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

Jeffrey A. Meyers
Commissioner

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

Donna M. O'Leary
Chief Information Officer

November 9, 2016

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 12) 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 \$1,776,575 from \$147,667,333 to a new amount not to exceed \$149,443,908, effective upon the approval of the Governor and Executive Council through March 31, 2018. This amendment expands the existing scope of services. The source of funds for the increase is 90% Federal Funds and 10% General Funds.

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), Amendment 6 on March 26, 2014 (Late Item A), Amendment 7 on June 18, 2014 (Item#61A), Amendment 8 on May 27, 2015 (Item#16), Amendment 9 on June 24, 2015 (Item#9), Amendment 10 on December 16, 2015 (Late Item#A1) and Amendment 11 on June 29, 2016 (Item#8).

Funds are available in the following accounts in SFY 2017 and are anticipated to be available in SFY 2018 upon the availability and continued appropriation of funds in the future operating budget with the ability to adjust encumbrances between State Fiscal Years without further approval of the Governor and Executive Council through the Budget Office, if needed and justified.

Language in Amendment 12 makes clear that no Design, Development, and Implementation (DDI) and Post-DDI services will commence or continue after SFY 2017, unless and until an Amendment, encumbering funds for the SFY 2010-2019 biennium has been approved by the Governor and Executive Council.

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

Design, Development and Implementation Phase

<u>State Fiscal Year</u>	<u>Class/ Object</u>	<u>Class Title</u>	<u>Current Budget</u>	<u>Increase/ Decrease</u>	<u>Revised 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

Design, Development and Implementation Phase Continued

<u>State Fiscal Year</u>	<u>Class/ Object</u>	<u>Class Title</u>	<u>Current Budget</u>	<u>Increase/ Decrease</u>	<u>Revised Budget</u>
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	\$30,239,095	\$0	\$30,239,095
2015	102/500731	Contracts for Program Services	\$4,321,110	\$0	\$4,321,110
2016	102/500731	Contracts for Program Services	\$6,953,485	\$0	\$6,953,485
2017	102/500731	Contracts for Program Services	\$3,420,568	\$2,161,450	\$5,582,018
Total Design, Development and Implementation Phase			\$82,538,512	\$2,161,450	\$84,699,962

Operations Phase

<u>State Fiscal Year</u>	<u>Class/ Object</u>	<u>Class Title</u>	<u>Current Budget</u>	<u>Increase/ Decrease</u>	<u>Revised Budget</u>
2013	102/500731	Contracts for Program Services	\$2,084,889	\$0	\$2,084,889
2014	102/500731	Contracts for Program Services	\$8,544,809	\$0	\$8,544,809
2015	102/500731	Contracts for Program Services	\$9,164,847		\$9,164,847
2016	102/500731	Contracts for Program Services	\$16,000,932	\$0	\$16,000,932
2017	102/500731	Contracts for Program Services	\$16,714,404	-\$384,875	\$16,329,529
2018	102/500731	Contracts for Program Services	\$12,618,940	\$0	\$12,618,940
Total Operations Phase			\$65,128,821	-\$384,875	\$64,743,946

Total			\$147,667,333	\$1,776,575	\$149,443,908
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EXPLANATION

This is a **sole source** amendment that will expand the development of seven (7) components of the State's Medicaid Management Information System (MMIS). Components that are planned for expansion include: T-MSIS, the Premium Assistance Program (PAP), Enhanced Provider Screening, International Classification of Diseases (ICD-10), Acuity Rate Setting Nursing Facility Change of Ownership for Partial Year Cost Reporting, Provider Revalidation, and Medicaid Information Technology Architecture (MITA).

A sole source amendment is requested, because these changes are integral to MMIS core processing, and Xerox State Healthcare, LLC is the only company that can complete the expanded development of the state's Medicaid Management Information System to address these changes. The Centers for Medicare and Medicaid Services (CMS) has certified the State's Medicaid Management Information System, developed by Xerox State Healthcare, LLC, effective April 2013. Certification provides enhanced seventy five percent federal funding for operations resulting in \$12.5 million in revenue annually.

Expanded development of the Medicaid Management Information System components in this amendment are detailed below:

1. T-MSIS

- a. Background: Provides federally required statistical analysis and reporting on New Hampshire's Medicaid payments.
- b. Expanded Development: T-MSIS Pre-Operational Readiness Testing (PORT) and Operational Readiness Testing (ORT) testing were more complicated to execute and required more time than anticipated to complete. T-MSIS is a challenging project that involves the implementation of a new NH MMIS T-MSIS solution as well as the creation and implementation of a new federal T-MSIS data system. Each of the testing phases involves the creation of State T-MSIS data extracts, transmitting the files to the federal system, the federal system receiving and handling NH files and files from all other states, the federal system creating and sending response files back to NH, and the NH solution being able to receive and handle the inbound response files. Changes are occurring on both new systems to resolve issues identified during testing, and as the federal system evolves, the NH solution must be adapted to meet revised specifications.

2. Premium Assistance Program

- a. Background: The NH Health Enterprise Medicaid Management Information System (MMIS) requires enhancements in order to implement the next phases of two major State initiatives, the NH Health Protection Program (NH HPP) and Medicaid Care Management (MCM).
- b. Expanded Development: Under Amendment 12, there are a number of additional system enhancements to support Medicaid Care Management and the Premium Assistance Program (PAP). The PAP related enhancements will facilitate the processing of the Year Two 2017 enrollment changes and will improve the processing 834 enrollment transactions for the Qualified Health Plans. Additional staffing support is necessary for State User Acceptance Testing (UAT).

3. Enhanced Provider Screening

- a. Background: The Affordable Care Act (ACA) Section 6028 requires states to 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.

- b. **Expanded Development:** NH initiated a Provider Screening Project in 2015 that integrates the Digital Harbor (DH) Know Your Provider (KYP) product with the MMIS to implement operational Provider Screening and Monitoring. When enrolling and reenrolling providers, provider data is extracted from the MMIS and sent to KYP, where it is matched against federally required data sources to identify any potential screening or monitoring concerns. A change is required to the MMIS Screening Extract process to send data only for new provider applicants. Data for historically approved applicants will be sent to KYP in the Monitoring Extract. Regulations 42 CRR 455.434 require fingerprint-based criminal and background checks (FCBC) for all “high” risk providers. Provider enrollment functionality on the MMIS must be enhanced so that it allows for the tracking and data reporting of finger print activity and status outcomes for all high risk providers, in compliance with the federal requirements.

4. International Classification of Diseases (ICD-10).

- a. **Background:** The federally mandated date for implementation of ICD-10-CM/PCS was 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.
- b. **Expanded Development:** The Centers for Medicare and Medicaid Services (CMS) published updates to the ICD-10 Procedure Coding System (ICD-10-PCS) file and updates to the ICD-10-CM General Equivalence Mappings (GEMs) during the months of June 2016 through August 2016. There is additional effort required outside of the “standard maintenance” for Surgical Procedure, Diagnosis Codes and GEMs when determining claims processing impacts for the number of changes identified in these files. A standard maintenance update usually consists of 200-500 code set updates; however, the FY2017 files contain thousands of updates and additions, thus requiring additional effort compared with standard maintenance.

5. Acuity Rate Setting (ARS) Nursing Facility Change of Ownership-Partial Year Cost Reporting

- a. **Background:** When a nursing facility with an Acuity Rate Setting specialty (298) experiences an ownership change, it usually occurs sometime in the midst of the facility’s fiscal year, resulting in the need for partial year cost reporting for the closing facility and any successor facility. Depreciation and other rate setting factors must be adapted to integrate both full year and partial year cost report data into the nursing facility rate setting process.
- b. **Enhancement:** New Hampshire Department of Health & Human Services will enhance the Medicaid Management Information System (MMIS) Acuity Rate Setting (ARS) Cost Reporting component online pages, database, and processes to allow for the handling of partial year cost report data, when either the ownership of a facility changes mid-year, a facility closes mid-year, or the fiscal year end for a facility is changed mid-year.

6. Provider Revalidation

- a. Background: The NH Medicaid Program is federally required to notify and revalidate the enrollment of all active NH Medicaid providers at least every five years. The State Medicaid Agency (SMA) must conduct a full screening. Revalidation screening must be carried out in a manner appropriate to the provider's risk level in accordance with federal regulations.
- b. Enhancement: To address these federal requirements, system changes must be made to the MMIS to support the provider revalidation process. New online automated processes, changes to existing processes, and changes to forms to support a new manual process must be designed, developed, and implemented to accomplish the federal requirements.

7. Medicaid Information Technology Architecture (MITA)

- a. Background: The New Hampshire Department of Health and Human Services (NH DHHS), as the single state Medicaid agency, is federally required to complete a MITA State Self-Assessment (SS-A) in compliance with 42 CFR 433. The State is competitively procuring a vendor to conduct an assessment of the NH Medicaid enterprise, including the NH MMIS, consistent with the MITA Framework 3.0. The primary objective is to develop a Five Year Strategic Plan for improving MITA business and information architecture maturity levels across the Medicaid Enterprise (the "MITA Roadmap") Technical support from Xerox is required to support the activities of the MITA SS-A.
- b. Enhancement: MITA Technical support activities include participating in assessment meetings, reviewing materials generated from the assessment for accuracy and or contribution, and providing technical support to assist the MITA SS-A vendor while the assessment of the MMIS and its architecture is in progress.

Amendment 12 also contains language that permits an amendment, limited to transferring funds between budget line items and between budgets within the price limitation, to be made by written agreement of both parties without obtaining the approval of the Governor and Executive Council.

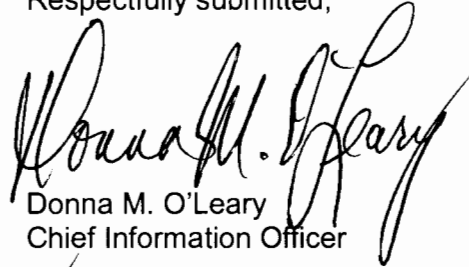
Ninety percent (90%) federal funding for the Design, Development and Implementation phase in this Amendment 12 is pending approval by the Centers for Medicare and Medicaid Services. Seventy-five percent (75%) federal funding of the Operations costs of this Agreement has been previously approved through the Centers for Medicare and Medicaid Services' certification of the New Hampshire's Medicaid Management Information System developed by Xerox State Healthcare, LLC.

Source of Funds: Design, Development and Implementation phase: 90% federal funds, 10% general funds; Operations phase: 75% federal funds, 25% general funds.

Area served: Statewide.

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

Respectfully submitted,



Donna M. O'Leary
Chief Information Officer

Approved by:



Jeffrey A. Meyers
Commissioner



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

Denis Goulet
Commissioner

November 9, 2016

Jeffrey A. Meyers, Commissioner
Department of Health and Human Services
State of New Hampshire
129 Pleasant Street
Concord, NH 03301-3857

Dear Commissioner Meyers:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to amend an existing contract with Xerox State Healthcare, LLC (Vendor #174951) of Atlanta, GA, for the services described below and referenced as DoIT No. 2005-004 Amendment 12.

The purpose of this sole source amendment is to expand the New Hampshire Medicaid Management Information System (MMIS). The scope of services is amended to include the design, development and implementation of enhanced and new functional capabilities of the MMIS.

The contract amendment increases the contract price limitation by \$1,776,575 from \$147,667,333 to a new amount not to exceed \$149,443,908, effective upon the approval of the Governor and Executive Council through March 31, 2018.

A copy of this letter should accompany the submission to the Governor and Executive Council for approval.

Sincerely,

A handwritten signature in black ink, appearing to read "Denis Goulet", with a long horizontal flourish extending to the right.

Denis Goulet

DG/ik
cc: Bruce Smith
DoIT No. 2005-004 Amendment 12

State of New Hampshire
Department of Health and Human Services
Amendment 12 to the Xerox State Healthcare, LLC Contract

This 12th Amendment to the Xerox State Healthcare, LLC contract (hereinafter referred to as "Amendment 12") dated this 8TH day of November 2016, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and 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, Amendment 6 on March 26, 2014, Amendment 7 on June 18, 2014, Amendment 8 on May 27, 2015, Amendment 9 on June 24, 2015, Amendment 10 on December 16, 2015, and Amendment 11 on June 29, 2016 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 NH 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 NH MMIS was certified by the Centers for Medicare and Medicaid Services ("CMS") on June 15, 2015; and

WHEREAS, the State and the Contractor have agreed to make changes to 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 12, 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, its Amendment 6 on March 26, 2014, its Amendment 7 on June 18, 2014, its Amendment 8 on May 27, 2015, its Amendment 9 on June 24, 2015, its Amendment 10 on December 16, 2015, and its Amendment 11 on June 29, 2016.
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:

Contractor Initials: *RD*
Date: 11/8/2016

- 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 Meet Federal Requirements I
 - Appendix A.13 – NH MMIS System Enhancements for the New Hampshire Health Protection Plan
 - Appendix A.14 – Performance Measures
 - Appendix A.15 – NH MMIS System Enhancements for the Premium Assistance Program and Medicaid Care Management
 - Appendix A.16 – NH MMIS Security and Efficiency Enhancements
 - Appendix A.17 – NH MMIS System Enhancements to Meet Federal Requirements II
- Amendment 1, Amendment 2, Amendment 3, Amendment 4, Amendment 5, Amendment 6, Amendment 7, Amendment 8, Amendment 9, Amendment 10, Amendment 11, and Amendment 12 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.

Contractor Initials: *RD*
Date: 11/8/2016

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 \$1,776,575 from \$147,667,333 to \$149,443,908, to reflect the additional requirements set forth in this Amendment 12.

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. The effective date of Amendment 6 is March 26, 2014. The effective date of Amendment 7 is June 18, 2014. The effective date of Amendment 8 is May 27, 2015. The effective date of Amendment 9 is June 24, 2015. The effective date of Amendment 10 is December 16, 2015. The effective date of Amendment 11 is June 29, 2016. 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 12 is effective on the date of Governor and Executive Council approval.”

3.3. Block 4 Conditional Nature of Agreement is amended by adding the following language after the existing paragraph:

Notwithstanding any other provision of the Contract to the contrary, no Design, Development and Implementation (DDI) or Post-DDI services, as set forth in Appendix A.2 and all other Exhibits and Appendices to this Contract, shall commence or continue after June 30, 2017, unless and until an Amendment, encumbering funds for the SFY 2018-2019 biennium, has been approved by the Governor and Executive Council.

In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under the Contract immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) utilized for these services or any other account, in the event funds are reduced or unavailable.

All obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Contract are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Contract in whole or in part.

Exhibit A

4. Exhibit A, Contract Section 3.4 System Specifications 3.4.34, *NH MMIS System Enhancements for the Premium Assistance Program and Medicaid Care Management*, Appendix A.15, Amendment 11, shall be deleted and replaced in its entirety with:

Contractor Initials: RSO
Date: 11/8/2016

Xerox Amendment 12 Appendix A.15 NH MMIS System Enhancements for the Premium Assistance Program and Medicaid Care Management.

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

3.4.36 NH MMIS System Enhancements to Meet Federal Requirements II

The Contractor shall work with the State and collaborative partners to identify requirements, 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.17 of this Amendment 12. The State shall specify these requirements through deliverables/payment milestones specifically set forth in Amendment 12, Appendix A.17. Any changes to the overall scope of work shall follow the Change Control Process identified in Section 6.16 of DHHS MMIS RFP 2005-004.

The Contractor shall purchase on behalf of the State all hardware and software necessary to implement 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 12. Notwithstanding this provision, the State reserves the right to purchase any hardware or software on its own, should it desire to do so. No hardware or software shall be purchased on the State's behalf by the Contractor without the prior written approval of the State.

The Contractor shall fully satisfy the requirements for the implementation of the system enhancements as outlined in Amendment 12, Appendix A.17 and in accordance with the payment schedule identified within Amendment 12, 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:

- Muhammad Jarrar – Project Manager
- Angela Johnson – Operations Manager;
- Kumar Kosaraju – Functional Manager;
- Priya Loonkar – QA/Test manager;
- Rishi Mehta – Technical Manager;
- Denise Tenney – Documentation Specialist;
- Gibi George – Interface Lead;
- Mark Arenburg – Provider Relations Manager;
- Brian Geiger – Ad Hoc Specialist;
- Raja SeshdriKannan – Maintenance Manager;
- Melissa Soule – Modifications Manager.
- Nancy Stanieich – Operations/Claims Processing Manager

The Contractor shall assign and maintain on the project the above described Key Project Staff who meet the requirements of the Contract, and can implement the project deliverables meeting the requirements set forth in the Contract. The Contractor shall be responsible for ensuring that the above described Key Staff and any interim staff are available and dedicated to this project

Contractor Initials: AO
Date: 11/8/2016

during the life of the Contract. The State has the absolute right to conduct reference, qualifications, and background checks on all Contractor Key Staff and may reject Key Staff as a result of those checks.

The Contractor shall not change any Key Staff commitments without providing the Department written justification and obtaining the prior written approval of the Department. Department approvals for replacement of Key Staff will not be unreasonably withheld. Key Staff replaced by the Contractor shall have comparable or greater skills than the Contractor's Key Staff being replaced, meet the requirements of the Contract and be subject to reference, qualifications, and background checks.

The Contractor will complete a current description of the roles and responsibilities of each "key staff" member, submitted to the Department within 30 days of the effective date of this amendment (Amendment 12). Prior to the addition of each new "key staff" member, the Contractor will submit to the Department, a transition plan and knowledge transfer plan applicable to the specific role, The plans will be followed to ensure the new staff member can assume the same state of readiness as the individual leaving the project. Both the transition plan and knowledge transfer plan should include a schedule, documentation to be developed or referenced and milestones to be achieved in order to successfully complete the knowledge transfer and transition of role responsibilities. A summary of the knowledge transfer and transition efforts completed will be submitted to the Department within 30 days of the effective date of this amendment (Amendment 12), for staff members added to the project within the 12 months prior to the effective date of this amendment (Amendment 12). Upon subsequent replacement of the Contractor's Key Staff, the roles and responsibilities description will be reviewed and if applicable updated, with prior written approval by the Department.

7. The provisions of Exhibit A, Contract Paragraph 11, *Liquidated Damages*, as amended and replaced by Amendment 9, is hereby amended as follows by adding the following paragraph at the end of the section:

Replacement of Key Staff

Notwithstanding the provisions of this Paragraph 11, *Liquidated Damages*, procedure for the assessment of liquidated damages for the replacement of Key Staff, Paragraph 8.1.1., shall be as follows:

In order to maintain staffing levels, the Contractor must replace the Key Staff identified in Paragraph 8.1.1. within ten (10) business days of any vacancy. After ten (10) business days, the Contractor must assign interim staff, with equal or greater qualifications than the Key Staff replaced. The interim staff must be dedicated to the project to ensure no gap in coverage while the Contractor obtains replacement Key Staff to fill the position. The State shall be notified in writing of proposed interim staff's qualifications prior to beginning work. Interim staff shall be subject to the same requirements for Key Staff identified in Paragraph 8.1.1. Should the Contractor fail to assign interim staff as described, liquidated damages shall be assessed, retroactive to the date the original Key Staff member left the position. Liquidated damages shall be assessed each month for any part of the month for each position that remains unfilled by an interim staff member.

The Contractor shall provide permanent replacement Key Staff to fill the position within forty-five (45) calendar days, which time may be extended in writing at the sole discretion of the State.

Contractor Initials:
Date: 11/8/2016

Should the Contractor not provide permanent replacement Key Staff to fill the position at the expiration of the time period identified by the State, liquidated damages shall be assessed, retroactive to the date the original Key Staff member left the position, regardless of whether interim staff has been appointed. Liquidated damages shall be assessed each month for any part of the month for each position that remains unfilled by a permanent Key Staff member.

The amount of liquidated damages assessed shall be in accordance with the amount described in Appendix A.3, Section 9, "Key Replacement Staff."

8. The provisions of Exhibit A, Paragraph 11, *Liquidated Damages*, Appendix A.3, Section 9 "Key Staff Replacement" as amended by Amendment 9, Appendix A.3, Section 9 "Key Staff Replacement" is hereby deleted and replaced as follows:

9. Key Staff Replacement	<i>See Exhibit A, Paragraph 11, Liquidated Damages, "Replacement of Key Staff"</i>	Liquidated damages in the amount of five percent (5%) of the total operating costs for the month(s) in which the violation occurred.
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9. The provisions of Amendment 11, Appendix A.2, *Deliverables List and Payment Schedule* of the Contract are hereby replaced with Amendment 12, Appendix A.2 as attached.

Exhibit B

10. 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 \$47,791,503. The base contract period includes a three-year Base Operations Phase for an amount Not to Exceed \$7,975,733 for the first year, \$8,752,153 for the second year, and \$13,773,164 for the third year, for a total Base Operations Phase amount Not to Exceed \$30,501,050. The total amount for the base contract period shall not exceed \$78,292,553.

The Contract further provides for an optional two-year extension of the Operations Phase, which the State exercised by notifying the Contractor of its intention to extend on September 22, 2015. The contract as extended includes a two-year Extension Operations Phase for an amount Not to Exceed \$16,765,928 (\$4,191,482 in State Fiscal Year 2016 and \$12,574,446 in State Fiscal year 2017) for the first year (extension operations year 1) and \$17,476,968 for the second year (extension operations year 2) for a total two year Extension Operations Phase amount not to exceed \$34,242,896.

The Contract also provides for Post-DDI Phase Enhancements to be implemented during the base operations phase in accordance with Appendix A.12, Appendix A.13, Appendix A.15, Appendix A.16, and Appendix A.17 for a Post-DDI Phase Enhancement total amount not to exceed

Contractor Initials: RD
 Date: 11/8/2016

\$36,908,459. The total amount for the base contract, optional operations extension period, and the Post DDI Enhancements shall not exceed \$149,443,908.

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.

Within ten (10) business days of the effective date of this Amendment 12, the Contractor shall provide the State with the following information in writing:

- An itemized listing of all data storage, software, hardware, and software licensing costs;
- An explanation of operational staffing details across the entire project, including, number of staffing resources, whether those resources are temporary or permanent, full-time or part-time and the justification for staffing need.

11. 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 \$149,443,908, 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.

Notwithstanding Paragraph 17 of Form P-37, General Provisions, an amendment limited to transferring funds between budget line items and between budgets contained in Exhibit B and in Amendment 12, Appendix A.2, within the price limitation, can be made by written agreement of both parties and may be made without obtaining the approval of the Governor and Executive Council.

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

AMENDMENT 12 PRICE ITEM	Am 12 PRICE
<i>DDI Phase</i>	\$47,791,503
<i>Subtotal DDI Phase:</i>	\$47,791,503
<i>Post-DDI Phase Enhancements – Appendix A.12</i>	\$21,564,935
<i>Post-DDI Phase Enhancements – Appendix A.13</i>	\$2,923,787
<i>Post-DDI Phase Enhancements – Appendix A.15</i>	\$6,924,326
<i>Post-DDI Phase Enhancements – Appendix A.16</i>	\$1,037,186
<i>Post-DDI Phase Enhancements – Appendix A.17</i>	\$4,458,225
<i>Subtotal Post DDI Enhancements:</i>	\$36,908,459
<i>Total DDI Phase and Post DDI Enhancements :</i>	\$84,699,962

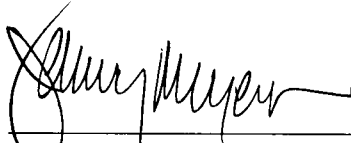
Contractor Initials: SO
 Date: 11/8/2016

AMENDMENT 12 PRICE ITEM	Am 12 PRICE
<i>Base Operations Year 1</i>	\$7,975,733
<i>Base Operations Year 2</i>	\$8,752,153
<i>Base Operations Year 3</i>	\$13,773,164
<i>Subtotal Base Operations Phase:</i>	\$30,501,050
<i>(DDI Phase and Base Operations Phase) Total Base Contract:</i>	\$78,292,553
<i>Extension Operations Year 1</i>	\$16,765,928
<i>Extension Operations Year 2</i>	\$17,476,968
<i>Subtotal Extension Operations Phase:</i>	\$34,242,896
<i>Total Operations Phase:</i>	\$64,743,946
<i>(DDI Phase, Post-DDI Phase Enhancements, Operations Phase) Total Contract Price:</i>	\$149,443,908

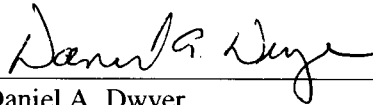
Contractor Initials: AD
 Date: 11/8/2016

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



Jeffrey A. Meyers
Commissioner



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

Contractor Initials: SD

Date: 11/8/2016

STATE OF Maryland
COUNTY OF Prince George

On this the 8th day of November 2016, before me, Glenn D. Gordon the undersigned officer, personally appeared Daniel A. Dwyer 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.

