "Xerox", as applicable. Except as expressly set forth herein, this Amendment shall not by implication or otherwise alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Agreement and any amendments, all of which are ratified and affirmed in all respects and shall continue and remain in full force and effect and binding upon the parties thereto.
3. The provisions of Contract Paragraph 2. CONTRACT/ORDER OF PRECEDENCE are hereby replaced by:

2.1 Contract Documents

This Contract between the Department and the Contractor (the "Contract") consists of the following Contract Documents:

- New Hampshire Standard Contract Terms and Conditions, Form P-37, together with the following exhibits:
  - Exhibit A – Statement of Work

System for a base contract period of up to ten years and four months, including a seven year and four month DDI Phase, for an amount Not to Exceed \$50,864,605, and a three-year Operations Phase for an amount Not to Exceed \$24,641,461, for a total Not to Exceed price of \$75,506,066. The Contract further provides for an optional two-year extension of the Operations Phase, which the State may exercise at its discretion by notifying the Contractor in writing of its intention to extend no later than 6 months before the expiration of the base Contract period, i.e. by September 30, 2015, at a firm fixed price of \$16,213,235 for the additional two year period for a combined total Not to Exceed of the amount \$91,719,301. The Contractor shall be responsible for performing the work in accordance with the Contract Documents, including without limitation, the requirements, terms and conditions contained herein.

16. The last sentence of the provision of Exhibit B, Paragraph 1.2 *DDI Phase Payment Schedule* is replaced with the following sentence:

The total contract price for the DDI phase shall not exceed \$50,864,605.

17. The provisions of Exhibit B, Paragraph 1.5 *Total Contract Price* are replaced with the following:

Notwithstanding anything in this Contract to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments under this Contract (excluding pass-through costs identified in section 1.4, above) exceed \$91,719,301, as set forth in Table 1.5-1: Total Contract Price - DDI and Operations Phases. The payment by the State of the total Contract price shall be the only and the complete reimbursement to the Contractor for all fees and expenses, of whatever nature, incurred by the Contractor in performance hereof.

**Table 1.5-1: Total Contract Price –DDI and Operations Phases**

PHASE/ YEAR	PRICE
DDI Phase	\$50,864,605
Operations Phase Year 1	\$8,339,558
Operations Phase Year 2	\$8,258,979
Operations Phase Year 3	\$8,042,924
<b>Sub-Total Operations Phase</b>	<b>\$24,641,461</b>
<b>Sub-Total DDI and 3-Year Operations</b>	<b>\$75,506,066</b>
Optional Extension Year 1	\$8,124,085
Optional Extension Year 2	\$8,089,150
<b>Sub-Total Operations Phase Extension</b>	<b>\$16,213,235</b>
<b>Total Contract Price:</b>	<b>\$91,719,301</b>

**Exhibit D**

18. The Contract date of Exhibit D, Certification Regarding Drug Free Workplace Requirements is hereby extended to March 31, 2018.

Contractor Initials: DD  
 Date: 12/13/2012

**Exhibit E**

19. The Contract date of Exhibit E, Certification Regarding Lobbying is hereby extended to March 31, 2018.

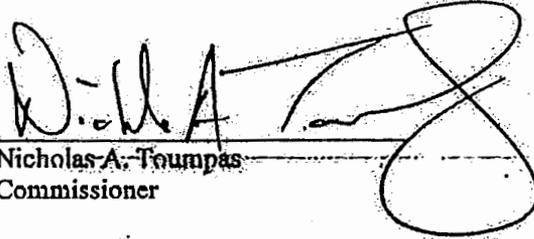
**Exhibit K**

20. Exhibit K Ownership and Control is hereby replaced with the attached Exhibit K to reflect current information as of the effective date of this Amendment 5.

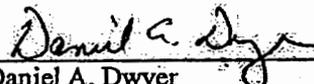
Contractor Initials: JD  
Date: 12/13/2012

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

State of New Hampshire  
Department of Health and Human Services



Nicholas A. Toumpas  
Commissioner



Daniel A. Dwyer  
Vice President, Northern U.S. Operations  
Xerox State Healthcare, LLC

Contractor Initials: SD

Date: 12/13/2012

STATE OF NEW HAMPSHIRE

COUNTY OF Merrimack

On this the 15<sup>th</sup> day of December 2010, before TANYA M. DAVIS, Notary Public  
My Commission Expires July 28, 2015 undersigned officer,  
personally appeared DANIEL A. DUYON who acknowledged himself/herself to be the  
Vice President of Xerox State Healthcare, LLC, a Delaware limited liability company, and that  
he/she, as such Vice President 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  
Vice President

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

TANYA M. DAVIS, Notary Public  
My Commission Expires July 28, 2015  
Tanya Davis  
Notary Public/Justice of the Peace  
My commission expires: \_\_\_\_\_

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

OFFICE OF THE ATTORNEY GENERAL

By: Jeanne P. Herrick  
JEANNE P. HERRICK, Atty

Date: 13 DEC 2012

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: \_\_\_\_\_

Contractor Initials: DD

Date: 12/13/2012

Amendment 5 Appendix A2  
Deliverable List and Payment Schedule

Rel#	Deliverable	Amend 4 Delivery Date	Amend 4 Revised Invoice Date	Amend 5 Invoice Date	Amend 5 Revised Invoice Date	Payment Amount	Holdback Amount	Holdback Release %	Payment less 15% holdback	Holdback Release Amount	Payment with Holdback Release Amt	Holdback Retained Amount
1	Project Initiation and Planning	02/22/08	04/17/08	04/17/08	04/17/08	\$1,889,102.53	\$280,365.38	15%	\$1,608,737.17	\$0.00	\$1,598,737.17	\$280,365.38
2	Concord, NH-DDI Project Site Requirement	01/06/08	03/21/08	03/21/08	03/21/08	\$1,070,000.00	\$160,500.00	15%	\$909,500.00	\$0.00	\$909,500.00	\$160,500.00
3	Project Management Plan	08/18/08	09/03/08	09/03/08	09/03/08	\$1,377,777.00	\$206,666.55	15%	\$1,171,110.45	\$0.00	\$1,171,110.45	\$206,666.55
4	Detailed Project Work Plan	02/02/08	03/21/08	03/21/08	03/21/08	\$1,070,000.00	\$160,500.00	15%	\$909,500.00	\$0.00	\$909,500.00	\$160,500.00
5	Problem Control and Change Management Plan	02/02/08	03/21/08	03/21/08	03/21/08	\$1,070,000.00	\$160,500.00	15%	\$909,500.00	\$0.00	\$909,500.00	\$160,500.00
6	Project Communication Plan	01/24/08	03/21/08	03/21/08	03/21/08	\$1,070,000.00	\$160,500.00	15%	\$909,500.00	\$0.00	\$909,500.00	\$160,500.00
7	Quality Assurance Plan	02/02/08	03/21/08	03/21/08	03/21/08	\$1,070,000.00	\$160,500.00	15%	\$909,500.00	\$0.00	\$909,500.00	\$160,500.00
8	Requirements Traceability Matrix	02/02/08	03/21/08	03/21/08	03/21/08	\$1,070,000.00	\$160,500.00	15%	\$909,500.00	\$0.00	\$909,500.00	\$160,500.00
9	Weekly Project Status Reports	02/02/08	03/21/08	03/21/08	03/21/08	\$1,070,000.00	\$160,500.00	15%	\$909,500.00	\$0.00	\$909,500.00	\$160,500.00
10	Detailed Implementation Schedule	02/02/08	03/21/08	03/21/08	03/21/08	\$1,070,000.00	\$160,500.00	15%	\$909,500.00	\$0.00	\$909,500.00	\$160,500.00
11	Performance Self-Reporting Mechanism-Monthly	03/14/08	04/11/08	04/11/08	04/11/08	\$825,000.00	\$123,750.00	15%	\$701,250.00	\$0.00	\$701,250.00	\$123,750.00
12	Preliminary CMS Certification Process Plan	01/24/08	03/21/08	03/21/08	03/21/08	\$1,070,000.00	\$160,500.00	15%	\$909,500.00	\$0.00	\$909,500.00	\$160,500.00
13	Total Project Initiation and Planning Cost					\$2,336,007.53	\$348,780.23	15%	\$1,987,227.30	\$0.00	\$1,977,227.30	\$348,780.23
14	Requirements Analysis and Validation	06/18/08	08/12/08	08/12/08	08/12/08	\$8,200,000.00	\$946,028.00	15%	\$7,253,972.00	\$0.00	\$7,253,972.00	\$946,028.00
15	Requirements Validation Specification	02/01/08	03/21/08	03/21/08	03/21/08	\$2,132,000.00	\$319,800.00	15%	\$1,812,200.00	\$0.00	\$1,812,200.00	\$319,800.00
16	Issues Tracking and Resolution Document	08/03/08	09/18/08	09/18/08	09/18/08	\$1,000,000.00	\$150,000.00	15%	\$850,000.00	\$0.00	\$850,000.00	\$150,000.00
17	Preliminary Training Plan	10/17/07	09/17/07	09/17/07	09/17/07	\$450,000.00	\$67,500.00	15%	\$382,500.00	\$0.00	\$382,500.00	\$67,500.00
18	Preliminary Conversion/Migration Plan	06/08/08	08/07/08	08/07/08	08/07/08	\$3,537,500.00	\$530,625.00	15%	\$2,996,875.00	\$0.00	\$2,996,875.00	\$530,625.00
19	Preliminary Disaster Recovery Plan	01/23/08	03/21/08	03/21/08	03/21/08	\$1,000,000.00	\$150,000.00	15%	\$850,000.00	\$0.00	\$850,000.00	\$150,000.00
20	Total Requirements Analysis and Validation					\$8,929,500.00	\$1,000,000.00	15%	\$7,929,500.00	\$0.00	\$7,929,500.00	\$1,000,000.00
21	Design	05/15/07	06/04/07	06/04/07	06/04/07	\$2,813,784.00	\$422,067.60	15%	\$2,391,716.40	\$0.00	\$2,391,716.40	\$422,067.60
22	General System Design	02/08/08	03/08/08	03/08/08	03/08/08	\$1,333,024.44	\$199,953.67	15%	\$1,133,070.77	\$0.00	\$1,133,070.77	\$199,953.67
23	Detailed System Design Group 1	03/05/08	03/14/08	03/14/08	03/14/08	\$1,303,024.44	\$195,453.67	15%	\$1,107,570.77	\$0.00	\$1,107,570.77	\$195,453.67
24	Detailed System Design Group 2	08/11/08	09/18/08	09/18/08	09/18/08	\$1,303,024.44	\$195,453.67	15%	\$1,107,570.77	\$0.00	\$1,107,570.77	\$195,453.67
25	Detailed System Design Group 3	02/07/07	03/07/07	03/07/07	03/07/07	\$1,040,822.00	\$156,123.30	15%	\$884,698.70	\$0.00	\$884,698.70	\$156,123.30
26	Test Environment Preparation	05/03/12	06/04/12	06/04/12	06/04/12	\$3,500,000.00	\$525,000.00	15%	\$2,975,000.00	\$0.00	\$2,975,000.00	\$525,000.00
27	Provider Operations Plan	04/08/12	05/08/12	05/08/12	05/08/12	\$1,000,000.00	\$150,000.00	15%	\$850,000.00	\$0.00	\$850,000.00	\$150,000.00
28	Preliminary MMS Implementation Plan	04/18/08	05/05/08	05/05/08	05/05/08	\$4,422,000.00	\$663,300.00	15%	\$3,758,700.00	\$0.00	\$3,758,700.00	\$663,300.00
29	Preliminary Contingency Plan	07/29/08	08/07/08	08/07/08	08/07/08	\$2,200,000.00	\$330,000.00	15%	\$1,870,000.00	\$0.00	\$1,870,000.00	\$330,000.00
30	Preliminary Security Plan	06/20/08	07/02/08	07/02/08	07/02/08	\$1,134,000.00	\$170,100.00	15%	\$963,900.00	\$0.00	\$963,900.00	\$170,100.00
31	Finalized Disaster Recovery Plan	04/14/12	05/15/12	05/15/12	05/15/12	\$4,200,000.00	\$630,000.00	15%	\$3,570,000.00	\$0.00	\$3,570,000.00	\$630,000.00
32	MMS Change Order Analysis-OSD Update Gp 1-7	10/07/12	11/07/12	11/07/12	11/07/12	\$4,044,000.00	\$606,600.00	15%	\$3,437,400.00	\$0.00	\$3,437,400.00	\$606,600.00
33	MMS Change Order Analysis-OSD Update Gp 8-9	10/03/12	11/08/12	11/08/12	11/08/12	\$1,656,000.00	\$248,400.00	15%	\$1,407,600.00	\$0.00	\$1,407,600.00	\$248,400.00
34	Archive Claims Retrieval Solution	03/18/12	04/20/12	04/20/12	04/20/12	\$7,886,074.32	\$1,182,911.14	15%	\$6,703,163.18	\$0.00	\$6,703,163.18	\$1,182,911.14
35	Total Design					\$17,448,402.18	\$2,616,123.23	15%	\$14,832,278.95	\$0.00	\$14,832,278.95	\$2,616,123.23
36	Construction and Unit Testing	06/28/09	08/30/09	08/30/09	08/30/09	\$5,511,851.22	\$826,777.68	15%	\$4,685,073.54	\$0.00	\$4,685,073.54	\$826,777.68
37	Functional Test Summary Iteration 1a	10/03/12	11/02/12	11/02/12	11/02/12	\$3,500,000.00	\$525,000.00	15%	\$2,975,000.00	\$0.00	\$2,975,000.00	\$525,000.00
38	Functional Test Summary Member Function	10/03/12	11/02/12	11/02/12	11/02/12	\$3,500,000.00	\$525,000.00	15%	\$2,975,000.00	\$0.00	\$2,975,000.00	\$525,000.00
39	Functional Test Summary Non-Functional Req.	10/03/12	11/02/12	11/02/12	11/02/12	\$3,500,000.00	\$525,000.00	15%	\$2,975,000.00	\$0.00	\$2,975,000.00	\$525,000.00
40	Functional Test Summary Operations Functions	10/03/12	11/02/12	11/02/12	11/02/12	\$3,500,000.00	\$525,000.00	15%	\$2,975,000.00	\$0.00	\$2,975,000.00	\$525,000.00
41	Functional Test Summary Program Functions	10/03/12	11/02/12	11/02/12	11/02/12	\$3,500,000.00	\$525,000.00	15%	\$2,975,000.00	\$0.00	\$2,975,000.00	\$525,000.00
42	Functional Test Summary Provider Functions	10/03/12	11/02/12	11/02/12	11/02/12	\$3,500,000.00	\$525,000.00	15%	\$2,975,000.00	\$0.00	\$2,975,000.00	\$525,000.00
43	Functional Test Summary Security Functions	10/03/12	11/02/12	11/02/12	11/02/12	\$3,500,000.00	\$525,000.00	15%	\$2,975,000.00	\$0.00	\$2,975,000.00	\$525,000.00
44	Total Construction and Unit Testing					\$17,448,402.18	\$2,616,123.23	15%	\$14,832,278.95	\$0.00	\$14,832,278.95	\$2,616,123.23
45	Integration and System Test Scripts	02/28/13	04/28/13	04/28/13	04/28/13	\$8,630,000.00	\$1,294,500.00	15%	\$7,335,500.00	\$0.00	\$7,335,500.00	\$1,294,500.00
46	MMS Change Orders #2	10/03/12	11/08/12	11/08/12	11/08/12	\$2,500,000.00	\$375,000.00	15%	\$2,125,000.00	\$0.00	\$2,125,000.00	\$375,000.00
47	New PBM Interior Design and Construction	06/25/12	08/28/12	08/28/12	08/28/12	\$7,220,000.00	\$1,083,000.00	15%	\$6,137,000.00	\$0.00	\$6,137,000.00	\$1,083,000.00
48	Change Order A B	07/11/12	08/10/12	08/10/12	08/10/12	\$1,600,000.00	\$240,000.00	15%	\$1,360,000.00	\$0.00	\$1,360,000.00	\$240,000.00
49	Preliminary Provider Handbooks	07/11/12	08/10/12	08/10/12	08/10/12	\$1,600,000.00	\$240,000.00	15%	\$1,360,000.00	\$0.00	\$1,360,000.00	\$240,000.00
50	Finalized MMS Implementation Plan-Provider Enroll	07/11/12	08/10/12	08/10/12	08/10/12	\$1,600,000.00	\$240,000.00	15%	\$1,360,000.00	\$0.00	\$1,360,000.00	\$240,000.00
51	Finalized MMS Implementation Plan-MMS	07/11/12	08/10/12	08/10/12	08/10/12	\$1,600,000.00	\$240,000.00	15%	\$1,360,000.00	\$0.00	\$1,360,000.00	\$240,000.00
52	Finalized Integration and System Test Plan	08/24/08	09/18/08	09/18/08	09/18/08	\$1,417,000.00	\$212,550.00	15%	\$1,204,450.00	\$0.00	\$1,204,450.00	\$212,550.00
53	Finalized Contingency Plan	10/03/12	11/08/12	11/08/12	11/08/12	\$1,417,000.00	\$212,550.00	15%	\$1,204,450.00	\$0.00	\$1,204,450.00	\$212,550.00
54	Finalized Conversion/Migration Plan	10/03/12	11/08/12	11/08/12	11/08/12	\$1,417,000.00	\$212,550.00	15%	\$1,204,450.00	\$0.00	\$1,204,450.00	\$212,550.00
55	Finalized Operations Plan	11/14/12	12/14/12	12/14/12	12/14/12	\$1,417,000.00	\$212,550.00	15%	\$1,204,450.00	\$0.00	\$1,204,450.00	\$212,550.00
56	Finalized Security Plan	07/11/12	08/10/12	08/10/12	08/10/12	\$1,417,000.00	\$212,550.00	15%	\$1,204,450.00	\$0.00	\$1,204,450.00	\$212,550.00
57	Total Integration and System Test Scripts					\$8,630,000.00	\$1,294,500.00	15%	\$7,335,500.00	\$0.00	\$7,335,500.00	\$1,294,500.00
58	MMS Change Orders #2	10/03/12	11/08/12	11/08/12	11/08/12	\$2,500,000.00	\$375,000.00	15%	\$2,125,000.00	\$0.00	\$2,125,000.00	\$375,000.00
59	New PBM Interior Design and Construction	06/25/12	08/28/12	08/28/12	08/28/12	\$7,220,000.00	\$1,083,000.00	15%	\$6,137,000.00	\$0.00	\$6,137,000.00	\$1,083,000.00
60	Change Order A B	07/11/12	08/10/12	08/10/12	08/10/12	\$1,600,000.00	\$240,000.00	15%	\$1,360,000.00	\$0.00	\$1,360,000.00	\$240,000.00
61	Preliminary Provider Handbooks	07/11/12	08/10/12	08/10/12	08/10/12	\$1,600,000.00	\$240,000.00	15%	\$1,360,000.00	\$0.00	\$1,360,000.00	\$240,000.00
62	Finalized MMS Implementation Plan-Provider Enroll	07/11/12	08/10/12	08/10/12	08/10/12	\$1,600,000.00	\$240,000.00	15%	\$1,360,000.00	\$0.00	\$1,360,000.00	\$240,000.00
63	Finalized MMS Implementation Plan-MMS	07/11/12	08/10/12	08/10/12	08/10/12	\$1,600,000.00	\$240,000.00	15%	\$1,360,000.00	\$0.00	\$1,360,000.00	\$240,000.00
64	Finalized Integration and System Test Plan	08/24/08	09/18/08	09/18/08	09/18/08	\$1,417,000.00	\$212,550.00	15%	\$1,204,450.00	\$0.00	\$1,204,450.00	\$212,550.00
65	Finalized Contingency Plan	10/03/12	11/08/12	11/08/12	11/08/12	\$1,417,000.00	\$212,550.00	15%	\$1,204,450.00	\$0.00	\$1,204,450.00	\$212,550.00
66	Finalized Conversion/Migration Plan	10/03/12	11/08/12	11/08/12	11/08/12	\$1,417,000.00	\$212,550.00	15%	\$1,204,450.00	\$0.00	\$1,204,450.00	\$212,550.00
67	Finalized Operations Plan	11/14/12	12/14/12	12/								