Glenn D. Gordon
Notary Public/Justice of the Peace
My commission expires: 10/8/2020

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

OFFICE OF THE ATTORNEY GENERAL

By: Megan A. Cape

Date: 11/9/16

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: BD

Date: 11/8/2016

Xerox Amendment 12
Appendix A.15
NH MMIS System Enhancements for Premium Assistance and Medicaid Care Management

The scope of work for this Amendment 12 Appendix A.15 includes the following deliverables for the Medicaid Care Management (MCM), Premium Assistance Program (PAP), and Non-Emergency Medical Transportation (NEMT) Programs, as listed in Amendment 12 Appendix A.2:

A.2 Ref #	Amendment 12 A.15 MCM and PAP Deliverables	Price
	MCM/PAP	
1	MCO Mandatory Enrollment	\$393,693.00
2	Enrollment File and Eligibility Changes	\$610,820.00
3	X12 834 Enrollment Transaction	\$707,205.00
4	Phase 1 PAP Changes	\$611,334.00
7	FFS Co-Pay Changes	\$783,953.00
8	X12 HIX 820 Premium Payment Transaction	\$384,721.00
9	NH BRIDGES Interface Changes	\$269,733.00
10a	Additional Interface – T-MSIS	\$101,450.00
10b	Additional Interface – Options	\$101,449.00
11	eFADS and eMAR Changes	\$493,810.00
12a	X12 820 Software Purchase	\$125,000.00
12b	Capitation Claim Adjustments	\$236,292.00
13	Targeted Recon Changes	\$88,433.00
14	Member UI Changes for Additional QHP Data	\$158,435.00
15	BRIDGES Outbound Interface, SA UI and PCP Part 2 Interface	\$128,300.00
17	Inbound MCO-MMIS Interface	\$94,323.00
27	Additional Eligibility Changes	\$104,500.00
31	Maternity/Newborn Processing	\$78,625.00
32	Newborn BP on 271 Transaction	\$37,250.00
33	Newborn BP in Voice Response	\$5,000.00
34	820 Payment Financial Reporting	\$30,625.00
	Subtotal MCM/PAP for Appendix A.15	\$5,544,951.00
	Non-Emergency Medical Transportation	
1N	NEMT Project Management	\$109,349.00
2N	NEMT Provider Enrollment	\$12,566.00
3N	NEMT Benefit Plan	\$26,461.00
4N	NEMT Member NEMT Enrollment	\$54,614.00
5N	NEMT 834 Enrollment Transaction	\$259,781.00
6N	NEMT Benefit Plan Rate Cohort	\$10,875.00
7N	NEMT Capitation	\$124,695.00

Xerox Amendment 12
Appendix A.15
NH MMIS System Enhancements for Premium Assistance and Medicaid Care Management

A.2 Ref #	Amendment 12 A.15 MCM and PAP Deliverables	Price
8N	NEMT Claims/Financial/Encounters	\$125,178.00
9N	NEMT 820 Payment Transaction	\$50,265.00
10N	NEMT User Interface	\$34,074.00
11N	NEMT Reports	\$49,540.00
12N	NEMT Data Interfaces	\$48,331.00
13N	NEMT Federal Reporting	\$9,666.00
14N	NEMT Deployments, UAT, PIR	\$193,325.00
15N	NEMT State Tester Support-4mos	\$251,323.00
16N	NEMT System Documentation	\$19,332.00

Subtotal NEMT for Appendix A.15 \$1,379,375.00
TOTAL Amendment 12 Appendix A.15: \$6,924,326.00

Contractor Initials: 90

Date: 11/8/2016

Xerox Amendment 12
Appendix A.17
NH MMIS System Enhancements to Meet Federal Requirements II

Introduction

The New Hampshire Medicaid Management Information System (MMIS) requires the following enhancements to improve the capabilities and efficiency of program operation and meet federal MMIS certification requirements:

1. Provider Revalidation
2. MITA Assessment Support
3. Enhanced Provider Screening
4. T-MSIS-Transformed Medicaid Statistical Information System
5. ICD-10
6. MCM/PAP
7. Change of Ownership (CHOW) Phase II-Partial Year Cost Reporting

Enhancement I – Provider Revalidation

The NH Medicaid Program is federally required to notify and revalidate the enrollment of all active NH Medicaid providers at least every five years. The State Medicaid Agency (SMA) must conduct a full screening. Revalidation screening must be carried out appropriate to the provider's risk level in accordance with federal regulations.

To address these federal requirements, system changes must be made to the MMIS to support the provider revalidation process. New online automated processes, changes to existing processes, and changes to forms to support a new manual process must be designed, developed, and implemented.

System changes will be made to automatically identify providers that are due for revalidation and to issue notifications and letters to those providers to inform them of the need to complete the revalidation process. Online provider enrollment processes will be expanded to allow providers to access their provider revalidation record, to validate existing data or to make changes to reflect their current status, to attest to the data being submitted, and to submit their completed revalidation record.

Changes will be made to provider enrollment user interface pages to track additional data related to the new revalidation process. Additionally, changes to provider enrollment user interface pages will be made to clarify instructions and to acquire additional data determined necessary by the DHHS Program Integrity Unit, to comply with federal Medicaid provider enrollment regulations. Provider enrollment related processes and database tables will be changed as required to handle the new revalidation process and data received in the new enrollment fields.

Changes to support the manual process will involve the generation of new individual and group revalidation data forms that could be mailed to providers for validation, reviewed and edited by the provider, then signed and returned to Xerox for processing. The scope of changes also includes new letters and reports.

Xerox Amendment 12
Appendix A.17
NH MMIS System Enhancements to Meet Federal Requirements II

User Interfaces

There are six high level requirements related to User Interfaces changes.

1. Static content changes (verbiage changes) across different screens in Provider enrolment (Individual and Group), Provider Application Maintenance and Provider Maintenance.
2. Screen layout changes in Remittance Advice sections.
3. Valid value updates in Provider Type and Provider Termination Reason codes.
4. A database table will be redesigned to capture the year of participation if a Provider was previously enrolled in Medicaid in any other State.
5. A new section to capture the additional Service Location addresses as part of the provider enrolment, validation and maintenance and changes to make the Service Location Phone number and Service Location Contact person details as mandatory.
6. Exclusions and Sanctions UI need to be changed to capture multiple occurrence dates for positive responses to the questionnaire.

Letters and Reports

There are two letters and twenty reports that require changes as a result of high level requirements related to provider revalidation. If any other letters or reports are identified that require changes, those will have to be estimated and covered as a change request.

7. PRV-MNT-L005 – Column label and title specification changes have been shared with the State.
8. PRV-MNT-L004 – Column label and title specification changes have been shared with the State.
9. ADH-PRV-105 (All Pending Applications with Affiliations Report) – Provider address column label will be renamed to Primary Physical Address.
10. ADH-PRV-107 (Provider Application Status Count Report) – Provider address column label will be renamed to Primary Physical Address.
11. PRV-INT-001 (Provider NCPDP Interface Update Report) – NCPDP should be expanded in title and column label.
12. PRV-INT-002 (Provider NCPDP Interface Error Report) – NCPDP should be expanded in title and column label.
13. PRV-INT-005 (Provider DEA Interface Update Report) – DEA should be expanded in title and column label.
14. PRV-INT-006 (OIG Sanction Match Report) – Provider address column label will be renamed to Primary Physical Address.
15. PRV-INT-010 (Provider DEA Interface Error Report) – DEA should be expanded in title and column label.
16. PRV-INT-012 (NPI Mismatch Report) – NPI should be expanded in title and column label.
17. PRV-INT-013 (NPI Error Report) – NPI should be expanded in title.
18. PRV-INT-015 (OIG Reinstatement Match Report) – Provider address column label needs to be renamed to Primary Physical Address.
19. PRV-MNT-101 (Daily Pharmacy Provider Update Report) – Provider address column label needs to be renamed to Primary Physical Address.
20. PRV-MNT-103 (Active Provider Listing Report) – Provider address column label needs to be renamed to Primary Physical Address.

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Appendix A.17
NH MMIS System Enhancements to Meet Federal Requirements II

21. PRV-MNT-106 (License Renewal/Recertification Past Due List – Over 60 Days Report) - NPI should be expanded in column label.
22. PRV-MNT-107 (License Renewal/Recertification Due List – Within 30/90 Days Report) - NPI should be expanded in column label.
23. PRV-MNT-108 (Re-verification Past Due List Report) – NPI should be expanded in Column label.
24. PRV-MNT-109 (High Risk Provider (FCBC) Results) – NPI should be expanded in Column label.
25. PRV-MNT-111(Bed Capacity Report) – NPI should be expanded in column label.
26. PRV-MNT-115 (Providers Under Review Report Definition) – NPI should be expanded in column label.
27. PRV-MNT-116 (Monthly Provider Enrollment Detail Report) – NPI should be expanded in column label.
28. PRV-MNT-117 (Change in Provider Practice Affiliations Report) – NPI should be expanded in column label.
29. Additional ad hoc and dashboard reports will require a change request.

Automated Provider Revalidation

The provider revalidation solution will be designed to meet the needs of the New Hampshire Medicaid Program and to enable automation to ensure an efficient and streamlined process. This will require changes to the New Hampshire MMIS in the following areas:

1. Reference data changes – System List, Valid Values, System Parameter and Data Architect changes.
2. Batch Process changes – Update logic in daily batch process & new letter creations.
3. Provider Enrollment and User Interface Changes – Changes in Individual Enrollment, Group Enrollment, Application Maintenance (Application Approval), Provider Maintenance and new Revalidation User Interfaces for maintenance and providers.

Manual Provider Revalidation

The automated provider revalidation solution will be the primary process for the majority of providers. If a provider has extenuating circumstances and is unable to utilize the automated online process an exception will be made and a paper provider revalidation document will be mailed to the provider for completion. The manual provider revalidation process will require revisions to two existing letters (PRV-MNT-L004 and PRV-MNT-L005). These letters will be mailed to the provider for review and editing. The provider will return the letter to Xerox for processing. The extent of the changes to these letters is not yet determined and will be based upon the data that the State includes in the revalidation effort.

The costs for Provider Revalidation included in this amendment are based on the high level requirements determined through a best effort in advance of the amendment. During requirements validation and detailed design, new or changed functional requirements may be discovered, which could adjust or increase costs.

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Appendix A.17
NH MMIS System Enhancements to Meet Federal Requirements II

Additional Provider Revalidation Requirements

As a result of the Joint Application Design (JAD) sessions several enhancements were identified by program area staff as necessary components to further support the provider revalidation effort. At the same time, some changes previously identified as necessary, were replaced or eliminated as a result of the new changes being considered. When the entire scope of the project is assessed at the end of the JAD sessions, there is likely to be an increase in cost due to an expansion of requirements. The impact of the changes that follow will need to be assessed against the original project scope. To cover the costs for expanded requirements that will need to be implemented in a timely manner to support provider revalidation, three new group deliverables were added. Final determination of the functions to be addressed under each group will be mutually agreed upon by the State and Xerox after the JAD sessions are completed.

Changes include creating new letters, new reports, forms, data exchange and user interfaces. In addition, it was identified that there is a need to create several new processes to store historical revalidation data, automate functionalities such placing a provider on review, automating the Correspondence Record (CR) creation, accepting electronic signatures, and storing the PDF revalidation document into Electronic Data Management System (EDMS). Changes also include new processes to collect new information from providers regarding ownership and significant business transactions as required by Federal Regulations; and introducing new criteria that will control the volume of providers triggered to revalidate at any given time.

Additional Operations Temporary Staffing

Provider revalidation will require additional operations temporary staffing to support the Xerox provider call center, mailroom and enrollments units. Xerox anticipates an increase in provider revalidation activities beginning in June 2017, based on recent analysis of NH providers required to be revalidated. The temporary staff would be on boarded in April and May of 2017.

The temporary staff would support an increase of calls in the call center related to questions, inquiries and clarifications regarding provider revalidation. As providers engage in revalidation, supporting documentation is expected to be received and processed timely which will require additional support in the mailroom and the enrollment unit. With the introduction of provider revalidation, the defined Service Level Agreements (SLAs) for the call center, mailroom and enrollment units will continue to be expected to meet the defined metrics regardless of an increase in activities for each area.

The temporary staffing would include six full-time resources (two call center, two mailroom and two enrollment resources) to support provider revalidation. The temporary operations staffing estimate is through the following period:

April 2017 - June 2017: \$135,125

Total Cost for Temporary Operations Staffing: \$135,125

Xerox Amendment 12
Appendix A.17
NH MMIS System Enhancements to Meet Federal Requirements II

The high level summary above covers the Provider Revalidation effort to enhance the MMIS in order to comply with federal regulation. The cost for the Provider Revalidation enhancements under this Amendment 12 is \$2,300,000.

Enhancement II: MITA Assessment Support

The State is competitively procuring a vendor to conduct the NH Medicaid Information Technology Architecture (MITA) version 3.0 State Self-Assessment (SS-A) and Roadmap to develop enterprise architectures to align to and advance increasingly in MITA maturity for business, architecture, and data. Technical support from Xerox is required to support the activities of the SS-A assessment. MITA Technical support activities include participating in assessment meetings, reviewing materials generated from the assessment for accuracy and or contribution, and providing technical support to assist the MITA SS-A vendor while the assessment of the MMIS and its architecture is in progress. This support will be billed based on the hours consumed.

The high level summary above supports the MITA Technical Support activities for the MMIS. The cost for the MITA Assessment Support under this Amendment 12 is \$15,000.

Enhancement III: 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 performing 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.

The Centers for Medicare and Medicaid Services published a Final Rule on February 2, 2011, in the Federal Register (42 CFR Parts 405, 424, 447 et al.) with provisions to be implemented as they relate to Medicare, Medicaid and Children's Health Insurance Programs (CHIP) for provider screening and prevention of provider fraud and abuse. The Final Rule requires enrollment of Ordering and Referring Providers, the collection of Application Fees for Institutional Provider, required provider Screening Levels, and/or Background Checks/Fingerprinting for certain provider types.

NH initiated a Provider Screening Project in 2015 that integrates the Digital Harbor (DH) Know Your Provider (KYP) product with the MMIS to implement operational Provider Screening and Monitoring.

Xerox Amendment 12
Appendix A.17
NH MMIS System Enhancements to Meet Federal Requirements II

When enrolling and reenrolling providers, provider data is extracted from the MMIS and sent to KYP, where it is matched against federally required data sources to identify any potential screening or monitoring concerns.

A change is required to the MMIS Screening Extract process to send data only for new provider applicants. Data for historically approved applicants will be sent to KYP in the Monitoring Extract. Regulations 42 CRR 455.434 require fingerprint-based criminal and background checks (FCBC) for all “high” risk providers. Provider enrollment functionality on the MMIS must be enhanced so that it allows for the tracking and data reporting of finger print activity and status outcomes for all high risk providers, in compliance with the federal requirements.

Xerox will implement operational procedures to support the Digital Harbor project for the New Hampshire MMIS to ensure daily and monthly processing activities are being completed timely. A daily procedure will be established to confirm that inbound and outbound files are sent and received in a timely manner. A monthly procedure will be established to confirm that the Provider Master File (PMF) is processed in timely manner. Xerox will manage and/or escalate Digital Harbor processing or vendor related issues by following an established governance process.

The high level summary for Enhanced Provider Screening above now includes both Digital Harbor Provider Screening and the FCBC which are in support of the federal requirements. The total additional cost increase for the Enhanced Provider Screening enhancements under this Amendment 12 is \$106,250. When added to the \$421,013 already approved under Amendment 11, the total cost for this is \$527,263 under this Amendment 12.

Enhancement IV: T-MSIS-Transformed 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.

T-MSIS PORT testing and ORT testing were more complicated to execute and required more time than anticipated to complete. T-MSIS is a challenging project that involves the implementation of a new NH MMIS T-MSIS solution as well as the creation and implementation of a new federal T-MSIS data system. Each of the testing phases involves the creation of State T-MSIS data extracts, transmitting the files to the federal system, the federal system receiving and handling NH files and files from all other states, the federal system creating and sending response files back to NH, and the NH solution being able to receive and handle the inbound response files. Changes are occurring on both new systems to resolve issues identified during testing, and as the federal system evolves, the NH solution must be adapted to meet revised specifications.

Contractor Initials: JD

Date: 11/8/2016

Xerox Amendment 12
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NH MMIS System Enhancements to Meet Federal Requirements II

Each of the other States going through PORT and ORT are encountering similar challenges and increases in duration. According to CMS, the average duration for the T-MSIS project for those states in production has been 27 months. It is projected that the NH T-MSIS project will last 28 months.

The following ten high level activities support the extended PORT and ORT testing challenges for T-MSIS under this Amendment 12.

1. Perform one additional set of PORT testing and error file processing with CMS.
2. Research, define and develop additional business rules based on evolving or clarified data requirements.
3. Work with CMS to analyze root cause of error messages and identify the proper source system of the error.
4. Perform two additional sets of PORT testing and error file processing with CMS.
5. Include encounter and capitation transactions in additional test files due to start date of capitated managed care in New Hampshire.
6. Evaluate MSIS to T-MSIS data continuity and value distribution. Research and explain differences or make coding adjustments to correct differences.
7. Update encounter and capitation specific rules as required including translating the MCO provider number to Plan ID on claim and capitation transactions.
8. Enhance pharmacy encounter business rules to account for differences in pharmacy data transfer and storage of Plan ID.
9. Provide analysis and support for the CMS Triage Reports of testing results.
10. Update MATT Specs and other system documentation to represent the evolving business rules.

Items 1-10 above are high level summary activities covering the NH T-MSIS solution to support extended PORT/ORT testing. The total additional cost increase for the T-MSIS enhancements under this Amendment 12 is \$367,725. When added to the \$4,408,726 already approved under Amendment 11, the total cost for T-MSIS is \$4,776,451 under this Amendment 12.

The contract as modified by Amendments 10, 11 and 12 anticipates that CMS may continue to modify T-MSIS specifications and impose new testing requirements. The T-MSIS Deliverables/Payment Schedule includes Additional File Catch-Up payments which will be made if necessary to cover periods resulting from delays in T-MSIS production and catch-up file processing, or the need for additional testing and/or additional requirement changes as agreed to by the contractor and approved by the State.

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

June 2014 - March 2015:	\$57,525	
April 2015 - March 2016:	\$69,029	
April 2016 - March 2017:	\$69,029	
April 2017 - March 2018:	\$69,029	Subtotal Ongoing Data Storage Cost: \$264,612

Xerox Amendment 12
Appendix A.17
NH MMIS System Enhancements to Meet Federal Requirements II

Additional storage specific to increasing data for ad hoc reporting:

Following the completion of the file catch-up process, the Contractor Xerox shall provide two full-time technical resources to operate and maintain the T-MSIS component of the MMIS, the costs for which are outlined below:

January 2017 - March 2017: \$130,000
April 2017 - March 2018: \$520,000
Total Ongoing Operations Cost January 2017 through March 2018: \$650,000

If the Department agrees to exercise the option to extend Xerox operations for three additional years of extended operations, the cost for the first year of extended operations is outlined below:

April 2018 - March 2019: \$520,000

Enhancement V: ICD-10

The Centers for Medicare and Medicaid Services (CMS) published updates to the ICD-10 Procedure Coding System (ICD-10-PCS) file and updates to the ICD-10-CM General Equivalence Mappings (GEMs) during the months of June 2016 through August 2016.

There is additional effort required outside of the "standard maintenance" for Surgical Procedure, Diagnosis Codes and GEMs when determining claims processing impacts for the number of changes identified in these files. A standard maintenance update usually consists of 200-500 code set updates; however, the FY2017 files contain thousands of updates and additions.

The high level summary above covers the NH ICD-10 Federal Fiscal Year (FFY) Annual Updates that will support surgical procedure and diagnosis code updates to the MMIS. The total additional cost increase for the ICD-10 enhancements under Amendment 12 is \$219,750. When added to the \$12,223,053 already approved under Amendment 11, the total cost for ICD-10 is \$12,442,803 under this Amendment 12.

Enhancement VI: MCM/PAP

Under Amendment 12, there are a number of additional system enhancements to support Medicaid Care Management (MCM) and the Premium Assistance Program (PAP). The PAP related enhancements will consist of a new capitation claims user interface, modifications to facilitate the processing of the Year Two 2017 Enrollment Changes, changes to the 834 for ease of processing by the Qualified Health Plans (QHPs), EMAR Managed Care Scope, and staffing support for State User Acceptance Test (UAT) project testing.

Xerox Amendment 12
Appendix A.17
NH MMIS System Enhancements to Meet Federal Requirements II

Capitation Claim Adjustment User Interface

Upon the implementation of adjustments for capitation claims, the State has requested a new UI that will enable users to identify capitation claims for systematic generation of void requests, perform queries to locate specific void requests, and to delete void requests. This will enhance the process for adjusting capitation claims.

PAP Year 2 2017 Enrollment Plan Changes

Open enrollment for the Premium Assistance Program (PAP) year two (2017) will start on November 1, 2016 and it is expected the New HEIGHTS eligibility system will send enrollment changes beginning October 29, 2016. Two of the carriers have new HIOS Identification Numbers which requires a series of changes. One carrier will add four new benefit plans and another will be adding two new benefit plans. In addition, six of the existing benefit plans will end. As a result of New Heights benefit plan changes, there are a host of corresponding NH MMIS configuration changes, code changes, and HIPAA X12 834 enrollment transaction changes that are required to be designed, tested and implemented.. Additionally, one carrier will discontinue its involvement in the PAP in 2017, therefore requiring the termination and testing of benefit plan closure for two additional.

PAP Year 2 834 Changes

As a result of the Affordable Care Act (ACA), changes in NH State law in 2014 created the New Hampshire (NH) Health Protection Program (HPP) that is funded via the Medicaid program to extend coverage to low income NH residents. A temporary bridge program covered members through December 2015. Beginning in January 2015, NH implemented the Premium Assistance Program (PAP) via Medicaid Management Information System (MMIS). This program enrolls eligible clients into Qualified Health Plans (QHPs) and pays the premium for these enrollees. Part of the functionality to support this was the implementation of the X12 834 Enrollment transaction that is sent to QHPs to enroll members.

In preparation for 2017 PAP enrollments, referred to as 'year two' of PAP, several changes to the 834 enrollment transaction will be implemented to facilitate more effective transmission of member enrollment change data to the QHPs.