Amendment 5 Appendix A.2  
Deliverable List and Payment Schedule

Ref #	Deliverable	Amend 3 Delivery Date	Amend 4 Receipt Date	Amend 5 Invoice Date	Amend 5 Revised Invoice Date	Holdback Amount	Holdback %	Payment Less 15% Holdback	Holdback Release Amt	Payment with Holdback Release Amt	% Retained Holdback	Holdback Amount	Holdback Release
	<b>Total Construction and Unit Testing</b>					\$4,185,123.43	15%	\$3,557,354.81	\$724,768.62	\$4,282,123.43	15%	\$379,222.41	\$4,282,123.43
	<b>Integration and System Testing</b>												
41a	Integration and System Test Summary/Iteration 1a	08/22/10	08/27/10	08/27/10	08/27/10	\$557,851.22	15%	\$474,099.84	\$97,777.08	\$571,876.92	15%	\$13,057.02	\$587,933.94
41b	Integration and System Test Summary/Member Functions	12/27/12	03/27/13	07/25/13	04/25/13	\$168,855.38	15%	\$144,015.18	\$29,333.30	\$173,348.48	15%	\$3,911.11	\$177,259.59
41c	Integration and System Test Summary/Non-Functional Req.	12/27/12	07/25/13	07/25/13	04/25/13	\$32,897.66	15%	\$27,917.21	\$4,888.88	\$32,806.09	15%	\$750.65	\$33,556.74
42a	Integration and System Test Summary/Operational Functions	12/27/12	07/25/13	07/25/13	04/25/13	\$1,434,072.80	15%	\$1,218,962.11	\$215,110.69	\$1,434,072.80	15%	\$28,681.45	\$1,462,754.25
42b	Integration and System Test Summary/Program Functions	12/27/12	07/25/13	07/25/13	04/25/13	\$1,326,265.00	15%	\$1,127,325.25	\$200,444.56	\$1,327,770.81	15%	\$26,725.90	\$1,354,496.71
42c	Integration and System Test Summary/Provider Functions	12/27/12	07/25/13	07/25/13	04/25/13	\$1,583,653.34	15%	\$1,355,805.34	\$229,333.30	\$1,585,138.64	15%	\$33,911.11	\$1,619,049.75
42d	Integration and System Test Summary/Security/Providers	12/27/12	07/25/13	07/25/13	04/25/13	\$551,185.10	15%	\$468,466.84	\$82,718.26	\$551,185.10	15%	\$12,282.62	\$563,468.72
65c	Integration and System Test Summary/Changes 1-7	12/27/12	07/25/13	07/25/13	04/25/13	\$883,500.00	15%	\$750,875.00	\$132,625.00	\$883,500.00	15%	\$17,100.00	\$900,600.00
65d	Integration and System Test Summary/Changes 8	12/27/12	07/25/13	07/25/13	04/25/13	\$3,855,000.00	15%	\$3,286,750.00	\$568,250.00	\$3,855,000.00	15%	\$77,125.00	\$3,932,125.00
43	Integration and System Test Results					\$5,534.40	2%	\$5,323.10	\$211.30	\$5,534.40	2%	\$111.30	\$5,645.70
44	X12N EDI Companion Guides	10/03/12	11/05/12	11/05/12	12/05/12	\$416,672.00	15%	\$354,121.60	\$62,550.40	\$416,672.00	15%	\$9,368.24	\$426,040.24
45	Provider Status Evaluation	10/03/12	11/05/12	11/05/12	12/05/12	\$783,950.00	15%	\$665,307.50	\$118,642.50	\$783,950.00	15%	\$16,673.25	\$800,623.25
46	Preliminary Converted Files	10/03/12	07/08/13	07/08/13	02/08/13	\$58,870.00	15%	\$50,019.50	\$8,850.50	\$58,870.00	15%	\$1,303.70	\$60,173.70
47	Revised Detailed System Design					\$1,111.00	2%	\$1,090.78	\$20.22	\$1,111.00	2%	\$22.22	\$1,133.22
48	Acceptance Test Plan	07/11/12	01/08/13	08/10/12	02/08/13	\$52,451.00	15%	\$44,583.35	\$7,867.65	\$52,451.00	15%	\$1,165.22	\$53,616.22
49	Acceptance Test Tracking System	07/11/12	11/05/12	08/10/12	12/05/12	\$46,072.00	15%	\$39,161.20	\$6,910.80	\$46,072.00	15%	\$973.44	\$47,045.44
50	Finalized Training Plan	08/09/12	01/08/13	08/10/12	02/08/13	\$38,240.00	15%	\$32,404.00	\$5,836.00	\$38,240.00	15%	\$817.20	\$39,057.20
51	Training Materials & Manuals - Provider Enrollment	12/05/11	09/05/12	09/05/12	02/05/13	\$18,051.78	15%	\$15,244.01	\$2,807.77	\$18,051.78	15%	\$372.24	\$18,423.99
52	Training Materials & Manuals - MMIS	11/17/12	01/08/13	12/14/12	02/08/13	\$32,810.24	15%	\$27,828.70	\$4,981.54	\$32,810.24	15%	\$682.20	\$33,492.44
	<b>Total Integration and System Testing</b>					\$4,853,462.28	15%	\$4,145,809.12	\$707,653.16	\$4,853,462.28	15%	\$104,688.94	\$4,958,151.22
	<b>Conversion</b>												
53	Conversion Test Results	12/27/12	03/27/13	07/25/13	04/25/13	\$9,093.00	15%	\$7,729.05	\$1,363.95	\$9,093.00	15%	\$202.22	\$9,295.22
	<b>Total Conversion</b>					\$9,093.00	15%	\$7,729.05	\$1,363.95	\$9,093.00	15%	\$202.22	\$9,295.22
	<b>Acceptance Test</b>												
54	Acceptance Test Resolutions Document	12/27/12	03/27/13	07/25/13	04/25/13	\$17,423.00	15%	\$14,809.55	\$2,613.45	\$17,423.00	15%	\$374.28	\$17,797.28
55	MMIS Change Order Acceptance Test	12/27/12	03/27/13	07/25/13	04/25/13	\$1,254,200.00	15%	\$1,066,070.00	\$188,130.00	\$1,254,200.00	15%	\$27,442.40	\$1,281,642.40
55	Operational Readiness Report	12/27/12	03/27/13	07/25/13	04/25/13	\$32,175.00	15%	\$27,348.75	\$4,826.25	\$32,175.00	15%	\$681.75	\$32,856.75
56	Program Expansion Enhancements	12/27/12	03/27/13	07/25/13	04/25/13	\$39,833.08	15%	\$33,858.12	\$5,974.96	\$39,833.08	15%	\$836.04	\$40,669.12
57	Finalized MMIS Provider Handbooks	12/27/12	03/27/13	07/25/13	04/25/13	\$39,303.00	15%	\$33,407.55	\$5,895.45	\$39,303.00	15%	\$827.30	\$40,134.80
	<b>Total Acceptance Test</b>					\$1,333,834.08	15%	\$1,137,514.35	\$196,319.73	\$1,333,834.08	15%	\$29,130.53	\$1,362,964.61
	<b>Implementation</b>												
58	Finalized CMS Certification Process Plan	12/27/12	03/27/13	07/25/13	04/25/13	\$34,208.00	15%	\$29,072.80	\$5,135.20	\$34,208.00	15%	\$724.18	\$34,932.18
60b	Archive Claims Retrieval Solution	12/27/12	03/27/13	07/25/13	04/25/13	\$11,924,150.00	15%	\$10,235,527.50	\$1,688,622.50	\$11,924,150.00	15%	\$354,525.00	\$12,278,075.00
59	MMIS Systems Documentation	03/29/13	07/25/13	07/25/13	07/25/13	\$17,238.50	15%	\$14,652.83	\$2,585.67	\$17,238.50	15%	\$361.73	\$17,614.53
65f	MMIS Change Order Readiness & Implementation	03/29/13	07/25/13	07/25/13	07/25/13	\$13,000.00	15%	\$11,050.00	\$1,950.00	\$13,000.00	15%	\$273.00	\$13,273.00
60	Results of Final Conversion	03/29/13	07/25/13	07/25/13	07/25/13	\$38,575.00	15%	\$32,788.75	\$5,786.25	\$38,575.00	15%	\$810.75	\$39,385.75
	<b>Total Implementation</b>					\$61,745.50	15%	\$52,569.38	\$9,176.12	\$61,745.50	15%	\$12,865.12	\$74,610.62
	<b>Post-implementation evaluation</b>												
61	Evaluation plan	03/29/13	07/25/13	07/25/13	07/25/13	\$2,867,273.00	15%	\$2,437,182.05	\$430,090.95	\$2,867,273.00	15%	\$60,390.30	\$2,927,663.30
62	Evaluation report	03/29/13	07/25/13	07/25/13	07/25/13	\$17,651.00	15%	\$15,103.35	\$2,547.65	\$17,651.00	15%	\$368.27	\$18,019.27
63	Corrective action plan	03/29/13	07/25/13	07/25/13	07/25/13	\$30,575.00	15%	\$26,038.75	\$4,536.25	\$30,575.00	15%	\$642.63	\$31,217.63
64	Certification manuals for each required system function, including first run reports for federally required reports	03/29/13	07/25/13	07/25/13	07/25/13	\$13,905.00	15%	\$11,819.25	\$2,085.75	\$13,905.00	15%	\$292.73	\$14,191.98
	<b>Total Post-implementation evaluation</b>					\$34,598.00	15%	\$29,670.45	\$4,927.55	\$34,598.00	15%	\$723.33	\$35,321.33
	<b>TOTAL BASE SYSTEM</b>					\$24,359,716.43	15%	\$20,705,658.96	\$3,654,057.47	\$24,359,716.43	15%	\$448,253.53	\$24,807,910.00
	Note:												
	Note:												
	Note:												
	<b>OUR BUSINESS MARKETING SYSTEM PAYMENT SCHEDULE</b>												
1	Requirements Analysis					\$50,000.00	15%	\$42,500.00	\$7,500.00	\$50,000.00	15%	\$500.00	\$50,500.00
2	Requirements Analysis Report 1	12/16/09	01/27/10	01/27/10	01/27/10	\$45,000.00	15%	\$38,250.00	\$6,750.00	\$45,000.00	15%	\$450.00	\$45,450.00
3	Requirements Analysis Report 2	02/18/10	03/17/10	03/17/10	03/17/10	\$50,000.00	15%	\$42,500.00	\$7,500.00	\$50,000.00	15%	\$500.00	\$50,500.00

Contractor Initials: DD  
Date: 12.13.2012

Amendment 5 Appendix A.2  
Deliverable List and Payment Schedule

Ref#	Deliverable	Amend 4 Delivery Date	Amend 4 Revised Invoice Date	Amend 5 Invoice Date	Amend 5 Revised Invoice Date	Holdback %	Holdback Amount	Payment less 15% Holdback	Holdback Release %	Holdback Release Amount	Payment with Holdback Release Amt	% Retained Holdback	Holdback Retained Amount
	<b>Total Requirements Analysis</b>					15%	\$24,000.00	\$19,200.00	1%	\$1,600.00	\$13,600.00	14%	\$22,400.00
4	Business Rules and Design	04/07/10	05/07/10	05/07/10	05/07/10	15%	\$10,500.00	\$8,925.00	1%	\$700.00	\$8,225.00	14%	\$9,800.00
5	Business Requirements Document - Report 1	08/14/10	08/11/10	08/11/10	08/11/10	15%	\$10,500.00	\$8,925.00	1%	\$700.00	\$8,225.00	14%	\$9,800.00
6	Business Requirements Document - Report 2	07/07/10	08/08/10	08/08/10	08/08/10	15%	\$11,250.00	\$9,562.50	1%	\$750.00	\$8,812.50	14%	\$10,500.00
	<b>Total Business Rules and Design</b>					15%	\$32,250.00	\$27,812.50	1%	\$2,150.00	\$25,662.50	14%	\$30,100.00
7	Construction	08/04/12	12/01/13	07/08/12	01/01/13	15%	\$23,650.00	\$19,762.50	1%	\$1,400.00	\$18,362.50	14%	\$21,700.00
	<b>Total Construction</b>					15%	\$23,650.00	\$19,762.50	1%	\$1,400.00	\$18,362.50	14%	\$21,700.00
8	Implementation	07/01/13	04/01/13	08/02/13	09/07/13	15%	\$43,650.00	\$37,002.50	1%	\$2,700.00	\$34,302.50	14%	\$40,700.00
	<b>Total Implementation</b>					15%	\$43,650.00	\$37,002.50	1%	\$2,700.00	\$34,302.50	14%	\$40,700.00
	<b>TOTAL OUTPATIENT PROSPECTIVE PAYMENT SYSTEM</b>					15%	\$743,400.00	\$622,800.00	1%	\$39,570.00	\$583,230.00	14%	\$713,980.00
	<b>ENHANCEMENTS</b>												
1	Detailed System Design	01/07/13	07/07/13	02/11/13	08/11/13	15%	\$19,420.15	\$16,507.13	1%	\$1,228.01	\$15,279.12	14%	\$17,192.14
	<b>Total Requirements and Design</b>					15%	\$19,420.15	\$16,507.13	1%	\$1,228.01	\$15,279.12	14%	\$17,192.14
2	Construction and User Acceptance Test	02/11/13	08/11/13	03/11/13	09/11/13	15%	\$30,847.28	\$26,220.19	1%	\$2,043.17	\$24,177.02	14%	\$28,804.35
3	Completion of UAT	04/05/13	10/05/13	04/05/13	11/05/13	15%	\$12,590.08	\$10,701.57	1%	\$817.12	\$9,884.45	14%	\$11,601.57
	<b>Total Construction and UAT</b>					15%	\$43,437.36	\$36,921.76	1%	\$2,860.29	\$34,061.47	14%	\$40,405.92
	<b>Implementation</b>												
4	Completion of Implementation, Data & Report Balancing & Reconciliation	07/01/13	01/01/14	08/02/13	02/03/13	15%	\$17,882.25	\$15,200.91	1%	\$1,024.96	\$14,175.95	14%	\$16,600.91
	<b>Total Implementation</b>					15%	\$17,882.25	\$15,200.91	1%	\$1,024.96	\$14,175.95	14%	\$16,600.91
	<b>TOTAL DECISION SUPPORT SYSTEM</b>					15%	\$185,440.00	\$157,400.00	1%	\$12,636.00	\$144,764.00	14%	\$176,904.00
	<b>REPORTING</b>												
1	Requirements and Design	03/28/12	04/02/12	04/02/12	04/02/12	0%	\$0.00	\$0.00	0%	\$0.00	\$0.00	0%	\$0.00
2	Detailed System Design	04/08/12	05/04/12	05/04/12	05/04/12	15%	\$108,875.00	\$92,543.75	1%	\$7,155.00	\$85,388.75	14%	\$99,750.00
	<b>Total Requirements and Design</b>					15%	\$108,875.00	\$92,543.75	1%	\$7,155.00	\$85,388.75	14%	\$99,750.00
3	Construction and User Acceptance Test	06/07/12	12/07/12	07/06/12	01/07/13	15%	\$288,545.00	\$245,262.75	1%	\$17,500.00	\$227,762.75	14%	\$265,262.75
4	Completion of UAT	12/31/12	03/01/13	02/04/13	04/01/13	15%	\$274,335.00	\$233,183.75	1%	\$16,662.50	\$216,521.25	14%	\$253,183.75
5	Design, look, test, SIT, UAT testing for the COB changes	03/29/13	09/30/13	04/29/13	11/01/13	15%	\$17,250.00	\$14,662.50	1%	\$1,000.00	\$13,662.50	14%	\$15,662.50
	<b>Total Construction and UAT</b>					15%	\$479,130.00	\$403,509.00	1%	\$30,162.50	\$373,346.50	14%	\$434,000.00
	<b>Implementation</b>												
6	Completion of Implementation	12/31/12	03/01/13	02/04/13	04/30/13	15%	\$55,263.75	\$47,073.19	1%	\$3,066.25	\$44,006.94	14%	\$51,073.19
	<b>Total Implementation</b>					15%	\$55,263.75	\$47,073.19	1%	\$3,066.25	\$44,006.94	14%	\$51,073.19
	<b>TOTAL 8010 Enhancements</b>					15%	\$908,288.75	\$765,445.25	1%	\$50,721.25	\$714,724.00	14%	\$816,297.50
	<b>MINOR ENHANCEMENTS</b>												
1	Requirements and Design	12/15/12	01/15/13	01/15/13	01/15/13	15%	\$42,250.00	\$35,912.50	1%	\$2,425.00	\$33,487.50	14%	\$38,912.50
2	Detailed System Design	12/16/12	01/16/13	01/16/13	01/16/13	15%	\$14,082.50	\$11,970.13	1%	\$837.50	\$11,132.63	14%	\$13,125.00
	<b>Total Requirements and Design</b>					15%	\$56,332.50	\$47,882.63	1%	\$3,262.50	\$44,620.13	14%	\$52,037.50
3	Construction and User Acceptance Test	03/30/13	03/30/13	03/30/13	03/30/13	15%	\$298,081.25	\$253,323.13	1%	\$16,777.63	\$236,545.50	14%	\$273,323.13
	<b>Total Construction and UAT</b>					15%	\$298,081.25	\$253,323.13	1%	\$16,777.63	\$236,545.50	14%	\$273,323.13
	<b>TOTAL MINOR ENHANCEMENTS</b>					15%	\$314,414.25	\$261,205.66	1%	\$19,840.13	\$241,365.53	14%	\$281,365.53

Contractor Initials: LB  
Date: 12-13-2012

Amendment 5 Appendix A2  
Deliverable List and Payment Schedule

Rate	Deliverable	Amend 4 Delivery Date	Amend 5 Revised Invoice Date	Amend 5 Revised Invoice Date	Payment amount	Holdback	Holdback Amount	Payment to Holdback	Holdback Release	Payment with Holdback Release	% Retained Holdback	Holdback Retained Amount
4	Implementation											
	Completion of Implementation	06/01/13		06/01/13	\$292,400.00	15%	\$43,860.00	\$248,540.00	\$292,400.00	\$248,540.00	14%	\$40,860.00
	Total Implementation				\$292,400.00	15%	\$43,860.00	\$248,540.00	\$292,400.00	\$248,540.00	14%	\$40,860.00
<b>TOTAL Managed Care Phase I Enhancements</b>												
					\$2,802,273.00	15%	\$420,340.95	\$2,381,932.05	\$2,802,273.00	\$2,381,932.05	14%	\$336,262.63
<b>Managed Care Phase II Enhancements</b>												
	Requirements and Design											
1	Requirements Analysis and Start Up	02/15/13		02/15/13	\$23,800.00	15%	\$3,570.00	\$20,230.00	\$23,800.00	\$20,230.00	14%	\$2,832.20
2	Detailed System Design	02/15/13		02/15/13	\$10,500.00	15%	\$1,575.00	\$8,925.00	\$10,500.00	\$8,925.00	14%	\$1,250.00
	Total Requirements and Design				\$34,300.00	15%	\$5,145.00	\$29,155.00	\$34,300.00	\$29,155.00	14%	\$4,082.20
3	Construction and User Acceptance Test											
	Completion of UAT	02/15/13		02/15/13	\$100,000.00	15%	\$15,000.00	\$85,000.00	\$100,000.00	\$85,000.00	14%	\$11,660.00
	Total Construction and Unit Test				\$100,000.00	15%	\$15,000.00	\$85,000.00	\$100,000.00	\$85,000.00	14%	\$11,660.00
	Implementation:											
4	Completion of Implementation	07/01/13		08/01/13	\$39,973.00	15%	\$5,995.95	\$33,977.05	\$39,973.00	\$33,977.05	14%	\$4,731.25
	Total Implementation				\$39,973.00	15%	\$5,995.95	\$33,977.05	\$39,973.00	\$33,977.05	14%	\$4,731.25
<b>TOTAL Managed Care Phase II Enhancements</b>												
					\$731,627.00	15%	\$109,744.05	\$621,882.95	\$731,627.00	\$621,882.95	14%	\$86,814.25
<b>Other Enhancements</b>												
	Requirements and Design											
1	Requirements Analysis and Start Up	08/22/13		07/22/13	\$42,850.00	15%	\$6,427.50	\$36,422.50	\$42,850.00	\$36,422.50	14%	\$4,893.00
2	Detailed System Design	08/22/13		07/22/13	\$14,800.00	15%	\$2,220.00	\$12,580.00	\$14,800.00	\$12,580.00	14%	\$1,645.00
	Total Requirements and Design				\$57,650.00	15%	\$8,647.50	\$49,002.50	\$57,650.00	\$49,002.50	14%	\$6,538.00
3	Construction and User Acceptance Test											
	Completion of UAT	11/28/13		12/28/13	\$218,100.00	15%	\$32,715.00	\$185,385.00	\$218,100.00	\$185,385.00	14%	\$24,913.50
	Total Construction and Unit Test				\$218,100.00	15%	\$32,715.00	\$185,385.00	\$218,100.00	\$185,385.00	14%	\$24,913.50
	Implementation											
4	Completion of Implementation	12/26/13		01/26/14	\$15,150.00	15%	\$2,272.50	\$12,877.50	\$15,150.00	\$12,877.50	14%	\$1,686.45
	Total Implementation				\$15,150.00	15%	\$2,272.50	\$12,877.50	\$15,150.00	\$12,877.50	14%	\$1,686.45
<b>TOTAL Medicaid Hospice Benefit Enhancements</b>												
					\$483,750.00	15%	\$72,562.50	\$411,187.50	\$483,750.00	\$411,187.50	14%	\$54,503.18
<b>Other Enhancements</b>												
	Requirements and Design											
1	Requirements Analysis and Start Up	08/22/13		07/22/13	\$13,850.00	15%	\$2,077.50	\$11,772.50	\$13,850.00	\$11,772.50	14%	\$1,538.75
2	Detailed System Design	08/22/13		07/22/13	\$14,800.00	15%	\$2,220.00	\$12,580.00	\$14,800.00	\$12,580.00	14%	\$1,645.00
	Total Requirements and Design				\$28,650.00	15%	\$4,297.50	\$24,352.50	\$28,650.00	\$24,352.50	14%	\$3,183.75
3	Construction and User Acceptance Test											
	Completion of UAT	11/28/13		12/28/13	\$222,250.00	15%	\$33,337.50	\$188,912.50	\$222,250.00	\$188,912.50	14%	\$24,827.50
	Total Construction and Unit Test				\$222,250.00	15%	\$33,337.50	\$188,912.50	\$222,250.00	\$188,912.50	14%	\$24,827.50
	Implementation											
4	Completion of Implementation	12/25/13		01/25/14	\$17,350.00	15%	\$2,602.50	\$14,747.50	\$17,350.00	\$14,747.50	14%	\$1,963.25
	Total Implementation				\$17,350.00	15%	\$2,602.50	\$14,747.50	\$17,350.00	\$14,747.50	14%	\$1,963.25
<b>TOTAL Family Planning Benefit Enhancements</b>												
					\$331,840.00	15%	\$49,776.00	\$282,064.00	\$331,840.00	\$282,064.00	14%	\$37,737.60
<b>Other Enhancements</b>												
	Requirements and Design											
1	Requirements Analysis and Start Up	02/01/13		02/01/13	\$11,250.00	15%	\$1,687.50	\$9,562.50	\$11,250.00	\$9,562.50	14%	\$1,275.00
2	Detailed System Design	02/01/13		02/01/13	\$7,500.00	15%	\$1,125.00	\$6,375.00	\$7,500.00	\$6,375.00	14%	\$850.00
	Total Requirements and Design				\$18,750.00	15%	\$2,812.50	\$15,937.50	\$18,750.00	\$15,937.50	14%	\$2,125.00
3	License Installation Construction and System Testing											
	Software Installed and Integrated	02/04/13		04/04/13	\$80,000.00	15%	\$12,000.00	\$68,000.00	\$80,000.00	\$68,000.00	14%	\$9,120.00
4	Construction Completed	04/11/13		05/11/13	\$30,733.00	15%	\$4,609.95	\$26,123.05	\$30,733.00	\$26,123.05	14%	\$3,256.23