EMAR Managed Care Additional Scope

The MMIS receives encounter claims data from each of the MCOs. By requirement, those encounter claims are adjudicated by the MMIS. Changes are required to adapt reporting processes, integrated in the Electronic Management Administrative Reporting (EMAR) System, to distinguish and report on MCO encounter payment status rather than on the MMIS adjudicated status. Changes are required to assess the encounter payment status, whether a claim is paid or denied, based on the MCO's payment determination, as opposed to the payment status applied by the NH MMIS, through its adjudication of the encounter claim. This change will facilitate more accurate reporting of MCO encounter claim data.

Xerox Amendment 12
Appendix A.17
NH MMIS System Enhancements to Meet Federal Requirements II

State Testing Support

The current project based testing staff which is comprised of four Full-Time Employees (FTE) support the state leadership team to test ongoing projects in User Acceptance Testing (UAT) The current testing support is funded through November 2016. The testing support will be continued through June 30, 2017 under this Amendment 12.

Summary of MCM/PAP Changes:

The cost for the additional MCM/PAP changes described above is \$1,068,850 under this Amendment 12 Appendix A.17.

Enhancement VII: Change of Ownership (CHOW) Phase II-Partial Year Cost Reporting

The MMIS' Nursing Facility Acuity Rate Setting (ARS) Cost Report component must be enhanced to integrate partial year cost report data. When a nursing facility experiences an ownership change, it usually occurs sometime in the midst of the facility's fiscal year, resulting in the need for partial year cost reporting for the closing facility and partial year reporting for the successor facility, if one exists. The MMIS ARS Cost Reporting component online pages, database, and processes must be enhanced to allow for the handling of partial year cost report data, when either the ownership of a facility changes mid-year, a facility closes mid-year, or the fiscal year end changes mid-year.

The Department intends to rebase nursing facility rates for 2015, and rebasing is dependent on the MMIS' ability to integrate partial year cost report data into the rate setting process, so that the historical data set required for rate setting is complete.

The scope of the Nursing Facility Change of Ownership Partial Year Cost Report enhancement is based on high level requirements that were documented on 11/04/2016. The costs under Amendment 12 are exclusive of any changes to Cost Report reporting output, as further analysis is required to determine the best and most effective approach.

The total cost for the CHOW Phase II Partial Year Cost Reporting enhancements under Amendment 12 is \$380,750. The milestones for CHOW Phase II and their associated costs are reflected under Enhancement VII in the Appendix 17 Deliverables/Payment Schedule table on the following page.

Xerox Amendment 12
Appendix A.17
NH MMIS System Enhancements to Meet Federal Requirements II

Appendix A. 17 Deliverables / Payment Schedule

Activity	Milestone or Deliverable	Start	Finish	Cost
Enhancement I – Provider Revalidation (PR)				
Provider Revalidation Phase I – UI, Letters, Reports				
Requirements, Design and Change Requests Approved	PR UI, Letters, Reports Requirements Completed	10/10/2016	11/30/2016	\$77,050
Development and Unit Testing	PR UI, Letters, Reports Development Completed	11/14/2016	12/31/2016	\$115,576
SIT & Regression Testing	PR UI, Letters, Reports SIT/Regression Testing Completed	12/12/2016	01/15/2017	\$96,312
UAT Support and Production Deployment	PR UI, Letters, Reports UAT Completed Production Deployment Completed	01/16/2017	02/15/2017	\$96,312
Provider Revalidation Phase II – Automation				
Requirements, Design and Change Requests Approved	PR Automation Requirements Completed	10/10/2016	11/15/2016	\$282,950
Development and Unit Testing	PR Automation Development and Unit Testing Completed	11/14/2016	1/31/2017	\$424,426
SIT & Regression Testing	PR Automation SIT & Regression Completed	12/12/2016	2/28/2017	\$353,687
UAT Support and Production Deployment	PR Automation UAT Completed and Production Deployment Completed	01/16/2017	3/31/2017	\$353,687
Provider Revalidation Phase III – Additional Requirements				
Implementation	PR UIs, Letters & Reports Added Functionality Updates Completed	02/1/2017	03/31/2017	\$200,000
Implementation	PR Electronic Signature Functionality & Storage Capability Completed	03/01/2017	04/30/2017	\$200,000
Implementation	PR Data Collection Processes & Volume Control Completed	04/30/2017	05/31/2017	\$100,000
Provider Revalidation Phases I-III Subtotal:				\$2,300,000
Enhancement II – MITA Assessment Support				
40 Hours of Support	40 Hours MITA Technical Support	Invoiced Quarterly-March 2017		\$5,000
40 Hours of Support	40 Hours MITA Technical Support	Invoiced Quarterly-March 2017		\$5,000
40 Hours of Support	40 Hours MITA Technical	Invoiced Quarterly-March		\$5,000

Contractor Initials: *SD*

Date: 4/8/2016

Xerox Amendment 12
Appendix A.17
NH MMIS System Enhancements to Meet Federal Requirements II

Activity	Milestone or Deliverable	Start	Finish	Cost
	Support	2017		
MITA Assessment Support Subtotal:				\$15,000
Enhancement III – Enhanced Provider Screening				
New Hampshire successfully receives, processes, and reports the revised Screening and Monitoring files and exchanged with Digital Harbor	Screening/Monitoring File Processes Implemented	08/15/2016	09/15/2016	\$37,500
New Hampshire successfully collects and reports FCBC screening and outcomes within the MMIS	Provider FCBC Tracking Process Implemented	08/30/2016	11/30/2016	\$68,750
Enhanced Provider Screening Subtotal:				\$106,250
Enhancement IV – TMSIS Extended PORT and ORT Testing				
Extended PORT/ORT Testing	CMS approves New Hampshire to exit ORT and go live	01/15/2016	07/15/2016	\$367,625
TMSIS Extended PORT and ORT Testing Subtotal:				\$367,625
Enhancement V – ICD-10 Federal Fiscal Year (FFY) 2017 Annual Updates				
Requirements, Analysis, Validation, CR creation and approval, and system updates	FFY17 Requirement, Validation, Technical System Updates	04/30/2017	05/31/2017	\$219,750
ICD-10 Federal Fiscal Year (FFY) 2017 Annual Updates Subtotal:				\$219,750
Enhancement VI – MCM/PAP				
MCM/PAP Capitation Claims Adjustment User Interface				
SIT & Regression Testing Complete	Capitation Claims Adjustment UI Production Implementation	6/17/2016	2/28/2017	\$62,625
MCM/PAP Yr 2 2017 Plan Enrollment and 834				
Implementation	PAP Yr2 BP Enrollment Production Implementation	09/01/2017	10/31/2016	\$137,250
Implementation	QHP Roster Coding Changes Implementation Completed	10/10/2017	1/31/2017	\$34,190
Requirements/Design	Reqs/Design Daily Trigger Logic & 834 Data Storage	10/24/2017	11/30/2016	\$43,837
Development	Development Daily Trigger Logic & 834 Data Storage	11/14/2016	12/31/2016	\$65,756
SIT and Regression Testing	SIT and Regression Daily Trigger Logic & 834 Data	12/12/2016	1/31/2017	\$43,837

Xerox Amendment 12
Appendix A.17
NH MMIS System Enhancements to Meet Federal Requirements II

Activity	Milestone or Deliverable	Start	Finish	Cost
	Storage			
User Acceptance Testing	UAT Daily Trigger Logic & 834 Data Storage Completed	1/2/2017	2/28/2017	\$32,877
Implementation	Daily Trigger Logic & 834 Data Storage Implemented	2/12/2017	2/28/2017	\$32,878
EMAR MCM PAP Reporting Enhancements				
Analysis and Design	EMAR Analysis & Design Completed	N/A	11/30/2016	\$51,590
Development	EMAR Data, Report, Processing Changes Completed	N/A	12/31/2016	\$51,590
System Test	EMAR System Integration Testing Completed	N/A	1/31/2017	\$81,070
User Acceptance Test	EMAR UAT, Implementation/Documentation PIR Completed	N/A	2/28/2017	\$0
MCM/PAP Multi Project State Testers				
Testing Support	MCM PAP Multi Project State Tester Support 4mos. Dec-Mar	N/A	12/01/2016	\$246,600
Testing Support	MCM PAP Multi Project State Tester Support 4Qtrs. Apr-Mar	N/A	4/01/2017	\$184,750
MCM/PAP Enhancements Subtotal:				\$1,068,850
Enhancement VII – CHOW Phase II Partial Yr Cost Reporting				
Requirements, Design and CR approvals	CHOW PII Requirements/Design Completed, CRs Approved	11/28/2016	12/31/2016	\$95,187
Development & Unit Test	CHOW PII Development Completed	12/19/2016	1/31/2017	\$95,187
SIT & Regression Testing	CHOW PII SIT/Regression Testing Completed	1/16/2017	2/28/2017	\$95,188
UAT Support & Production Deployment	CHOW PII UAT Support & Production Deployment Completed	2/20/2017	3/31/2017	\$95,188
CHOW Phase II Subtotal:				\$380,750
Enhancements I-VII Total				\$4,458,225

Contractor Initials: *PS*

Date: 11/8/2016

Amendment 11 Appendix A.2
Deliverable List and Payment Schedule

Rel #	Deliverable	Amend 11 Delivery Date	Amend 11 Revised Invoice Date	Amend 12 Delivery Date	Amend 12 Revised Invoice Date	Holdback Amount	Payment less 15% Holdback	Release Amount	Holdback Release Amt	Retained Holdback Amount
MMS BASE SYSTEM - Section A ODI Phases										
Project Initiation and Planning										
1	Concord, NH ODI Project Site Requirement	comp	comp	comp	comp	\$1,869,102.55	\$1,588,737.17	\$0.00	\$1,588,737.17	\$280,365.38
2	Project Management Plan	comp	comp	comp	comp	\$12,070.00	\$10,259.50	\$0.00	\$10,259.50	\$1,810.50
3	Detailed Project Work Plan	comp	comp	comp	comp	\$137,777.00	\$117,110.45	\$0.00	\$117,110.45	\$20,666.55
4	Problem Control and Change Management Plan	comp	comp	comp	comp	\$12,070.00	\$10,259.50	\$0.00	\$10,259.50	\$1,810.50
5	Project Communication Plan	comp	comp	comp	comp	\$12,070.00	\$10,259.50	\$0.00	\$10,259.50	\$1,810.50
6	Quality Assurance Plan	comp	comp	comp	comp	\$12,070.00	\$10,259.50	\$0.00	\$10,259.50	\$1,810.50
7	Requirements Traceability Matrix	comp	comp	comp	comp	\$42,452.00	\$36,084.20	\$0.00	\$36,084.20	\$6,367.80
8	Detailed Implementation Schedule	comp	comp	comp	comp	\$139,277.00	\$118,385.45	\$0.00	\$118,385.45	\$20,891.55
9	(DIS) quarterly updates	comp	comp	comp	comp	\$21,014.00	\$17,861.90	\$0.00	\$17,861.90	\$3,152.10
10	Performance Self-Reporting Mechanism-Monthly	comp	comp	comp	comp	\$55,024.00	\$46,770.40	\$0.00	\$46,770.40	\$8,253.60
11	Preliminary CMS Certification Process Plan	comp	comp	comp	comp	\$12,075.00	\$10,263.75	\$0.00	\$10,263.75	\$1,811.25
	Total Project Initiation and Planning Cost					\$2,325,001.55	\$1,976,251.32	\$0.00	\$1,976,251.32	\$348,750.23
Requirements Analysis and Validation										
12	Requirements Validation Specification	comp	comp	comp	comp	\$6,306,860.00	\$5,360,631.00	\$63,068.60	\$5,423,699.60	\$882,960.40
13	Issues Tracking and Resolution Document	comp	comp	comp	comp	\$52,132.00	\$44,312.20	\$521.32	\$44,833.52	\$7,298.48
14	Preliminary Test Plan	comp	comp	comp	comp	\$72,008.00	\$61,206.80	\$720.08	\$61,926.88	\$10,081.12
15	Preliminary Training Plan	comp	comp	comp	comp	\$48,653.00	\$41,355.05	\$486.53	\$41,841.58	\$6,811.42
16	Preliminary Conversion/Migration Plan	comp	comp	comp	comp	\$93,375.00	\$79,368.75	\$933.75	\$80,302.50	\$13,072.50
17	Preliminary Disaster Recovery Plan	comp	comp	comp	comp	\$106,791.00	\$90,772.35	\$1,067.91	\$91,840.26	\$14,950.74
	Total Requirements Analysis and Validation					\$6,679,819.00	\$5,677,846.15	\$66,798.19	\$5,744,644.34	\$935,174.66
Design										
18	General System Design	comp	comp	comp	comp	\$2,813,754.00	\$2,391,690.90	\$56,275.08	\$2,447,965.98	\$365,788.02
19	Detailed System Design Group 1	comp	comp	comp	comp	\$1,303,702.44	\$1,108,147.07	\$26,074.05	\$1,134,221.12	\$169,481.32
20	Detailed System Design Group 2	comp	comp	comp	comp	\$1,303,702.44	\$1,108,147.07	\$26,074.05	\$1,134,221.12	\$169,481.32
21	Detailed System Design Group 3	comp	comp	comp	comp	\$1,303,702.44	\$1,108,147.07	\$26,074.05	\$1,134,221.12	\$169,481.32
22	Test Environment Preparation	comp	comp	comp	comp	\$104,062.00	\$88,469.70	\$2,081.64	\$90,551.34	\$13,506.66
23	Provider Operations Plan	comp	comp	comp	comp	\$30,000.00	\$25,500.00	\$600.00	\$26,100.00	\$4,200.00
24	Preliminary MMS Implementation Plan	comp	comp	comp	comp	\$110,391.00	\$93,832.35	\$2,207.82	\$96,040.17	\$15,454.74
25	Preliminary Contingency Plan	comp	comp	comp	comp	\$49,422.00	\$42,008.70	\$988.44	\$42,997.14	\$6,424.86
26	Preliminary Security Plan	comp	comp	comp	comp	\$84,206.00	\$71,575.10	\$1,684.12	\$73,259.22	\$10,946.78
27	Finalized Disaster Recovery Plan	comp	comp	comp	comp	\$47,566.00	\$40,431.10	\$951.32	\$41,382.42	\$6,183.58
28	Finalized Disaster Recovery Plan	comp	comp	comp	comp	\$64,206.00	\$54,175.10	\$1,246.66	\$55,421.76	\$9,784.24
65a	MMS Change Order Analysis-DSD Update Gp 1-7	comp	comp	comp	comp	\$404,429.00	\$343,764.65	\$8,088.58	\$351,853.23	\$52,575.77
65b	MMS Change Order Analysis-DSD Update Gp 8-9	comp	comp	comp	comp	\$16,851.00	\$14,323.35	\$337.02	\$14,660.37	\$2,190.63
66a	Archive Claims Retrieval Solution	comp	comp	comp	comp	\$2,527.65	\$2,118.91	\$508.74	\$2,627.65	\$408.74
	Total Design					\$7,656,014.32	\$6,507,812.17	\$153,120.29	\$6,660,932.46	\$995,281.86
Construction and Unit Testing										
29a	Functional Test Summary Iteration 1a	comp	comp	comp	comp	\$651,851.22	\$554,073.54	\$13,037.02	\$567,110.56	\$84,740.66
29b	Functional Test Summary Member Function	comp	comp	comp	comp	\$358,518.17	\$304,740.44	\$7,170.36	\$311,910.81	\$46,607.36
29c	Functional Test Summary Non-Functional Req.	comp	comp	comp	comp	\$97,777.73	\$83,111.03	\$1,955.55	\$85,065.58	\$12,711.10
30a	Functional Test Summary Operations Functions	comp	comp	comp	comp	\$1,466,665.40	\$1,246,665.59	\$29,333.31	\$1,275,998.90	\$190,666.50
30b	Functional Test Summary Program Functions	comp	comp	comp	comp	\$171,110.94	\$146,665.59	\$3,333.31	\$149,998.90	\$21,112.04
30c	Functional Test Summary Provider Functions	comp	comp	comp	comp	\$130,370.24	\$110,814.70	\$2,607.40	\$113,422.11	\$16,946.13
30d	Functional Test Summary Security Functions	comp	comp	comp	comp	\$65,185.12	\$55,407.35	\$1,303.70	\$56,711.05	\$8,474.07
31	Functional Test Results	Removed	Per Amendment # 2			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
32	Integration and System Test Scripts	comp	comp	comp	comp	\$25,000.00	\$21,250.00	\$500.00	\$21,750.00	\$3,250.00
33a	New PBM Interface Design and Construction	comp	comp	comp	comp	\$51,480.00	\$43,758.00	\$1,029.60	\$44,787.60	\$6,692.40
33b	Change Orders A.8	comp	comp	comp	comp	\$160,143.00	\$136,121.55	\$3,202.86	\$139,324.41	\$20,818.59
34	Preliminary Provider Handbooks	comp	comp	comp	comp	\$49,488.33	\$42,065.08	\$999.77	\$43,064.85	\$6,423.48
35a	Finalized MMS Implementation Plan-Provider Enroll	comp	comp	comp	comp	\$98,976.67	\$84,130.17	\$1,979.53	\$86,109.70	\$12,866.97
35b	Finalized MMS Implementation Plan- MMS	comp	comp	comp	comp	\$141,757.00	\$120,493.45	\$2,835.14	\$123,328.59	\$18,428.41
36	Finalized Integration and System Test Plan	comp	comp	comp	comp	\$146,465.00	\$126,195.25	\$2,969.30	\$129,164.55	\$19,300.45
37	Finalized Contingency Plan	comp	comp	comp	comp	\$114,676.00	\$97,474.80	\$2,293.52	\$99,768.12	\$14,907.88
38	Finalized Conversion/Migration Plan	comp	comp	comp	comp	\$49,647.00	\$42,199.95	\$992.94	\$43,192.89	\$6,544.11
39	Finalized Operations Plan	comp	comp	comp	comp	\$48,553.00	\$41,270.05	\$971.06	\$42,241.11	\$6,311.89
40	Finalized Security Plan	comp	comp	comp	comp	\$7,282.95	\$6,179.99	\$147.96	\$6,327.95	\$954.04
	Total Construction and Unit Testing					\$4,799,293.43	\$4,079,399.42	\$95,985.87	\$4,175,385.29	\$623,908.15
Integration and System Testing										
41a	Integration and System Test Summary Iteration 1a	comp	comp	comp	comp	\$651,851.22	\$554,073.54	\$13,037.02	\$567,110.56	\$84,740.66
41b	Integration and System Test Summary Member Functions	comp	comp	comp	comp	\$358,518.17	\$304,740.44	\$7,170.36	\$311,910.81	\$46,607.36
41c	Integration and System Test Summary Non-Functional Req.	comp	comp	comp	comp	\$97,777.73	\$83,111.03	\$1,955.55	\$85,065.58	\$12,711.10
42a	Integration and System Test Summary Operations Functions	comp	comp	comp	comp	\$1,466,665.40	\$1,246,665.59	\$29,333.31	\$1,275,998.90	\$190,666.50
42b	Integration and System Test Summary Program Functions	comp	comp	comp	comp	\$171,110.94	\$146,665.59	\$3,333.31	\$149,998.90	\$21,112.04
42c	Integration and System Test Summary Provider Functions	comp	comp	comp	comp	\$130,370.24	\$110,814.70	\$2,607.40	\$113,422.11	\$16,946.13
42d	Integration and System Test Summary Security Functions	comp	comp	comp	comp	\$65,185.12	\$55,407.35	\$1,303.70	\$56,711.05	\$8,474.07
43	Integration and System Test Summary Changes 1-7	comp	comp	comp	comp	\$885,504.00	\$752,678.40	\$17,710.08	\$770,388.48	\$115,115.52