Amendment 5 Appendix A2  
Deliverable List and Payment Schedule

Ref#	Deliverable	Amend 4 Delivery Date	Amend 5 Revised Date	Amend 4 Invoice Date	Amend 5 Revised Date	Parent Amount	Holdback %	Holdback Amount	Payment less 15% Holdback	Holdback %	Holdback Amount	Payment with Holdback	% Retained	Holdback Retained Amount
5	System Integration Testing Completed Total Construction and Unit Test	06/01/13	06/01/13	06/01/13	06/01/13	\$224,983.00	15%	\$33,747.45	\$191,235.55	1%	\$1,912.36	\$189,323.19	14%	\$32,810.83
6	User Acceptance Testing and Implementation User Acceptance Testing Completed	06/21/13	06/21/13	06/21/13	06/21/13	\$59,650.00	15%	\$8,947.50	\$50,702.50	1%	\$507.03	\$49,195.47	14%	\$6,926.76
7	Training Implementation	04/30/13	04/30/13	04/30/13	04/30/13	\$3,450.00	15%	\$517.50	\$2,932.50	1%	\$29.33	\$2,903.17	14%	\$408.00
8	Total Implementation	06/01/13	06/01/13	06/01/13	06/01/13	\$18,500.00	15%	\$2,775.00	\$15,725.00	1%	\$157.25	\$15,567.75	14%	\$2,178.00
TOTAL Enhanced Provider Screening Enhancements						\$1,250,116.00	15%	\$187,517.40	\$1,062,598.60	1%	\$10,625.99	\$1,051,972.61	14%	\$146,988.24
EHR/HR/HRIS System Integration Project														
Requirements and Design														
1	Requirements Analysis and Start Up	06/01/13	06/01/13	06/01/13	06/01/13	\$13,500.00	15%	\$2,025.00	\$11,475.00	1%	\$114.75	\$11,360.25	14%	\$1,590.00
2	Detailed System Design Total Requirements and Design	06/01/13	06/01/13	06/01/13	06/01/13	\$27,250.00	15%	\$4,087.50	\$23,162.50	1%	\$231.63	\$22,930.87	14%	\$3,162.00
3	Construction and User Acceptance Test Completion of UAT Total Construction and Unit Test	06/21/13	06/21/13	06/21/13	06/21/13	\$35,700.00	15%	\$5,355.00	\$30,345.00	1%	\$303.45	\$29,041.55	14%	\$3,938.00
5	Completion of Implementation Total Implementation	06/01/13	06/01/13	06/01/13	06/01/13	\$44,650.00	15%	\$6,697.50	\$37,952.50	1%	\$379.53	\$37,573.00	14%	\$5,070.00
TOTAL EHR Provider Incentive Program Enhancements						\$180,800.00	15%	\$27,120.00	\$153,680.00	1%	\$1,536.80	\$152,143.20	14%	\$20,280.00
HRIS System Integration Project														
Assessment														
1	Project Documentation and recommendations for immediate Total Assessment	06/01/13	06/01/13	07/01/13	07/01/13	\$48,250.00	15%	\$7,237.50	\$41,012.50	1%	\$410.13	\$40,602.37	14%	\$5,390.00
TOTAL HIPAA Operating Rules Assessment						\$48,250.00	15%	\$7,237.50	\$41,012.50	1%	\$410.13	\$40,602.37	14%	\$5,390.00
Change Request Management System														
Change Request Design/Develop/Implement														
1	All HR CRs Identified in Appendix A-1 DDI Complete	03/31/13	03/31/13	07/01/13	07/01/13	\$3,177,000.00	15%	\$476,550.00	\$2,700,450.00	1%	\$27,004.50	\$2,673,445.50	14%	\$352,785.00
2	Testing Staff Augmentation January February March 2013 Total Change Requests and Staff Augmentation	03/31/13	03/31/13	07/01/13	07/01/13	\$3,000,000.00	15%	\$450,000.00	\$2,550,000.00	1%	\$25,500.00	\$2,524,500.00	14%	\$330,000.00
TOTAL All HRIS Change Requests/Staff Augmentation						\$6,177,000.00	15%	\$926,550.00	\$5,250,450.00	1%	\$525,504.50	\$4,724,945.50	14%	\$617,785.00
TOTAL MINIS DDI						\$10,682,000.00	15%	\$1,592,300.00	\$9,089,700.00	1%	\$908,970.00	\$8,180,730.00	14%	\$1,070,000.00

Contractor Initials:   
Date: 12/15/2012

ACS Amendment 5  
Appendix A.3  
Liquidated Damages

Service Performance	Standard	Liquidated Damages
1. Claims Adjudication Accuracy	Vendor shall agree to a financial accuracy rate of at least ninety-eight percent (98%) for all claims processed.	For each full percentage point below the standard, the Vendor shall be assessed liquidated damages in the amount of five percent (5%) of the total monthly invoice for the month in which the violation occurred.
2. System Downtime	Vendor shall agree that system downtime shall be no greater than twenty-four (24) hours per incident. The Vendor shall provide notice to the State as to its regularly scheduled maintenance windows, which will not be part of this guarantee.	Liquidated damages in the amount of ten percent (10%) of the total monthly invoice for the month in which the violation occurred.
3. Reporting Requirements	Vendor shall provide all the reports and paid claims transactional history files specified in this RFP within the stated time periods, and to provide the on-line query capability described in the Vendor's response.	Liquidated damages in the amount of five percent (5%) of the total monthly invoice for the month in which the violation occurred.
4. Call Answering Time	At least ninety-five percent (95%) of all eligible persons' calls received will be answered within four (4) rings.	Liquidated damages in the amount of five percent (5%) of the total monthly invoice for the month in which the violation occurred.
5. Call Abandonment Rate	No more than three percent (3%) of all eligible persons' calls will be abandoned.	Liquidated damages in the amount of five percent (5%) of the total monthly invoice for the month in which the violation occurred.
6. Customer Service Resolution Rate	All customer service interactions shall be logged in the Vendor's information systems with ninety-five percent (95%) of all issues resolved same day. One hundred percent (100%) of issues resolved within 30 days.	Liquidated damages in the amount of five percent (5%) of the total monthly invoice for the month in which the violation occurred.
7. Ad Hoc Report Requests	All requests for ad hoc reports shall be completed within one (1) week of request unless otherwise negotiated at the time of the request from State.	Liquidated damages in the amount of five percent (5%) of the total monthly invoice for the month in which the violation occurred.
8. Communication	The Vendor shall be responsible for providing the State with any and all complete, accurate, and timely communication of all modifications made to the operational NH MMIS. Such communication shall be in accordance with the NH MMIS Project's approved format.	Liquidated damages in the amount of one percent (1%) of the total monthly invoice per communication per day for the month in which the violation occurred.
9. Key Staff Replacement	Contractor does not replace within twenty-five (25) State business days key personnel, as identified within the RFP.	Liquidated damages in the amount of five percent (5%) of the total monthly invoice for the month in which the violation occurred.

ACS Amendment 5  
Appendix A.3  
Liquidated Damages

Service Performance	Standard	Liquidated Damages
<p><b>10. NH MMIS Operational on April 1, 2013</b></p>	<p>On March 15, 2013 (the Go-Live Decision Date), the NH MMIS satisfies the MMIS Go-Live System Readiness Criteria to permit the Xerox MMIS Enterprise to go into Production (become the State's operating MMIS system) on or before April 1, 2013, and the NH MMIS performs in Production compliant with the MMIS Go-Live Readiness Criteria and the MMIS Critical Functional Requirements, from the MMIS Go-Live Date through the 15 days following the MMIS Go-Live Date.</p> <p>The MMIS Go-Live System Readiness Criteria consists of the following elements:</p> <ol style="list-style-type: none"> <li>1. NH MMIS has no Priority 1 ("show stopper") defects based on State testing;</li> <li>2. NH MMIS remaining other defects (Priority 2, 3, and 4) do not collectively materially negatively impact business operations.</li> <li>3. There are no known unmet CMS certification requirements within the NH MMIS.</li> </ol> <p>The MMIS Critical Functional Requirements consist of the following elements:</p> <ol style="list-style-type: none"> <li>1. NH MMIS receives, processes and applies member daily eligibility per contractual requirements;</li> <li>2. NH MIS accepts and processes claims from providers electronically and on paper per contractual requirements;</li> <li>3. NH MMIS pays, denies, or suspends claims according to contractual requirements; and</li> <li>4. NH MMIS adjudicates claims every day and determines payments to enrolled NH Medicaid providers through a weekly financial cycle per contractual requirements.</li> </ol>	<p>Liquidated damages in the amount of \$5,506,791</p>

ACS Amendment 5  
Appendix A.3  
Liquidated Damages

Service Performance	Standard	Liquidated Damages
<p>11. NH MMIS Critical Functional Requirements</p>	<p>The NH MMIS must perform in production compliant with the the MMIS Critical Functional Requirements for the period of April 16, 2013 through June 30, 2013. The MMIS Critical Functional Requirements consist of the following elements:</p> <ol style="list-style-type: none"> <li>1. NH MMIS receives, processes and applies member daily eligibility per contractual requirements;</li> <li>2. NH MIS accepts and processes claims from providers electronically and on paper per contractual requirements;</li> <li>3. NH MMIS pays, denies, or suspends claims according to contractual requirements; and</li> <li>4. NH MMIS adjudicates claims every day and determines payments to enrolled NH Medicaid providers through a weekly financial cycle per contractual requirements.</li> </ol> <p>The associated liquidated damages for failing to meet this Standard shall not be applicable after June 30, 2013. Further, liquidated damages associated with Item 11 shall not be assessed if liquidated damages are assessed under Item 10. However, Xerox shall still be required to comply with this Standard throughout the term of this Contract.</p>	<p>12. Liquidated damages in the amount of \$2,753,395.50</p>

Contractor Initials: RD  
Date: 12/13/2012

ACS Amendment 5  
Appendix A.3  
Liquidated Damages

Service Performance	Standard	Liquidated Damages
12. Web Application Availability	After Go-Live, online access to the NH MMIS through the Web will be available from 6:00 a.m. to 6:00 p.m., local time, 7 days a week with downtime not to exceed 5% each month for the period April 1, 2013 through June 30, 2013, excluding scheduled down-time. Outside of these hours online access to the NH MMIS will be available with downtime not to exceed 10%. Further, liquidated damages associated with Item 12 shall not be assessed if liquidated damages are assessed under Item 10. The associated liquidated damages for failing to meet this Standard shall not be applicable after June 30, 2013. However, Xerox shall still be required to comply with this Standard throughout the term of this Contract.	Liquidated damages in the amount of \$2,753,395.50

Contractor Initials: DD  
Date: 12/13/2012

**ACS Amendment 5  
Attachment A.5  
Outpatient Prospective Payment System**

	<b>Milestone or Deliverable</b>	<b>Payment</b>	<b>Date</b>
1	<b>Staffwork - Phase 1 Requirements Analysis</b>		
2	Receipt of data extract from DHHS		
3	Delivery of summary of analytical database		
4	DHHS acceptance of analytical database	\$50,000	12/09/09
5	Delivery of draft requirements analysis report		
6	DHHS acceptance of draft requirements analysis report	\$50,000	12/16/09
7	Delivery of requirements analysis report		
8	DHHS acceptance of requirements analysis report	\$60,000	02/16/10
9	<b>Staffwork - Phase 2 Business Rules and Design</b>		
10	Delivery of first draft Business Requirements Document		
11	DHHS acceptance of first draft Business Requirements Document	\$70,000	04/01/10
12	Delivery of second draft Business Requirements Document		
13	DHHS acceptance of second draft Business Requirements Document	\$70,000	05/14/10
14	Delivery of Business Requirements Document		
15	DHHS acceptance of Business Requirements Document	\$75,000	07/07/10
16	<b>Staffwork - Phase 3 Contracting</b>		
17	Delivery of the Detailed Systems Design updates		
18	Acceptance of the Detailed System Design update	\$291,000	6/4/2012
19	<b>Staffwork - Phase 4 Implementation</b>		
19	Delivery of the system test plan and results		
20	Acceptance of the system test results		
	Execute UAT, approval to implement in the next quarterly release		
22	Implementation of the Outpatient Prospective Payment enhancements	\$291,000	10/1/2013
	<b>TOTAL</b>	<b>\$957,000</b>	

ACS Amendment 5  
Appendix A.6  
NH MMIS Enhanced Analytics

Project Phase	Activity / Feature Category	Enhanced Analytics Details	Cost	Date
Requirements and Design	Detailed Design	Requirements Validation and Detailed System Design	\$122,801	
		<b>Requirements and Design Subtotal</b>	<b>\$122,801</b>	<b>4/7/2013</b>
Construction and Unit Test	Cubes	Design and implement data cubes where each cube could have 8-10 dimensions and about 10 facts with 1-2 complex derivations.	\$120,289	
	Metadata	Present a description of the columns in Cognos Query Studio/Report Studio as a user hovers over a column for derived data elements so that it is clear to the user what variables were factored into those derived factors.	\$53,401	
	Summary facts	Design and Implement complex queries pre-built on summary facts that either combine claim lines or provide predefined counts or costs for different claim types that can be executed expeditiously with efficient run times for reporting.	\$171,585	
	Groupings	Design and Implement Pre-Built Grouped Classifications of Claims, Members, and Providers based on preconstructed dimensions, that can be modified to adapt to changing conditions.	\$59,855	
	Pre-Built Filters	Design and Implement Prebuilt Filters as provided for by the Department.	\$44,552	
	Integrate ETG Capability	Integrate the functionality to support Episode Treatment Groupings (ETG).	\$226,952	
	Integrate GoSearch Capability	Integrate the functionality to support indexing and searching for attributes across reports.	\$77,641	
	Inpatient Stay/ Member Months	Design and implement complex summary facts relative to continuous enrollment that require additional tables than other summary facts.	\$142,565	
	Adapt existing functionality to accommodate added functionality	Security setup, Balancing Procedure Changes and Reports, Adhoc Package Changes to include new data columns, User Guide Updates.	\$124,744	
		<b>Construction and Unit Test Subtotal</b>	<b>\$1,263,300</b>	<b>7/5/2013</b>
Testing & Implementation	Testing, Data and Report Balancing & Reconciliation	Execute Integration Testing, Support User Acceptance Testing, Operational Readiness, and Implementation.	\$119,215	
		<b>Testing and Implementation Subtotal</b>	<b>\$119,215</b>	<b>10/1/2013</b>
		<b>Grand Total</b>	<b>\$1,263,300</b>	

ACS Amendment 5  
Appendix A.7  
NH MMIS HIPAA 5010 Enhancement

**5010 Project Requirements:**

The Contractor shall design, develop, test, and implement enhancements to the New Hampshire Health Enterprise MMIS to make the system compliant with the requirements set forth in 45 CFR Part 162, "Health Insurance Reform; Modifications to the Health Insurance Portability and Accountability Act (HIPAA) Electronic Transaction Standards". The Contractor shall implement system changes to allow the system to receive, accept/reject, translate, process, present, store, and return data compliant with the American National Standards Institute (ANSI) Electronic Data Interchange (EDI) X12 Version 5010 (v5010) standards as required under 45 CFR Part 162. The Contractor shall implement the EDIFECs solution to support the validation, mapping, and translation of data received and responded to via Electronic Data Interchange (EDI) transactions.

The Contractor shall implement the following Electronic Data Interchange transactions for NH:

- 837 Institutional, Professional and Dental (Claims Submission)
- 276 / 277 - Claims Status Request / Response
- 270 / 271 - Member Eligibility Verification Inquiry and Response
- 271 / 270 - Third Party Coverage Verification
- 835 - Provider Remittance Advice
- 278 - Service Authorization Request / Response
- 277CA - Suspended Claim Notification
- 999 - Implementation Acknowledgement

The Contractor shall modify external provider-facing and internal user interface pages that support Claims Entry, Claims Status Validation, Member Eligibility Verification and Service Authorization submission so that the revised content of the v5010 transaction set can be entered, validated stored, and retrieved within the system. The Contractor shall modify all letters and reports impacted by the v5010 system changes.

The Contractor shall complete a comparative analysis of the previous v4010 transaction standards to v5010 using the transaction implementation guides and shall identify differences by transaction.

Based on the results of the comparative analysis, the Contractor shall complete an impact analysis to assess the impact to the various system components on the NH Health Enterprise MMIS, including User Interfaces (UI), Database, Translator, Valid Values, Reports, Letters, processing and business rules, etc. The Contractor shall update all applicable design deliverables and related artifacts as applicable based on the results of the impact analysis.

The Contractor shall ensure that the system design is in alignment with the v5010 X12 Transaction Implementation Guides and HIPAA standards for covered transactions.

**System Remediation Approach:**

The Contractor shall implement v5010 system enhancements under a phased approach utilizing the EDIFECs toolset as follows:

Phase 1:

- Modify EDI solution to support the 5010 X12 Transaction Set.
- Modify the External UIs to accept 5010 data
  - All external UIs will be 5010 data content compliant

- Add / Modify Validation Rules on the portal layer
- Service Authorization (278) will be fully 5010 compliant (including internal UI's)
- Letters & Reports associated with SA will be remediated
- Member/TPL (270/271) will be fully 5010 compliant
- Claim Status (276/277) will be fully 5010 compliant
- Claim Remittance (835) will be fully 5010 compliant

**Phase 2:**

- Implement changes to the internal claims processing and Internal Claims User Interfaces to take advantage of new or revised content available in the 5010 transaction set
- Implement 277CA to replace the suspended claims reporting that was on the 835 under 4010 but is no longer allowed on the 5010 version of the 835
- Claims Internal facing UIs will be modified during this phase

**Phase 3: Coordination of Benefits**

- Implement Electronic Coordination of Benefits using the 837 transaction to trade COB claims with a select group of third party carriers.

**Project Scope by Phase:**

**Phase 1 - Transaction Scope**

Functional Area	Description	Inbound	Outbound
Member	Enrollment / Renewal	270 Request	271 Response
Third Party Carrier	Third Party Coverage Verification	277 Request	277 Response
Third Party Carrier	Third Party Coordination of Benefits	837 (COB) Request	837 (COB) Response
Internal Claims	Claim Status	276 Request	277 Response
Third Party Carrier	Remittance / Settlement		835
Member	Service Authorization Request / and Response	278 Request	
EDI (835)	Remittance / Settlement	N/A	835 (COB) Request

**Phase 1 - System Change Scope Details**

- Total of 24 External UIs
- Total of 15 Report Templates
- Total of 3 Internal SA UI's
- Total of 4 Letter Templates

Phase 2 - Transaction Scope

Functional Area	Description	Inbound	Outbound
Healthcare Claims	Professional/Functional Dental	657,011,Pr(FULL)	
Healthcare Claims	Coordination of Benefits (COB)	657,117	
Healthcare Claims	Claim Acknowledgement		27702 Standard Claim Notification

Phase 2 - System Change Scope Details

- Total of 9 Internal UIs

Phase 3 - Transaction Scope

Functional Item	Scope Disposition
Healthcare Claims	no selected medical providers (the 2012 claim estimates) will be reduced and adjusted to 2011 rates for 2012. Commercial rates and medical claims adjustments will be reviewed and adjusted as appropriate with 2012. Health care claims data for 2012 is not available as of 10/31/2012. Health care claims data for 2013 is not available as of 10/31/2012.

5010 Payment Schedule

Project Milestone	Activity Category	Deliverables	Estimated Costs	Date
Project Initiation	Secure EDIFECs toolset	Requirements Validation and Initial license and year 1 TSM	\$1,777,000	4/02/2012
Requirements and Design	Detailed System Design	Detailed System Design	\$712,500	5/04/2012
		Design Subtotal	\$2,489,500	
Construction, Testing Phase	Completion of SIT / Begin UAT	Design, code, unit test and SIT testing for 5010 changes	\$1,790,300	07/06/2012
	Completion of UAT Phase	State has tested and accepted 5010 enhancements as documented in the DSD documents	\$1,828,900	03/01/2013
	Completion of Phase 3 Coordination of Benefits	Design, code, unit test, SIT and UAT testing for the COB changes	\$475,000	09/30/2013
		Construction, Testing Phase Subtotal	\$4,094,200	
Implementation	Implementation of 5010 Changes	Concurrent with the implementation of the Enterprise MMIS	\$568,425	03/31/2013
		Implementation Subtotal	\$568,425	
		Grand Total	\$7,152,125	

ACS Amendment 5  
Appendix A.9  
NH MMIS Additional System Enhancements

**Introduction**

The New Hampshire Medicaid Management Information System (MMIS) requires the following enhancements to meet state and/or federal requirements for five (5) different areas:

1. Electronic Health Record Provider Incentive Program
2. Medicaid Hospice Benefit
3. Family Planning Benefit
4. Care Management
5. Enhanced Provider Screening

**1. Electronic Health Record (EHR) Provider Incentive Program**

The New Hampshire Medicaid Electronic Health Record (EHR) Incentive Program provides incentive payments to Eligible Professionals and Eligible Hospitals as they demonstrate adoption, implementation, upgrade, or meaningful use of certified EHR technology. This incentive program is designed to support providers during this period of health information technology transition and instill the use of EHRs in meaningful ways to help our nation to improve the quality, safety, and efficiency of patient health care.

The New Hampshire Medicaid Management Information System (MMIS) will be enhanced to interface with the EHR system to send and receive provider information in support of the EHR program and disburse incentive payments to eligible professionals and hospitals at pre-determined intervals. These payments will be tracked in the MMIS and reported based on funding source.

**EHR Provider Incentive Program Deliverables / Payment Schedule:**

Activity	Milestone or Deliverable	Start	Finish	Cost
<i>Phase I - Requirements Gathering</i>				
Requirements Gathering	JAD Sessions Complete	04/01/2013	04/10/2013	Incl in Doc Change Requests
Requirements Elaboration	Documented Change Request	04/11/2013	05/01/2013	\$6,650
	Updated DSD Chapters	04/11/2013	06/01/2013	\$6,650
	Updated L1 Spreadsheets	04/11/2013	05/01/2013	Incl in DSD
<i>Phase II - Design</i>				
Technical Design	Technical Design Complete	05/01/2013	06/01/2013	\$27,250
<i>Phase III - Configuration, Medication, Development / Construction</i>				
Coding	Code Complete	06/04/2013	06/20/2013	\$59,150
Unit Testing	Unit Test Complete	06/11/2013	07/05/2013	Incl in Coding
Data Configuration	Data Configuration Complete	06/11/2013	06/11/2013	Incl in Coding
Dev Integration Testing	Dev Integration Testing Complete	07/01/2013	07/11/2013	Incl in Coding

ACS Amendment 5  
Appendix A.9  
NH MMIS Additional System Enhancements

Phase IV - System Integration Testing				
System Test Prep	System Test Environment Ready	07/11/2013	07/16/2013	Incl in Coding
System Test Planning	System Test Plan	05/01/2013	07/15/2013	\$6,650
SIT Execution	System Test Complete	07/11/2013	08/01/2013	\$19,950
Phase V - User Acceptance Testing				
UAT Test Prep	UAT Environment Ready	07/30/2013	08/01/2013	Incl in Coding
UAT Test Planning	UAT Test Plan	07/16/2013	08/01/2013	\$9,950
UAT Execution (State Activity)	UAT Test Complete	08/01/2013	08/21/2013	State Activity
Phase VI - Training				
Training Plan Development	Training Plan	NA	NA	No training needed
Training Materials Updates	Updated Training Materials	NA	NA	No training needed
Train Staff / State Users	Training Completed	NA	NA	No training needed
Phase VII - Implementation				
Production Release	Production Ready	08/24/2013	08/24/2013	\$44,592
Post Production Validation	Post Production Validation Complete	08/24/2013	08/31/2013	Incl in Prod Release

**2. Medicaid Hospice Benefit**

Effective 07/01/2010, the NH Medicaid Program instituted a Hospice benefit for Medicaid eligible children and adults. To qualify for the benefit, a Medicaid beneficiary must be (1) under age 65, (2) impoverished, and (3) diagnosed with a terminal condition from which death is expected within six months or less. As with Medicare, the person electing Medicaid state plan hospice care must waive his or her right to regular Medicaid coverage for services related to the terminal illness with the exception of children who as a result of healthcare reform legislation are allowed both curative and hospice care simultaneously.

The New Hampshire Medicaid Management Information System (MMIS) will be enhanced to include processing and payment of Hospice claims and reporting of the expenditures as documented in the Hospice Final Rule 2010-18 provisions He-W 544.01 – 544.16. The MMIS will be enhanced to include a new provider type for providers specializing in Hospice care as well as networks and benefit plans required to accommodate providing Hospice services. Appropriate edits and audits will be added to ensure the correct and accurate payment of Hospice services in accordance with the Hospice Final Rule provisions.

ACS Amendment 5  
Appendix A.9  
NH MMIS Additional System Enhancements

Medicaid Hospice Benefit Deliverables / Payment Schedule:

Activity	Milestone or Deliverable	Start	Finish	Cost
<b>Phase I - Requirements Analysis</b>				
Requirements Gathering	JAD Sessions Complete	04/02/2013	05/01/2013	Incl in Document Change Request
Requirements Elaboration	Documented Change Request	04/16/2013	05/22/2013	\$19,500
	Updated DSD Chapters	05/22/2013	06/22/2013	\$22,750
	Updated L1 Spreadsheets	04/16/2013	05/22/2013	Incl in DSD
<b>Phase II - Design</b>				
Technical Design	Technical Design Complete	05/22/2013	06/22/2013	\$25,250
<b>Phase III - Configuration, Modification, Development / Construction</b>				
Coding	Code Complete	06/08/2013	08/10/2013	\$177,600
Unit Testing	Unit Test Complete	08/13/2013	08/22/2013	Incl in Coding
Data Configuration	Data Configuration Complete	08/10/2013	08/10/2013	Incl in Coding
Dev Integration Testing	Dev Integration Testing Complete	08/23/2013	08/30/2013	Incl in Coding
<b>Phase IV - System Integration Testing</b>				
System Test Prep	System Test Environment Ready	08/30/2013	08/30/2013	Incl in Coding
System Test Planning	System Test Plan	05/22/2013	08/30/2013	\$38,900
SIT Execution	System Test Complete	09/02/2013	10/14/2013	\$100,500
<b>Phase V - User Acceptance Testing</b>				
UAT Test Prep	UAT Environment Ready	10/14/2013	10/14/2013	Incl in Coding
UAT Test Planning	UAT Test Plan	09/02/2013	10/14/2013	\$6,500
UAT Execution (State Activity)	UAT Test Complete	10/14/2013	11/28/2013	State Activity
<b>Phase VI - Training</b>				
Training Plan Development	Training Plan	08/30/2013	09/20/2013	Incl in Training Comp
Training Materials Updates	Updated Training Materials	08/30/2013	09/20/2013	Incl in Training Comp
Train Staff / State Users	Training Completed	10/11/2013	10/11/2013	\$2,600
<b>Phase VII - Implementation</b>				
Production Release	Production Ready	12/02/2013	12/02/2013	\$75,194
Post Production Support	Post Production Support Complete	12/02/2013	12/31/2013	Incl in Prod Release
			<b>Total</b>	<b>\$463,794</b>

ACS Amendment 5  
Appendix A.9  
NH MMIS Additional System Enhancements

**3. Family Planning Benefit**

The Social Security Act at 42 USC 1396(a)(10)(A)(ii) establishes a new Medicaid eligibility group eligible only for family planning services and family planning-related services. This expands the NH Title XIX Medicaid coverage to include a benefit for citizens who are not otherwise qualified for Title XIX programs or services, but now would be eligible for these family planning/family planning-related services.

The NH Medicaid Management System (MMIS) will enhance the existing interface with the New HEIGHTS system to support receipt of the eligibility information related to the new benefit plan for family planning and family planning related services for men and women. The MMIS will pay for these services and supplies under the program for those individuals who meet DFA eligibility requirements and program policies and business rules.

**Family Planning Benefit Deliverables / Payment Schedule:**

Activity	Milestone or Deliverable	Start	Finish	Cost
<b>Phase I - Requirements Analysis</b>				
Requirements Gathering	JAD Sessions Complete	04/02/2013	05/01/2013	Incl in Document CR
Requirements Elaboration	Documented Change Request	04/16/2013	05/22/2013	\$7,550
	Updated DSD Chapters	05/02/2013	06/22/2013	\$6,300
	Updated LI Spreadsheets	04/16/2013	05/22/2013	Incl in DSD
<b>Phase II - Design</b>				
Technical Design	Technical Design Complete	05/22/2013	06/22/2013	\$14,500
<b>Phase III - Configuration, Development, Integration</b>				
Coding	Code Complete	06/08/2013	08/10/2013	\$124,650
Unit Testing	Unit Test Complete	08/13/2013	08/22/2013	Incl in Coding
Data Configuration	Data Configuration Complete	08/10/2013	08/10/2013	Incl in Coding
Dev Integration Testing	Dev Integration Testing Complete	08/23/2013	09/07/2013	Incl in Coding
<b>Phase IV - System Integration Testing</b>				
System Test Prep	System Test Environment Ready	08/30/2013	09/07/2013	Incl in Coding
System Test Planning	System Test Plan	05/22/2013	09/07/2013	\$13,200
SIT Execution	System Test Complete	09/02/2013	10/21/2013	\$77,500
<b>Phase V - User Acceptance Testing</b>				
UAT Test Prep	UAT Environment Ready	10/14/2013	10/21/2013	Incl in Coding
UAT Test Planning	UAT Test Plan	09/02/2013	10/21/2013	\$4,400
UAT Execution (State Activity)	UAT Test Complete	10/14/2013	11/28/2013	State Activity
<b>Phase VI - Training</b>				

ACS Amendment 5  
Appendix A.9  
NH MMIS Additional System Enhancements

Training Plan Development	Training Plan	08/30/2013	09/20/2013	Incl in Training Comp
Training Materials Updates	Updated Training Materials	08/30/2013	09/20/2013	Incl in Training Comp
Train Staff/ State Users	Training Completed	10/11/2013	10/21/2013	\$2,500
<b>Phase VII - Implementation</b>				
Production Release	Production Ready	12/02/2013	12/01/2013	\$61,369
Post Production Support	Post Production Support Complete	12/02/2013	12/31/2013	Incl in Prod Release
				<b>Total: \$700,000</b>

**4. Care Management**

The NH State Legislature passed SB 147 (Chapter 125, Laws of New Hampshire 2011), which directed the New Hampshire Department of Health and Human Services (DHHS) to develop a comprehensive statewide care management program for all Medicaid enrollees. The program would focus on improving the value, quality, and efficiency of services provided in the New Hampshire Medicaid program, stimulate innovation, and generate program savings.

As a critical component of the total managed care program, the MMIS needs to be enhanced to incorporate functions necessary for a managed care program. These enhancements will take place in two project segments. The first project segment will include changes to the Benefit Plan, Member, Claims, Provider, and Service Authorization components of the system. The second project segment will include additional updates to Claims and Service Authorization, as well as the Third Party Liability component of the system.

**Care Management Deliverables / Payment Schedule – Segment I:**

Activity	Milestone or Deliverable	Start	Finish	Cost
<b>Phase II - Initiation</b>				
Management Oversight			Ongoing	\$74,800
Planning	Implementation Workplan	10/01/2012	11/15 + Ongoing Updates	\$127,250
<b>Phase III - Requirements Analysis</b>				
Requirements Gathering	JAD Sessions Complete	09/24/2012	11/15/2012	Incl in Doc Change Requests
Requirements Elaboration	Documented Change Requests	11/01/2012	11/29/2012	\$115,500
	Updated DSD Chapters	11/29/2012	12/15/2012	\$124,700
	Updated L1 Spreadsheets	11/01/2012	11/29/2012	Incl in DSD

ACS Amendment 5  
Appendix A.9  
NH MMIS Additional System Enhancements

Phase III - Design				
Technical Design	Technical Design Complete	11/08/2012	12/15/2012	\$93,750
Phase III - Configuration, Modification, Development / Configuration				
Coding	Code Complete	11/15/2012	01/21/2013	\$1,029,125
Unit Testing	Unit Test Complete	12/06/2012	01/31/2013	Incl in Coding
Data Configuration	Data Configuration Complete	11/29/2012	12/06/2012	Incl in Coding
Dev Integration Testing	Dev Integration Testing Complete	12/10/2012	01/31/2013	Incl in Coding
Phase IV - System Integration Testing				
System Test Prep	System Test Environment Ready	12/24/2012	02/01/2013	Incl in Coding
System Test Planning	System Test Plan	12/21/2012	02/01/2013	\$54,500
SIT Execution	System Test Complete	01/02/2013	03/21/2013	\$740,500
Phase V - User Acceptance Testing				
UAT Test Prep	UAT Environment Ready	02/01/2013	02/15/2013	Incl in Coding
UAT Test Planning	UAT Test Plan	01/15/2013	02/15/2013	\$138,250
UAT Execution (State Activity)	UAT Test Complete	02/15/2013	03/30/2013	State Activity
Phase VI - Training				
Training Plan Development	Training Plan	12/15/2012	02/14/2013	Incl in Train Staff
Training Materials Updates	Updated Training Materials	12/15/2012	02/14/2013	Incl in Train Staff
Train Staff / State Users	Training Completed	02/14/2013	02/14/2013	\$11,500
Phase VII - Implementation				
Production Release	Production Ready	04/01/2013	04/01/2013	\$292,400
Post Production Validation	Post Production Validation Complete	04/01/2013	05/01/2013	Incl in Prod Release
<b>Total:</b>				<b>\$2,802,275</b>

Contractor Initials:   *RD*  

Date:   12/13/2012

ACS Amendment 5  
Appendix A.9  
NH MMIS Additional System Enhancements

Care Management Deliverables / Payment Schedule – Segment II:

Activity	Milestone or Deliverable	Start	Finish	Cost
<b>Phase I - Initiation</b>				
Management Oversight			Ongoing	\$56,500
Planning	Implementation Workplan	12/01/2012	01/15/2013 + Ongoing Updates	Incl in Phase (I)
<b>Phase II - Requirements Analysis</b>				
Requirements Gathering	JAD Sessions Complete	11/24/2012	01/15/2013	Incl in Doc Change Requests
Requirements Elaboration	Documented Change Requests	01/01/2013	01/29/2013	\$87,150
	Updated DSD Chapters	01/29/2013	02/15/2013	\$94,150
	Updated L1 Spreadsheets	01/01/2013	01/29/2013	Incl in DSD
<b>Phase III - Design</b>				
Technical Design	Technical Design Complete	01/08/2013	02/15/2013	\$70,500
<b>Phase IV - Configuration, Integration, Development, Construction</b>				
Coding	Code Complete	01/15/2013	03/21/2013	\$535,000
Unit Testing	Unit Test Complete	02/06/2013	03/31/2013	Incl in Coding
Data Configuration	Data Configuration Complete	01/29/2013	02/06/2013	Incl in Coding
Dev Integration Testing	Dev Integration Testing Complete	02/10/2013	03/31/2013	Incl in Coding
<b>Phase V - System Integration Testing</b>				
System Test Prep	System Test Environment Ready	02/24/2013	04/01/2013	Incl in Coding
System Test Planning	System Test Plan	02/21/2013	04/01/2013	\$41,000
SIT Execution	System Test Complete	03/02/2013	05/21/2013	\$318,100
<b>Phase VI - User Acceptance Testing</b>				
UAT Test Prep	UAT Environment Ready	04/01/2013	04/15/2013	Incl in Coding
UAT Test Planning	UAT Test Plan	03/15/2013	04/15/2013	\$104,250
UAT Execution (State Activity)	UAT Test Complete	04/15/2013	06/01/2013	State Activity
<b>Phase VII - Training</b>				
Training Plan	Training Plan	02/15/2013	04/14/2013	Incl in Train

ACS Amendment 5  
Appendix A.9  
NH MMIS Additional System Enhancements

Development				Staff
Training Materials Updates	Updated Training Materials	02/15/2013	04/14/2013	Incl in Train Staff
Train Staff / State Users	Training Completed	04/14/2013	06/14/2013	\$8,450.
<b>Phase VII - Implementation</b>				
Production Release	Production Ready	06/01/2013	06/01/13	\$99,973
Post Production Validation	Post Production Validation Complete	06/01/2013	07/01/13	Incl in Prod Release
				Total: \$1,450,073

**Care Management Impact on Fiscal Agent Operations Costs**

The transition to a managed care delivery model will result in additional operational costs. These costs are based on the need for additional system staff as well as additional call center staff. The operational costs are as follows:

<b>YEAR 1:</b>	April 2013 – March 2014:	\$373,732
<b>YEAR 2:</b>	April 2014 – March 2015:	\$321,924
<b>YEAR 3:</b>	April 2015 – March 2016:	\$267,067
<b>YEAR 4:</b>	April 2016 – March 2017:	\$209,020
<b>YEAR 5:</b>	April 2017 – March 2018:	\$215,012

**5. Enhanced Provider Screening**

As per ACA Section 6028 States must validate all new providers using comprehensive database checks that include checking all applicable state licensing credentials. Further the regulations require states to collect SSN and Dates of Birth for all affiliated parties (owners, officers and directors) and validate the identities at the time of enrollment or revalidation (for existing enrollments). Rules also require risk scoring the providers and perform enhanced database checks for higher risk scores. The rules also mandate minimum monthly monitoring of all providers and affiliated parties for any change in sanction and eligibility status. The provider screening and monitoring solution allows the State to meet all ACA requirements. The application provides the ability for the New Hampshire Program Integrity staff to review results of all automated checks, to drill down into details and the ability to do manual verifications or enhanced due diligence where necessary. The application manages the entire screening workflow including all communications, evidence capture and reporting. The proposed solution is comprised of two primary modules, a screening module and a monitoring module. The system will also be fully integrated with the MMIS.

ACS Amendment 5  
Appendix A.9  
NH MMIS Additional System Enhancements

**Enhanced Provider Screening Deliverables / Payment Schedule:**

One-Time Perpetual Software Licensing Fee: \$600,000 to be invoiced when software is installed and ready for configuration and integration during Phase III.

Activity	Milestone or Deliverable	Start	Finish	Cost
<b>Phase I - Requirements Analysis</b>				
Requirements Gathering	JAD Sessions Complete	01/01/2013	01/10/2013	\$10,000
Requirements Elaboration	Documented Change Request	01/11/2013	02/01/2013	\$26,000
	Updated DSD Chapters	01/11/2013	03/01/2013	\$30,250
	Updated L1 Spreadsheets	01/11/2013	02/01/2013	\$45,000
<b>Phase II - Design</b>				
Technical Design	Technical Design Complete	02/01/2013	03/01/2013	\$78,500
<b>Phase III - Configuration, Modification, Deployment / Construction</b>				
Licensed Software Integration	Software installed, ready for configuration	02/15/2013	03/04/2013	\$600,000
Coding	Code Complete	03/04/2013	03/20/2013	\$35,783
Unit Testing	Unit Test Complete	03/11/2013	04/05/2013	Incl in Coding
Data Configuration	Data Configuration Complete	03/11/2013	03/11/2013	Incl in Coding
Dev Integration Testing	Dev Integration Testing Complete	04/01/2013	04/11/2013	\$45,000
<b>Phase IV - System Integration Testing</b>				
System Test Prep	System Test Environment Ready	04/11/2013	04/16/2013	\$0 incl in Planning
System Test Planning	System Test Plan	02/01/2013	04/15/2013	\$51,750
SIT Execution	System Test Complete	04/11/2013	05/01/2013	\$183,233
<b>Phase V - User Acceptance Testing</b>				
UAT Test Prep	UAT Environment Ready	04/30/2013	05/01/2013	Incl in Coding
UAT Test Planning	UAT Test Plan	04/16/2013	05/01/2013	\$53,650
UAT Execution (State)	UAT Test Complete	05/01/2013	05/21/2013	\$10,000
<b>Phase VI - Training</b>				
Training Plan Development	Training Plan	04/01/2013	04/11/2013	Incl in Training
Training Materials Updates	Updated Training Materials	04/11/2013	04/18/2013	Incl in Training
Train Staff / State Users	Training Completed	04/11/2013	04/30/2013	\$3,450
<b>Phase VII - Implementation</b>				
Production Release	Production Ready	05/24/2013	05/24/2013	\$34,500
Post Production Validation	Post Production Validation Complete	05/24/2013	05/31/2013	\$45,000
			<b>Total</b>	<b>\$1,252,116</b>

**Total cost for services plus licenses for the DDI is \$1,252,116.**

Contractor Initials: DD

Date: 12/13/2012

ACS Amendment 5  
Appendix A.9  
NH MMIS Additional System Enhancements

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**Enhanced Provider Screening Impact to Fiscal Agent Operations Costs:**

In addition to the DDI costs, there is also an operational component to the provider screening costs. These costs are associated with license, maintenance and support for the procured commercial off the shelf software product, list and data management services, data subscriptions, finger printing, and hosting. The operational costs are as follows:

YEAR 1:	May 2013 – March 2014:	\$363,825
YEAR 2:	April 2014 – March 2015:	\$396,900
<del>YEAR 3:</del>	<del>April 2015 – March 2016:</del>	<del>\$396,900</del>
YEAR 4:	April 2016 – March 2017:	\$396,900
YEAR 5:	April 2017 – March 2018:	\$396,900

ACS Amendment 5  
Appendix A.10  
HIPAA Operating Rules

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### Introduction

Section 1104 of the Administrative Simplification provisions of the Patient Protection and Affordable Care Act (hereafter referred to as the Affordable Care Act or ACA) establishes new requirements for administrative transactions that will improve the utility of the existing HIPAA transactions and reduce administrative costs. CMS has chosen to adopt the rules from the non-profit CAQH alliance to satisfy the requirements.

These new federal requirements necessitate system and operational changes. The current state of the three phases of the HIPAA Operating rules (HOpr) is as follows:

- January 1, 2013: Have been fully adopted by HHS effective December 7, 2011
- January 1, 2014: EFT/ERA rules were voted on and ratified by the voting membership of the authoring entity CAHQ CORE on June 22, 2012. On August 10, 2012, HHS issued an Interim Final Rule with Comment (IFC) adopting the complete Phase III CAQH CORE EFT & ERA Operating Rules, including the CORE v5010 Master Companion Guide Template, to fulfill the ACA Section 1104 Federal mandate for national EFT & ERA Operating Rules. Covered entities must be in compliance with the EFT & ERA Operating Rule Set by January 1, 2014. The IFC *does not* adopt the Batch Acknowledgement Requirements in Section 4.2 of CAQH CORE Rule 350, as the Secretary has not yet adopted HIPAA-standards for acknowledgements
- January 1, 2016: Authoring entity has not been selected by HHS, and rules have not yet been developed. As such an assessment is not possible.

To determine the level of remediation required to ensure compliance for DHHS, the contractor team will perform an assessment by taking the aspects of the Operating Rules for Phase I and Phase II and mapping the rules against affected documentation to determine impact points, required changes and the necessity of tools or logic to adhere to the rules. Recommendations on how to approach closure of gaps and the best approach to remediation will result from the assessment.

### HIPPA Operating Rules Assessment Price and Schedule

Contractor will provide for all of the services and resulting deliverables related to this assessment for a firm fixed price of \$489,250. Given that the key deliverables all have interdependency with limited standalone value and the relatively short duration, the contractor will be compensated using a single milestone payment for all assessment work upon acceptance and approval of final Deliverable.

Work is planned to be performed starting in April 2013 and completed in June 2013.

ACS Amendment 5  
Appendix A.10  
HIPAA Operating Rules

Price Category	Rate	Quantity	Amount
Xerox Staff	\$125 per hour	3,354 Hours	\$419,250
Edifecs Professional Services	\$200 per hour	350 Hours	\$70,000
<b>Total Price – Contracted Services</b>			<b>\$489,250</b>

Contractor Initials: BD

Date: 12/13/2012

ACS Amendment 5  
Appendix A11  
NH MMIS System Change Requests and Testing Support

The system design and outputs of the new Health Enterprise MMIS have been based on the original RFP requirements and, except for the change requests approved under Amendment 2 to the Contract, have not been able to keep pace with day to day system and business process changes that have been required by the NH Medicaid Program. Covered services, claims adjudication edits, rates and pricing, member eligibility, letters, and reports are just some of the areas where changes were implemented programatically and in the legacy MMIS, while the new MMIS was being constructed. Those changes need to be designed, developed, and implemented in the new MMIS so that when the new MMIS goes live, it will function in accordance with the current state of the NH Medicaid program.

During the system integration test period, it was determined that a number of core processes needed to be enhanced beyond the original design in order to address gaps, to improve processing efficiency and/or integrity, to expand capabilities to better meet requirements, or to produce additional outputs such as reports, letters, messages, etc. These processing enhancements are essential to ensuring that the new MMIS performs, processes, and delivers in accordance with state and federal requirements.

The MMIS sends data to and receives data from a number of different state and federal systems. Those other systems have made changes to meet the needs of their business users since the original data interface requirements with the new MMIS were defined and developed. During system integration testing and while sharing test files between the new MMIS and those interfacing systems, numerous instances were identified where interface file record layouts, applied business rules, valid values, error handling, and associated reports needed to be changed to accommodate changes made by other systems. Original requirements needed to be refined, new data interfaces created, or file transmission and scheduling modifications needed to be made to ensure timely and secure delivery of data files.

These change requests are grouped into 9 high level categories based on the primary system component(s) impacted by the change. The Contractor shall design, develop, test, and implement all of the change requests identified in the following table by the April 1, 2013 go-live date for a total cost of \$5,117,750.

Additionally, the Contractor shall provide testing resources to augment the State staff testing effort. These testing resource staff will be allocated to the State's MMIS Project team and will take their direction and work assignments from State project team functional leads and will follow State team expectations and processes for test execution and reporting. The State team will monitor their activity. The cost for up to 10 testing resources is \$129,680.33 per month for the three months of January, February, and March 2013, for a total testing staff augmentation cost of \$389,041.