Amendment 11 Appendix A.2
Deliverable List and Payment Schedule

Ref #	Deliverable	Amend 11 Delivery Date	Amend 12 Revised Invoice Date	Amend 11 Revised Invoice Date	Amend 12 Delivery Date	Payment Amount	Holdback Amount	Holdback Release Amount	Payment less 15% Holdback	Release %	Release Amount	Payment with Holdback Release Amt	Retained Holdback Amount	Holdback Retained Amount
43	Integration and System Test Summary Iteration 6	comp	comp	comp	comp	\$5,534.40	\$1,381.60	\$737.92	\$3,152.80	2%	\$63.58	\$3,216.38	\$1,381.60	\$4,798.00
44	X12N EDI Companion Guides	comp	comp	comp	comp	\$1,300.80	\$312.70	\$973.44	\$988.10	2%	\$19.76	\$1,000.84	\$312.70	\$1,313.54
45	Provider Status Evaluation	comp	comp	comp	comp	\$11,490.60	\$2,872.65	\$1,172.20	\$9,617.95	2%	\$154.84	\$9,772.79	\$2,872.65	\$12,645.44
46	Preliminary Converted Files	comp	comp	comp	comp	\$8,791.50	\$2,197.88	\$871.93	\$6,593.62	2%	\$87.19	\$6,680.81	\$2,197.88	\$8,878.69
47	Revised Detailed System Design	comp	comp	comp	comp	\$12,369.15	\$3,092.29	\$1,649.22	\$10,719.86	2%	\$141.07	\$10,860.93	\$3,092.29	\$13,953.22
48	Acceptance Test Plan	comp	comp	comp	comp	\$7,300.80	\$1,825.20	\$724.98	\$6,475.60	2%	\$81.33	\$6,556.93	\$1,825.20	\$8,382.13
49	Acceptance Test Tracking System	comp	comp	comp	comp	\$3,437.35	\$859.33	\$321.24	\$3,056.12	2%	\$35.24	\$3,091.36	\$859.33	\$3,950.69
50	Finalized Training Plan	comp	comp	comp	comp	\$2,409.26	\$602.31	\$652.20	\$1,756.95	2%	\$19.73	\$1,776.68	\$602.31	\$2,378.99
51	Training Materials & Manuals - Provider Enrollment	comp	comp	comp	comp	\$4,891.54	\$1,222.89	\$104,668.94	\$4,668.65	2%	\$562.20	\$5,230.85	\$1,222.89	\$6,453.74
52	Training Materials & Manuals - MMIS	comp	comp	comp	comp	\$785,017.08	\$196,754.27	\$104,668.94	\$688,262.81	2%	\$8,261.04	\$696,523.85	\$196,754.27	\$894,978.12
53	Conversion	comp	comp	comp	comp	\$9,093.30	\$2,273.33	\$606.22	\$6,819.97	1%	\$66.19	\$6,886.16	\$2,273.33	\$9,159.35
54	Acceptance Test Resolutions Document	comp	comp	comp	comp	\$22,174.35	\$5,543.59	\$1,478.29	\$19,626.06	1%	\$196.26	\$19,822.32	\$5,543.59	\$25,365.61
55	Operational Readiness Report	comp	comp	comp	comp	\$4,826.25	\$1,206.56	\$321.75	\$4,504.50	1%	\$45.04	\$4,549.54	\$1,206.56	\$5,756.10
56	Program Expansion Enhancements	Removed Amendment	Per 12	comp	comp	\$0.00	\$0.00	\$0.00	\$0.00	1%	\$0.00	\$0.00	\$0.00	\$0.00
57	Finalized MMIS Provider Handbooks	comp	comp	comp	comp	\$3,409.25	\$852.31	\$393.05	\$3,016.20	1%	\$29.16	\$3,045.36	\$852.31	\$3,897.67
58	Implemented CMS Certification Process Plan	comp	comp	comp	comp	\$12,631.35	\$3,157.84	\$842.09	\$11,783.46	1%	\$117.84	\$11,901.30	\$3,157.84	\$15,059.14
59	IMMIS Systems Documentation	comp	comp	comp	comp	\$17,238.60	\$4,309.65	\$1,149.24	\$15,888.36	1%	\$158.83	\$16,047.19	\$4,309.65	\$20,356.84
60	Results of Final Conversion	comp	comp	comp	comp	\$14,786.25	\$3,696.56	\$985.75	\$13,790.50	1%	\$137.90	\$13,928.40	\$3,696.56	\$17,624.96
61	Post-implementation evaluation	Removed Amendment	Per 12	comp	comp	\$0.00	\$0.00	\$0.00	\$0.00	1%	\$0.00	\$0.00	\$0.00	\$0.00
62	Evaluation report	Removed Amendment	Per 12	comp	comp	\$0.00	\$0.00	\$0.00	\$0.00	1%	\$0.00	\$0.00	\$0.00	\$0.00
63	Corrective action plan	Removed Amendment	Per 12	comp	comp	\$0.00	\$0.00	\$0.00	\$0.00	1%	\$0.00	\$0.00	\$0.00	\$0.00
64	Certification manuals for each required system function, including first run reports for federally-required reports	comp	comp	comp	comp	\$2,070.75	\$517.69	\$138.05	\$1,553.06	1%	\$15.53	\$1,568.59	\$517.69	\$2,086.11
65	Finalized MMIS Provider Handbooks	comp	comp	comp	comp	\$4,327,928.93	\$1,081,982.23	\$442,166.13	\$3,845,766.60	1%	\$38,457.66	\$3,884,224.26	\$1,081,982.23	\$4,965,248.49
66	Archives Claims Retrieval Solution	comp	comp	comp	comp	\$84,209.00	\$21,052.25	\$5,413.06	\$78,795.74	1%	\$787.96	\$79,583.70	\$21,052.25	\$100,635.94
67	IMMIS Change Order Readiness & Implementation	comp	comp	comp	comp	\$114,924.00	\$28,731.00	\$7,436.00	\$86,493.00	1%	\$864.93	\$87,357.93	\$28,731.00	\$116,088.93
68	Results of Final Conversion	comp	comp	comp	comp	\$98,575.00	\$24,643.75	\$6,363.75	\$92,211.25	1%	\$922.11	\$93,133.36	\$24,643.75	\$117,777.11
69	Post-implementation evaluation	Removed Amendment	Per 12	comp	comp	\$0.00	\$0.00	\$0.00	\$0.00	1%	\$0.00	\$0.00	\$0.00	\$0.00
70	Evaluation plan	Removed Amendment	Per 12	comp	comp	\$0.00	\$0.00	\$0.00	\$0.00	1%	\$0.00	\$0.00	\$0.00	\$0.00
71	Evaluation report	Removed Amendment	Per 12	comp	comp	\$0.00	\$0.00	\$0.00	\$0.00	1%	\$0.00	\$0.00	\$0.00	\$0.00
72	Corrective action plan	Removed Amendment	Per 12	comp	comp	\$0.00	\$0.00	\$0.00	\$0.00	1%	\$0.00	\$0.00	\$0.00	\$0.00
73	Certification manuals for each required system function, including first run reports for federally-required reports	comp	comp	comp	comp	\$13,805.00	\$3,451.25	\$905.00	\$12,899.75	1%	\$128.99	\$13,028.74	\$3,451.25	\$16,480.99
74	Finalized MMIS Provider Handbooks	comp	comp	comp	comp	\$13,805.00	\$3,451.25	\$905.00	\$12,899.75	1%	\$128.99	\$13,028.74	\$3,451.25	\$16,480.99
75	Finalized MMIS Provider Handbooks	comp	comp	comp	comp	\$221,032.35	\$55,258.09	\$14,313.06	\$195,719.24	1%	\$1,957.19	\$197,676.43	\$55,258.09	\$252,934.52
76	Finalized MMIS Provider Handbooks	comp	comp	comp	comp	\$39,305.00	\$9,826.25	\$2,513.06	\$36,791.74	1%	\$367.91	\$37,159.65	\$9,826.25	\$46,986.90
77	Finalized MMIS Provider Handbooks	comp	comp	comp	comp	\$1,473,549.00	\$368,387.25	\$94,696.20	\$1,378,861.75	1%	\$13,788.61	\$1,392,650.36	\$368,387.25	\$1,761,247.61
78	Finalized MMIS Provider Handbooks	comp	comp	comp	comp	\$84,209.00	\$21,052.25	\$5,413.06	\$78,795.74	1%	\$787.96	\$79,583.70	\$21,052.25	\$100,635.94
79	IMMIS Systems Documentation	comp	comp	comp	comp	\$114,924.00	\$28,731.00	\$7,436.00	\$86,493.00	1%	\$864.93	\$87,357.93	\$28,731.00	\$116,088.93
80	Results of Final Conversion	comp	comp	comp	comp	\$98,575.00	\$24,643.75	\$6,363.75	\$92,211.25	1%	\$922.11	\$93,133.36	\$24,643.75	\$117,777.11
81	Post-implementation evaluation	Removed Amendment	Per 12	comp	comp	\$0.00	\$0.00	\$0.00	\$0.00	1%	\$0.00	\$0.00	\$0.00	\$0.00
82	Evaluation plan	Removed Amendment	Per 12	comp	comp	\$0.00	\$0.00	\$0.00	\$0.00	1%	\$0.00	\$0.00	\$0.00	\$0.00
83	Evaluation report	Removed Amendment	Per 12	comp	comp	\$0.00	\$0.00	\$0.00	\$0.00	1%	\$0.00	\$0.00	\$0.00	\$0.00
84	Corrective action plan	Removed Amendment	Per 12	comp	comp	\$0.00	\$0.00	\$0.00	\$0.00	1%	\$0.00	\$0.00	\$0.00	\$0.00
85	Certification manuals for each required system function, including first run reports for federally-required reports	comp	comp	comp	comp	\$2,070.75	\$517.69	\$138.05	\$1,553.06	1%	\$15.53	\$1,568.59	\$517.69	\$2,086.11
86	Finalized MMIS Provider Handbooks	comp	comp	comp	comp	\$4,327,928.93	\$1,081,982.23	\$442,166.13	\$3,845,766.60	1%	\$38,457.66	\$3,884,224.26	\$1,081,982.23	\$4,965,248.49
87	Archives Claims Retrieval Solution	comp	comp	comp	comp	\$84,209.00	\$21,052.25	\$5,413.06	\$78,795.74	1%	\$787.96	\$79,583.70	\$21,052.25	\$100,635.94
88	IMMIS Systems Documentation	comp	comp	comp	comp	\$114,924.00	\$28,731.00	\$7,436.00	\$86,493.00	1%	\$864.93	\$87,357.93	\$28,731.00	\$116,088.93
89	Results of Final Conversion	comp	comp	comp	comp	\$98,575.00	\$24,643.75	\$6,363.75	\$92,211.25	1%	\$922.11	\$93,133.36	\$24,643.75	\$117,777.11
90	Post-implementation evaluation	Removed Amendment	Per 12	comp	comp	\$0.00	\$0.00	\$0.00	\$0.00	1%	\$0.00	\$0.00	\$0.00	\$0.00
91	Evaluation plan	Removed Amendment	Per 12	comp	comp	\$0.00	\$0.00	\$0.00	\$0.00	1%	\$0.00	\$0.00	\$0.00	\$0.00
92	Evaluation report	Removed Amendment	Per 12	comp	comp	\$0.00	\$0.00	\$0.00	\$0.00	1%	\$0.00	\$0.00	\$0.00	\$0.00
93	Corrective action plan	Removed Amendment	Per 12	comp	comp	\$0.00	\$0.00	\$0.00	\$0.00	1%	\$0.00	\$0.00	\$0.00	\$0.00
94	Certification manuals for each required system function, including first run reports for federally-required reports	comp	comp	comp	comp	\$13,805.00	\$3,451.25	\$905.00	\$12,899.75	1%	\$128.99	\$13,028.74	\$3,451.25	\$16,480.99
95	Finalized MMIS Provider Handbooks	comp	comp	comp	comp	\$13,805.00	\$3,451.25	\$905.00	\$12,899.75	1%	\$128.99	\$13,028.74	\$3,451.25	\$16,480.99
96	Finalized MMIS Provider Handbooks	comp	comp	comp	comp	\$221,032.35	\$55,258.09	\$14,313.06	\$195,719.24	1%	\$1,957.19	\$197,676.43	\$55,258.09	\$252,934.52
97	Finalized MMIS Provider Handbooks	comp	comp	comp	comp	\$39,305.00	\$9,826.25	\$2,513.06	\$36,791.74	1%	\$367.91	\$37,159.65	\$9,826.25	\$46,986.90
98	Finalized MMIS Provider Handbooks	comp	comp	comp	comp	\$1,473,549.00	\$368,387.25	\$94,696.20	\$1,378,861.75	1%	\$13,788.61	\$1,392,650.36	\$368,387.25	\$1,761,247.61
99	Finalized MMIS Provider Handbooks	comp	comp	comp	comp	\$84,209.00	\$21,052.25	\$5,413.06	\$78,795.74	1%	\$787.96	\$79,583.70	\$21,052.25	\$100,635.94
100	IMMIS Systems Documentation	comp	comp	comp	comp	\$114,924.00	\$28,731.00	\$7,436.00	\$86,493.00	1%	\$864.93	\$87,357.93	\$28,731.00	\$116,088.93
101	Results of Final Conversion	comp	comp	comp	comp	\$98,575.00	\$24,643.75	\$6,363.75	\$92,211.25	1%	\$922.11	\$93,133.36	\$24,643.75	\$117,777.11
102	Post-implementation evaluation	Removed Amendment	Per 12	comp	comp	\$0.00	\$0.00	\$0.00	\$0.00	1%	\$0.00	\$0.00	\$0.00	\$0.00
103	Evaluation plan	Removed Amendment	Per 12	comp	comp	\$0.00	\$0.00	\$0.00	\$0.00	1%	\$0.00	\$0.00	\$0.00	\$0.00
104	Evaluation report	Removed Amendment	Per 12	comp	comp	\$0.00	\$0.00	\$0.00	\$0.00	1%	\$0.00	\$0.00	\$0.00	\$0.00
105	Corrective action plan	Removed Amendment	Per 12	comp	comp	\$0.00	\$0.00	\$0.00	\$0.00	1%	\$0.00	\$0.00	\$0.00	\$0.00
106	Certification manuals for each required system function, including first run reports for federally-required reports	comp	comp	comp	comp	\$2,070.75	\$517.69	\$138.05	\$1,553.06	1%	\$15.53	\$1,568.59	\$517.69	\$2,086.11
107	Finalized MMIS Provider Handbooks	comp	comp	comp	comp	\$4,327,928.93	\$1,081,982.23	\$442,166.13	\$3,845,766.60	1%	\$38,457.66	\$3,884,224.26	\$1,081,982.23	\$4,965,248.49
108	Archives Claims Retrieval Solution	comp	comp	comp	comp	\$84,209.00	\$21,052.25	\$5,413.06	\$78,795.74	1%	\$787.96	\$79,583.70	\$21,052.25	\$100,635.94
109	IMMIS Systems Documentation	comp	comp	comp	comp	\$114,924.00	\$28,731.00	\$7,436.00	\$86,493.00	1%	\$864.93	\$87,357.93	\$28,731.00	\$116,088.93
110	Results of Final Conversion	comp	comp	comp	comp	\$98,575.00	\$24,643.75	\$6,363.75	\$92,211.25	1%	\$922.11	\$93,133.36	\$24,643.75	\$117,777.11
111	Post-implementation evaluation	Removed Amendment	Per 12	comp	comp	\$0.00	\$0.00	\$0.00	\$0.00	1%	\$0.00	\$0.00	\$0.00	\$0.00
112	Evaluation plan	Removed Amendment	Per 12	comp	comp	\$0.00	\$0.00	\$0.00	\$0.00	1%	\$0.00	\$0.00	\$0.00	\$0.00
113	Evaluation report	Removed Amendment	Per 12	comp	comp	\$0.00	\$0.00	\$0.00	\$0.00	1%	\$0.00	\$0.00	\$0.00	\$0.00
114	Corrective action plan	Removed Amendment	Per 12	comp	comp	\$0.00	\$0.00	\$0.00	\$0.00	1%	\$0.00	\$0.00	\$0.00	\$0.00
115	Certification manuals for each required system function, including first run reports for federally-required reports	comp	comp	comp	comp	\$13,805.00	\$3,451.25	\$905.00						


Amendment 11 Appendix A.2
Deliverable List and Payment Schedule

Rel #	Deliverable	Amend 11 Delivery Date	Amend 12 Revised Delivery Date	Amend 11 Invoice Date	Amend 12 Revised Invoice Date	Payment Amount	Holdback Amount	Payment less 15% holdback	Holdback Release %	Holdback Release Amount	Payment with Holdback Release Amt	Retained Holdback Amount
ENHANCED ANALYTICS												
	TOTAL ENHANCED ANALYTICS			Per 10		\$0.00	\$0.00	\$0.00	1%	\$0.00	\$0.00	\$0.00
6010 Enhancements												
1	Requirements Analysis and Start Up	comp	comp	comp	comp	\$1,777,000.00	\$266,550.00	\$1,510,450.00	0%	\$0.00	\$1,510,450.00	\$0.00
2	Detailed System Design	comp	comp	comp	comp	\$712,500.00	\$106,875.00	\$605,625.00	1%	\$7,125.00	\$612,750.00	\$99,750.00
	Total Requirements and Design					\$2,489,500.00	\$373,425.00	\$2,116,075.00	1%	\$24,895.00	\$2,140,970.00	\$348,530.00
Construction and User Acceptance Test												
3	Initiation of UAT	comp	comp	comp	comp	\$1,790,300.00	\$268,545.00	\$1,521,755.00	1%	\$17,903.00	\$1,539,658.00	\$250,642.00
4	Completion of UAT	comp	comp	comp	comp	\$1,828,900.00	\$274,335.00	\$1,554,565.00	1%	\$18,289.00	\$1,572,854.00	\$256,046.00
	Design, code, unit test, SIT - UAT testing for the COB changes			Per 12		\$0.00	\$0.00	\$0.00	1%	\$0.00	\$0.00	\$0.00
	Total Construction and Unit Test					\$3,619,200.00	\$542,880.00	\$3,076,320.00	1%	\$36,192.00	\$3,112,512.00	\$506,688.00
Implementation												
6	User Interface Updated for 5010	08/15/16	comp	09/15/16	comp	\$568,425.00	\$85,263.75	\$483,161.25	1%	\$5,684.25	\$488,845.50	\$79,579.50
	Total Implementation					\$568,425.00	\$85,263.75	\$483,161.25	1%	\$5,684.25	\$488,845.50	\$79,579.50
	TOTAL 5010 Enhancements					\$6,677,125.00	\$1,001,588.75	\$5,675,536.25	1%	\$66,771.25	\$5,742,327.50	\$934,787.50
Managed Care System Enhancement Phase I												
Requirements and Design												
1	Requirements Analysis and Start Up	comp	comp	comp	comp	\$442,250.00	\$66,337.50	\$375,912.50	1%	\$4,422.50	\$380,335.00	\$61,915.00
2	Detailed System Design	comp	comp	comp	comp	\$93,750.00	\$14,062.50	\$79,687.50	1%	\$937.50	\$80,625.00	\$13,125.00
	Total Requirements and Design					\$536,000.00	\$80,400.00	\$455,600.00	1%	\$5,360.00	\$460,960.00	\$75,040.00
Construction and User Acceptance Test												
3	Completion of UAT	comp	comp	comp	comp	\$1,973,875.00	\$296,081.25	\$1,677,793.75	1%	\$19,738.75	\$1,697,532.50	\$276,342.50
	Total Construction and Unit Test					\$1,973,875.00	\$296,081.25	\$1,677,793.75	1%	\$19,738.75	\$1,697,532.50	\$276,342.50
Implementation												
4	Completion of Implementation	comp	comp	comp	comp	\$292,400.00	\$43,860.00	\$248,540.00	1%	\$2,924.00	\$251,464.00	\$40,936.00
	Total Implementation					\$292,400.00	\$43,860.00	\$248,540.00	1%	\$2,924.00	\$251,464.00	\$40,936.00
	TOTAL Managed Care Phase I Enhancements					\$2,802,275.00	\$420,341.25	\$2,381,933.75	1%	\$28,022.75	\$2,409,956.50	\$392,318.50
Managed Care System Enhancement Phase II												
Requirements and Design												
1	Management Oversight	comp	comp	comp	comp	\$56,500.00	\$8,475.00	\$48,025.00	1%	\$565.00	\$48,590.00	\$7,910.00
2	Documented Change Requests	comp	comp	comp	comp	\$87,150.00	\$13,072.50	\$74,077.50	1%	\$871.50	\$74,949.00	\$12,201.00
3	Updated DSD Chapters	comp	comp	comp	comp	\$94,150.00	\$14,122.50	\$80,027.50	1%	\$941.50	\$80,969.00	\$13,181.00
4	Technical Design	comp	comp	comp	comp	\$70,500.00	\$10,575.00	\$59,925.00	1%	\$705.00	\$60,630.00	\$9,870.00
	Total Requirements and Design					\$308,300.00	\$46,245.00	\$262,055.00	1%	\$3,083.00	\$265,138.00	\$43,182.00
Construction and Unit Test												
5	Construction	comp	comp	comp	comp	\$535,000.00	\$80,250.00	\$454,750.00	1%	\$5,350.00	\$460,100.00	\$74,900.00
	Total Construction and Unit Test					\$535,000.00	\$80,250.00	\$454,750.00	1%	\$5,350.00	\$460,100.00	\$74,900.00
System Integration Testing												
6	System Test Plan	comp	comp	comp	comp	\$41,000.00	\$6,150.00	\$34,850.00	1%	\$410.00	\$35,260.00	\$5,740.00
7	System Test Complete	05/31/16	comp	06/30/16	comp	\$318,100.00	\$47,715.00	\$270,385.00	1%	\$3,181.00	\$273,566.00	\$44,594.00
	Total System Integration Testing					\$359,100.00	\$53,865.00	\$305,235.00	1%	\$3,591.00	\$308,826.00	\$50,334.00
User Acceptance Testing												
6	UAT Test Planning	comp	comp	comp	comp	\$104,250.00	\$15,637.50	\$88,612.50	1%	\$1,042.50	\$89,655.00	\$14,595.00
7	Train State/State Users	07/31/16	comp	08/31/16	comp	\$8,450.00	\$1,267.50	\$7,182.50	1%	\$84.50	\$7,267.00	\$1,183.00
	Total User Acceptance Testing					\$112,700.00	\$16,905.00	\$95,795.00	1%	\$1,127.00	\$96,922.00	\$15,778.00
Implementation												
4	Production Release	07/31/16	comp	08/31/16	comp	\$99,973.00	\$14,995.95	\$84,977.05	1%	\$999.73	\$85,976.78	\$13,996.22
	Total Implementation					\$99,973.00	\$14,995.95	\$84,977.05	1%	\$999.73	\$85,976.78	\$13,996.22
	TOTAL Managed Care Phase II Enhancements					\$1,415,073.00	\$212,260.95	\$1,202,812.05	1%	\$14,150.73	\$1,216,962.78	\$199,110.22
Medicaid Hospice Benefit												
	TOTAL Medicaid Hospice Benefit Enhancements			Per 10		\$0.00	\$0.00	\$0.00	1%	\$0.00	\$0.00	\$0.00
Enhanced Provider Screening Requirements and Design												

Contractor Initials: **DD**
Date: **11/8/2016**

Amendment 11 Appendix A 2
Deliverable List and Payment Schedule

Ref #	Deliverable	Amend 11 Delivery Date	Amend 12 Revised Invoice Date	Amend 11 Invoice Date	Amend 12 Revised Invoice Date	Payment Amount	Holdback Amount	Holdback less 15% Holdback	Release %	Release Amount	Payment with Holdback Release Amt	Retained Holdback	Holdback Retained Amount
1	Requirements Analysis	comp	comp	comp	comp	\$11,250.00	15%	\$16,687.50	1%	\$1,112.50	\$95,675.00	14%	\$15,675.00
2	Detailed System Design	comp	comp	comp	comp	\$78,500.00	15%	\$11,775.00	1%	\$785.00	\$67,510.00	14%	\$10,990.00
	Total Requirements and Design					\$189,750.00	15%	\$28,462.50	1%	\$1,897.50	\$163,185.00	14%	\$26,665.00
3	Software Installation and System Testing	comp	comp	comp	comp	\$600,000.00	15%	\$90,000.00	1%	\$6,000.00	\$516,000.00	14%	\$84,000.00
4	Construction Completed	comp	comp	comp	comp	\$80,783.00	15%	\$12,117.45	1%	\$807.83	\$69,473.38	14%	\$11,309.62
5	System Integration Testing Completed	comp	comp	comp	comp	\$234,983.00	15%	\$35,247.45	1%	\$2,349.83	\$202,085.38	14%	\$32,097.62
	Total Construction and Unit Test					\$915,766.00	15%	\$137,364.90	1%	\$9,157.66	\$787,558.76	14%	\$128,207.24
6	User Acceptance Testing and Implementation	04/30/16	10/15/16	05/31/16	11/15/16	\$63,650.00	15%	\$9,547.50	1%	\$636.50	\$54,739.00	14%	\$8,311.00
7	Training	comp	comp	comp	comp	\$3,450.00	15%	\$517.50	1%	\$34.50	\$2,967.00	14%	\$463.00
8	Implementation	05/31/16	10/31/16	06/30/16	11/30/16	\$79,500.00	15%	\$11,925.00	1%	\$795.00	\$68,370.00	14%	\$11,130.00
	Total Implementation					\$146,600.00	15%	\$21,990.00	1%	\$1,466.00	\$126,076.00	14%	\$20,521.00
9	Additional Functionality	comp	comp	comp	comp	\$136,500.00	15%	\$20,475.00	1%	\$1,365.00	\$117,390.00	14%	\$19,110.00
10	Change Request Approved	comp	comp	comp	comp	\$56,889.00	15%	\$8,533.35	1%	\$568.89	\$48,924.54	14%	\$7,964.46
11	Coding and Unit Testing Complete	comp	comp	comp	comp	\$99,623.00	15%	\$14,943.45	1%	\$996.23	\$85,675.78	14%	\$13,047.22
12	System Integration Testing Complete	comp	comp	comp	comp	\$56,889.00	15%	\$8,533.35	1%	\$568.89	\$48,924.54	14%	\$7,964.46
13	User Acceptance Testing Completed	07/31/16	10/15/16	08/31/16	11/15/16	\$42,667.00	15%	\$6,400.05	1%	\$426.67	\$36,693.62	14%	\$5,973.38
14	Post Production Validation Complete	08/31/16	10/31/16	09/30/16	11/30/16	\$28,445.00	15%	\$4,266.75	1%	\$284.45	\$24,462.70	14%	\$3,982.30
	Total Additional Functionality					\$421,013.00	15%	\$63,151.95	1%	\$4,210.13	\$382,071.18	14%	\$58,941.82
	TOTAL Enhanced Provider Screening Enhancements					\$1,673,129.00	15%	\$187,817.40	1%	\$16,731.29	\$1,502,042.89	14%	\$234,238.06
	Electronic Health Record Provider Incentive Program												
	TOTAL EHR Provider Incentive Program Enhancements												
	HIPAA Operating Rules Assessment												
1	Project documentation and recommendations for remediation	comp	comp	comp	comp	\$489,250.00	15%	\$73,387.50	1%	\$4,892.50	\$420,755.00	14%	\$68,495.00
	Total Assessment					\$489,250.00	15%	\$73,387.50	1%	\$4,892.50	\$420,755.00	14%	\$68,495.00
	TOTAL HIPAA Operating Rules Assessment					\$489,250.00	15%	\$73,387.50	1%	\$4,892.50	\$420,755.00	14%	\$68,495.00
	Appendix A11 MMIS Change Requests/Staff Augmentation												
1	All NH CHS identified in Appendix A-11 DDI Complete	comp	comp	comp	comp	\$5,117,750.00	15%	\$767,662.50	1%	\$51,177.50	\$4,400,265.00	14%	\$716,485.00
2	Testing Staff Augmentation January February March 2013	comp	comp	comp	comp	\$399,041.00	15%	\$59,856.15	1%	\$3,990.41	\$334,575.28	14%	\$54,465.74
	Total Change Requests and Staff Augmentation					\$5,506,791.00	15%	\$826,018.65	1%	\$55,067.91	\$4,735,840.28	14%	\$770,950.74
	TOTAL A11 MMIS Change Requests/Staff Augmentation					\$5,506,791.00	15%	\$826,018.65	1%	\$55,067.91	\$4,735,840.28	14%	\$770,950.74
	TOTAL MMIS DDI Phase					\$47,791,502.50	15%	\$7,166,725.38	1%	\$477,915.03	\$41,100,892.15	14%	\$6,890,810.35
	Section B - Post DDI Phase												
	MMIS Post DDI Phase System Enhancements												
1	Software License Acquired and Applied	comp	comp	comp	comp	\$229,764.00							
2	Requirements Elaboration - Documented Change Requests	comp	comp	comp	comp	\$178,165.00							
3	Updated Detailed System Design Approved	comp	comp	comp	comp	\$178,165.00							
4	Technical Design Completed	comp	comp	comp	comp	\$249,374.00							
5	Coding, Unit Testing, Data Configuration Updates Completed	comp	comp	comp	comp	\$293,381.00							
6	Development Integration Testing Completed	comp	comp	comp	comp	\$190,698.00							
7	System Integration Testing Completed	comp	comp	comp	comp	\$281,272.00							
8a	Pre-Operational Readiness Testing Approved by CMS	comp	comp	comp	comp	\$587,200.00							
8b	Pre-Operational Readiness Testing Approved by CMS	comp	comp	comp	comp	\$190,000.00							
9c	Pre-Operational Readiness Testing Approved by CMS	comp	comp	comp	comp	\$190,000.00							
10	Implementation - Post Production Validation Complete	comp	comp	comp	comp	\$275,940.00							
11	Final DSD, Use Cases, System Documentation Approved	comp	comp	comp	comp	\$258,991.00							
12	CY 2014 Catch-Up Files Submitted	08/31/16	11/30/16	09/30/16	12/31/16	\$195,000.00							
12a	CY 2015-16 Catch-Up Files Submitted	09/30/16	12/31/16	10/31/16	01/31/17	\$280,000.00							
12b	CY 2015-16 Catch-Up Files Submitted (if necessary)	10/31/16	11/30/16	11/30/16	02/28/17	\$32,500.00							
12c	CY 2016 Catch-Up Files Submitted (if necessary)	11/15/16	02/15/17	12/15/16	03/15/17	\$32,500.00							
12d	CY 2016 Catch-Up Files Submitted (if necessary)	11/30/16	04/15/17	12/15/16	04/30/17	\$32,500.00							
12e	CY 2016 Catch-Up Files Submitted (if necessary)	12/15/16	04/15/17	05/15/17	05/15/17	\$32,500.00							
12f	CY 2016 Catch-Up Files Submitted (if necessary)	12/15/16	04/15/17	01/15/17	05/15/17	\$32,500.00							
12g	CY 2016 Catch-Up Files Submitted (if necessary)	12/31/16	04/30/17	01/31/17	05/31/17	\$32,500.00							
12h	CY 2016 Catch-Up Files Submitted (if necessary)	12/31/16	04/30/17	01/31/17	05/31/17	\$32,500.00							
13	2.0 Database and File Format Updates	comp	comp	comp	comp	\$12,500.00							
14	2.0 Error Files Receipt and Processing	comp	comp	comp	comp	\$50,000.00							