The Contractor shall invoice for one lump sum payment for the total cost of the change requests only after the Contractor and the State have confirmed that all of the change requests have been implemented. The Contractor shall not invoice before July 1, 2013. The Contractor shall invoice for one lump sum payment for the total cost of the tester staff augmentation and shall not submit the invoice prior to July 1, 2013.

The 15% hold back provision for the Amendment 5 change request and staff augmentation deliverables payment shall be applied consistent with Amendment 5 Appendix 2.1, the Deliverable List and Payment Schedule.

ACS Amendment 5  
Appendix A11  
NH MMIS System Change Requests and Testing Support

Group	High Level Description	New Hampshire Change Request ID	Cost
Acuity Rate Setting	Design, develop, test and Implement additional modifications and enhancements for Acuity Rate Setting.	3057, 3060, 3185, 3186, 3335, 3336, 3354, 3355, 3358, 3359, 3576, 3842, 3853, 3855, 3932, 3933, 3936, 3970, 4071, 4072, 4073, 4099, 4116, 4117, 4122, 4145, 4148, 4165	\$604,000
BP/REF/SA/TPL	Design, develop, test and implement additional modifications and enhancements: Benefit Plans, Reference, Service Authorization and Third Party Liability.	3327, 3713, 3714, 3717, 3668, 3779, 3844, 3847, 3866, 3905, 4154, 2331, 3202, 3369, 3491, 3601, 4109, 4156, 3350, 3953, 4210, 2017, 2710, 3297, 3288, 3638, 3928, 3973, 4038, 4095, 4101, 4104	\$422,875
Business Rules/Conversion	Create additional business rules and conversion scripts to support new program initiatives and enhance various subsystems of the MMIS.	3313, 3382, 3738, 1818, 2632, 3397, 3448, 3460, 3696, 3728, 3801, 3974, 3977, 4001, 4028, 4128, 4134	\$284,500
Claims Processing	Design, develop, test and implement additional modifications, gap fillers, and enhancements for Claims Processing.	2133, 2277, 2564, 2858, 2932, 3155, 3249, 3282, 3325, 3345, 3360, 3391, 3412, 3514, 3435, 3559, 3560, 3562, 3622, 3708, 3647, 3630, 3789, 3813, 3814, 3640, 3647, 3712, 3851, 3914, 3916, 3923, 3940, 3924, 3927, 3987, 4006, 3993, 4016, 4039, 4139, 4142, 3169, 4196, 4200	\$749,625
EDMS/Letters/Reports	Design, develop, test and Implement additional modifications and enhancements: EDMS, Letter Generation and Operational Reports.	3349, 3426, 3544, 3610, 3649, 3749, 3750, 2331, 2383, 2388, 2452, 2718, 2982, 3115, 3137, 3234, 3321, 3349, 3392, 3405, 3425, 3447, 3456, 3504, 3624, 3771, 3897, 4035, 4037, 4040, 4042, 2331, 2766, 2812, 3007, 3261, 3501, 3503, 3563, 3646, 3798, 4133	\$1,009,500
MEM/PROV/EPSTD/CM/SEC	Design, develop, test and Implement additional modifications and enhancements: Member, Provider, EPSTD, Contact Management and Security.	2782, 3109, 3430, 3828, 3910, 4052, 4053, 4102, 4162, 2645, 2818, 2830, 3373, 3384, 3470, 3521, 3522, 3623, 3648, 3683, 3784, 3822, 3829, 3832, 3892, 3896, 3909, 3955, 3971, 4022, 2782, 3430, 3828, 4162, 2036, 3852, 2759, 3699, 3838, 3841, 2798, 3478, 3511, 3595, 3763, 3869, 4008, 4083, 4123	\$758,000
Optum Insight MFP	Optum Insight - MFP Enhancements	2091, 2254	\$62,500
User Interface	Enhancements to user interface web pages to capture additional data to improve management of NH Medicaid Programs.	2303, 2304, 2494, 2706, 2761, 2809, 2817, 2875, 2969, 3278, 3518, 3540, 3542, 3578, 3747, 3830, 4163	\$277,500
Interfaces	Modifications or enhancements to interface designs to accommodate expanded program initiatives, new interfaces; processing rules, error reporting, or sending/receiving additional data.	2772, 3155, 3467, 3520, 2887, 3381, 3410, 3434, 3505, 3602, 3920, 3977, 4075, 4103, 4111, 4141, 4181, 4190, 4193, 1710, 2701, 2816, 2948, 2953, 3108, 3155, 3157, 3341, 3471, 3533, 3603, 3637, 3682, 3740, 3887, 3889, 4024, 4063, 4108, 4110, 3597, 3722, 3734, 3809, 3825, 3876, 3962, 3988, 3994, 4018, 4069, 4113, 4127, 4130, 4137, 4175, 4188, 4194, 4198, 4240	\$949,250
NH CR Subtotal			\$5,117,750
Staff Augmentation	\$129,680.33/mo for 3 additional months	Up to 10 testing resources	\$389,041
Total CR and Staffing			\$5,506,791



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

Nicholas A. Toumpas  
Commissioner

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William L. Baggeroer  
Chief Information Officer

February 22, 2012

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, Office of Information Services, to enter into a sole source, amendment (Amendment 4) to an existing contract (Purchase Order # 700073) with ACS State Healthcare, LLC (Vendor #177830) at 9040 Roswell Road, Suite 700, Atlanta, GA, 30350, to extend the duration of the Design, Development and Implementation phase of the New Hampshire Medicaid Management Information System project and extend the contract termination date from September 30, 2016 to December 31, 2017, and increase the price limitation by \$9,037,125 from \$66,916,886 to a new amount not to exceed \$75,954,011, effective upon the approval of the Governor and Executive Council. 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), and Amendment 3 on June 23, 2010 (Item#97).

Funds are available in SFY 2012 as follows and are anticipated to be available in SFY 2013 through SFY 2018 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**

**Design, Development and Implementation Phase**

<u>State Fiscal</u> <u>Year</u>	<u>Class Object</u>	<u>Class Title</u>	<u>Current Modified</u> <u>Budget</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Revised</u> <u>Modified Budget</u>
SFY 2005	034/500099	Capital Projects	\$25,000,000.00	\$0.00	\$25,000,000.00
SFY 2006	034/500099	Capital Projects	\$1,076,918.00	\$0.00	\$1,076,918.00
SFY 2006	102/500731	Contracts for Program Services	\$76,326.00	\$0.00	\$76,326.00
SFY 2010	102/500731	Contracts for Program Services	\$5,132,126.00	\$0.00	\$5,132,126.00
SFY 2012	102/500731	Contracts for Program Services	\$0.00	\$7,152,125.00	\$7,152,125.00
Total Design, Development and Implementation Phase			<u>\$31,285,370.00</u>	<u>\$7,152,125.00</u>	<u>\$38,437,495.00</u>

**Operations Phase**

<u>State Fiscal</u> <u>Year</u>	<u>Class Object</u>	<u>Class Title</u>	<u>Current Modified</u> <u>Budget</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Revised</u> <u>Modified Budget</u>
SFY 2009	102/500731	Contracts for Program Services	\$0.00	\$0.00	\$0.00
SFY 2010	102/500731	Contracts for Program Services	\$0.00	\$0.00	\$0.00
SFY 2011	102/500731	Contracts for Program Services	\$0.00	\$0.00	\$0.00
SFY 2012	102/500731	Contracts for Program Services	\$5,399,150.00	-\$5,399,150.00	\$0.00
SFY 2013	102/500731	Contracts for Program Services	\$7,198,217.00	-\$3,856,900.00	\$3,341,317.00
SFY 2014	102/500731	Contracts for Program Services	\$7,042,256.00	\$497,899.00	\$7,540,155.00
SFY 2015	102/500731	Contracts for Program Services	\$7,106,363.00	\$272,594.00	\$7,378,957.00
SFY 2016	102/500731	Contracts for Program Services	\$7,110,470.00	\$407,695.00	\$7,518,165.00
SFY 2017	102/500731	Contracts for Program Services	\$1,775,060.00	\$5,702,178.00	\$7,477,238.00
SFY 2018	102/500731	Contracts for Program Services	\$0.00	\$4,260,684.00	\$4,260,684.00
<b>Total Operations Phase</b>			<b>\$35,631,516.00</b>	<b>\$1,885,000.00</b>	<b>\$37,516,516.00</b>
<b>TOTAL</b>			<b>\$66,916,886.00</b>	<b>\$9,037,125.00</b>	<b>\$75,954,011.00</b>

**EXPLANATION**

The purpose of this requested action is to expand the scope of services to design, develop, test and implement technical system enhancements to the new Medicaid Management Information System to make the system able to receive, present, translate, internally process, and return electronic transactions in a Health Insurance Portability and Accountability Act -compliant "5010" format in order to achieve compliance with federal requirements mandated under the Health Insurance Portability and Accountability Act and 45 CFR 162, and to extend the duration of the New Hampshire Medicaid Management Information Services contract with ACS State Healthcare, LLC, for an additional 15 months. The design, remediation, and testing of these extensive changes increase the cost of the Design, Development and Implementation phase by \$7,152,125 and increase ongoing operations costs by \$377,000 annually for a total Operations increase of \$1,885,000, thereby increasing the total contract amount by \$9,037,125. This Amendment 4 to the contract seeks to extend the Design, Development and Implementation phase of the project beyond the September 30, 2011 implementation date established with Amendment 3, through to a projected new system go-live date of on or before December 31, 2012. Accordingly, this action defers the start up of the three-year operations phase without increasing the overall duration of the operations phase established with the original Contract, and extends the completion date of the Contract from September 30, 2016 to December 31, 2017.

The original contract included a 24-month Design, Development and Implementation phase, a three-year base operations phase, and an optional provision for the Department of Health and Human Services to extend the operations phase for an additional two-year period. This option was outlined in the Governor and Council letter approved on December 12, 2005. Through Amendment 1, the Department of Health and Human Services requested to extend the Design, Development and Implementation phase for a 12-month period, and this request was approved on December 12, 2007. Amendment 2 requested an additional 18-month extension to the Design, Development and Implementation phase, which was approved on June 2009, to complete the design, development, and testing phases of the project. The system design under Amendment 2 was expanded to incorporate system change request and new functionality essential to support the New Hampshire Medicaid Program. The testing phase was also expanded to allow for a more extensive and structured system integration

Design, Development, and Implementation phase for a 15-month period, and this request was approved on June 23, 2010.

This sole source Contract Amendment 4 requests an additional 15-month extension to the project's Design, Development, and Implementation phase from October 1, 2011 through to December 31, 2012. The additional time requested under this Amendment is necessary to complete the design, construction, testing, and implementation of the federally mandated changes to the Health Insurance Portability and Accountability Act transaction and code sets. These federal requirements are documented in 45 CFR Part 162 and are to be operational when the Medicaid Management Information System is implemented. Additional time is also requested to allow for more comprehensive testing and for the resolution of issues identified during testing, to allow for thorough testing and validation of 98 data interfaces with other entities, and to allow for more extensive validation and refinement of data conversion routines. The implementation of a new Medicaid Management Information System is a very challenging and complicated endeavor. The additional time requested under this Amendment will provide for 5010 processing capabilities, more thorough system testing, and enhance the delivery of a comprehensive and quality solution for New Hampshire.

Adjustments to the ACS State Healthcare, LLC Contract duration by phase are outlined in the following table.

Original Contract Phase/Year	Additional Phase/Year	Amendment 1 Phase/Year	Amendment 2 Phase/Year	Amendment 3 Phase/Year
DDI Phase 12/7/05 - 01/1/2008	DDI Phase 12/7/05 - 01/01/2009	DDI Phase 12/7/05 - 06/30/2010	DDI Phase 12/7/05 - 09/30/2011	DDI Phase 12/7/05 - 12/31/2012
Operations Phase Year 1 1/2/2008 - 1/1/2009	Operations Phase Year 1 1/2/2009 - 1/1/2010	Operations Phase Year 1 07/1/2010-06/30/2011	Operations Phase Year 1 10/1/2011 - 09/30/2012	Operations Phase Year 1 1/1/2013 - 12/31/2013
Operations Phase Year 2 1/2/2009 - 1/1/2010	Operations Phase Year 2 1/2/2010 - 1/1/2011	Operations Phase Year 2 07/1/2011 - 06/30/2012	Operations Phase Year 2 10/1/2012 -09/30/2013	Operations Phase Year 2 1/1/2014 - 12/31/2014
Operations Phase Year 3 1/2/2010 - 1/1/2011	Operations Phase Year 3 1/2/2011 - 1/1/2012	Operations Phase Year 3 07/1/2012 - 06/30/2013	Operations Phase Year 3 10/1/2013 - 09/30/2014	Operations Phase Year 3 1/1/2015 - 12/31/2015
Operations Extension Year 1* <sup>1</sup> 1/2/2011 - 1/1/2012	Operations Extension Year 1* 1/2/2012 - 1/1/2013	Operations Extension Year 1* 07/1/2013 - 06/30/2014	Operations Extension Year 1* 10/1/2014 - 09/30/2015	Operations Extension Year 1* 1/1/2016 - 12/31/2016

<sup>1</sup> The "\*" indicates an optional extension period, built into the original contract, which may be exercised at DHHS' discretion.

Operations Extension Year 2* 1/2/2012 - 1/1/2013	Operations Extension Year 2* 1/2/2013 - 1/1/2014	Operations Extension Year 2* 07/1/2014 - 06/30/2015	Operations Extension Year 2* 10/1/2015 - 09/30/2016	Operations Extension Year 2* 1/1/2017 - 12/31/2017
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The first set of Health Insurance Portability and Accountability Act transaction standards mandated use of "American National Standards Institute Electronic Data Interchange X12 Version 4010. On January 16, 2009, the final rule 45 CFR 162, "Health Insurance Reform; Modifications to the Health Insurance Portability and Accountability Act Electronic Transaction Standards" was issued and mandated upgrading from 4010 versions of the original HIPAA standards to version 5010. These changes must be implemented in active Medicaid Management Information Systems by January 1, 2012.

The additional costs requested through this Amendment 4 are necessary to enhance the new Medicaid Management Information Service to be fully 5010 compliant and to cover ongoing software licensing costs through the years of ongoing operations. The magnitude of the change to the new Medicaid Management Information System is significant in order to make it fully compliant. The new Medicaid Management Information System must be able to receive, store, process, translate, and return data in electronic transactions in the prescribed 5010 format. Failure for the new Medicaid Management Information System to be 5010 compliant at go-live would make the Department of Health and Human Services subject to federally determined financial penalties on a per transaction basis.

Amendment 1 was a no-cost time extension to the original Contract. The price increases of Amendment 2 were driven by the need to expand the scope of the Design, Development, and Implementation effort and operations services to include system change requests that were not included in the original Medicaid Management Information System Request for Proposal, to implement an outpatient prospective payment reimbursement methodology, and to implement enhanced reporting analytics as needed by the Department of Health and Human Services. Under Amendment 2, Design, Development, and Implementation costs were increased by \$5,132,126 to cover the system change requests, the new Outpatient Prospective Payment System, and enhanced analytical capabilities of the Medicaid Management Information System reporting repository. Operation costs were increased by \$923,997 to cover expanded services needed to maintain the enhanced reporting repository. Amendment 3 was a no-cost time extension. Excluding the aforementioned expansion services under Amendment 2, there have been no increases in costs for the original Design, Development, and Implementation phase of the project. The pricing remains consistent with what was agreed to in the original Contract.

The following table outlines the price adjustments to the original Contract by phase for each Amendment. The increases for Amendment 4 are \$7,152,152 for the Design, Development, and Implementation Phase and \$377,000 per year during the operational phases.

OS Contract Price Adjustments				
Amendment	Amendment 1	Amendment 2	Amendment 3	Amendment 4
Contract	No Cost Extension	Contract Increase	No Cost Extension	Contract Increase
Design, Development, and Implementation		\$5,132,126		\$7,152,152
Operational				\$377,000 per year

<b>DDI Phase</b>	<b>\$26,153,244</b>	<b>\$26,153,244</b>	<b>\$31,285,370</b>	<b>\$31,285,370</b>	<b>\$38,437,495</b>
Operations Year 1	\$4,764,400	\$4,764,400	\$7,225,001	\$7,225,001	\$7,602,001
Operations Year 2	\$7,049,369	\$7,049,369	\$7,163,155	\$7,163,155	\$7,540,155
Operations Year 3	\$6,889,407	\$6,889,407	\$7,001,957	\$7,001,957	\$7,378,957
Operations Extension Year 1*	\$6,869,131	\$6,869,131	\$7,141,165	\$7,141,165	\$7,518,165
Operations Extension Year 2	\$6,855,345	\$6,855,345	\$7,100,238	\$7,100,238	\$7,477,238
<b>Operations Phase</b>	<b>\$34,707,519</b>	<b>\$34,707,519</b>	<b>\$35,631,516</b>	<b>\$35,631,516</b>	<b>\$37,516,516</b>
<b>Total Contract</b>	<b>\$60,860,763</b>	<b>\$60,860,763</b>	<b>\$66,916,886</b>	<b>\$66,916,886</b>	<b>\$75,954,011</b>

The system changes required to meet the Health Insurance Portability and Accountability Act 5010 requirement are extensive. The intricacies of 5010 are integral to the core processing of the new Medicaid Management Information System. The changes required by the 5010 upgrade impact all of the electronic data interchange transactions that are exchanged between the New Hampshire Medicaid Management Information System and New Hampshire Medicaid providers and all of the system components that process and store the data that is received and sent through these transactions. The changes require upgrades to core hardware and software components, including the translator that must be adapted to support the receipt, translation, processing, storage, and output of data in a different file record format and that includes an expanded set of data elements for each of the transactions.

The Health Insurance Portability and Accountability Act 5010 required changes impact core functional services of the new Medicaid Management Information Systems. They impact providers' access to member Medicaid eligibility data so that providers can confirm if a member is eligible on a given date of service; they modify the format for how dental, medical, professional, and institutional claims can be submitted electronically and they expand the type and amount of data that can be included on every claim. The Health Insurance Portability and Accountability Act 5010 changes how the Medicaid Management Information System must return a provider's electronic remittance advice and how a new transaction must be implemented to inform providers of any of their claims that have been suspended for further review. The Health Insurance Portability and Accountability Act 5010 changes require the implementation of a new electronic transaction for the New Hampshire Medicaid Management Information System to receive electronic service authorization requests from providers. The Health Insurance Portability and Accountability Act 5010 modifies how providers must submit and how the Medicaid Management Information System must process transactions for inquiries on claim status.

External provider-facing screen functionality needs to be changed to support Claims Entry, Claims Status, Member Eligibility verification, and Service Authorizations to allow the revised content of the data transaction set to be entered, validated, and stored within the system. Changes to internal screens are needed to

His Excellency, Governor John H. Lynch  
and the Honorable Executive Council  
February 22, 2012  
Page 6

enable State and fiscal agent staff to take appropriate action on data submitted by providers. System processes need to be enhanced to take in new data elements, adjudicate them, and return appropriate results. Instructions to Providers, reports, and letters that are impacted by the changes in the data content also will be modified. The Health Insurance Portability and Accountability Act 5010 also drives the need for changes to a number of data interfaces, including those interfaces between the pharmacy benefit management system and the new Medicaid Management Information System.

The extent of the development effort required to implement 5010 significantly impacts the downstream Medicaid Management Information System testing strategy and its execution. 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.

Significant progress continues to be realized on the New Hampshire Medicaid Management Information System Project. The most significant and promising achievement was that on December 2011 Phase 1 of the project supporting Provider Re-Enrollment went live. The web portal for the new Medicaid Management Information System is accessible from the internet at [www.nhmmis.nh.gov](http://www.nhmmis.nh.gov). Since its implementation on December 17, 2011, the system's performance has been stable, all functions continue to be operational, and no critical issues have arisen. Providers have been receptive to using the new system and have expressed their perspective that it is easy for them to use. The ACS Provider Call Center in Concord was fully staffed and ready for the start up of operations prior to the Phase I go-live. ACS field representatives have traveled to provider offices to assist providers with completing enrollment applications, and call center agents have been assisting providers over the phone. The success of the Phase I Provider Re-Enrollment implementation validates the approach taken to date to ensure thoroughness of the testing effort, readiness for operations, and the decision not to release the system until it is ready.

The development and implementation and testing of a Medicaid Management Information System remains a very arduous undertaking. The Contractor has taken appropriate action to mitigate the schedule slippage realized to date, including implementing process improvements, increasing the number of system developers, and restructuring the oversight and composition of developer teams. Despite these actions being taken and with the addition of the Health Insurance Portability and Accountability Act 5010 changes, the system development effort requires more time. Pursuant to the Request for Proposal, the new Medicaid Management Information System must incorporate the latest reliable technologies, including the integration of numerous commercial off-the-shelf products into its design. Despite reasonable efforts taken to mitigate schedule slippage, the design and development phases of the project have exceeded planned expectations and need more time. They are, however, nearing completion.

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 complexity of the system cannot be overstated. The potential for devastating and adverse impacts to the Department of Health and Human Services and to the Provider community at large is very real if the Medicaid Management Information System is released sooner than it is ready. The Department of Health and Human Services will not "go-live" until the system, through comprehensive testing, is determined to be a reliable, production ready, and quality solution.

Another factor contributing to the need for additional time under this Amendment is that extensive historical data must be converted into the new Medicaid Management Information System. Converted historical data forms the framework upon which new data generated by the new Medicaid Management Information System will be layered. Poorly converted data has been the demise of many Medicaid Management Information System implementations. It can jeopardize the ability of claims adjudication to look back at historical data to determine if a claim should be paid or how much the claim should pay. The time extension requested under this Amendment will allow for more time to execute, test, and validate data conversion and load programs. Because modifications to the legacy Medicaid Management Information System continue to be requested and implemented by the Department of Health and Human Services, there are changes to data structures that result from these modifications, and those changes need to be incorporated into the data conversion routines for the new Medicaid Management Information System. This additional time will allow the new Medicaid Management Information System to keep pace with changes originating from the legacy Medicaid Management Information System, and allow for greater opportunity to identify and correct data conversion issues before executing the final conversion to production.

End-to-end testing will continue and allows for verification that sequential and concurrent processes work with each other, that processes are executed and completed within available time windows, and that they produce intended results. Expanding the end-to-end cycle testing to include the Health Insurance Portability and Accountability Act 5010 changes to the system requires more time but enhances the State's ability to verify that the integrated processing of the new Medicaid Management Information System is sound and reliable.

Amendment 4 to the ACS Contract addresses the need for the Department of Health and Human Services to extend the Design, Development, and Implementation timeline for the New Hampshire Medicaid Management Information System project through to December 31, 2012. It is the Department of Health and Human Services' intention to implement the new Medicaid Management Information System as soon as it is ready to go live and as close to July 1, 2012 as possible. This Amendment 4 stipulates an implementation of the new Medicaid Management Information System "on or before January 1, 2013", thereby allowing for an implementation earlier than January 1st if, based on testing results, it is determined that the system is ready to go-live.

In summary, the additional time requested under Amendment 4 will allow for the following:

- Additional time to complete the system design, development, and testing of the changes required to comply with the Health Insurance Portability and Accountability Act 5010 mandate. This

includes additional time to identify and implement appropriate solutions for defects and other problems identified during testing;

- Additional time to re-execute data conversion routines, to review balancing and reconciliation reports, to analyze and resolve errors, to fine-tune performance, and most critically, to keep pace with, adjust, and retest conversion routines as necessary to incorporate changes resulting from system modifications implemented in the legacy Medicaid Management Information System; and
- Continuation and expansion of the "end-to-end" testing, during which all system processes will be executed multiple times in a coordinated manner to replicate daily, weekly, monthly, quarterly, and annual cycle processing.

This Amendment 4 projects the implementation of the Phase II core Medicaid Management Information System on or before January 1, 2013. The Provider Re-Enrollment component of the Medicaid Management Information System has been implemented successfully in December 2011. This Amendment allows for the possibility of implementing the core Medicaid Management Information System in the months preceding January if, after testing, the State and ACS determine that the system is ready to be released and that operational readiness has been achieved. The go-live date for the new Medicaid Management Information System will be coordinated with the New Hampshire Medicaid provider community, interfacing entities, Hewlett-Packard Development Company, and the legacy Medicaid Management Information System, and the State business units it impacts.

The Department of Health and Human Services and ACS teams continue to work effectively and collaboratively to resolve issues, to devise practical solutions to challenges, and to coordinate a strategic approach to meeting all of the project demands for a Design, Development, and Implementation go-live by January 1, 2013. The implementation of the enhanced reporting repository and Outpatient Prospective Payment System enhancements will occur before July 31, 2013.

The Contractor, ACS, has confirmed its corporate commitment to the delivery of the New Hampshire Medicaid Management Information System that meets or exceeds the requirements of the New Hampshire Medicaid Management Information System Request For Proposal, and to the delivery of a high quality solution. ACS commits to all of its obligations under the Contract. The Department of Health and Human Services believes that the potential future benefits to be achieved once this system is operational will far outweigh the challenges that must be managed during its design and implementation.

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

Operations phase: 75% federal funds, 25% 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.

Prior Related Actions

SFY	Type	G&C Date/ Item Number
2005	Initial Agreement	12/07/05Late Item # C
2008	Amendment 1	12/11/07Item #59
2009	Amendment 2	6/17/09Item # 92
2010	Amendment 3	6/23/10Item # 97

Other related items include approval to release the Department of Health and Human Services Medicaid Management Information System Request For Proposal Number 2005-004 to procure vendor services to design, install, operate, and maintain a customized Medicaid Management Information System as specified; approval of Amendments 1, 2, 3, 4, and 5 (pending) to Cognosante's (formerly FOX Systems, Inc.) Medicaid Management Information System Quality Assurance service Contract; approval of Amendments 15, 16, and 17 to the Hewlett Packard Development Corporation, Enterprise Services (formerly EDS) Contract for the continued maintenance, operations, and modifications in support of the existing legacy Medicaid Management Information System; approval for the Medicaid Management Information Service interface Contract and Amendments 1, 2, and 3 with Deloitte Consulting LLP; and approval of the original Contract and Amendments A, B, C, D, E, and F (pending) with Thomson Reuters (Healthcare) Inc. (formerly The Medstat Group).

#### Alternatives and Benefits

This is a sole source Contract Amendment that extends the end of the Development, Design, and Implementation phase from September 30, 2011 to December 31, 2012 and that extends the Contract termination date from September 30, 2016 to December 31, 2017. This Amendment provides for uninterrupted continuation of essential system development and implementation services by the Contractor in support of the New Hampshire Medicaid Management Information System' Design, Development, and Implementation effort that has been progressing steadily. Given the intricacies of the multi-tiered New Hampshire Medicaid Management Information System solution, ACS is most knowledgeable about the system architecture, integrated software products, and the internal design of the Medicaid Management Information System framework and is best suited to continue its implementation. Because of the nature of the 5010 changes, their broad impact across the Medicaid Management Information System, and the need to integrate and implement the 5010 related changes into the overall framework of the new Medicaid Management Information System while striving to implement the new Medicaid Management Information System as soon as possible, ACS possesses the requisite knowledge base required to incorporate these changes most efficiently and effectively. The Health Insurance Portability and Accountability Act 5010 solution being implemented in New Hampshire is leveraging the approach being used in other ACS States. It incorporates the use of EDIFICS' proven 3rd party software solution for 5010.

The changes required to address 45 CFR Part 162 – Changes to Electronic Data Transaction Standards (5010) are described in the States' Implementation Advanced Planning Document for the 5010 Project and was approved by the federal Centers for Medicare and Medicaid Services in August 2011.

The role of the Medicaid Management Information System implementation Contractor was described in the State's Implementation Advanced Planning Document for the New Hampshire Medicaid Management Information System Project, which was approved by the federal Centers for Medicare and Medicaid Services in May 2004. A Request For Proposal was issued in September 2004. Notification of the Request For Proposal publication was issued using standard Department of Information Technology procedures. The Medicaid Management Information System Request For Proposal 2005-004 was issued on September 14, 2004, and published on the Department of Administrative Services web site. ACS State Healthcare, LLC, was selected as the Medicaid Management Information System contractor through a competitive bid process.

In January 2005, the Department of Health and Human Services received four (4) proposals in response to the Request For Proposal. The proposals included a technical proposal and a separate cost proposal. A team of six individuals from the Department of Health and Human Services and the Department of Information Technology thoroughly reviewed and evaluated the four proposals and scored them based upon the criteria set forth in the Request For Proposal, first based on their technical merits and then on their cost proposals. The evaluation included formal oral presentations by all bidders in April 2005. The proposals were evaluated based upon three criteria: the merits of the proposed solution, the vendor's qualifications, and the cost. ACS received the highest score on each of these three criteria and the highest score overall. ACS proposed a state of the art solution that was determined to be the best solution for meeting the functional, technical, and operational Medicaid Management Information System-related requirement of the Request For Proposal, and submitted the lowest cost bid. Based on these factors, ACS was selected as the winning Bidder to receive the Contract award.

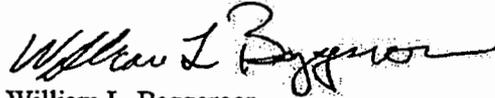
The Medicaid Management Information System project is guided by the parameters defined in the Department of Health and Human Services' Medicaid Management Information System Reprocurement Project's Implementation Advanced Planning Document. Upon determination that the Design, Development, and Implementation phase of the Medicaid Management Information System required additional time for completion, the Department of Health and Human Services and ACS executives and key program leaders met with Regional Directors from the federal Centers for Medicare and Medicaid Services to review the project status and future strategy. The Centers for Medicare and Medicaid Services concurred with the Department of Health and Human Services on the direction of the project and verbally extended continued support. The Department of Health and Human Services is now preparing Amendment 7 to the Implementation Advanced Planning Document, which will be formally reviewed by the Centers for Medicare and Medicaid Services. Amendment 7 to the Implementation Advanced Planning Document will address the need to extend the project timeline consistent with the dates provided in this Amendment. A copy of the Contract will be submitted to the Centers for Medicare and Medicaid Services along with the Implementation Advanced Planning Document Amendment 7 for review. The Department of Health and Human Services fully anticipates that the Centers for Medicare and Medicaid Services will approve the Department of Health and Human Services' requested changes to the Implementation Advanced Planning Document and Medicaid Management Information System project, thereby approving Federal Financial Participation for the continuation of ACS Contractor services to support the extended Medicaid Management Information System implementation timeline at the percentages identified on page 6.

Source of Funds:	DDI phase: 90% federal funds, 10% general funds. Operations phase: 75% federal funds, 25% 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.

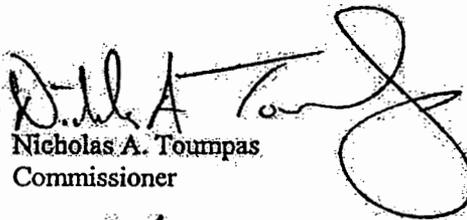
His Excellency, Governor John H. Lynch  
and the Honorable Executive Council  
February 22, 2012  
Page 11

Respectfully submitted,



William L. Baggeroer  
Chief Information Officer

Approved by:



Nicholas A. Toumpas  
Commissioner



S. Williams Rogers  
Commissioner  
Department of Information Technology

To Admin Socs  
6-9-10 for 6/23/10



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

129 PLEASANT STREET, CONCORD, NH 03301-3857  
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Nicholas A. Toumpas  
Commissioner

Kathleen A. Dunn  
Director

June 2, 2010  
APPROVED BY \_\_\_\_\_  
DATE: 6/23/10  
PAGE: 13  
ITEM #: 97

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, no-cost, amendment (Amendment 3) to an existing contract (Purchase Order # 700073) with ACS State Healthcare, LLC (ACS) (Vendor #177830) at 9040 Roswell Road, Suite 700, Atlanta, GA, 30350, to extend the duration of the Design, Development and Implementation (DDI) phase of the New Hampshire Medicaid Management Information System (MMIS) project and extend the contract termination date from June 30, 2015 to September 30, 2016, effective upon the approval of the Governor and Executive Council. The Governor and Executive Council approved the original contract on December 7, 2005 (Late Item #C), Amendment 1 on December 11, 2007 (Item #59), and Amendment 2 on June 17, 2009 (Item #92).

Funds are available in SFY 2011 as follows and are anticipated to be available in SFY 2012 through SFY 2017 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.

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

**DDI Phase**

<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	034/500099	Capital Projects	\$25,000,000.00	\$0.00	\$25,000,000.00
SFY 2006	034/500099	Capital Projects	\$1,076,918.00	\$0.00	\$1,076,918.00
SFY 2006	102/500731	Contracts for Program Services	\$76,326.00	\$0.00	\$76,326.00
SFY 2010	102/500731	Contracts for Program Services	\$5,132,126.00	\$0.00	\$5,132,126.00
Total DDI Phase			<u>\$31,285,370.00</u>	<u>\$0.00</u>	<u>\$31,285,370.00</u>

**Operations Phase**

<u>State Fiscal</u> <u>Year</u>	<u>Class Object</u>	<u>Class Title</u>	<u>Current Modified</u> <u>Budget</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Revised</u> <u>Modified Budget</u>
SFY 2009	102/500731	Contracts for Program Services	\$0.00	\$0.00	\$0.00
SFY 2010	102/500731	Contracts for Program Services	\$0.00	\$0.00	\$0.00
SFY 2011	102/500731	Contracts for Program Services	\$7,225,001.00	(\$7,225,001.00)	\$0.00
SFY 2012	102/500731	Contracts for Program Services	\$7,163,155.00	(\$1,764,005.00)	\$5,399,150.00
SFY 2013	102/500731	Contracts for Program Services	\$7,001,957.00	\$196,260.00	\$7,198,217.00
SFY 2014	102/500731	Contracts for Program Services	\$7,141,165.00	(\$98,909.00)	\$7,042,256.00
SFY 2015	102/500731	Contracts for Program Services	\$7,100,238.00	\$6,125.00	\$7,106,363.00
SFY 2016	102/500731	Contracts for Program Services	\$0.00	\$7,110,470.00	\$7,110,470.00
SFY 2017	102/500731	Contracts for Program Services	\$0.00	\$1,775,060.00	\$1,775,060.00
Total Operations Phase			<u>\$35,631,516.00</u>	\$0.00	<u>\$35,631,516.00</u>
<b>TOTAL</b>			<b>\$66,916,886.00</b>	<b>\$0.00</b>	<b>\$66,916,886.00</b>

**EXPLANATION**

The purpose of this requested action is to extend the duration of the NH MMIS contract with ACS State Healthcare, LLC, for an additional 15 months with no change to the scope of services and at no additional cost over the Amendment 2 contract price, which was approved by the Governor and Executive Council on June 17, 2009. More specifically, this Amendment 3 to the contract seeks to extend the DDI phase of the project beyond the July 1, 2010 implementation date established with Amendment 2, through to a projected new system go-live date on or before October 1, 2011. Accordingly, this action defers the start up of the three-year operations phase without increasing the overall duration of the operations phase established with the original Contract, and extends the completion date of the Contract from June 30, 2015 to September 30, 2016.

The original contract included a 24-month DDI phase, a three-year base operations phase, and an optional provision for the DHHS to extend the operations phase for an additional two-year period. This option was outlined in the Governor and Council letter approved on December 7, 2005. Through Amendment 1, the DHHS requested to extend the DDI phase for a 12-month period, and this request was approved on December 11, 2007. Amendment 2 requested an additional 18-month extension to the DDI phase, which was approved on June 17, 2009, to complete the design, development, and testing phases of the project. The system design under Amendment 2 was expanded to incorporate system change request and new functionality essential to support the NH Medicaid Program. The testing phase was also expanded to allow for a more extensive and structured system integration test phase. Although a provision to extend the DDI phase was not included in the original contract, the additional time requested through these Amendments has been needed because the design and development phases have continued to require more time than originally planned.

This sole source contract, Amendment 3, requests an additional 15-month extension to the project's DDI phase. The additional time requested under this amendment is necessary to complete the final design and construction of the system, to allow more time for the resolution of issues identified during testing, to allow for an expansion of the testing phase to include comprehensive "end-to-end" process testing, and to allow for more extensive validation and refinement of data conversion routines. The implementation of a new MMIS is a very challenging and complicated endeavor. The additional time requested under this amendment will provide for

more thorough system testing and enhance the delivery of a comprehensive and quality solution for New Hampshire.

Adjustments to the ACS contract duration by phase are outlined in the following table.

<b>ACS Contract Duration Adjustment</b>			
<b>Original Contract Phase/Year</b>	<b>Amendment 1 Phase/Year</b>	<b>Amendment 2 Phase/Year</b>	<b>Amendment 3 Phase/Year</b>
DDI Phase 12/7/05 - 01/1/2008	DDI Phase 12/7/05 - 01/01/2009	DDI Phase 12/7/05 - 06/30/2010	DDI Phase 12/7/05 - 09/30/2011
Operations Phase Year 1 1/2/2008 - 1/1/2009	Operations Phase Year 1 1/2/2009 - 1/1/2010	Operations Phase Year 1 07/1/2010-06/30/2011	Operations Phase Year 1 10/1/2011 - 09/30/2012
Operations Phase Year 2 1/2/2009 - 1/1/2010	Operations Phase Year 2 1/2/2010 - 1/1/2011	Operations Phase Year 2 07/1/2011 - 06/30/2012	Operations Phase Year 2 10/1/2012 -09/30/2013
Operations Phase Year 3 1/2/2010 -1/1/2011	Operations Phase Year 3 1/2/2011 - 1/1/2012	Operations Phase Year 3 07/1/2012 - 06/30/2013	Operations Phase Year 3 10/1/2013 - 09/30/2014
Operations Extension Year 1* <sup>1</sup> 1/2/2011 - 1/1/2012	Operations Extension Year 1* 1/2/2012 - 1/1/2013	Operations Extension Year 1* 07/1/2013 - 06/30/2014	Operations Extension Year 1* 10/1/2014 - 09/30/2015
Operations Extension Year 2* 1/2/2012 - 1/1/2013	Operations Extension Year 2* 1/2/2013 - 1/1/2014	Operations Extension Year 2* 07/1/2014 - 06/30/2015	Operations Extension Year 2* 10/1/2015 - 09/30/2016

No additional costs are requested through this Amendment 3. Amendment 1 was also a no-cost time extension to the original contract. The price increases of Amendment 2 were driven by the need to expand the scope of the DDI effort and operations services to include system change requests, to implement an outpatient prospective payment reimbursement methodology, and to implement enhanced reporting analytics as needed by the DHHS. Under Amendment 2, DDI costs were increased by \$5,132,126 to cover the system change requests, the new Outpatient Prospective Payment System (OPPS), and enhanced analytical capabilities of the MMIS reporting repository. Operations costs were increased by \$923,997 to cover expanded services needed to maintain the enhanced reporting repository. Excluding the aforementioned expansion services under Amendment 2, there have been no increases in costs for the DDI phase of the project. The pricing remains consistent with what was agreed to in the original Contract.

The following table outlines the price adjustments to the original Contract by phase for each amendment. There are no additional costs requested under this Amendment 3.

<sup>1</sup> The "\*" indicates an optional extension period, built into the original contract, which may be exercised at DHHS' discretion.

<b>ACS Contract Price Adjustment</b>				
	<b>Original Contract</b>	<b>Amendment 1 No Cost Extension</b>	<b>Amendment 2 Contract Increase \$6,056,123</b>	<b>Amendment 3 No Cost Extension</b>
<b>DDI Phase</b>	<b>\$26,153,244</b>	<b>\$26,153,244</b>	<b>\$31,285,370</b>	<b>\$31,285,370</b>
Operations Year 1	\$4,764,400	\$4,764,400	\$7,225,001	\$7,225,001
Operations Year 2	\$7,049,369	\$7,049,369	\$7,163,155	\$7,163,155
Operations Year 3	\$6,889,407	\$6,889,407	\$7,001,957	\$7,001,957
Operations Extension Year 1*	\$6,869,131	\$6,869,131	\$7,141,165	\$7,141,165
Operations Extension Year 2	\$6,855,345	\$6,855,345	\$7,100,238	\$7,100,238
<b>Operations Phase</b>	<b>\$34,707,519</b>	<b>\$34,707,519</b>	<b>\$35,631,516</b>	<b>\$35,631,516</b>
<b>Total Contract</b>	<b>\$60,860,763</b>	<b>\$60,860,763</b>	<b>\$66,916,886</b>	<b>\$66,916,886</b>

Significant progress continues to be realized on the NH MMIS Project, but the development and implementation of an MMIS is a very arduous undertaking. The contractor has taken appropriate action to mitigate the schedule slippage realized to date, including implementing process improvements, increasing the number of system developers, and restructuring the oversight and composition of developer teams. Despite these actions being taken, the system development effort still requires more time. Consistent with the Request for Proposal (RFP) the new MMIS is required to incorporate the latest reliable technologies, including the integration of numerous commercial off-the-shelf (COTS) products into its design. The solution also includes the implementation of new functionality to support NH-specific processes, such as determining and applying acuity-based rates for nursing home care. Despite reasonable efforts taken to mitigate schedule slippage, the design and development phases of the project have exceeded planned expectations and need more time. They are, however, nearing completion.

The MMIS, including its Medicaid claims adjudication and payment functions, is a mission critical system for the DHHS. The MMIS processes over \$850 million in payments to over 5,000 actively billing and enrolled NH Medicaid providers annually, for services provided to eligible recipients under the NH Medicaid program. It is the DHHS' primary system for administering and managing costs for the NH Medicaid program.

It is critically important that the new MMIS is able to perform all of its required functions and to perform them with integrity. The new MMIS must be secure, stable, accurate, and efficient. It must be able to store eligibility data for the current annual population of approximately 130,000, benefit coverage data, enrolled provider data for approximately 19,000 providers, and claims payment history. It must be able to receive over 6 million paper and electronic claims annually from providers, process those claims against the available data, execute applicable edits, and determine the appropriate payment. The MMIS 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 complexity of the system cannot be overstated. The potential for devastating and adverse impacts to the DHHS and to the provider community at large is very real if the MMIS is released prematurely. The DHHS will not "go-live" until the system, through comprehensive testing, is determined to be a reliable, production ready, and quality solution.

A second factor contributing to the need for additional time under this amendment is that extensive historical data must be converted into the new MMIS. Converted historical data forms the framework upon which new data generated by the new MMIS will be layered. Poorly converted data has been the demise of many MMIS implementations. It can jeopardize the ability of claims adjudication to look back at historical data to determine if a claim should be paid and there are many other implications. The time extension requested under this amendment will allow for more time to execute, test and validate data conversion and load programs. Because modifications to the legacy MMIS continue to be requested and implemented by the DHHS, there are changes to data structures that result from these modifications, and those changes need to be incorporated into the data conversion routines for the new MMIS. This additional time will allow the new MMIS to keep pace with changes originating from the legacy MMIS, and allow for greater opportunity to identify and correct data conversion issues before executing the final conversion to production.

A third factor contributing to the request for additional time is an expansion of the system testing effort to include comprehensive cycles of "end-to-end" process testing. The overall testing effort already includes functional, integration, user acceptance, and operational readiness test execution. Although end-to-end testing was previously contemplated and incorporated into other test phases, under this amendment, end-to-end testing will be expanded and be very structured. It will provide for the coordinated execution of multiple iterations of all MMIS processes from the beginning to the end of each cycle for daily, weekly, monthly, quarterly, semi-annual, and annual processing cycles.

End-to-end testing will allow for verification that sequential and concurrent processes work with each other, that processes are executed and completed within available time windows, and that they produce intended results. Expanding the end-to-end cycle testing of the system requires more time but enhances the State's ability to verify that the integrated processing of the new MMIS is sound and reliable.

Amendment 3 to the ACS contract addresses the need for the DHHS to extend the DDI timeline for the NH MMIS project at no additional cost through to September 30, 2011. This Amendment 3 stipulates an implementation of the new MMIS "on or before October 1, 2011", thereby allowing for an implementation earlier than October 1st if, based on testing results, it is determined that the system is ready to go live.

In summary, the additional time requested under Amendment 3 will allow for the following:

- Additional time to complete the system design and development effort, including time to identify and implement appropriate solutions for defects and other problems identified during testing;
- Additional time to re-execute data conversion routines, to review balancing and reconciliation reports, to analyze and resolve errors, to fine-tune performance, and most critically, to keep pace with, adjust and retest conversion routines as necessary to incorporate changes resulting from system modifications implemented in the legacy MMIS; and

His Excellency, Governor John H. Lynch  
and the Honorable Executive Council  
June 2, 2010  
Page 6

- An expansion of the overall testing plan to provide for the execution of more extensive "end-to-end" testing, during which all system processes will be executed multiple times in a coordinated manner to replicate daily, weekly, monthly, quarterly, and annual cycle processing.

This Amendment 3 requires an implementation of the core MMIS on or before October 1, 2011. The Provider Re-Enrollment component of the MMIS will be released six months in advance of the core MMIS. This Amendment allows for the possibility of implementing the core MMIS in the months preceding October if, after testing, the State and ACS determine that the system is ready to be released and that operational readiness has been achieved. The actual go-live date for the MMIS will be coordinated with the NH Medicaid provider community, interfacing entities, and State business units it impacts.