Contractor Initials: 
Date: 11/8/2016

Amendment 11 Appendix A.2
Deliverable List and Payment Schedule

Ref #	Deliverable	Amend 11 Delivery Date	Amend 11 Revised Invoice Date	Amend 11 Invoice Date	Amend 12 Revised Invoice Date	Amend 12 Invoice Date	Payment Amount	Holdback Amount	Holdback Release Amount	Payment less 15% Holdback	Holdback Release Amount	Retention Holdback	Holdback Retained Amount
15	2.0 Rules - NH MATT Specs Updated	08/31/16	11/30/16	09/30/16	12/31/16	12/31/16	\$200,000.00						
16	2.0 Rules - Coded, Tested, Implemented	09/30/16	12/31/16	10/31/16	01/31/17	01/31/17	\$209,375.00						
	TOTAL A12 T-MSIS						\$4,408,726.00						
HIPAA Operating Rules													
1	Software License Acquired and Applied	comp	comp	comp	comp	comp	\$1,586,809.00						
1a	Additional Software License Acquired and Applied	comp	comp	comp	comp	comp	\$105,445.00						
2	Tool Installed and Ready to Use	comp	comp	comp	comp	comp	\$140,419.00						
3	Change Requests Documented and Approved	comp	comp	comp	comp	comp	\$140,419.00						
4	Updated Detailed System Design Approved	comp	comp	comp	comp	comp	\$421,256.00						
5	Technical Design Completed	comp	comp	comp	comp	comp	\$547,633.00						
6	Coding, Unit Testing, and Data Configuration Completed	comp	comp	comp	comp	comp	\$547,633.00						
7	Development Integration Testing Completed	comp	comp	comp	comp	comp	\$122,866.00						
8	System Test Plan Approved	comp	comp	comp	comp	comp	\$368,599.00						
9	System Integration Testing Completed	comp	comp	comp	comp	comp	\$210,628.00						
10	User Acceptance Testing Completed	comp	comp	comp	comp	comp	\$168,504.00						
11	Post Production Validation Completed	comp	comp	comp	comp	comp	\$106,547.00						
12	Receipt of Phase I CORE Certification Seal	07/31/16	12/01/16	08/31/16	12/31/16	12/31/16	\$106,547.00						
13	Receipt of Phase II CORE Certification Seal	07/31/16	12/01/16	08/31/16	12/31/16	12/31/16	\$106,547.00						
14	Receipt of Phase III CORE Certification Seal	07/31/16	12/01/16	08/31/16	12/31/16	12/31/16	\$112,885.00						
15	Environment Upgrades	08/31/16	03/31/17	09/30/16	04/30/17	04/30/17	\$4,933,156.00						
	TOTAL A-12 HIPAA Operating Rules						\$4,933,156.00						
ICD-10													
1	Software License Acquired and Applied	comp	comp	comp	comp	comp	\$2,281,482.00						
2	Tool Installed	comp	comp	comp	comp	comp	\$1,977,211.00						
3	JAD Sessions - Requirement Document Approved	comp	comp	comp	comp	comp	\$329,535.00						
4	Requirements Technical Consulting	comp	comp	comp	comp	comp	\$80,000.00						
5	Technical Design Updated Detailed System Design	comp	comp	comp	comp	comp	\$1,235,757.00						
6	Design Technical Consulting	comp	comp	comp	comp	comp	\$70,000.00						
7	Coding Complete	comp	comp	comp	comp	comp	\$1,029,797.00						
8	Unit Test, Data Configured, Dev Integration Test Complete	comp	comp	comp	comp	comp	\$1,029,797.00						
9	Data Configuration Technical Consulting	comp	comp	comp	comp	comp	\$70,000.00						
10	System Test Plan and Environment Ready	comp	comp	comp	comp	comp	\$267,748.00						
11	System Integration Testing Completed	comp	comp	comp	comp	comp	\$803,242.00						
12	System Integration Testing Technical Consulting	comp	comp	comp	comp	comp	\$70,000.00						
13	User Acceptance Testing Completed	comp	comp	comp	comp	comp	\$659,070.00						
14	User Acceptance Testing Technical Consulting	comp	comp	comp	comp	comp	\$70,000.00						
15	Training Technical Consulting	comp	comp	comp	comp	comp	\$70,000.00						
16	Production Implementation and PIR Completed	comp	comp	comp	comp	comp	\$906,222.00						
17	ORR, Dev Configuration Testing Completed - Phase II	comp	comp	comp	comp	comp	\$257,202.00						
18	Phase II - Technical Consulting	comp	Removed	Per Amendment	Per Amendment	comp	\$70,000.00						
19	Avior 2nd Year License Acquired and Applied	comp	comp	comp	comp	comp	\$0.00						
20	Trading Partner Testing Completed	comp	comp	comp	comp	comp	\$375,893.00						
21	Phase III - Technical Consulting	comp	comp	comp	comp	comp	\$125,000.00						
22	Full Regression Test with Latest MMIS Release Complete	comp	comp	comp	comp	comp	\$161,097.00						
23	Additional Mapping Updates	comp	comp	comp	comp	comp	\$284,000.00						
	TOTAL A-12 ICD-10						\$12,223,053.00						
	TOTAL MMIS Post DDI Enhancements A-12						\$21,564,935.00						
NHHP													
1	Software License Acquired and Applied	comp	comp	comp	comp	comp	\$790,650.00						
2	Servers Acquired and Installed	comp	comp	comp	comp	comp	\$282,330.00						
3	Enroll New Provider Types	comp	comp	comp	comp	comp	\$185,061.00						
4	Enroll New Members in NHHP Benefit Plan(s)	comp	comp	comp	comp	comp	\$277,591.00						
5	Adjudicate Claims for New Benefit Plan	comp	comp	comp	comp	comp	\$555,182.00						
6	Non-Federal Reports, Claims Data Mkt for NHHP	comp	comp	comp	comp	comp	\$462,652.00						
7	Federal Reporting, EFADS, Remaining Tasks	11/30/16	02/15/17	11/30/16	03/15/17	03/15/17	\$370,121.00						
	TOTAL A-13 NHHP						\$2,923,787.00						
	TOTAL MMIS Post DDI Enhancements A-13						\$2,923,787.00						
PAP and MCM													
1	MCO Mandatory Enrollment	comp	comp	comp	comp	comp	\$393,693.00						
2	Enrollment File and Eligibility Changes	comp	comp	comp	comp	comp	\$610,820.00						
3	X12 B34 Enrollment Transaction	comp	comp	comp	comp	comp	\$707,205.00						
4	Phase 1 PAP Changes	comp	comp	comp	comp	comp	\$611,334.00						
5	MCM Benefit Changes for CFI	Removed Amendment	Per Amendment	Per Amendment	Per Amendment	Per Amendment	\$0.00						
6	New MCO or MCM/PAP 834/Enrollment	Removed Amendment	Per Amendment	Per Amendment	Per Amendment	Per Amendment	\$0.00						

Amendment 11 Appendix A 2
Deliverable List and Payment Schedule

Ref #	Deliverable	Amend 11 Delivery Date	Amend 12 Revised Delivery Date	Amend 11 Invoice Date	Amend 12 Revised Invoice Date	Payment less 15% Holdback	Holdback Amount	Holdback Release Amount	Payment with Holdback Release Amt	Retained Holdback	Holdback Retained Amount
7	FFS Co-Pay Changes	comp	comp	comp	comp						
8	X12 HX 820 Premium Payment Transaction	comp	comp	comp	comp	\$783,953.00					
9	INH BRIDGES Interface Changes	08/31/16	08/31/16	09/30/16	09/30/16	\$384,721.00					
10a	Additional Interface - T-MSIS	07/31/16	07/31/16	09/30/16	09/30/16	\$269,733.00					
10b	Additional Interface - Options	09/30/16	09/30/16	comp	comp	\$101,450.00					
11	efADS and eMAR Changes	09/30/16	09/30/16	10/31/16	10/31/16	\$101,449.00					
12a	X12 820 Software Purchase	comp	comp	comp	comp	\$493,810.00					
12b	Capitation Claim Adjustments	10/31/16	11/30/16	11/30/16	03/31/17	\$125,000.00					
13	Targeted Recon Changes	comp	comp	comp	comp	\$236,292.00					
14	Member UI Changes for Additional QHP Data	comp	comp	comp	comp	\$88,433.00					
15	BRIDGES Outbound Interface, SA UI and PCP Part 2	10/31/16	02/28/17	11/30/17	03/31/17	\$158,435.00					
16	MID Compare Process	Removed Amendment	Removed Amendment	Per 12	Per 12	\$128,300.00					
17	Inbound MCC-MMIS Interface	10/31/16	01/31/17	11/30/16	02/28/17	\$0.00					
18	NEMT-Requirements Analysis	Removed Amendment	Removed Amendment	Per 11	Per 11	\$94,323.00					
19	NEMT-Configuration	Removed Amendment	Removed Amendment	Per 11	Per 11	\$0.00					
20	NEMT-UAT	Removed Amendment	Removed Amendment	Per 11	Per 11	\$0.00					
21	NEMT-Regression Testing	Removed Amendment	Removed Amendment	Per 11	Per 11	\$0.00					
22	NEMT-Additional Development	Removed Amendment	Removed Amendment	Per 11	Per 11	\$0.00					
23	NEMT-Reports and Documentation	Removed Amendment	Removed Amendment	Per 11	Per 11	\$0.00					
24	NEMT-T-MSIS	Removed Amendment	Removed Amendment	Per 11	Per 11	\$0.00					
25	NEMT-EFADS and EMAR	Removed Amendment	Removed Amendment	Per 11	Per 11	\$0.00					
26	NEMT-834	Removed Amendment	Removed Amendment	Per 11	Per 11	\$0.00					
27	Additional Eligibility Changes	comp	comp	comp	comp	\$104,500.00					
28	Additional Reporting Changes	Removed Amendment	Removed Amendment	Per 12	Per 12	\$0.00					
31	Maternity/Newborn Processing	07/31/16	08/31/16	08/31/16	08/31/16	\$78,625.00					
32	Newborn BP on 271 Transaction	07/31/16	08/31/16	08/31/16	08/31/16	\$37,250.00					
33	Newborn BP in Voice Response	07/31/16	08/31/16	08/31/16	08/31/16	\$5,000.00					
34	820 Payment Financial Reporting	07/31/16	08/31/16	08/31/16	08/31/16	\$30,625.00					
	TOTAL A-15 PAP and MCM Non-NEMT Funds					\$5,544,951.00					
Non-Emergency Medical Transportation (NEMT)											
1N	NEMT Project Management	12/31/16	12/31/16	01/31/17	01/31/17	\$109,349.00					
2N	NEMT Provider Enrollment	07/15/16	08/31/16	08/31/16	08/31/16	\$12,566.00					
3N	NEMT Benefit Plan	07/15/16	08/31/16	08/31/16	08/31/16	\$26,461.00					
4N	NEMT Member NEMT Enrollment	07/15/16	08/31/16	08/31/16	08/31/16	\$54,614.00					
5N	NEMT 834 Enrollment Transaction	08/31/16	08/31/16	09/30/16	09/30/16	\$259,781.00					
6N	NEMT Benefit Plan Rate Cohort	08/31/16	08/31/16	09/30/16	09/30/16	\$10,875.00					
7N	NEMT Capitation	08/31/16	08/31/16	09/30/16	09/30/16	\$124,695.00					
8N	NEMT Claims/Financial/Encounters	08/31/16	08/31/16	09/30/16	09/30/16	\$125,178.00					
9N	NEMT 820 Payment Transaction	09/30/16	08/31/16	10/31/16	10/31/16	\$50,265.00					
10N	NEMT User Interface	09/30/16	08/31/16	10/31/16	10/31/16	\$34,074.00					
11N	NEMT Reports	09/30/16	08/31/16	10/31/16	10/31/16	\$49,540.00					
12N	NEMT Data Interfaces	10/31/16	08/31/16	11/30/16	11/30/16	\$48,331.00					
13N	NEMT Federal Reporting	10/31/16	08/31/16	11/30/16	11/30/16	\$9,666.00					
14N	NEMT Deployments, UAT, PIR	10/31/16	10/31/16	11/30/16	11/30/16	\$193,325.00					
15N	NEMT State Tester Support-Arms	11/30/16	11/30/16	12/31/16	12/31/16	\$251,323.00					
16N	NEMT System Documentation	12/31/16	12/31/16	01/31/17	01/31/17	\$19,332.00					
	TOTAL A-15 PAP and MCM NEMT Funds					\$1,379,375.00					
TOTAL PAP and MCM Fixed Payments A-15											
						\$6,924,326.00					
29	General Contingency Pool	Removed Amendment	Removed Amendment	Per 12	Per 12	\$0.00					
30	Cost Sharing Enhancement Pool	Removed Amendment	Removed Amendment	Per 10	Per 10	\$0.00					
	TOTAL A-16 PAP and MCM Contingency Funds					\$0.00					
TOTAL MMIS Post DDI Enhancements A-15											
						\$6,924,326.00					
Log-In Security Enhancements											
1	Production Release	comp	comp	comp	comp	\$92,500.00					
	TOTAL A-16 Log-In Security Enhancements					\$92,500.00					
Database Access for Designated Users											

Amendment 11 Appendix A.2
Deliverable List and Payment Schedule

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1	Software Acquisition	comp	comp	comp	comp	\$14,350.00						
2	Production Release	07/31/16	comp	08/31/16	comp	\$3,750.00						
	TOTAL A-16 Database Access for Designated Users					\$18,100.00						
	2D Barcode and OCR Enhancement											
1	Software Acquisition	comp	comp	07/31/16	comp	\$50,468.00						
2	Design and Construction	06/30/16	comp	07/31/16	comp	\$21,283.00						
3	Testing and Implementation	07/31/16	comp	08/30/16	comp	\$17,415.00						
4	OCR Modifications	comp	comp	comp	comp	\$10,000.00						
	TOTAL A-16 2D Barcode Enhancement					\$99,166.00						
	Resource Utilization Group (RUG) IV											
1	Develop Policy Design Document (PDD)	04/30/16	comp	05/31/16	comp	\$60,000.00						
2	Conduct Pilot	05/31/16	comp	06/30/16	comp	\$46,000.00						
3	Conduct Simulation	06/30/16	comp	07/31/16	comp	\$30,000.00						
4	Finalize PDD	06/30/16	comp	07/31/16	comp	\$55,000.00						
5	Develop System Modifications Document (SMD)	04/30/16	comp	05/31/16	comp	\$55,000.00						
6	Finalize System Design	05/15/16	comp	06/15/16	comp	\$57,438.00						
7	Regression Testing	09/15/16	comp	10/15/16	comp	\$57,437.00						
8	User Acceptance Testing (UAT)	09/30/16	10/31/16	11/30/16		\$50,000.00						
	TOTAL A-16 Resource Utilization Group (RUG) IV					\$410,875.00						
	New MMIS Certification Requirements											
1	Develop Responses to CMS Pilot Checklists	comp	comp	comp	comp	\$199,457.00						
	TOTAL A-16 New MMIS Certification Requirements					\$199,457.00						
	Enhanced DMZ Infrastructure Setup											
1	Software Acquisition	comp	comp	comp	comp	\$46,825.00						
2	Design	05/31/16	12/31/16	06/30/16	01/31/17	\$68,105.00						
3	Testing and Implementation	07/31/16	02/28/17	08/31/16	03/31/17	\$102,158.00						
	TOTAL A-16 Enhanced DMZ Infrastructure Setup					\$217,088.00						
	TOTAL MMIS Post DDI Enhancements A-16					\$1,097,186.00						
	Provider Revalidation (PR)											
	Provider Revalidation Phase I - UI, Letters, Reports											
1	PR UI, Letters, Reports Requirements Completed	n/a	11/30/16	n/a	12/31/16	\$77,050.00						
2	PR UI, Letters, Reports Development Completed	n/a	12/31/16	n/a	01/31/17	\$115,576.00						
3	PR UI, Letters, Reports SIT/Regression Testing Completed	n/a	01/15/17	n/a	02/15/17	\$96,312.00						
4	PR UI, Letters, Reports UAT Completed Production Deployed	n/a	02/15/17	n/a	03/15/17	\$96,312.00						
	Provider Revalidation Phase II - Automation											
5	PR Automation Requirements Complete	n/a	11/15/16	n/a	12/15/16	\$282,950.00						
6	PR Automation Development and Unit Testing Complete	n/a	01/31/17	n/a	02/28/17	\$424,426.00						
7	PR Automation SIT & Regression Testing Complete	n/a	02/28/17	n/a	03/31/17	\$353,687.00						
8	PR Automation UAT and Production Deployment Complete	n/a	03/31/17	n/a	04/30/17	\$353,687.00						
9	PR Us, Letters & Reports Added Functionality Updates	n/a	03/31/17	n/a	03/31/17	\$200,000.00						
10	PR Electronic Signature Functionality & Storage Capability CD	n/a	04/30/17	n/a	04/30/17	\$200,000.00						
11	PR Data Collection Processes & Volume Control Completed	n/a	05/31/17	n/a	06/30/17	\$100,000.00						
	TOTAL A-17 Provider Revalidation					\$2,300,000.00						
	MITA Assessment Support											
1	40 Hours MITA Technical Support	n/a	03/31/17	n/a	03/31/17	\$5,000.00						
2	40 Hours MITA Technical Support	n/a	03/31/17	n/a	03/31/17	\$5,000.00						
3	40 Hours MITA Technical Support	n/a	03/31/17	n/a	03/31/17	\$5,000.00						
	TOTAL A-17 MITA Assessment Support					\$15,000.00						
	Enhanced Provider Screening											
15	Screening/Monitoring File Processes Implemented	n/a	09/15/16	n/a	11/15/16	\$37,500.00						
16	Provider FCBC Tracking Process Implemented	n/a	11/30/16	n/a	12/31/16	\$68,750.00						
	TOTAL A-17 Enhanced Provider Screening					\$106,250.00						
	T-MIS6 Transformed Medical Statistical Information System											
17	Extended PORT/OHT Testing	n/a	07/15/16	n/a	11/15/16	\$367,625.00						
	TOTAL A-17 T-MIS6 Transformed Medical Statistical Information System					\$367,625.00						
	ICD-10											
24	FFY17 Requirement, Validation, Technical System Updates	n/a	04/30/17	n/a	05/31/17	\$219,750.00						
	TOTAL A-17 ICD-10					\$219,750.00						
	MCMFAP											
40	Capitation Claims Adjust User Interface	n/a	02/28/17	n/a	03/31/17	\$62,625.00						
	PAP Yr 2 2017 Plan Enrollment and 834											
41	PAP Yr 2 BP Enrollment Production Implementation	n/a	10/31/16	n/a	11/30/16	\$137,250.00						

Amendment 11 Appendix A.2
Deliverable List and Payment Schedule

Ref #	Deliverable	Amend 11 Delivery Date	Amend 12 Revised Delivery Date	Amend 13 Invoice Date	Amend 12 Revised Invoice Date	Payment Amount	Holdback Amount	Payment less 15% holdback	Holdback Release Amount	Holdback Release Amount	Payment with Holdback Release Amt	Retained Holdback	Holdback Retained Amount
42	QHP Roster Coding Changes Implementation Completed	n/a	01/31/17	n/a	02/28/17	\$34,190.00							
43	Reqs/Design Daily Trigger Logic & 834 Data Storage	n/a	11/30/16	n/a	12/31/16	\$43,837.00							
44	Development Daily Trigger Logic & 834 Data Storage	n/a	12/31/16	n/a	01/31/17	\$65,756.00							
45	SIT and Regression Daily Trigger Logic & 834 Data Storage	n/a	01/31/17	n/a	02/28/17	\$43,837.00							
46	UAT Daily Trigger Logic & 834 Data Storage Completed	n/a	02/28/17	n/a	03/31/17	\$32,877.00							
47	Daily Trigger Logic & 834 Data Storage Implemented	n/a	02/28/17	n/a	03/31/17	\$32,878.00							
EMAR MCM PAP Reporting Enhancements													
53	EMAR Analysis & Design Completed	n/a	11/30/16	n/a	12/31/16	\$51,590.00							
54	EMAR Data Report, Processing Changes Completed	n/a	12/31/16	n/a	01/31/17	\$51,590.00							
55	EMAR System Integration Testing Completed	n/a	01/31/17	n/a	02/28/17	\$91,070.00							
56	EMAR UAT Implementation/Documentation PIR Completed	n/a	02/28/17	n/a	03/31/17	\$0.00							
57	MCM PAP Multi Project State Tester Support 4 mos Dec-Mar	n/a	12/01/16	n/a	12/01/16	\$246,600.00							
58	MCM PAP Multi Project State Tester Support 4 Ctrs Apr-Mar	n/a	04/01/17	n/a	04/01/17	\$184,750.00							
TOTAL A-17 MCM/PAP						\$1,068,850.00							
Change of Ownership (CHOW) Phase II-Partial Yr Cost													
5	CHOW PII Requirements/Design Completed, CRs Approved	n/a	12/31/16	n/a	01/31/17	\$95,187.00							
6	CHOW PII Development Completed	n/a	01/31/17	n/a	02/28/17	\$95,187.00							
7	CHOW PII System Integration/Regression Test Completed	n/a	02/28/17	n/a	03/31/17	\$95,188.00							
8	CHOW PII UAT Completed and Production Implementation	n/a	03/31/17	n/a	04/30/17	\$95,188.00							
TOTAL A-17 CHOW Phase II						\$380,750.00							
TOTAL MMIS Post DDI Enhancements A-17						\$4,458,225.00							

\$84,699,961.50

Contractor Initials: 
Date: 4/18/2016

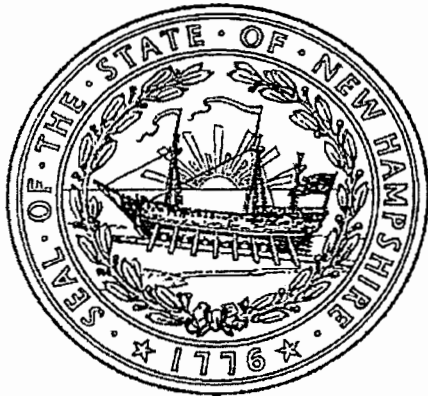
State of New Hampshire

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 is a Delaware Limited Liability Company registered to transact business in New Hampshire on July 01, 1999. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 316932



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 24th day of October A.D. 2016.