The DHHS and ACS teams continue to work effectively and collaboratively to resolve issues, to devise practical solutions to challenges, and to coordinate a strategic approach to meeting all of the project demands for a DDI go-live by October 1, 2011. The implementation of the enhanced reporting repository and OPPS enhancements will occur before March 31, 2012.

The Contractor, ACS, has confirmed its corporate commitment to the delivery of the NH MMIS that meets or exceeds the requirements of the NH MMIS RFP, and to the delivery of a high quality solution. ACS commits to all of its obligations under the contract. The DHHS believes that the potential future benefits to be achieved once this system is operational will far outweigh the challenges that must be managed during its design and implementation.

This is a sole source contract amendment that extends the end of the DDI phase from June 30, 2010 to September 30, 2011. This amendment provides for uninterrupted continuation of essential system development and implementation services by the Contractor in support of the NH MMIS' DDI effort that has been progressing steadily over the past 56 months. Given the intricacies of the integrated NH MMIS solution, ACS is most knowledgeable about the internal design of the MMIS framework and is best suited to continue its implementation.

The role of the MMIS implementation 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. An RFP was issued in September 2004. Notification of the RFP publication was issued using standard Department of Information Technology (DoIT) procedures. The MMIS RFP 2005-004 was issued on September 14, 2004, and published on the Department of Administrative Services web site. ACS State Healthcare was selected as the MMIS contractor through a competitive bid process.

In January 2005, the DHHS received four (4) proposals in response to the RFP. (Please see attached bidders list). The proposals included a technical proposal and a separate cost proposal. A team of six individuals from DHHS and the DoIT thoroughly reviewed and evaluated the four proposals and scored them based upon the criteria set forth in the RFP, first based on their technical merits and then on their cost proposals. The evaluation included formal oral presentations by all bidders in April 2005. The proposals were evaluated based upon three criteria: the merits of the proposed solution, the vendor's qualifications, and the cost. ACS received the highest score on each of these three criteria and the highest score overall. ACS proposed a state of the art solution that was determined to be the best solution for meeting the functional, technical, and operational MMIS-related requirement of the RFP, and submitted the lowest cost bid. Based on these factors, ACS was selected as the winning bidder to receive the contract award.



6-1-09



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

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April 30, 2009

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

APPROVED BY \_\_\_\_\_

DATE 6/17/09

PAGE 13

REQUESTED ACTION ITEM # 92

Authorize the Department of Health and Human Services (DHHS), Office of Medicaid Business and Policy (OMBP), to enter into an amendment (Amendment 2) to an existing contract (Contract #151495) with ACS State Healthcare, LLC (ACS) (Vendor #127326) at 9040 Roswell Road, Suite 700, Atlanta, GA, 30350, by increasing the price limitation by \$6,056,123 from \$60,860,763 to \$66,916,886 to expand the scope of the design, development, and implementation (DDI) of the New Hampshire Medicaid Management Information System (MMIS), including enhancing and changing system functionality, increasing operations to support the new functionality, and extending the contract termination date from January 1, 2014, to June 30, 2015, and effective upon the date of Governor and Executive Council approval through to June 30, 2015. The Governor and Executive Council approved the original contract on December 7, 2005, (Late Item #C) and Amendment 1 on December 11, 2007, (Item #59).

Funds to support this agreement are available in SFY 2009 and anticipated to be available in SFY 2010 through SFY 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.

SFY	Account Number	Account Title	Current Modified Budget	Increase / (Decrease) Amount	Revised Modified Budget
<b>DDI Expenses</b>					
2005	030-095-0145-034-0099	MMIS Reprocurement	\$25,000,000	\$0	\$25,000,000
2006	030-095-0145-034-0099	HHS Infotech	\$1,076,918	\$0	\$1,076,918
2006	010-095-6126-097	Medicaid Contracts	\$76,326	\$0	\$76,326
2010	010-095-6134-102-0731	Contracts for Program Services	\$0	\$ 5,132,126	\$ 5,132,126
<b>DDI Subtotal</b>			<b>\$26,153,244</b>	<b>\$5,132,126</b>	<b>\$31,285,370</b>

SFY	Account Number	Account Title	Current Modified Budget	Increase / (Decrease) Amount	Revised Modified Budget
<b>Operations Expenses</b>					
2009	010-095-6134-102-0731	Contracts for Program Services	\$4,764,400	(\$4,764,400)	\$0
2010	010-095-6134-102-0731	Contracts for Program Services	\$7,049,369	(\$7,049,369)	\$0
2011	010-095-6134-102-0731	Contracts for Program Services	\$6,889,407	\$335,594	\$7,225,001
2012	010-095-6134-102-0731	Contracts for Program Services	\$6,869,131	\$294,024	\$7,163,155
2013	010-095-6134-102-0731	Contracts for Program Services	\$6,855,345	\$146,612	\$7,001,957
2014	010-095-6134-102-0731	Contracts for Program Services	\$2,279,867	\$4,861,298	\$7,141,165
2015	010-095-6134-102-0731	Contracts for Program Services	\$0	\$7,100,238	\$7,100,238
<b>Operations Subtotal</b>			<b>\$34,707,519</b>	<b>\$923,997</b>	<b>\$35,631,516</b>
<b>Total</b>			<b>\$60,860,763</b>	<b>\$6,056,123</b>	<b>\$66,916,886</b>

**EXPLANATION**

The purpose of this requested action is to extend the duration of the NH MMIS Implementation contract with ACS for an additional 18 months and to expand the scope of services at an additional cost of \$6,056,123 over the cost of the original contract, which was approved by the Governor and Executive Council on December 7, 2005. More specifically, this Amendment 2 to the contract seeks to retroactively extend the Design, Development, and Implementation (DDI) Phase of the project beyond the January 1, 2009, implementation date established with Amendment 1, through to a projected new system go-live date on or before June 30, 2010. Accordingly, this action defers the start up of the three-year operations phase without increasing the overall duration of the Operations Phase established with the original Contract.

The original contract included a 24-month DDI Phase, a three-year base Operations Phase, and an optional provision for the Department to extend the Operations Phase for an additional two-year period. This option was outlined in the Governor and Council letter approved on December 7, 2005. Through Amendment 1, rather than exercising the option to extend the Operations Phase, the Department requested to extend the DDI Phase for a 12-month period, and this request was approved on December 11, 2007. This sole source contract amendment, Amendment 2, requests an additional 18-month extension to the DDI Phase. Although a provision to extend the DDI Phase was not included in the original contract, the additional time requested through this Amendment is needed because the design and development phases have required more time than originally planned. Additionally, this extension is necessary to incorporate system change requests and new functionality essential to support the NH Medicaid Program into the MMIS, to develop and thoroughly test the MMIS' intricate Medicaid claims processing and payment processes, and to ensure operational readiness of the new MMIS system prior to go-live. Adjustments to the ACS Contract duration by phase are outlined in the following table.

Contract Duration Adjustment		
Original Contract Phase/Year	Amendment 1 Phase/Year	Amendment 2 Phase/Year
DDI Phase (12/7/05 - 01/1/2008)	DDI Phase (12/7/05 - 01/01/09)	DDI Phase (12/7/05 - 06/30/2010)
Operations Phase Year 1 (1/2/2008 - 1/1/2009)	Operations Phase Year 1 (1/2/2009 - 1/1/2010)	Operations Phase Year 1 (07/1/2010 - 06/30/2011)
Operations Phase Year 2 (1/2/2009 - 1/1/2010)	Operations Phase Year 2 (1/2/2010 - 1/1/2011)	Operations Phase Year 2 (07/1/2011 - 06/30/2012)
Operations Phase Year 3 (1/2/2010 - 1/1/2011)	Operations Phase Year 3 (1/2/2011 - 1/1/2012)	Operations Phase Year 3 (07/1/2012 - 06/30/2013)
Operations Extension Year 1* (1/2/2011 - 1/1/2012)	Operations Extension Year 1* (1/2/2012 - 1/1/2013)	Operations Extension Year 1* (07/1/2013 - 06/30/2014)
Operations Extension Year 2* (1/2/2012 - 1/1/2013)	Operations Extension Year 2* (1/2/2013 - 1/1/2014)	Operations Extension Year 2* (07/1/2014 - 06/30/2015)

Relative to the price increase of Amendment 2, the \$6,056,123 increased cost is strictly associated with those items that expand the scope of the DDI effort and the expanded operations services necessary to maintain the enhanced reporting repository once it is implemented. Of the total increase, \$5,132,126 covers the implementation of system change requests essential to the Medicaid Program, a new outpatient prospective payment system, and enhanced analytical capabilities of the MMIS reporting repository. The remaining \$923,997 represents an increase to operational costs across the base and optional operations periods for expanded services to maintain the enhanced reporting repository. There is no increase in costs for components defined in the original contract for the DDI and Operations Phases. These costs are retained at the price agreed to in the original Contract. Amendment 1 was a no-cost extension. The following table outlines the price adjustments to the original Contract by phase.

	Original Contract	Amendment 1 Total	Amendment 2 Increase	Amendment 2 Total
DDI Phase	\$26,153,244	\$26,153,244	\$5,132,126	\$31,285,370
Operations Phase Year 1	\$7,146,599	\$7,146,599	\$78,402	\$7,225,001
Operations Phase Year 2	\$7,000,755	\$7,000,755	\$162,400	\$7,163,155
Operations Phase Year 3	\$6,833,733	\$6,833,733	\$168,224	\$7,001,957
Operations Extension Year 1	\$6,886,829	\$6,886,829	\$254,336	\$7,141,165
Operations	\$6,839,603	\$6,839,603	\$260,635	\$7,100,238

<sup>1</sup>The "\*" indicates an optional extension period, built into the original contract, which may be exercised at DHHS' discretion.

Extension Year 2				
Operations Phase	\$34,707,519	\$34,707,519	\$923,997	\$35,631,516
Total Contract	\$60,860,763	\$60,860,763	\$6,056,123	\$66,916,886

To reiterate, Amendment 2 to the ACS contract addresses five essential needs for the Department as follows:

- To extend the DDI timeline for the NH MMIS project through to June 30, 2010, allowing for an implementation of the new MMIS on or before July 1, 2010;
- To incorporate system changes to the MMIS that adjust for changes to requirements and to the NH Medicaid program that have evolved since the MMIS Request For Proposal (RFP) was released in 2004;
- To expand the functionality of the MMIS to include a hospital Outpatient Prospective Payment System (OPPS) capability;
- To expand the MMIS reporting repository to include enhanced analytics and decision-support capabilities and to expand ongoing systems operations support to include maintenance of the enhanced reporting repository functionality; and
- To allow for the development and implementation of the OPPS and analytical capabilities by March 1, 2011.

Significant progress has been realized on the MMIS Project, but the development and implementation of an MMIS is a huge undertaking. The Department's first need, to extend the timeline of the NH DDI phase, is not unusual considering the magnitude and complexity of the effort. Given all of the functional components of the NH MMIS, completion of the Detailed System Design (DSD) took up to six months longer than estimated to complete. Since the DSD would provide the framework for the development, testing, and implementation phases that would follow, it was essential to the State that the DSD accurately, sufficiently, and clearly document how the NH MMIS design would appear and function to meet NH's business requirements. Although the design phase took longer than originally planned to complete, the end result was a comprehensively documented design, upon which developers would build the system, testers would create test scenarios, and operational procedures would be developed.

ACS and the State teams took steps to mitigate the risks of schedule slippage realized during the design by initiating construction tasks earlier for those functional areas for which final design had been approved by the State and by commencing data set-up tasks concurrent with finalizing the DSD. By July of 2009, system construction and test phase planning activities were well underway.

By October, there were indications that although much progress had been achieved, the system construction effort was going to require more time than originally was planned. ACS responded to the situation by infusing a significant number of additional technical resources into the development pool, restructuring the distribution of work across teams, and strengthening direct oversight over the development teams. Project work plan tasks were readjusted and the schedule was recalibrated to reflect revised effort estimates. Having exhausted all practical opportunities to mitigate against the slippage by overlapping and compressing tasks within

His Excellency, Governor John H. Lynch  
and the Honorable Executive Council  
April 30, 2009

Page 5

the work plan, and deliberately not wanting to overly compress or compromise testing of this major system, the task schedule was adjusted and the MMIS project timeline was extended out into the spring of 2010.

This Amendment allows for an implementation of the core MMIS by July 1, 2010. It allows for an implementation of the MMIS in the months preceding July if, after testing, the State and ACS determine that the system is ready to be released and that operational readiness has been achieved. Go-live for the MMIS will be coordinated with the NH Medicaid provider community, interfacing entities, and State business units it impacts.

The comprehensive testing effort for the NH MMIS will include a full cycle of functional testing of the Provider Re-Enrollment (Phase I) functions and the remaining comprehensive system design (Phase II) functions of the MMIS, followed by systems integration (end-to-end process) testing, and then a six-month State user acceptance test. ACS has reinforced its testing team, establishing an experienced testing management team, infusing a significant number of subject matter resources to develop functional and system integration test scripts, and creating a team dedicated to implementing automated testing capabilities.

The State's MMIS Project team and staff from the FOX Quality Assurance team will execute systems integration testing (SIT) with ACS for both Phase I and Phase II of the MMIS. After the SIT test phase has been completed and critical defects resolved, the NH team will engage staff from the Department, interfacing entities, and provider agencies in a structured user acceptance test phase.

The efforts to prepare, execute, and sustain effective oversight of the entire testing effort place a significant demand on the State MMIS Project team. Given the criticality of a thorough, well-orchestrated testing effort to ensure the quality of the MMIS, the Department has acknowledged to ACS that compression of the testing periods or overlapping of testing activity cannot occur to the extent that it compromises the credibility of the overall testing effort, compromises the State team's ability to support a comprehensive test, or in any way decreases the State's user acceptance test period.

The extension period requested through this amendment also covers the Department's second need, the integration of change orders identified by the State during the DSD into the DDI phase. The NH MMIS RFP was released in 2004. Since 2004, DHHS has implemented a number of new programs to improve service delivery to NH Medicaid recipients, to reinforce appropriate service utilization, and to enhance coordination of care. The State also has had to comply with federal program mandates that have been implemented since the release of the NH MMIS RFP. The design of the new MMIS must provide for the tracking of additional data, construction of new interfaces, and creation of new reports in support of these federal programs that include the Medicaid Modernization Act (MMA) for Medicare Part D and the Deficit Reduction Act (DRA).

The change requests include system changes, new interfaces, and reports necessary to support the current business of the Department that were not covered under the original RFP. All change requests covered under this amendment will be implemented for the MMIS go-live.

Additionally, this amendment covers the third and fourth need identified above for two major enhancements to the functionality of the MMIS. These enhancements expand on MMIS' claims processing to incorporate an Outpatient Prospective Payment System (OPPS) for reimbursing hospital claims and build on the reporting repository to provide the Department with complex analytical capability and more easily compiled data to inform its decision making.

The NH Medicaid Program currently employs a retrospective reimbursement methodology to reimburse hospitals for outpatient services delivered to NH's Medicaid recipients. This methodology involves a

combination of cost reimbursement and fee schedules, interim payments for services at a percentage of charge, and retroactively adjusting payments to reflect settled cost reports. The current methodology is patterned after a system that Medicare replaced with a prospective payment system almost ten years ago. Without a prospective payment reimbursement capability, the Department is hindered in its ability to flexibly manage hospital reimbursement and associated costs.

Implementing an OPSS aligns the State's Medicaid reimbursement methodology for hospital outpatient costs more closely with Medicare. The outpatient prospective methodology more effectively supports the State's effort to improve its management of costs, reduce its vulnerability to the current retrospective reimbursement methodology, and to establish greater predictability and consistency in rate setting for services provided across hospitals. The OPSS must be integrated into the core claims adjudication processes of the MMIS.

The decision support/enhanced analytics enhancement expands on the framework of the MMIS reporting solution to provide more complex analytical capabilities than those covered under the amended MMIS RFP. These new functions significantly improve the efficiency with which the Department will be able to access reliable information about the Medicaid Program from its data, making it better informed in its administrative planning, service delivery, and program management efforts.

Integrating this functionality into the MMIS reporting repository provides the Department with expanded analytical capabilities, run against a single MMIS data source, using a common toolset. It enhances the integrity of reporting by simplify the execution of complex functions and eliminates the potential confusion caused by producing different reports from different systems having different types of data. Lastly, in support of this added functionality, this Amendment also covers the ongoing operational services and maintenance of the expanded reporting repository system.

The Department and ACS teams continue to work effectively and collaboratively to resolve issues, to devise creative solutions to challenges, and to coordinate a strategic approach to meeting all of the project demands for a DDI go-live by July 1, 2010. Work to implement the enhanced reporting repository and OPSS will begin on or before go-live, with their implementation occurring by March 31, 2011.

This is a sole source contract amendment that retroactively extends the end of the DDI Phase from January 1, 2009 through to June 30, 2010. This amendment provides for uninterrupted continuation of essential system development and implementation services by the contractor in fix spacing support of the NH MMIS' DDI effort that has been progressing steadily over the past 36 months. The change requests and enhancements covered under this amendment must be incorporated into the core processing of the MMIS, and as such ACS is best suited to incorporate the changes into the internal MMIS framework.

Throughout the intense schedule of project activity and challenges encountered to-date, the State and ACS have maintained a constructive, positive, and productive working relationship, through which issues are resolved and risks continually mitigated. ACS has confirmed its corporate commitment to the delivery of the NH MMIS that meets or exceeds the requirements of the NH MMIS RFP, and to the delivery of a high quality solution. ACS commits to all of its obligations under the contract. The Department believes that the potential future benefits to be achieved once this system is operational will far outweigh the challenges that must be managed during its design and implementation.

The role of the MMIS Implementation 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

His Excellency, Governor John H. Lynch  
and the Honorable Executive Council  
April 30, 2009  
Page 7

and Medicaid Services (CMS) in May 2004. An RFP was issued in September 2004. Notification of the RFP publication was issued using standard Office of Technology (DoIT) procedures. The MMIS RFP 2005-004 was issued on September 14, 2004 and published on the Department of Administrative Services web site. ACS was selected as the MMIS contractor through a competitive bid process.

Competitive Bidding

In January 2005, the Department received four (4) proposals in response to the RFP. (Please see attached bidders list). The proposals included a technical proposal and a separate cost proposal. A team of six individuals from DHHS and the DoIT thoroughly reviewed and evaluated the four proposals and scored them based upon the criteria set forth in the RFP, first based on their technical merits, and then on their cost proposals. The evaluation included formal oral presentations by all bidders in April 2005. The proposals were evaluated based upon three criteria: the merits of the proposed solution, the vendor's qualifications, and the cost. ACS received the highest score on each of these three criteria and the highest score overall. ACS proposed a state of the art solution that was determined to be the best solution for meeting the functional, technical, and operational MMIS-related requirement of the RFP, and submitted the lowest cost bid. Based on these factors, ACS was selected as the winning bidder to receive the contract award.

Amendment 6 to the IAPD currently is under CMS' review. DHHS has worked with CMS to answer questions in the context of obtaining IAPD amendment approval and has received word from CMS that its approval will be forthcoming.

Source of Funds:

For the DDI Phase of the contract, the source of funds is 90% federal funds and 10% general funds. For the Operations Phase of the contract, the source of funds is 75% federal funds and 25% state funds.

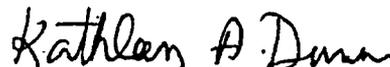
In the aggregate, the source of funding is 82% federal funds, 18% state funds.

Geographic Area to be Served:

Statewide.

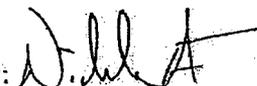
In the event that the Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



Kathleen A. Dunn, MPH  
Medicaid Director

Approved by:

  
Nicholas A. Toumpas  
Commissioner

His Excellency, Governor John H. Lynch  
and the Honorable Executive Council  
April 30, 2009  
Page 8



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 1-800-862-3345 Ext. 8166  
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Nicholas A. Toumpas  
Acting Commissioner

Kathleen A. Dunn  
Acting Director

November 13, 2007

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

APPROVED BY \_\_\_\_\_  
DATE 12/11/07  
PAGE 9  
ITEM # 59

**REQUESTED ACTION**

Authorize the Department of Health and Human Services (DHHS), Office of Medicaid Business and Policy (OMBP), to enter into a no-cost amendment (Amendment 1) to an existing contract (Contract #151495) with ACS State Healthcare, LLC (ACS) (Vendor #127326) at 9040 Roswell Road, Suite 700, Atlanta, GA, 30350 to extend the contract from January 1, 2013 to January 1, 2014 and to extend the completion of the Design, Development, and Implementation Phase by 12 months from January 1, 2008 to January 1, 2009 for the new NH Medicaid Management Information System (MMIS), to be effective upon the approval date of Governor and Executive Council through to January 1, 2014. The Governor and Executive Council approved the original contract on December 7, 2005 (Late Item #C).

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
<b>DDI Expenses</b>					
2005	030-095-0422-090	MMIS Reprocurement	\$25,000,000	\$0	\$25,000,000
2006	030-095-0145-090	HHS Infotech	\$1,076,918	\$0	\$1,076,918
2006	010-095-6126-097	Medicaid Contracts	\$76,326	\$0	\$76,326
<b>Operating Expenses</b>					
2008	010-095-6126-098		\$4,764,400	(\$4,764,400)	\$0
2009	010-095-6126-098		\$7,049,369	(\$2,284,969)	\$4,764,400
2010	010-095-6126-098		\$6,889,407	\$159,962	\$7,049,369
2011	010-095-6126-098		\$6,869,131	\$20,276	\$6,889,407
2012	010-095-6126-098		\$6,855,345	\$13,786	\$6,869,131
2013	010-095-6126-098		\$2,279,867	\$4,575,478	\$6,855,345

2014	010-095-6126-098		\$0	\$2,279,867	\$2,279,867
<b>Operations Subtotal</b>			\$34,707,519	\$0	\$34,707,519
<b>Total</b>			\$60,860,763	\$0	\$60,860,763

**EXPLANATION**

The purpose of this requested action is to extend the duration of the NH MMIS Implementation contract with ACS State Healthcare, LLC. for an additional year, at no additional system development contractor cost, and otherwise to retain the scope of services and costs as were agreed upon in the original contract, which was approved by the Governor and Executive Council on December 7, 2005. More specifically, this Amendment 1 to the contract seeks to extend the Design, Development, and Implementation (DDI) phase of the project beyond the 24-month period established in the original contract through to the projected new system go-live date of January 1, 2009. Accordingly, this action defers the start up of the three-year operations phase for an additional year, with the costs for yearly operations support services remaining the same as were defined in the original contract.