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

William M. Gardner
Secretary of State

CERTIFICATE OF ASSISTANT SECRETARY

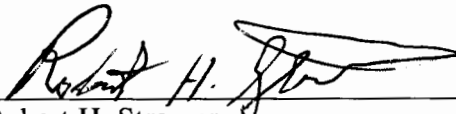
I, Robert H. Strasser, do hereby certify as follows:

(1) I am the duly appointed, qualified and Assistant 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) Dan Dwyer is a duly appointed, qualified and acting Vice 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. 12 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 Assistant Secretary this 8th day of November, 2016.

XEROX STATE HEALTHCARE, LLC
a Delaware limited liability company

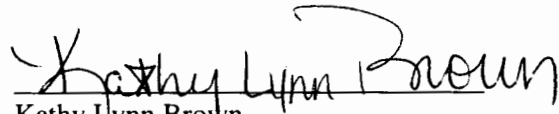


Robert H. Strasser
Assistant Secretary

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on this 8th day of November, 2016, by Robert H. Strasser, Assistant Secretary of Xerox State Healthcare, LLC, a Delaware limited liability company, on behalf of said Company.





Kathy Lynn Brown
Notary Public, State of Texas

My Commission Expires: 9/5/19



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
06/01/2016

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

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

PRODUCER MARSH USA, INC. 1166 AVENUE OF THE AMERICAS NEW YORK, NY 10036 Attn: ACS.CertRequest@marsh.com	CONTACT NAME: PHONE (A/C No. Ext): E-MAIL ADDRESS:		FAX (A/C, No):
	INSURER(S) AFFORDING COVERAGE		
NOC	INSURER A : ACE American Insurance Company	NAIC # 22667	
INSURED Xerox Business Services, LLC 2828 N Haskell Avenue Dallas, TX 75204	INSURER B : N/A	NAIC # N/A	
	INSURER C : Indemnity Ins Co Of North America	NAIC # 43575	
	INSURER D : ACE Fire Underwriters Ins. Co.	NAIC # 20702	
	INSURER E : INSURER F :		

COVERAGES **CERTIFICATE NUMBER:** NYC-007894176-33 **REVISION NUMBER:** 18

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 SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER:		HDO G27403359	01/01/2016	01/01/2017	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	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <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 <input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$		ISA H08866892	01/01/2016	01/01/2017	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ EACH OCCURRENCE \$ AGGREGATE \$
C	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY <input type="checkbox"/> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input checked="" type="checkbox"/> N <input type="checkbox"/> A	WLR C48597208 (AOS) WLR C48597166 (AZ, CA and MA) SCF C48597245 (WI)	01/01/2016	01/01/2017	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached 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 RESPECT TO LIABILITY ARISING FROM NEGLIGENT ACTS OR OMISSIONS OF XEROX BUSINESS SERVICES, LLC AND TO THE EXTENT REQUIRED BY WRITTEN CONTRACT. WORKERS' COMPENSATION IS PROVIDED AT THE STATUTORY LIMITS IN NEW HAMPSHIRE.

CERTIFICATE HOLDER

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF COMMISSIONER
129 PLEASANT STREET
CONCORD, NH 03301

CANCELLATION

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

AUTHORIZED REPRESENTATIVE
of Marsh USA Inc.
Daniel Rivera *Daniel O. Rivera*

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AGENCY CUSTOMER ID: 303099

LOC #: New York



ADDITIONAL REMARKS SCHEDULE

Page 2 of 2

AGENCY MARSH USA, INC.		NAMED INSURED Xerox Business Services, LLC 2828 N Haskell Avenue Dallas, TX 75204	
POLICY NUMBER		EFFECTIVE DATE:	
CARRIER	NAIC CODE		

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.



8 6

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

Jeffrey A. Meyers
 Commissioner

Donna M. O'Leary
 Chief Information
 Officer

G&C Approved

Date 6/29/16
 Item #: 8

May 25, 2016

75% FF
 25% GF

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 11) 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 \$1,464,250 from \$146,203,083 to a new amount not to exceed \$147,667,333, 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), Amendment 6 on March 26, 2014 (Late Item A), Amendment 7 on June 18, 2014 (Item#61A), Amendment 8 on May 27, 2015 (Item#16), Amendment 9 on June 24, 2015 (Item#9), and Amendment 10 on December 16, 2015 (Late Item#A1).

Funds are available in SFY 2016 through SFY 2017 and are anticipated to be available in 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>Class Object</u>	<u>Class Title</u>	<u>Current Modified</u>	<u>Increase/</u>	<u>Revised</u>
<u>Year</u>			<u>Budget</u>	<u>(Decrease)</u>	<u>Modified Budget</u>
SFY 2005	034/500099	Capital Projects	\$25,000,000	\$0	\$25,000,000
SFY 2006	034/500099	Capital Projects	\$1,076,918	\$0	\$1,076,918

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 2006	102/500731	Contracts for Program Services	\$76,326	\$0	\$76,326
SFY 2012	102/500731	Contracts for Program Services	\$7,152,125	\$0	\$7,152,125
SFY 2013	102/500731	Contracts for Program Services	\$4,298,885	\$0	\$4,298,885
SFY 2014	102/500731	Contracts for Program Services	\$30,239,095	\$0	\$30,239,095
SFY 2015	102/500731	Contracts for Program Services	\$4,321,110	\$0	\$4,321,110
SFY 2016	102/500731	Contracts for Program Services	\$6,953,485	\$0	\$6,953,485
SFY 2017	102/500731	Contracts for Program Services	\$1,956,318	\$1,464,250	\$3,420,568
Total Design, Development and Implementation Phase			<u>\$81,074,262</u>	<u>\$1,464,250</u>	<u>\$82,538,512</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 2014	102/500731	Contracts for Program Services	2084889	0	2084889
SFY 2014	102/500731	Contracts for Program Services	\$8,544,809	\$0	8544809
SFY 2015	102/500731	Contracts for Program Services	\$9,164,847	\$0	9164847
SFY 2016	102/500731	Contracts for Program Services	\$16,000,932	\$0	16000932
SFY 2017	102/500731	Contracts for Program Services	\$16,714,404	\$0	16714404
SFY 2018	102/500731	Contracts for Program Services	\$12,618,940	\$0	12618940
Total Operations Phase			<u>\$65,128,821</u>	<u>\$0</u>	<u>\$65,128,821</u>
TOTAL			<u>\$146,203,083</u>	<u>\$1,464,250</u>	<u>\$147,667,333</u>

EXPLANATION

This is a **sole source** amendment that will expand the development of three (3) components of the State's Medicaid Management Information System (MMIS). The first component is the Transformed Medicaid Statistical Information System (T-MSIS) that provides federally required statistical analysis and reporting on New Hampshire's Medicaid payments. The second component is Medicaid Care Management (MCM) that supports member benefit plan enrollment in managed care plans and issues capitated payments to Managed Care Organizations. The third component is the Premium Assistance Program (PAP) that incorporates system processes in support of the New Hampshire Health Protection Program into the Medicaid Management Information System.

A sole source amendment is requested, because these changes are integral to MMIS core processing, and Xerox State Healthcare, LLC is the only company that can complete the expanded development of the state's Medicaid Management Information System to address these changes. Further, the Center's for Medicare and Medicaid Services (CMS) has certified the State's Medicaid Management Information System, developed by Xerox State Healthcare, LLC, effective April 2013.

Certification provides enhanced seventy five percent federal funding for operations resulting in \$12.5 million in revenue annually.

Expanded development of the Medicaid Management Information System components in this amendment are detailed below:

1. Transformed Medicaid Statistical Information System (T-MSIS):

This component of New Hampshire's Medicaid Management Information System is federally required and was originally designed to meet specifications from the Centers for Medicare and Medicaid Services' T-MSIS version 1.2. In January 2016, the Centers for Medicare and Medicaid Services required New Hampshire to enhance its T-MSIS solution to meet the new federal requirements of T-MSIS version 2.0. The migration to version 2.0 is planned to occur in two phases:

- a. The first phase includes those changes that are required to pass through the Operational Readiness Testing (ORT) Gate Review with the Centers for Medicare and Medicaid Services.
- b. The second phase involves further refinement of error file processing and business rule enhancements that will occur in the months immediately following receipt of ORT approval, and concurrent the start-up of Catch-Up File processing.

2. Medicaid Care Management (MCM):

- a. The MCM-related change improves processing of maternity and newborn payments to Managed Care Organizations (MCO).

3. Premium Assistance Program (PAP):

- a. Enhancements to the Medicaid Management Information System financial cycle reporting to include payments processed through the new 820 premium payment transaction process. Additional changes are required to enhance the 271 eligibility inquiry response transaction and the automated voice response system to report newborn benefit plan enrollments in response to member eligibility inquiries.
- b. Implementation of the Non-Emergency Medical Transportation (NEMT) initiative that provides for non-emergency medical transportation service coverage to members enrolled in the Medicaid fee for service benefit plan or members enrolled in Qualified Health Plans (QHP) under the Premium Assistance Program. Amendment 11 includes reformulated requirements for the NEMT system solution. These expanded requirements have resulted from the

collaboration of the Department of Health and Human Services with the Centers for Medicare and Medicaid Services to acquire requisite federal approvals. Under this Amendment 11, the Medicaid Management Information System enhancements to support the implementation of NEMT and their associated costs have been reconfigured and realigned to address the system changes required to support the most current approach to implementing NEMT.

The NEMT enhancement, under this Amendment 11 addresses the requirements to enroll eligible members in a new NEMT benefit plan, to issue the 834 enrollment transaction to the NEMT contractor, to process a capitated per member per month payment, to issue the payment using the 820 payment transaction, to adapt fund code and financial cycle criteria to associate the payments to the appropriate funding source, to stop fee for service claims processing of NEMT related claims, to receive and process NEMT encounter claim transactions, to implement new reports and update existing federal and state reports, and to fully test the solution prior to deploying it to production.

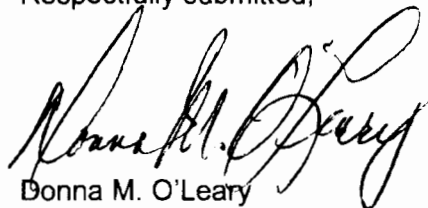
Ninety percent (90%) federal funding for the Design, Development and Implementation phase in this Amendment 11 is pending approval by the Centers for Medicare and Medicaid Services. Seventy-five percent (75%) federal funding of the Operations costs of this agreement has been previously approved through the Centers for Medicare and Medicaid Services' certification of the New Hampshire's Medicaid Management Information System developed by Xerox State Healthcare, LLC.

Source of Funds: Design, Development and Implementation phase: 90% federal funds, 10% general funds; Operations phase: 75% federal funds, 25% general funds.

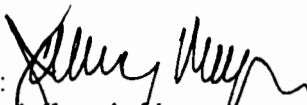
Area served: Statewide.

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

Respectfully submitted,



Donna M. O'Leary
Chief Information Officer

Approved by: 
Jeffrey A. Meyers
Commissioner



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

Denis Goulet
Commissioner

June 13, 2016

Jeffrey A. Meyers, Commissioner
State of New Hampshire
Department of Health and Human Services
129 Pleasant Street
Concord, NH 03301-3857

Dear Commissioner Meyers:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to enter into a **sole source** amendment with Xerox State Healthcare, LLC, Atlanta, GA as described below and referenced as DoIT No. 2015-049.

The purpose of this contract with Xerox State Healthcare is to develop and operate the State's Medicaid Management Information System by increasing the price limitation by \$1,464,250 from \$146,203,083 to a new amount not to exceed \$147,667,333, effective upon the approval of the Governor and Executive Council through March 31, 2018. This amendment expands the existing scope of services.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Denis Goulet", written over a horizontal line.

Denis Goulet

DG/mh
Contract 2005-002-11

**State of New Hampshire
Department of Health and Human Services
Amendment 11 to the Xerox State Healthcare, LLC Contract**

This 11th Amendment to the Xerox State Healthcare, LLC contract (hereinafter referred to as "Amendment 11") dated this 1st day of June 2016, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and 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, Amendment 6 on March 26, 2014, Amendment 7 on June 18, 2014, Amendment 8 on May 27, 2015, Amendment 9 on June 24, 2015, and Amendment 10 on December 16, 2015 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 NH 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 NH MMIS was certified by the Centers for Medicare and Medicaid Services ("CMS") on June 15, 2015; and

WHEREAS, the State and the Contractor have agreed to make changes to 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 11, 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, its Amendment 6 on March 26, 2014, its Amendment 7 on June 18, 2014, its Amendment 8 on May 27, 2015, its Amendment 9 on June 24, 2015, and its Amendment 10 on December 16, 2015.
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:

Contractor Initials: *SP*

Date: 6/1/2016

- 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 Meet Federal Requirements
 - Appendix A.13 – NH MMIS System Enhancements for the New Hampshire Health Protection Plan
 - Appendix A.14 – Performance Measures
 - Appendix A.15 – NH MMIS System Enhancements for the Premium Assistance Program and Medicaid Care Management
 - Appendix A.16 – NH MMIS Security and Efficiency Enhancements
- Amendment 1, Amendment 2, Amendment 3, Amendment 4, Amendment 5, Amendment 6, Amendment 7, Amendment 8, Amendment 9, Amendment 10, and Amendment 11 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.

Contractor Initials: *SD*

Date: 6/1/2016

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 \$1,464,250, from \$146,203,083 to \$147,667,333, to reflect the additional requirements set forth in this Amendment 11.
- 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. The effective date of Amendment 6 is March 26, 2014. The effective date of Amendment 7 is June 18, 2014. The effective date of Amendment 8 is May 27, 2015. The effective date of Amendment 9 is June 24, 2015. The effective date of Amendment 10 is December 16, 2015. 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 11 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 10, shall be deleted and replaced in its entirety with:

Xerox Amendment 11 Appendix A.12 NH MMIS System Enhancements to Meet Federal Requirements.

5. Exhibit A, Contract Section 3.4 System Specifications 3.4.34, *NH MMIS System Enhancements for the Premium Assistance Program and Medicaid Care Management Step 2*, Appendix A.15, Amendment 10, shall be deleted and replaced in its entirety with:

Xerox Amendment 11 Appendix A.15 NH MMIS System Enhancements for the Premium Assistance Program and Medicaid Care Management.

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:

- Muhammad Jarrar – Project Manager
- Angela Johnson – Operations Manager;
- Sanjay Dua – Functional Manager;
- Priya Loonkar – QA/Test manager;
- Rishi Mehta – Technical Manager;
- Denise Tenney – Documentation Specialist;
- James Co – Interface Lead;
- Mark Arenburg – Provider Relations Manager;

Contractor Initials: JD
Date: 6/1/2016

- Brian Geiger – Ad Hoc Specialist;
- Raja SeshdriKannan – Maintenance Manager;
- Melissa Soule – Modifications Manager.
- Nancy Stanieich – Operations/Claims Processing Manager

7. The provisions of Amendment 10, Appendix A.2, *Deliverables List and Payment Schedule* of the Contract are hereby replaced with Amendment 11, 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 \$51,104,776. The base contract period includes a three-year Base Operations Phase for an amount Not to Exceed \$7,975,733 for the first year, \$8,752,153 for the second year, and \$13,903,164 for the third year (\$2,227,705 in State Fiscal Year 2015 and \$11,675,459 in State Fiscal year 2016), for a total Base Operations Phase amount Not to Exceed \$30,631,050. The total amount for the base contract period shall not exceed \$79,109,463.

The Contract further provides for an optional two-year extension of the Operations Phase, which the State exercised by notifying the Contractor of its intention to extend on September 22, 2015. The contract as extended includes a two-year Extension Operations Phase for an amount Not to Exceed \$17,155,928 for the first year (extension operations year 1) and \$17,341,843 for the second year (extension operations year 2) for a total two year Extension Operations Phase amount not to exceed \$34,497,771.

The Contract also provides for Post-DDI Phase Enhancements to be implemented during the base operations phase in accordance with Appendix A.12, Appendix A.13, Appendix A.15, and Appendix A.16 for a Post-DDI Phase Enhancement total amount not to exceed \$34,060,099. The total amount for the base contract, optional operations extension period, and the Post DDI Enhancements shall not exceed \$147,667,333.

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 \$147,667,333, as set forth in Table 1.5-1: Total Contract Price – DDI, Operations, and Post DDI Enhancements. The payment by the State

Contractor Initials: SD

Date: 6/1/2016

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.

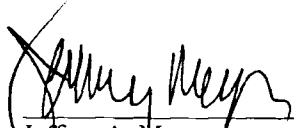
Table 1.5-1: Total Contract Price –DDI, Operations, and Post DDI Enhancements

AMENDMENT 11 PRICE ITEM	PRICE
<i>DDI Phase</i>	\$48,478,413
<i>Subtotal DDI Phase:</i>	\$48,478,413
<i>Base Operations Year 1</i>	\$7,975,733
<i>Base Operations Year 2</i>	\$8,752,153
<i>Base Operations Year 3</i>	\$13,903,164
<i>Subtotal Base Operations Phase:</i>	\$30,631,050
<i>(DDI Phase and Base Operations Phase) Total Base Contract:</i>	\$79,109,463
<i>Extension Operations Year 1</i>	\$17,155,928
<i>Extension Operations Year 2</i>	\$17,341,843
<i>Subtotal Extension Operations Phase:</i>	\$34,497,771
<i>Total Operations Phase:</i>	\$65,128,821
<i>Post-DDI Phase Enhancements – Appendix A.12</i>	\$21,564,935
<i>Post-DDI Phase Enhancements – Appendix A.13</i>	\$2,923,787
<i>Post-DDI Phase Enhancements – Appendix A.15</i>	\$8,534,191
<i>Post-DDI Phase Enhancements – Appendix A.16</i>	\$1,037,186
<i>Subtotal Post DDI Enhancements:</i>	\$34,060,099
<i>(DDI Phase, Operations Phase, Post-DDI Phase Enhancements) Total Contract Price:</i>	\$147,667,333

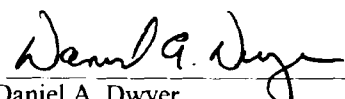
Contractor Initials: AD
 Date: 6/1/2016

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



Jeffrey A. Meyers
Commissioner



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

Contractor Initials: DD

Date: 6/1/2016

STATE OF NEW HAMPSHIRE

COUNTY OF MERRIMACK

On this the 1ST day of JUNE 2016, before me, REBECCA CLARK the undersigned officer, personally appeared Daniel A. Dwyer who acknowledged himself/herself to be the X Senior Vice President X of Xerox State Healthcare, LLC, a Delaware limited liability company, and that he/she, as such X Senior Vice President X 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 X Senior Vice President _____.

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

REBECCA CLARK, Notary Public
State of New Hampshire
My Commission Expires February 10, 2021

Rebecca Clark
Notary Public/Justice of the Peace
My commission expires: 2/10/21

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

OFFICE OF THE ATTORNEY GENERAL

By: [Signature] Legal Aide - Attorney

Date: 6/12/16

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: 6/1/2016

Amendment 11 Appendix A.2
 Deliverable List and Payment Schedule

Req #	Deliverable	Amend #1 Delivery Date	Amend #10 Delivery Date	Amend #11 Delivery Date	Amend #12 Delivery Date	Amend #13 Delivery Date	Payment Amount	Holdback %	Holdback Amount	Payment Due To Holdback	Holdback %	Holdback Amount	Payment with Holdback Reserve and	Holdback Amount	Holdback Amount	Holdback Amount
1	Requirements Analysis and Start Up	comp	comp	comp	comp	comp	\$1,777,000.00	15%	\$266,550.00	\$1,510,450.00	0%	\$0.00	\$1,510,450.00	\$0.00	\$0.00	\$0.00
2	Detailed System Design	comp	comp	comp	comp	comp	\$1,712,500.00	15%	\$256,875.00	\$1,455,625.00	1%	\$14,556.25	\$1,470,181.25	\$14,556.25	\$1,455,625.00	\$14,556.25
	Total Requirements and Design						\$2,489,500.00	15%	\$373,425.00	\$2,116,075.00	1%	\$29,112.50	\$2,145,187.50	\$29,112.50	\$2,116,075.00	\$29,112.50
3	Construction and User Acceptance Test															
4	Initiation of UAT	comp	comp	comp	comp	comp	\$1,780,000.00	15%	\$267,000.00	\$1,513,000.00	1%	\$151,300.00	\$1,664,300.00	\$151,300.00	\$1,513,000.00	\$151,300.00
5	Completion of UAT	comp	comp	comp	comp	comp	\$1,628,000.00	15%	\$244,200.00	\$1,383,800.00	1%	\$84,190.00	\$1,467,990.00	\$84,190.00	\$1,383,800.00	\$84,190.00
6	Design, Code, Unit Test, SIT - UAT testing for the COB changes	04/30/16	11/30/16	05/15/16	12/31/16		\$4,004,200.00	15%	\$600,630.00	\$3,403,570.00	1%	\$210,232.50	\$3,613,802.50	\$210,232.50	\$3,403,570.00	\$210,232.50
	Total Construction and Unit Test						\$4,004,200.00	15%	\$600,630.00	\$3,403,570.00	1%	\$210,232.50	\$3,613,802.50	\$210,232.50	\$3,403,570.00	\$210,232.50
7	Implementation															
8	User Interface Updated for S010	05/31/16	08/15/16	06/15/16	09/15/16		\$568,425.00	15%	\$85,263.75	\$483,161.25	1%	\$24,158.06	\$507,319.31	\$24,158.06	\$483,161.25	\$24,158.06
	Total Implementation						\$568,425.00	15%	\$85,263.75	\$483,161.25	1%	\$24,158.06	\$507,319.31	\$24,158.06	\$483,161.25	\$24,158.06
	TOTAL S010 Enhancements						\$7,152,125.00	15%	\$1,072,816.75	\$6,079,308.25	1%	\$375,390.56	\$6,454,708.81	\$375,390.56	\$6,079,308.25	\$375,390.56
	Managed Care System Enhancements Phase I															
1	Requirements Analysis and Start Up	comp	comp	comp	comp	comp	\$442,250.00	15%	\$66,337.50	\$375,912.50	1%	\$18,795.63	\$394,708.13	\$18,795.63	\$375,912.50	\$18,795.63
2	Detailed System Design	comp	comp	comp	comp	comp	\$603,750.00	15%	\$90,562.50	\$513,187.50	1%	\$25,693.13	\$538,880.63	\$25,693.13	\$513,187.50	\$25,693.13
	Total Requirements and Design						\$1,046,000.00	15%	\$156,900.00	\$889,100.00	1%	\$44,488.76	\$933,588.76	\$44,488.76	\$889,100.00	\$44,488.76
3	Construction and User Acceptance Test															
4	Completion of UAT	comp	comp	comp	comp	comp	\$1,973,875.00	15%	\$296,081.25	\$1,677,793.75	1%	\$83,913.76	\$1,761,707.51	\$83,913.76	\$1,677,793.75	\$83,913.76
	Total Construction and Unit Test						\$1,973,875.00	15%	\$296,081.25	\$1,677,793.75	1%	\$83,913.76	\$1,761,707.51	\$83,913.76	\$1,677,793.75	\$83,913.76
	Implementation															
5	Completion of Implementation	comp	comp	comp	comp	comp	\$292,400.00	15%	\$43,860.00	\$248,540.00	1%	\$12,427.00	\$260,967.00	\$12,427.00	\$248,540.00	\$12,427.00
	Total Implementation						\$292,400.00	15%	\$43,860.00	\$248,540.00	1%	\$12,427.00	\$260,967.00	\$12,427.00	\$248,540.00	\$12,427.00
	TOTAL Managed Care Phase I Enhancements						\$2,802,275.00	15%	\$420,341.25	\$2,381,933.75	1%	\$96,811.76	\$2,478,745.51	\$96,811.76	\$2,381,933.75	\$96,811.76
	Managed Care System Enhancements Phase II															
1	Requirements and Design	comp	comp	comp	comp	comp	\$56,500.00	15%	\$8,475.00	\$48,025.00	1%	\$1,921.25	\$49,946.25	\$1,921.25	\$48,025.00	\$1,921.25
2	Management Oversight	comp	comp	comp	comp	comp	\$87,150.00	15%	\$13,072.50	\$74,077.50	1%	\$2,962.91	\$77,040.41	\$2,962.91	\$74,077.50	\$2,962.91
3	Documented Change Requests	comp	comp	comp	comp	comp	\$84,150.00	15%	\$12,622.50	\$71,527.50	1%	\$2,861.90	\$74,389.40	\$2,861.90	\$71,527.50	\$2,861.90
4	Updated OSD Chapters	comp	comp	comp	comp	comp	\$10,500.00	15%	\$1,575.00	\$8,925.00	1%	\$357.75	\$9,282.75	\$357.75	\$8,925.00	\$357.75
	Total Requirements and Design						\$308,300.00	15%	\$46,747.50	\$261,552.50	1%	\$9,103.81	\$270,656.31	\$9,103.81	\$261,552.50	\$9,103.81
5	Construction and Unit Test															
6	Construction	04/07/16	comp	04/15/16	comp	comp	\$535,000.00	15%	\$80,250.00	\$454,750.00	1%	\$17,737.50	\$472,487.50	\$17,737.50	\$454,750.00	\$17,737.50
	Total Construction and Unit Test						\$535,000.00	15%	\$80,250.00	\$454,750.00	1%	\$17,737.50	\$472,487.50	\$17,737.50	\$454,750.00	\$17,737.50
7	System Integration Testing															
8	System Test Plan	comp	comp	comp	comp	comp	\$41,000.00	15%	\$6,150.00	\$34,850.00	1%	\$1,392.25	\$36,242.25	\$1,392.25	\$34,850.00	\$1,392.25
9	System Test Complete	04/01/16	05/31/16	04/15/16	08/30/16		\$318,100.00	15%	\$47,715.00	\$270,385.00	1%	\$8,711.25	\$279,096.25	\$8,711.25	\$270,385.00	\$8,711.25
	Total System Integration Testing						\$359,100.00	15%	\$53,865.00	\$305,235.00	1%	\$10,103.50	\$315,338.50	\$10,103.50	\$305,235.00	\$10,103.50
10	User Acceptance Testing															
11	UAT Test Planning	comp	comp	comp	comp	comp	\$104,250.00	15%	\$15,637.50	\$88,612.50	1%	\$3,465.63	\$92,078.13	\$3,465.63	\$88,612.50	\$3,465.63
12	Train State/State Users	04/01/16	07/31/16	04/15/16	08/31/16		\$8,450.00	15%	\$1,267.50	\$7,182.50	1%	\$232.88	\$7,415.38	\$232.88	\$7,182.50	\$232.88
	Total User Acceptance Testing						\$112,700.00	15%	\$16,905.00	\$95,795.00	1%	\$3,798.51	\$99,593.51	\$3,798.51	\$95,795.00	\$3,798.51
13	Implementation															
14	Production Release	05/01/16	07/31/16	05/15/16	08/31/16		\$99,975.00	15%	\$14,996.25	\$84,978.75	1%	\$2,549.47	\$87,528.22	\$2,549.47	\$84,978.75	\$2,549.47
	Total Implementation						\$99,975.00	15%	\$14,996.25	\$84,978.75	1%	\$2,549.47	\$87,528.22	\$2,549.47	\$84,978.75	\$2,549.47
	TOTAL Managed Care Phase II Enhancements						\$1,415,075.00	15%	\$212,260.95	\$1,202,814.05	1%	\$37,611.25	\$1,240,425.30	\$37,611.25	\$1,202,814.05	\$37,611.25
	Medical Hospice Benefit															
	TOTAL Medicaid Hospice Benefit Enhancements						\$0.00	15%	\$0.00	\$0.00	1%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Family Planning Benefit															
	TOTAL Family Planning Benefit Enhancements						\$0.00	15%	\$0.00	\$0.00	1%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Enhanced Provider Consulting															
1	Requirements and Design	comp	comp	comp	comp	comp	\$111,250.00	15%	\$16,687.50	\$94,562.50	1%	\$3,794.38	\$98,356.88	\$3,794.38	\$94,562.50	\$3,794.38
2	Detailed System Design	comp	comp	comp	comp	comp	\$178,500.00	15%	\$26,775.00	\$151,725.00	1%	\$4,076.88	\$155,801.88	\$4,076.88	\$151,725.00	\$4,076.88
	Total Requirements and Design						\$289,750.00	15%	\$43,462.50	\$246,287.50	1%	\$7,871.26	\$254,158.76	\$7,871.26	\$246,287.50	\$7,871.26
3	License Integration Construction and System Testing	01/01/16	comp	02/01/16	comp	comp	\$600,000.00	15%	\$90,000.00	\$510,000.00	1%	\$13,500.00	\$523,500.00	\$13,500.00	\$510,000.00	\$13,500.00

Req #	Deliverable	Amend 10 Priority Date	Amend 11 Revised Date	Amend 13 Revised Date	Amend 14 Revised Date	Payment Amount	Holder #	Holder's Amount	Payment of Fee (%) Holder #	Holder's Amount	Payment of Fee (%) Holder #	Holder's Amount	Payment of Fee (%) Holder #	Holder's Amount
15	MMS BRIDGES Outbound Interface Changes	02/07/16	10/31/16	08/07/16	11/30/17	\$128,300.00								
16	MID Compare Process	02/07/16	06/30/17	08/07/16	07/31/17	\$89,956.00								
17	Inbound MCO MMS Interface	02/07/16	10/31/16	08/07/16	11/30/16	\$94,323.00								
18	NEMT-Requirements Analysis		Removed Per Amendment 11			\$0.00								
19	NEMT-Configuration		Removed Per Amendment 11			\$0.00								
20	NEMT-UAT		Removed Per Amendment 11			\$0.00								
21	NEMT-Regression Testing		Removed Per Amendment 11			\$0.00								
22	NEMT-Additional Development		Removed Per Amendment 11			\$0.00								
23	NEMT-Reports and Documentation		Removed Per Amendment 11			\$0.00								
24	NEMT-T.MSSIS		Removed Per Amendment 11			\$0.00								
25	NEMT-FFADS and EMAR		Removed Per Amendment 11			\$0.00								
26	NEMT-334		Removed Per Amendment 11			\$0.00								
27	Additional Eligibility Changes	01/31/16	comp	02/15/16	comp	\$104,500.00								
28	Additional Reporting Changes	08/30/16	08/31/16	07/15/16	09/30/16	\$84,750.00								
29	Materiality/Newborn Processing	n/a	n/a	n/a	08/31/16	\$18,625.00								
30	Newborn BP on 271 Transaction	n/a	n/a	n/a	08/31/16	\$17,250.00								
31	Newborn BP in Voice Response	n/a	n/a	n/a	08/31/16	\$5,000.00								
32	820 Payment Financial Reporting	n/a	n/a	n/a	08/31/16	\$30,625.00								
33	NEMT Project Management	n/a	n/a	n/a	1/2017	\$109,349.00								
34	NEMT Provider Enrollment	n/a	n/a	n/a	08/31/16	\$12,566.00								
35	NEMT Member Plan	n/a	n/a	n/a	08/31/16	\$26,461.00								
36	NEMT Member NEMT Enrollment	n/a	n/a	n/a	08/31/16	\$54,614.00								
37	NEMT 334 Enrollment: Transaction	n/a	n/a	n/a	09/30/16	\$39,781.00								
38	NEMT Benefit Plan Rate Color	n/a	n/a	n/a	09/30/16	\$10,875.00								
39	NEMT Capital	n/a	n/a	n/a	09/30/16	\$124,695.00								
40	NEMT Claims/Financial Encounters	n/a	n/a	n/a	09/30/16	\$125,178.00								
41	NEMT 820 Payment Transaction	n/a	n/a	n/a	10/31/16	\$50,265.00								
42	NEMT User Interface	n/a	n/a	n/a	10/31/16	\$34,074.00								
43	NEMT Reports	n/a	n/a	n/a	10/31/16	\$48,540.00								
44	NEMT Data Interfaces	n/a	n/a	n/a	11/30/16	\$48,331.00								
45	NEMT Federal Reporting	n/a	n/a	n/a	11/30/16	\$9,666.00								
46	NEMT State Taster Support-Arms	n/a	n/a	n/a	11/30/16	\$193,325.00								
47	NEMT System Documentation	n/a	n/a	n/a	12/31/16	\$251,323.00								
48	TOTAL A-15 PAP and MCM Fixed Payments					\$1,932,000								
49	General Contingency Pool					\$8,266,941.00								
50	Cost Sharing Enhancement Pool					\$267,250.00								
	TOTAL A-15 PAP and MCM Contingency Funds					\$0.00								
	TOTAL MMS Post-DM Enhancements A-15					\$8,534,191.00								
	Log-In Security Enhancements													
1	Production Release	06/12/15	comp	12/18/15	comp	\$92,500.00								
	TOTAL A-16 Log-In Security Enhancements					\$92,500.00								
	Database Access for Designated Users													
1	Software Acquisition	08/15/15	comp	12/18/15	comp	\$14,350.00								
2	Production Release	08/15/15	07/31/16	12/18/15	08/31/16	\$3,750.00								
	TOTAL A-16 Database Access for Designated Users					\$18,100.00								
	2D Barcode and OCR Enhancement													
1	Software Acquisition	12/31/15	comp	01/21/16	comp	\$50,468.00								
2	Design and Construction	01/31/16	08/30/16	02/29/16	07/31/16	\$21,283.00								
3	Testing and Implementation	02/29/16	07/31/16	03/31/16	08/30/16	\$17,415.00								
4	OCR Modifications	02/29/16	comp	03/15/16	comp	\$10,000.00								
	TOTAL A-16 2D Barcode Enhancement					\$99,166.00								
	Resources Utilization (Group) (GUTS) (N)													
1	Develop Policy Design Document (PDD)	02/01/16	04/30/16	02/15/16	05/31/16	\$60,000.00								
2	Conduct Pilot	02/29/16	05/31/16	03/15/16	06/30/16	\$46,000.00								
3	Conduct Simulation	03/09/16	06/30/16	03/15/16	07/31/16	\$30,000.00								
4	Finalize PDD	04/29/16	06/30/16	05/15/16	07/31/16	\$55,000.00								
5	Develop System Modifications Document (SMD)	04/29/16	04/30/16	05/15/16	05/31/16	\$35,000.00								
6	Finalize System Design	06/02/16	05/15/16	06/25/16	06/15/16	\$57,438.00								
7	Regression Testing	09/15/16	09/15/16	10/03/16	10/15/16	\$51,437.00								
8	User Acceptance Testing (UAT)	09/30/16	09/30/16	10/15/16	10/31/16	\$50,000.00								

Contractor Initials
Date 6/1/2016

Amendment 11 Appendix A2

Deliverables List and Payment Scheduling

Ref #	Deliverable	Amend 10 Received Date	Amend 10 Delivery Date	Amend 10 Invoice Date	Amend 11 Received Invoice Date	Amend 11 Received Invoice Date	Payment Amount	Holdback %	Holdback Amount	Payment %	Payment Amount	Holdback %	Holdback Amount	Payment %	Payment Amount	Holdback %	Holdback Amount	Payment %	Payment Amount
	TOTAL A-16 Resources Utilization Group (RUG) IV						\$410,875.00												
	New MMIS Certification Requirements																		
1	Develop Responses to CMS Pilot Checklists	12/14/15	comp	12/31/15	comp		\$199,457.00												
	TOTAL A-16 New MMIS Certification Requirements						\$199,457.00												
	Enhanced DMZ Infrastructure Setup																		
1	Software Acquisition	02/01/16	comp	02/15/16	comp		\$46,825.00												
2	Design	02/01/16	05/31/16	02/15/16	06/15/16		\$68,105.00												
3	Testing and Implementation	05/31/16	07/31/16	06/15/16	08/31/16		\$102,158.00												
	TOTAL A-16 Enhanced DMZ Infrastructure Setup						\$217,088.00												
	TOTAL MMIS Post DOI Enhancements A-16						\$1,037,188.00												

\$42,318,571.30

Contractor Initials
Date *BP*
12/1/15

Xerox Amendment 11
Appendix A.12
NH MMIS System Enhancements to Meet Federal Requirements

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 11
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 file extracts sent to CMS for each of the eight extracts, including the create file and the update file. A replacement file will be sent to correct and an improperly created file if needed but will not be produced on a regular basis.
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.

Update May 2015: The Contractor has assumed the following responsibilities under Amendment 8:

15. Develop and deliver an updated Detailed System Design (DSD), use cases and system documentation reflecting changes in CMS requirements.
16. Upon implementation, produce T-MSIS Catchup files for each calendar month in CY 2014, CY 2015 and CY2016 until file production is current, and then produce monthly files on an ongoing basis.
17. Provide two full-time technical resources to operate and maintain the T-MSIS component of the MMIS in order to address changes in State and federal requirements in a timely manner.

Xerox Amendment 11
Appendix A.12
NH MMIS System Enhancements to Meet Federal Requirements

Update December 2015: The Contractor Xerox has assumed the following responsibilities under Amendment 10:

18. Conduct Pre-Operational Readiness Testing (PORT) as required by CMS.
19. Conduct Catch-Up File Processing through the first three to six months of CY2016, the exact timeframe to be determined upon the date of CMS approval of operational readiness.

Update June 2016: The Contractor Xerox has assumed the following additional responsibilities under Amendment 11:

All of the NH MMIS T-MSIS designed for delivery through December 2015 was in compliance with the evolving specifications of T-MSIS version 1.2. In January 2016, CMS required NH to enhance its T-MSIS solution to meet the new federal requirements of T-MSIS version 2.0.

The migration to v2.0 must occur in two phases. The first phase includes those changes that are required to pass through the Operational Readiness Testing (ORT) Gate Review with CMS. The second phase involves further refinement of error file processing and business rule enhancements that will occur in the months immediately following receipt of ORT approval, and concurrent the start-up of Catch-Up File processing.

The four high level summary activities covering the migration of the NH T-MSIS solution to v2.0 are identified immediately below and have been added under Phase 8 to the T-MSIS payment schedule table. The total additional cost increase for the T-MSIS 2.0 enhancements under this Amendment 11 is \$471,875. When added to the \$3,936,851 already approved under Amendment 10, the total cost for T-MSIS is \$4,408,726 under this Amendment 11.

20. Design, Develop, and Implement T-MSMS version 2.0 Database and File Format Updates
21. Design, Develop, and Implement T-MSIS v2.0 Error Files Receipt and Processing Enhancements
22. Design and Update T-MSIS v2.0 Rules Changes to NH MATT Specifications
23. Develop, Test and Implement T-MSIS v2.0 Rules Changes

The T-MSIS Deliverable / Payment Schedule begins on the following page:

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T-MSIS Deliverables / Payment Schedule (Updated Amendment 11 June 2016):

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	\$178,165
Requirements Elaboration	Documented Change Request	3/3/2014	3/31/2014	
Detailed System Design (DSD) Updated	Detailed System Design Approved	3/3/2014	3/31/2014	\$178,165
Phase II – Design				
Technical Design	Technical Design Complete	4/1/2014	5/30/2014	\$249,374
Phase III – Configuration, Modification, Development / Construction				
Coding	Code Complete	5/2/2014	8/29/2014	\$293,381
Unit Testing	Unit Test Complete	5/2/2014	8/29/2014	
Data Configuration	Data Configuration Complete	5/2/2014	8/29/2014	
Dev Integration Testing	Dev Integration Testing Complete	5/2/2014	8/29/2014	\$293,381
Phase IV – System Integration Testing				
System Test Prep	System Test Environment Ready	9/1/2014	9/30/2014	\$190,698
System Test Planning	System Test Plan Approved	9/1/2014	9/30/2014	
SIT Execution	System Integration Test Complete	9/1/2014	9/30/2014	
Phase V – User Acceptance Testing				
UAT Test Prep	UAT Environment Ready	4/1/2015	6/2/2015	\$261,272
UAT Test Planning	UAT Test Plan Approved	4/1/2015	6/2/2015	
UAT Execution (State Activity)	UAT Test Complete	4/1/2015	6/2/2015	
Phase VI – Implementation				
Pre-Operational Readiness Testing	CMS Approves NH's T-MSIS Readiness Testing	7/1/2015	3/31/2016	\$587,200
Additional CMS-required Readiness Testing (if necessary)	CMS Approves NH's T-MSIS Readiness Testing	4/1/2016	4/30/2016	\$130,000
Additional CMS-required Readiness Testing (if necessary)	CMS Approves NH's T-MSIS Readiness Testing	5/1/2016	5/31/2016	\$130,000
Production Release	Production Ready	6/2/2016	6/25/2016	\$275,940

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Post Production Validation	Post Production Validation Complete, Including Submission of First Set of Files and Loading of Error Files	6/6/2016	6/30/2016	
Documentation	Final DSD, Use Cases and Systems Documentation Approved	6/1/2016	9/15/2016	\$256,991
Phase VII – File Submission Catch-Up				
Catch-Up CY 2014	All Eight Files Submitted and Error File Processing Complete for Each CY 2014 Month	7/1/2016	7/31/2016	\$195,000
Catch-Up CY 2015-16	All Eight Files Submitted and Error File Processing Complete for Each CY 2015-16 Month	8/1/2016	8/31/2016	\$260,000
Additional File Catch-Up Processing (if necessary)	All Eight Files Submitted and Error File Processing Complete for Each CY 2015-16 Month	9/1/2016	9/15/2016	\$32,500
Additional File Catch-Up Processing (if necessary)	All Eight Files Submitted and Error File Processing Complete for Each CY 2015-16 Month	9/16/2016	9/30/2016	\$32,500
Additional File Catch-Up Processing (if necessary)	All Eight Files Submitted and Error File Processing Complete for Each CY 2015-16 Month	10/1/2016	10/15/2016	\$32,500
Additional File Catch-Up Processing (if necessary)	All Eight Files Submitted and Error File Processing Complete for Each CY 2015-16 Month	10/16/2016	10/31/2016	\$32,500
Additional File Catch-Up Processing (if necessary)	All Eight Files Submitted and Error File Processing Complete for Each CY 2015-16 Month	11/1/2016	11/15/2016	\$32,500
Additional File Catch-Up Processing (if necessary)	All Eight Files Submitted and Error File Processing Complete for Each CY 2015-16 Month	11/16/2016	11/30/2016	\$32,500
Additional File Catch-Up Processing (if necessary)	All Eight Files Submitted and Error File Processing Complete for Each CY 2015-16 Month	12/1/2016	12/15/2016	\$32,500
Phase VIII – Migration to T-MSIS Version 2.0				
T-MSIS version 2.0 Database and File Format Updates	CMS Approval for NH ORT Testing	1/15/2016	7/15/2016	\$12,500
Error Files Receipt and Processing Enhancements	Post Production Implementation	2/15/2016	7/31/2016	\$50,000
Update Rules Changes to NH MATT Specifications	Post Production Implementation	5/1/2016	7/31/2016	\$200,000

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Develop, Test and Implement T-MSIS v2.0 Rules Changes	All 2.0 Rules Format Changes Implemented and validated in post-production implementation.	6/1/2016	8/31/2016	\$209,375
Total Cost:				\$4,408,726

The contract as modified by Amendments 10 and 11 anticipates that CMS may continue to modify T-MSIS specifications and impose new testing requirements. The T-MSIS Deliverables/Payment Schedule includes Additional File Catch-Up payments which will be made if necessary to cover periods resulting from delays in T-MSIS production and catch-up file processing, or the need for additional testing and/or additional requirement changes as agreed to by the contractor and approved by the State.

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

June 2014 - March 2015:	\$57,525	
April 2015 - March 2016:	\$69,029	
April 2016 - March 2017:	\$69,029	
April 2017 - March 2018:	\$69,029	Total Ongoing Data Storage Cost: \$264,612

Following the completion of the file catch-up process, the Contractor Xerox shall provide two full-time technical resources to operate and maintain the T-MSIS component of the MMIS, the costs for which are outlined below:

January 2016 - March 2016:	\$130,000	
April 2016 - March 2017:	\$520,000	
April 2017 - March 2018:	\$520,000	Total Ongoing Operations Cost: \$1,170,000

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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

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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.

Update May 2015: The Contractor Xerox has assumed responsibility for requesting and achieving Committee on Operating Rules for Electronic Data Exchange (CORE) Phase I, II, and III certification.

Update December 2015: The Contractor Xerox will implement environment upgrades to support more accurate testing, improve real-time performance and failover capacity, and implement Edifecs efficiency recommendations.