<b>Current Contract Phase/Year</b>	<b>Amendment 1 Phase/Year</b>	<b>Price</b>
DDI Phase (12/7/05 – 01/1/2008)	DDI Phase (12/7/05 – 01/1/2009)	\$26,153,244
Operations Phase Year 1 (1/2/2008 – 1/1/2009)	Operations Phase Year 1 (1/2/2009 – 1/1/2010)	\$7,146,599
Operations Phase Year 2 (1/2/2009 – 1/1/2010)	Operations Phase Year 2 (1/2/2010 – 1/1/2011)	\$7,000,755
Operations Phase Year 3 (1/2/2010 – 1/1/2011)	Operations Phase Year 3 (1/2/2011 – 1/1/2012)	\$6,833,733
Operations Extension Year 1 (1/2/2011 – 1/1/2012)	Operations Extension Year 1 (1/2/2012 – 1/1/2013)	\$6,886,829
Operations Extension Year 2 (1/2/2012 – 1/1/2013)	Operations Extension Year 2 (1/2/2013 – 1/1/2014)	\$6,839,603
<b>Total Contract Price</b>		<b>\$60,860,763</b>

The original contract included an optional provision for the State to extend the Operations Phase for an additional two years. This option was outlined in the Governor and Council letter approved on December 12, 2005. This Amendment 1 requests an extension to the DDI Phase as opposed to the Operations Phase. Although a provision to extend the DDI Phase was not included in the original contract, the additional time is needed to accurately design, develop and test NH's intricate Medicaid pricing policies and business processes and to ensure the integrity of the new MMIS system.

This is a sole source contract amendment. This amendment provides for uninterrupted continuation of essential system implementation services by the contractor in support of the NH MMIS' design, development, and implementation effort that has been progressing steadily over

His Excellency, Governor John H. Lynch  
and the Honorable Executive Council  
November 13, 2007  
Page 3

the past 24 months. MMIS implementations are notoriously complicated and expansive endeavors, and the NH project has faced its share of challenges. Many challenges encountered were accommodated and resolved, but some could not be mitigated and have led to this request for an additional year extension to the project implementation timeline. Much significant progress has been made to date. As the combined ACS and NH State MMIS project team begins to close out on the detailed system design phase, a solid NH framework has been established that will serve the State and contractor well during the system construction phase, (during which NH specific changes will be constructed), and future testing phases (wherein all functionality will be verified).

Further justification for the sole source amendment and contract extension stems from the intense level of effort invested by State staff in the overall project to date. State staff, those dedicated to the state project team and others who are subject matter experts from various business areas across the department, have invested a significant amount of time in providing information to the contractor during focused sessions, responding to follow-up action items, resolving issues, reviewing and approving contractor deliverables, building constructive interactive relationships with contractor staff, and confirming that the contractor understands NH functional and technical needs for the NH MMIS. System support staff from the DHHS and OIT who support other systems with which the MMIS must interface (e.g. New HEIGHTS, NH Bridges, NECSES, Avatar, etc.) has also been engaged and has dedicated time to refining the overall MMIS design.

The Contractor, during the requirements analysis and design phases, has employed skillful methods for interacting with and making constructive use of State staff time, and through this activity has acquired and demonstrated a thorough, detailed understanding of what the new NH MMIS must support and achieve. The contractor has made its senior corporate executive leadership accessible to the DHHS Commissioner's Office. The Department's senior executive leadership and State project management have worked closely with ACS' corporate and project leadership to establish processes to address and improve upon identified problem areas, such as quality review of final major deliverables, and ACS has been responsive. Throughout the intense schedule of project activity and challenges encountered to-date, the State and ACS have maintained a constructive, positive, and productive working relationship, through which issues are resolved and risks continually must be mitigated.

ACS has confirmed its corporate commitment to the delivery of the NH MMIS that meets or exceeds the requirements of the NH MMIS RFP, and to the delivery of a quality system. The web-based, highly configurable new NH MMIS will meet the Department's needs for a flexible system, that can easily be adapted to keep pace with the evolving needs of the Medicaid program, to better assist the Department in its administration of the program in the years ahead.

This amendment and request for a one year extension does not release the contractor from its obligations under Paragraph 10.1 of the original contract, "to make the State whole for any losses, including financial, arising from the Contractor's failure to deliver a fully operational, approved MMIS by the 24-month anniversary of the Effective Date of this Contract..." The DHHS Commissioner's Office is working with ACS to determine the costs for which ACS is accountable and the means by which ACS will "make the State whole". The Acting Commissioner is also involved in discussions with the Centers for Medicaid and Medicare

His Excellency, Governor John H. Lynch  
and the Honorable Executive Council  
November 13, 2007  
Page 4

Services (CMS) to acquire federal clarification, given that CMS has prior approval over the budget for the NH MMIS project that was approved at 90 % Federal Financial Participation (FFP).

ACS has confirmed in writing to the Department, its acknowledgement of its contractual obligations with respect to not achieving the start of the operations phase within the 24-month period as was stipulated in Paragraph 10.1 of the contract. ACS has assumed responsibility for the need to extend the project timeline by one year and agrees to this extension at no additional reimbursement to ACS. Contributing factors to the need for the additional year included more time necessary to refine the Requirements Validation final deliverable and a later than planned start up and longer than planned overall duration of the general system design phase, both of which when completed, helped to form a firm foundation for the detailed system design phase that would follow. ACS also has responded by significantly increasing the number of resources supporting the NH project.

The Department contends that the potential future benefits to be achieved once this system is operational will outweigh the challenges that must be managed during its design and implementation. MMIS' are multi-function, complex systems that interface with and exchange data with multiple external systems, and that are subject to a myriad of federal MMIS and State-specific Medicaid program requirements. The focused DDI effort for the MMIS takes place within a dynamically changing policy environment, wherein efforts to control and more effectively manage the Medicaid budget and to sustain services, results in changes in direction or new programs, that require a new level of understanding and alignment of systems processes. MMIS staff must support changes to legacy systems, while staying abreast of new developments that must be handled by the new system going forward. The MMIS must continue to monitor progress against schedule and to balance demands for time with potential risks and benefits.

The MMIS project also must prepare for and accommodate the impacts of other major systems initiatives underway. The implementation of the National Provider Identifier for the legacy MMIS is scheduled for May, 2008 and has implications for data conversion, provider re-enrollment, and testing for the new MMIS. The new MMIS is dependent on the NH First Enterprise Resource Planning project, in that the MMIS weekly provider payment file will be passed to NH First, from which the provider check and EFT payments will be issued. The State and ACS acknowledge these other major systems initiatives, and given their collective potential impact to the provider community, must take these initiatives into account for future planning.

The Department submitted an amendment to the NH MMIS Reprocurement Project Implementation Planning Document (IAPD) to the Centers for Medicare and Medicaid Services requesting CMS' prior approval for the one-year extension to the NH DDI. CMS approved Amendment 4 to the IAPD and the project extension on August 8, 2007.

The role of the MMIS implementation 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 September 2004 and ACS State Healthcare was selected as the MMIS contractor through a competitive bid process. Notification of the RFP publication was issued using standard Office of Technology (OIT) procedures. The MMIS RFP 2005-004 was

His Excellency, Governor John H. Lynch  
and the Honorable Executive Council  
November 13, 2007  
Page 5

issued on September 14, 2004 and published on the Department of Administrative Services web site.

In January 2005, the Department received four (4) proposals in response to the RFP. (Please see attached bidders list). The proposals included a technical proposal and a separate cost proposal. A team of six individuals from DHHS and the Office of Information Technology thoroughly reviewed and evaluated the four proposals and scored them based upon the criteria set forth in the RFP, first based on their technical merits and then on their cost proposals. The evaluation included formal oral presentations by all bidders in April 2005. The proposals were evaluated based upon three criteria: the merits of the proposed solution, the vendor's qualifications, and the cost. ACS received the highest score on each of these three criteria and the highest score overall. ACS proposed a state of the art solution that was determined to be the best solution for meeting the functional, technical, and operational MMIS-related requirement of the RFP, and submitted the lowest cost bid. Based on these factors, ACS was selected as the winning bidder to receive the contract award.

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

Geographic area to be served: Statewide.

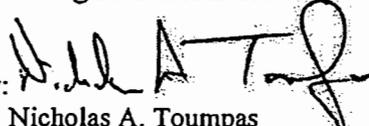
In the event that the Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,

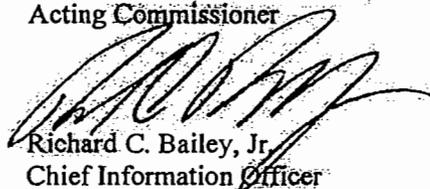


Kathleen A. Dunn  
Acting Medicaid Director

Approved by:



Nicholas A. Toumpas  
Acting Commissioner



Richard C. Bailey, Jr.  
Chief Information Officer



JOHN A. STEPHEN  
COMMISSIONER

# State of New Hampshire

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
129 PLEASANT STREET, CONCORD, NH 03301-3857  
603-271-4688 FAX: 603-271-4912 TDD ACCESS: 1-800-735-2964

APPROVED BY \_\_\_\_\_  
DATE 10/07/05  
PAGE \_\_\_\_\_  
ITEM # Late Item C

December 2, 2005

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

## REQUESTED ACTION

Authorize the Department of Health and Human Services to resubmit the request for approval of the contract with ACS State Healthcare, LLC, as originally proposed in its letter dated October 18, 2005. The original request was denied on a three-no to two-yes vote by Governor and Council on November 2, 2005.

The remainder of the Requested Action below remains unchanged from the original request.

Authorize the New Hampshire Department of Health and Human Services (DHHS or Department), Office of Medicaid Business and Policy (OMBP), to enter into an agreement with ACS State Healthcare, LLC (ACS or Vendor), Atlanta, GA (Vendor # tbd) to plan, design, develop, implement, support, maintain and operate a new, updated Medicaid Management Information System (MMIS) which will enhance and improve the State's operation of the Medicaid program. The initial agreement covers a five-year base contract period (two-year Design, Development and Implementation (DDI) Phase, and three-year Operations Phase) for a firm fixed price of \$47,134,331. The Contract further provides for an optional two-year extension of the Operations Phase, which the State may exercise at its discretion by notifying ACS in writing no later than 6 months before the expiration of the base contract period, at a firm fixed price of \$13,726,432. The base contract agreement is scheduled to commence November 2, 2005, or the date of Governor and Council approval, whichever is later, through November 1, 2010.

*Table 1: Total Contract Price – DDI and Operations Phases*

PHASE/YEAR	PRICE
DDI Phase	\$26,153,244
Operations Phase Year 1 (11/2007 – 11/2008)	\$7,146,599
Operations Phase Year 2 (11/2008 – 11/2009)	\$7,000,755
Operations Phase Year 3 (11/2009 – 11/2010)	\$6,833,733
Optional Extension Year 1 (11/2010 – 11/2011)	\$6,886,829
Optional Extension Year 2 (11/2011 – 11/2012)	\$6,839,603
<b>Total Contract Price:</b>	<b>\$60,860,763</b>

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

*Table 2: Source of Funds*

	SFY	ACCOUNT NO.	DESCRIPTION	AMT.
<b>DDI EXPENSES</b>				
	2005-2006	030-095-0422-090	MMIS Reprourement	\$25,000,000
	2005-2006	030-095-0145-090	HHS Infotech	\$1,076,918
	SFY 2006	010-095-6126-097	Medicaid Contracts	\$76,326
<b>DDI Sub-Total</b>				<b>\$26,153,244</b>
<b>OPERATING EXPENSES</b>	SFY 2007	010-095-6126-098	Medicaid Fiscal Agent Contract	\$4,764,400
	SFY 2008	010-095-6126-098	Medicaid Fiscal Agent Contract	\$7,049,369
	SFY 2009	010-095-6126-098	Medical Fiscal Agent Contract	\$6,889,407
	SFY 2010	010-095-6126-098	Medicaid Fiscal Agent Contract	\$6,869,131
	SFY 2011	010-095-6126-098	Medicaid Fiscal Agent Contract	\$6,855,345
	SFY 2012	010-095-6126-098	Medicaid Fiscal Agent Contract	\$2,279,867
<b>Operations Sub-Total</b>				<b>\$34,707,519</b>
<b>Total Contract Price</b>				<b>\$60,860,763</b>

**EXPLANATION**

The Department of Health and Human Services seeks to resubmit the request for approval of the proposed agreement with ACS State Healthcare LLC for the replacement of the Medicaid Management Information System. The Department believes that additional facts may assist the Governor and Council in fully evaluating the merits of the Department's proposal, including facts forming the basis for the proposed agreement and the necessity of its approval. The procurement, development and installation of a Medicaid management information system is one of the mostly highly complex tasks a state will ever undertake. It is understandable that decision makers want to proceed with caution to ensure any selection is the right decision and that essential services to clients and providers are not interrupted.

The proposed agreement with ACS was the result of a federal Centers for Medicare and Medicaid Services (CMS) warning on January 14, 2004 that the current contract would expire on June 30, 2004 and that "failure to initiate timely action to procure a replacement contract could result in the loss of federal financial participation (FFP) for the operation cost of your MMIS." CMS expected the state to submit a plan of action to show active engagement in an open, competitive bid process.

Beginning in January 2004 the Department worked collaboratively with CMS to produce and submit to CMS all of the documentation required for federal approval of the State's MMIS reprourement and to obtain CMS authorization for 90% federal match for activities associated with the MMIS reprourement. CMS reviewed in detail and approved in writing, without requiring any substantive changes, each of the following documents submitted by the State:

- The NH MMIS Advanced Implementation Plan and Amendments 1 and 2
- The NH MMIS RFP and the RFP Addendum
- The NH MMIS Contract with ACS State Healthcare, LLC

CMS supported the State's plan to replace the existing MMIS and to acquire the services of an implementation vendor through the competitive bid process. CMS reviewed the NH RFP in detail and approved the RFP for its consistency with the NH MMIS implementation plan. CMS reviewed the Contract between the State and ACS for its consistency with the scope of services required in the RFP and for its consistency with the NH implementation plan.

As part of the contract review and approval process, CMS requested and the Department provided a detailed description of the NH MMIS vendor proposal evaluation process and the final selection results. Federal approval of an MMIS contract is contingent on a determination that the contract was the result of a fair and open procurement. CMS was complimentary to the Department on the high quality of the NH documents received for review and was consistent in its continued approval of the Department's efforts from its approval of the initial strategic plan, through the issuance of the RFP, and up to the final approval of the resulting contract.

New Hampshire responded to the CMS request for action to reprocore its MMIS by forming a team of technical and subject matter experts to prepare an open, competitive bid by issuing a state and federally approved Request for Proposals. The Request For Proposals resulted in four bids. The bids were evaluated first based on the technical merits and then were evaluated on their cost proposals. The evaluation included formal oral presentations by all bidders. The highest scoring bidder with the lowest total cost was selected. CMS approved the contract and it was submitted to Governor and Council for approval. CMS approval letter is enclosed.

The Department also engaged Human Service Administrators from the counties in the MMIS reprourement process, seeking county input into the development of system requirements for an enhanced automated county billing system. County representatives provided a demonstration of the system currently in use by the counties to the State during the development of the Request for Proposals. Additionally, a county-designated representative participated in a review of the county billing component of all four vendor proposals during the proposal

His Excellency, Governor John Lynch  
and the Honorable Executive Council  
December 2, 2005  
Page 4 of 8

evaluation process. Implementation of a new automated county billing and receipts tracking system will provide administrative efficiencies to both county and Department staff and will support more effective billing and payment reconciliation.

During the procurement process, the Department enlisted the assistance of the state Department of Justice to resolve several issues. The state evaluators signed confidentiality and conflict of interest statements to ensure the evaluation was above reproach. The Department kept CMS apprised of the process at every step. The Department hired Fox Systems, Scottsdale, AZ, with Governor and Council approval (December 1, 2004, Late Item B) to perform quality assurance services during the procurement, design and development and installation of the new MMIS. A copy of the Governor and Council letter for Fox Systems is appended to this letter for reference. As was noted on Page 3 of the FOX Governor and Council letter, FOX Systems, as the independent quality assurance contractor, will "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 will monitor the project's progress according to plan." Under the deliverable requirements of the Quality Assurance contract, FOX Systems will produce project status reports. The Department intends to share copies of quarterly reports from FOX with the Executive Council, the counties, and the legislature.

Following the DHHS\* selection of ACS as the winning bidder, FOX was provided with the ACS MMIS proposal to commence a review of the proposed solution. FOX has reviewed the ACS response to each of the NH MMIS RFP requirements, reviewing for consistency with the expectations of the DHHS and to identify any requirements requiring further discussions between the DHHS and ACS during requirements validation sessions. FOX produced a preliminary summary of its analysis of the MMIS RFP requirements and the ACS response this week. Feedback received from FOX to date is that the ACS response was comprehensive and the proposed solution is aligned with the expectations of the NH MMIS requirements, as expressed in the RFP. A copy of the FOX preliminary summary is attached to this letter.

The remainder of the Explanation, below, remains unchanged from the original explanation.

The purpose of the above requested action is to engage the services of the Vendor to replace the existing NH MMIS with a new, state-of-the-art system that will be customized to meet all of the State's requirements as well as all federal requirements for a certified MMIS. The new MMIS System will be constructed using new technology that maximizes the use of the Internet and electronic data interchange capability. It will be a table-driven and rules-based system, which will support multi-payor and on-line real-time transaction processing. The vision for the new NH MMIS is that its design and inherent functionality will be agile and robust to accommodate DHHS's enterprise-wide integrated program management and processing needs.

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,

His Excellency, Governor John Lynch  
and the Honorable Executive Council  
December 2, 2005  
Page 5 of 8

support the current and evolving business needs of the Department, and provide for improved provider access and communication

The new MMIS will include all of the functionality required for a certified MMIS including the Management Administrative Reporting System (MARS), Surveillance Utilization Review System (SURS), county billing and county receivables management, acuity processing including nursing home cost reporting, decision support and case tracking functionality. Additionally, the Vendor is required to host the MMIS at the Vendor's data center, to operate and maintain the NH MMIS, and to provide fiscal agent services for the Medicaid Program.

The proposed contract contains stringent performance measures to ensure that the Vendor fully performs its obligations under the contract. The contract contains a detailed timeline for delivery of the required deliverables, and provides the State with an opportunity to review and approve all deliverables before any payments are made for those deliverables. The contract contains a holdback provision which allows the State to retain up to 15% of the DDI payments throughout the DDI phase, totaling approximately \$3 million dollars, which is only released when the system is operational. The Vendor is required to post a performance bond equal to 20% of the total DDI cost. Furthermore, the contract contains liquidated damages provisions that allow the State to impose financial penalties if various performance benchmarks are not met. Finally, the contract provides that the Vendor forfeits its operational payments if, after the 24-month DDI Phase the new MMIS is not operational.

## **BACKGROUND**

The MMIS processes Medicaid payments for covered services provided to New Hampshire Medicaid-eligible persons in its fee-for-service 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 payments.

In January of 2004 the Centers for Medicare and Medicaid Services (CMS), the federal agency responsible for administering the Medicaid program, informed the State of New Hampshire that the existing contract with EDS Corporation to operate the MMIS was overdue for reprocurement, that CMS would not authorize another extension of the existing contract, and that the State risked losing federal funding of the Medicaid program unless the State reprocured the contract via competitive bidding.

The State of New Hampshire worked collaboratively with CMS to draft a request for proposals (RFP), which would meet all requisite federal approvals and would allow the State of New Hampshire to solicit proposals from qualified and experienced vendors to implement a state-of-the-art, multi-payer, rules-driven, on-line and real-time, Health Insurance Portability and Accountability Act (HIPAA) compliant MMIS. The RFP was issued on September 14, 2004.

On January 10, 2005 the Department received a total of four bids on the project. The following vendors submitted proposals:

His Excellency, Governor John Lynch  
and the Honorable Executive Council  
December 2, 2005  
Page 6 of 8

- ACS State Healthcare, LLC;
- EDS Information Services, LLC;
- First Health Services Corporation; and
- Unisys Corporation

A team of six individuals from DHHS and the Office of Information Technology (OIT) thoroughly reviewed and evaluated the four proposals, and scored them based upon the criteria set forth in the RFP. According to the requirements of the RFP, each of the vendors submitted a technical proposal and a separate cost proposal. The evaluation team reviewed each of the four technical proposals prior to reviewing any of the cost proposals.

All four vendors were invited and participated in oral presentations during the first two weeks of April 2005. Vendor orals included a system overview and demonstrations, discussion with the vendor, and allowed the members of the State evaluation team to interact with the proposed solution. Subject matter experts were invited to attend the system demonstrations and to participate in the interactive sessions.

A deficiency was identified during the review of the Unisys proposal and was confirmed during vendor orals. After legal consultation with the Attorney General's Office, the deficiency was determined to be material in nature, and therefore, the Unisys proposal was disqualified from further review in accordance with the RFP.

The proposals were evaluated based upon three criteria: the merits of the proposed solution; the vendor's qualifications; and the cost. ACS had the highest score on each of the three criteria, and the highest score overall.

Attachment 1: Vendor Selection Matrix presents the final outcomes of the MMIS RFP proposed evaluation process. Please refer to Attachment 1.

#### SOURCE OF FUNDS

The financing of this project relies extensively on federal funds. The State has taken every measure to ensure that all federal funds are maximized. For the DDI Phase, the source of funds is anticipated to be 80% federal dollars and 20% general funds dollars. For the Operations Phase of the contract, the source of funds is expected to be 75% federal funds and 25% general funds dollars.

In the aggregate, the source of funding is:

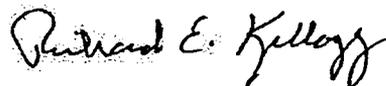
- Federal Funds – 78%
- General Funds – 22%
- Other Funds – 0%

Area served: Statewide.

His Excellency, Governor John Lynch  
and the Honorable Executive Council  
December 2, 2005  
Page 7 of 8

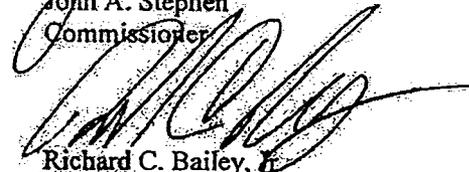
In the event that federal funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



Richard E. Kellogg  
Interim Medicaid Director

Approved by:

John A. Stephen  
Commissioner

Richard C. Bailey, Jr.  
Chief Information  
Officer