HIPAA Operating Rules Deliverables / Payment Schedule (Updated October 2015):

Activity	Milestone or Deliverable	Start	Finish	Cost
Phase I – Requirements Analysis				
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
Phase II – Design				
Technical Design	Technical Design Complete	1/1/2014	1/31/2014	\$421,256
Phase III – Configuration, Modification, Development / Construction				
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

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Phase IV – System Integration Testing				
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
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
Phase VII – CORE Certification				
CORE I Certification	Receipt of Phase I CORE Certification Seal	7/1/2015	11/9/2015	\$106,547
CORE II Certification	Receipt of Phase II CORE Certification Seal	7/1/2015	11/9/2015	\$106,547
CORE III Certification	Receipt of Phase III CORE Certification Seal	7/1/2015	11/9/2015	\$106,547
Phase VIII – Environment Upgrades				
Environment Upgrades	Production Implementation of Upgrades	1/17/2016	3/14/2016	\$112,885
Total Cost:				\$4,933,156

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 Recurring License Fees: \$1,698,133

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Following the implementation of the environment upgrades, there will be additional software license and software fees, the costs for which are outlined below.

April 2016 - March 2017:	\$39,972	
April 2017 - March 2018:	\$39,972	Total Ongoing Environment Fees: \$79,944
		Total Ongoing Operations Cost: \$1,778,077

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 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

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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 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

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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
- 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

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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, 2014 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.

Update December 2015: In 2015, CMS published updates to the ICD-10-CM General Equivalence Mapping (GEMs) and updates to the ICD-10 Procedure Coding System (ICD-10-PCS) file. In order for the New Hampshire Health Enterprise MMIS to be ready to process with the most complete ICD-10 data and business rules, Xerox will incorporate the updated GEM relationships and new codes into the New Hampshire-specific cross-references. In addition, the State has elected not to renew the Avior software license for a second year.

ICD-10 Deliverables / Payment Schedule (Updated October 2015):

Activity	Milestone or Deliverable	Start	Finish	Cost
Acquire Software License	Licenses Acquired and Applied	2/1/2014	4/12/2014	\$2,281,482
Phase I – Requirements Analysis (ICD-10 Phase I)				
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	Requirements Technical	3/12/2014	6/26/2014	\$80,000

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Consulting	Consulting Completed			
Phase I Subtotal:				\$2,386,746
Phase II – Design (ICD-10 Phase I)				
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
Phase II Subtotal:				\$1,305,757
Phase III – Configuration, Modification, Development / Construction (ICD-10 Phase I)				
Coding	Code Complete	4/28/2014	6/30/2014	\$1,029,797
Unit Testing	Unit Test Complete	4/28/2014	6/30/2014	Incl in Dev Int Test
Data Configuration	Data Configuration Complete	4/23/2014	6/09/2014	Incl 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
Phase III Subtotal:				\$2,129,594
Phase IV – System Integration Testing (ICD-10 Phase I)				
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	Incl 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
Phase IV Subtotal:				\$1,140,990
Phase V – User Acceptance Testing (ICD-10 Phase I)				
UAT Test Preparation	UAT Environment Ready	8/26/2014	10/05/2014	Incl in UAT Execution
UAT Test Planning	UAT Test Plan	8/26/2014	10/05/2014	Incl in UAT Execution
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
Phase V Subtotal:				\$729,070
Phase VI – Training (ICD-10 Phase I)				
Training Plan / Materials	Updated Training Plan / Materials	3/26/2014	10/03/2014	Incl in Tech Design
Technical Consulting	Training Technical Consulting Completed	3/26/2014	10/03/2014	\$70,000
Phase VI Subtotal:				\$70,000

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Phase VII – Implementation (ICD-10 Phase I)				
Production Release	Production Implemented PIR Complete	12/03/2014	12/18/2014	\$906,222
Phase VII Subtotal:				\$906,222
Phase VIII – Implementation (ICD-10 Phase II)				
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
Phase VIII Subtotal:				\$327,202
Phase IX – Implementation (ICD-10 Phase III)				
Acquire Avior Software License for Second Year	License Acquired and Applied	Removed per Amendment 10	Removed per Amendment 10	Removed per Amendment 10
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
Additional Mapping Updates	Mapping Updates Approved and Implemented	08/01/2015	10/16/2015	\$284,000
Phase IX Subtotal:				\$945,990
NH ICD-10 Phases I, II and III Total Cost:				\$12,223,053

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NH MMIS System Enhancements for Premium Assistance and Medicaid Care Management

The NH Health Enterprise Medicaid Management Information System (MMIS) requires enhancements in order to implement the next phases of two major State initiatives, the NH Health Protection Program (NH HPP) and Medicaid Care Management (MCM).

Step 1 of MCM was implemented on December 1, 2013, when most Medicaid clients began receiving health care services via a Managed Care Organization (MCO) contracted with the State. For Step 1, long-term care services were carved out and clients dually eligible for Medicaid and Medicare could voluntarily select an MCO but were not required to enroll in MCM. For Step 2, long-term care services delivered via the Choice for Independence (CFI) waiver program will be added to the list of services delivered by the MCM MCOs. In addition, dual eligibles will be mandatorily enrolled in MCM.

NH HPP is New Hampshire's innovative approach to providing health care coverage to uninsured citizens under the Affordable Care Act. It began with the implementation of a temporary Bridge program in September 2014, under which clients meeting eligibility requirements enrolled with one of the Medicaid MCOs and received services under an Alternative Benefit Plan (ABP). Starting on January 1, 2016, the Bridge program will be replaced by the Premium Assistance Program (PAP). Existing and new NH HPP enrollees will enroll in a Qualified Health Plan (QHP) offered by a Department of Insurance-approved carrier. The State is paying the premiums for these enrollees, requiring the NH Health Enterprise MMIS to support many new processes and interfaces.

In addition to the changes associated specifically with NH HPP and MCM, the NH Health Enterprise MMIS will be enhanced to receive and store additional eligibility and enrollment data and to support 834 Enrollment and 820 Premium Payment transactions. These changes will benefit both NH HPP and MCM. Another significant enhancement is the addition of a third MCM MCO to join the two currently contracted with the State, offering Medicaid clients greater choice in selecting an MCO.

This project consists of eleven (11) deliverables/payment milestones, as described briefly below:

- **MCO Mandatory Enrollment:** Configuration changes will be made to support new cohorts and rates. Capitation payment processing will be modified to eliminate separate claim lines for Behavioral Health, requiring changes to the rate schema.
- **Enrollment File and Eligibility Changes:** The interface with New HEIGHTS will be modified to capture additional data elements. These data elements will be displayed on the MMIS User Interface (UI) pages and included in outbound 834 transactions sent to the MCOs and PAP carriers. Changes will also be made to the daily enrollment file and to presumptive eligibility. To support NH HPP, eligibility and enrollment processing will be modified to allow a QHP enrollee whose eligibility ends mid-month to remain enrolled in the plan till the end of the month.

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NH MMIS System Enhancements for Premium Assistance and Medicaid Care Management

- **X12 834 Enrollment Transaction:** New HEIGHTS currently generates and sends 834 enrollment transactions to the MCOs. As part of this project, this responsibility is shifting to the MMIS, which will send the 834 for enrollees in both MCM and NH HPP. This will require developing new maps and logic for the 834 outbound transaction and the 834C inbound transaction sent by the MCOs and PAP carriers. Extensive testing will be required for each trading partner.
- **Phase 1 PAP Changes:** Modifications to the MMIS include a new provider type value and new provider specialty mapping to accommodate the PAP carriers; benefit plan changes and cohort/rate changes that require a mix of configuration and hard coding; and the development of new interfaces and tables to support the receipt and storage of encounter data from the PAP carriers. Other modifications affect the Member UI pages, reporting, 270/271 Health Care Eligibility Inquiry and Response transactions, the Automated Voice Response System (AVRS), and online inquiry.
- **MCM Benefit Plan Changes for CFI:** In order to include CFI services in the MCM benefit package effective January 1, 2016, changes will be made to the benefit plan hierarchy, rates, and business rules.
- **Phase 2 PAP Changes and New MCO:** Phase 2 of the PAP development effort involves extensive payment changes, including new fund codes, new capitation processes and a new binder payment process that is required to enroll a client in a QHP. To support the third MCO, into which clients are expected to enroll starting November 1, 2015 for services starting January 1, 2016, configuration changes are required to set up new benefit plans and modify the benefit plan hierarchy. The new MCO must be set up as a trading partner, with extensive testing required for the many interfaces between it and the MMIS. Other changes affect provider, reference, claims processing, the 270/271, and the AVRS.
- **FFS Co-Pay Changes:** In order to establish consistency between the fee-for-service (FFS) and other Medicaid plans, the MMIS must enforce co-pay requirements for clients with a household income greater than 100 percent of the Federal Poverty Level. Changes will be made to the benefit plans, business rules, Optical Character Recognition (OCR), UI pages, 270/271, AVRS, and reporting.
- **X12 820 Premium Payment Transaction:** Neither NEW HEIGHTS nor the MMIS currently produces the 820 transaction, which reports capitation payments made to MCOs. The State has used the 835 Electronic Advice for this purpose but will implement the 820 as part of this project. As with the 834 discussed earlier, this will involve developing new maps and logic as well as extensive testing with each trading partner.

Xerox Amendment 11

Appendix A.15

NH MMIS System Enhancements for Premium Assistance and Medicaid Care Management

- **NH BRIDGES Interface Changes:** The MMIS interface with NH BRIDGES will be modified to capture the legal status, caretaker name, case worker name, and contact information for foster children enrolled in Medicaid. These new data elements will be maintained in the MMIS, displayed on the appropriate UI page, and included in outbound 834 transactions.
- **Additional Interface Changes:** The PAP and the other changes being made as part of this project affect the T-MSIS component of the MMIS, which produces a set of monthly files for the federal government containing extensive data on clients, providers and claims. This payment milestone includes those changes as well as changes to the Options Inbound Service Authorization interface.
- **eFADS and eMAR Changes:** These MMIS components support fraud and abuse detection and investigation (eFADS) and management reporting (eMAR). Those components must be modified to reflect the changes being made for PAP and MCM Step 2.

Update December 2015 (Amendment 10):

Total contingency funds have been reduced from \$985,000 to \$267,250. The Additional Interface Changes deliverable has been split into two sub-deliverables. The NF/DCYF/DJJS MCM Changes deliverable has been removed. Anticipated completion dates for several deliverables have been adjusted. In addition, new deliverable/payment milestones have been incorporated into this project, as described below.

- **X12 820 Software Purchase:** The original project specifications did not require the use of the Edifecs X12 820 map and guidelines used by the federal Health Insurance Exchange (HIX). During requirements gathering with the PAP carriers, it was determined that this version of the X12 820 would be necessary to pass data on premiums paid by the State on behalf of QHP members.
- **Capitation Claim Adjustments:** A new function to support adjustment of capitation claims will be implemented, requiring a new capitation job, new business rules, and the redesign of the current kick payment process for newborns. In conjunction with implementation of the X12 820 transaction, this change will result in a capitation payment process that is consistent with standard industry practices.
- **Targeted Recon Changes:** The State has requested changes to the targeted reconciliation ("recon") process to compare on the QHP Plan ID and Plan Variant in addition to the MCO ID.
- **Member UI Changes for Additional QHP Data:** The original scope of work included changes to the eligibility interface from New HEIGHTS to receive additional data on members, including

Xerox Amendment 11

Appendix A.15

NH MMIS System Enhancements for Premium Assistance and Medicaid Care Management

tobacco use status to be used for capitation processing, and to receive other member information to be included in the X12 834 transaction sent from the MMIS to the QHPs. The MMIS will be enhanced with a new member User Interface (UI) page to display information pertaining to QHP status, including tobacco use.

- **MMIS-BRIDGES Outbound Interface Changes:** The MMIS will be modified to pass to NH BRIDGES additional data on DCYF members. This enhancement includes passing encounter data and additional member data from the MMIS to NH BRIDGES and including the additional member data on the outbound X12 835 transactions for DCYF members.
- **NF/DCYF/DJJS MCM Changes:** As part of MCM Step 2, changes will be made to the benefit plan hierarchy, rates, and business rules to support inclusion of NF, DCYF and DJJS services.
- **MID Compare Process:** A new "MID Compare" process will be developed and implemented to extract all MCM and QHP enrollees and compare on the Medicaid ID (MID). This will enable DHHS to readily track who is enrolled in each MCO and QHP and to resolve discrepancies.
- **Inbound MCO-MMIS Interface:** A new inbound interface between the MCOs and MMIS and related UI changes will allow the MMIS to capture, store and display information about a member's Primary Care Provider (PCP).
- **Non-Emergency Medical Transportation (NEMT):** NEMT is not part of the QHP benefit for NHHPP members and must be provided by DHHS as a wraparound service. DHHS plans to contract with a single entity to coordinate these services for QHP members as well as for Medically Frail NHHPP FFS clients in the Alternative Benefit Plan and clients in standard Medicaid. This enhancement affects the Provider, Reference/Benefit Plan, and Claims Processing components of the MMIS. New interfaces with the NEMT coordination entity must be developed, along with changes to reporting and T-MSIS. This enhancement includes nine deliverables.
- **Additional Eligibility and Reporting Changes:** The State identified required modifications to properly assign fund codes to newly eligible and not newly eligible recipients (Computer Service Request [CSR] 8127 and CSR 8128) and to date of death logic for Presumptive Eligibility (CSR 8274). The State also identified required modifications to reporting for failed enrollments (CSR 8445) and X12 834 transactions (CSR 8446).

Update June 2016 (Amendment 11):

Under Amendment 11, there are a number of enhancements required to support Medicaid Care Management (MCM) and the Premium Assistance Program (PAP). The MCM-related change improves

Xerox Amendment 11

Appendix A.15

NH MMIS System Enhancements for Premium Assistance and Medicaid Care Management

processing of maternity and newborn payments to Managed Care Organizations (MCO). This change is represented as Activity Item 22 in the Payment Schedule.

Changes in support of the Premium Assistance Program (PAP) include enhancements to MMIS financial cycle reporting to include payments processed through the new 820 premium payment transaction process. This change is represented as Activity Item 25 in the Payment Schedule. Changes also are required to enhance the 271 eligibility inquiry response transaction and the automated voice response system to report newborn benefit plan enrollments in response to member eligibility inquiries. These changes are captured as Activity Items 23 and 24 on the Payment Schedule.

Requirements to implement the Non-Emergency Medical Transportation (NEMT) initiative originally were introduced and included under Amendment 10. The NEMT initiative provides for non-emergency medical transportation service coverage to members enrolled in the Medicaid fee for service benefit plan or members enrolled in Qualified Health Plans (QHP) under the Premium Assistance Program. The earlier requirements and costs for NEMT under Amendment 10 assumed that a new 834 transaction would be needed to send member eligibility data to the NEMT contractor and that NEMT services would be paid for through fee for service claims processing. System enhancements required were less impactful and the costs totaled \$538,500.

The requirements for the NEMT system solution have been reformulated and expanded significantly as DHHS has worked with the federal Centers for Medicare and Medicaid Services (CMS) to acquire requisite federal approvals. Under this Amendment 11, the MMIS enhancements to support the implementation of NEMT and their associated costs have been reconfigured and realigned to address the system changes required to support the most current approach to implementing NEMT.

The NEMT enhancement, under this Amendment 11, address the requirements to enroll eligible members in a new NEMT benefit plan, to issue the 834 enrollment transaction to the NEMT contractor, to process a capitated per member per month payment, to issue the payment using the 820 payment transaction, to adapt fund code and financial cycle criteria to associate the payments to the appropriate funding source, to stop fee for service claims processing of NEMT related claims, to receive and process NEMT encounter claim transactions, to implement new reports and update existing federal and state reports, and to fully test the solution prior to deploying it to production. In the Fixed Payment Schedule that follows, the NEMT-related activities that were documented under Amendment 10 are removed and have been replaced, under this Amendment 11, with Activity Items 1N through 16N.

The original cost of \$538,500 for NEMT related changes, approved under Amendment 10, is increased by an additional \$840,875 under this Amendment 11, raising the total cost for NEMT system enhancements to \$1,379,375. The Fixed Payment Schedule is presented across the following 2 pages:

Contractor Initials:

Date: 6/1/2016

Xerox Amendment 11

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NH MMIS System Enhancements for Premium Assistance and Medicaid Care Management

Fixed Payment Schedule (Updated Amendment 11 June 2016):

Item #	Activity	Milestone	Completion Date	Cost
1	MCO Mandatory Enrollment	Implementation	7/1/2015	\$393,693
2	Enrollment File and Eligibility	Implementation	12/31/2015	\$610,820
3	X12 834 Enrollment Transaction	Implementation	1/15/2016	\$707,205
4	Phase 1 PAP	Implementation	2/28/2016	\$611,334
5	MCM Benefit Plan for CFI	Implementation	8/30/2016	\$529,185
6	New MCO or MCM/PAP 834/Enrollment	Implementation	8/31/2016	\$628,724
7	FFS Co-Pay	Implementation	5/15/2016	\$783,953
8	X12 820 Premium Payment Transaction	Implementation	1/15/2016	\$384,721
9	NH BRIDGES Interface	Implementation	7/31/2016	\$269,733
10	Additional Interface – T-MSIS	Implementation	4/30/2016	\$101,450
11	Additional Interface – Options	Implementation	7/31/2016	\$101,449
12	eFADS and eMAR	Implementation	4/30/2016	\$493,810
13	X12 820 Software	Implementation	12/31/2015	\$125,000
14	Capitation Claim Adjustments	Implementation	7/15/2016	\$236,292
15	Targeted Recon	Implementation	12/31/2015	\$88,433
16	Member UI - Additional QHP Data	Implementation	7/15/2016	\$158,435
17	MMIS-BRIDGES Outbound Interface	Implementation	7/31/2016	\$128,300
18	MID Compare Process	Implementation	9/15/2016	\$99,956
19	Inbound MCO-MMIS Interface	Implementation	10/15/2016	\$94,323
20	Additional Eligibility Changes	Implement CSRs 8127, 8128, 8274	1/31/2016	\$104,500
21	Additional Reporting Changes	Implement CSRs 8445 and 8446	6/30/2016	\$84,750
22	<i>Maternity/Newborn Processing</i>	<i>Implementation</i>	<i>7/31/2016</i>	<i>\$78,625</i>
23	<i>Newborn BP on 271 Transaction</i>	<i>Implementation</i>	<i>7/31/2016</i>	<i>\$37,250</i>
24	<i>Newborn BP in Voice Response</i>	<i>Implementation</i>	<i>7/31/2016</i>	<i>\$5,000</i>
25	<i>820 Payment Financial Reporting</i>	<i>Implementation</i>	<i>7/31/2016</i>	<i>\$30,625</i>
MCM/PAP Non-NEMT Subtotal:				\$6,887,566

Fixed Price Table continues on the following page.

Contractor Initials: BD

Date: 6/1/2016

Xerox Amendment 11
Appendix A.15
NH MMIS System Enhancements for Premium Assistance and Medicaid Care Management

Fixed Payment Schedule (Updated Amendment 11 June 2016):

Item #	Activity	Milestone	Completion Date	Cost
1N	Project Management	Post Implementation	12/31/2016	\$109,349
2N	Provider Enrollment	Implementation	7/15/2016	\$12,566
3N	NEMT Benefit Plan	Implementation	7/15/2016	\$26,461
4N	Member NEMT Enrollment	Implementation	7/15/2016	\$54,614
5N	834 NEMT Enrollment Transaction	Implementation	8/31/2016	\$259,781
6N	NEMT Benefit Plan Rate Cohort	Implementation	8/31/2016	\$10,875
7N	NEMT Capitation	Implementation	8/31/2016	\$124,695
8N	NEMT Claims/Financial/Encounters	Implementation	8/31/2016	\$125,178
9N	820 NEMT Payment Transaction	Implementation	9/30/2016	\$50,265
10N	User Interface	Implementation	9/30/2016	\$34,074
11N	Reports	Implementation	9/30/2016	\$49,540
12N	Data Interfaces	Implementation	10/31/2016	\$48,331
13N	Federal Reporting	Implementation	10/31/2016	\$9,666
14N	Deployments, UAT, PIR	Post Implementation	10/31/2016	\$193,325
15N	State Tester Support-4mos	Month End	11/30/2016	\$251,323
16N	System Documentation	Sys Doc Approved	12/31/2016	\$19,332
MEM/PAP NEMT Subtotal:				\$1,379,375
Amendment 11 Appendix A.15 Total:				\$8,266,941

In addition to the costs for the Design, Development, and Implementation (DDI) of the Activities identified in the Fixed Payment Schedule above, there are also annually recurring software maintenance fees, the costs for which are outlined below.

Software License Period	Cost
July 2016 - March 2017	\$33,150
April 2017 - March 2018:	\$33,813
Recurring License Total Cost:	\$66,963

Contingency Funds

The State and Contractor acknowledge that the Premium Assistance Program (PAP) is an innovative response to the Affordable Care Act which requires data interfaces and system changes to engage effectively with entities that have never worked with the Medicaid Program before and have not

Contractor Initials: AD

Date: 6/1/2016

Xerox Amendment 11

Appendix A.15

NH MMIS System Enhancements for Premium Assistance and Medicaid Care Management

interfaced with the Department's MMIS. There are federal requirements that are evolving and the system changes needed to address those requirements are not completely understood at this time. As a result, it is in the best interest of the State to allow for the flexibility to adapt to changes in specifications or new specifications that might emerge during the development of these enhancements.

The State and Contractor agree to establish contingency funds in the following amounts:

Category	Funding Limit	Expiration Date
MCM/PAP Contingency	\$267,250	6/30/2017
Total Contingency Amount Available:	\$267,250	

Each use of the contingency fund shall be initiated by means of a written Change Request, submitted either by State or Contractor staff. No work shall be done or contingency funds expended unless and until the State has approved (a) the Change Request, and (b) the Contractor's quoted price for the change, based on the number of staff hours required to design, develop, test, and implement the change and the staff hour rate of the assigned personnel. Multiple Change Requests may be applied against a funding category up to the funding limit of the category. The State is under no obligation to initiate or approve any Change Requests requiring the use of contingency funds or to expend any of the contingency funds.

Use of this contingency funding is limited to work related to the NH HPP Premium Assistance Program, the NH HPP Cost Sharing Provision, and Medicaid Care Management Step 2. Contingency funding may not be used to supplant funds already committed to the scope of work agreed upon by the State and Contractor, as specified in this Appendix and the Contractor's proposals dated May 19, 2015, August 5, 2015, and May 2016.

Contractor Initials: DH

Date: 6/1/2016

CERTIFICATE OF ASSISTANT SECRETARY


I, Stephanie Grossman, do hereby certify as follows:

(1) I am the duly appointed, qualified and Assistant 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) Dan Dwyer is a duly appointed, qualified and acting Vice 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. 11 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 Assistant Secretary this 1st day of June, 2016.

XEROX STATE HEALTHCARE, LLC
a Delaware limited liability company

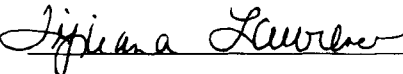


Stephanie Grossman
Assistant Secretary

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on this 1st day of June, 2016, by Stephanie Grossman, Assistant Secretary of Xerox State Healthcare, LLC, a Delaware limited liability company, on behalf of said company.





Notary Public, State of Texas

My Commission Expires: 7/10/18

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

Nicholas A. Toumpas
Commissioner

Steven J. Kelleher
Acting Chief
Information
Officer/Director

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

December 4, 2015

12/16/15
LATE Item A1

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

Sole Source

REQUESTED ACTION

Authorize the Department of Health and Human Services (DHHS), Office of Information Services, to enter into a **sole source** amendment (Amendment 10) 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 \$1,162,790 from \$145,040,293 to a new amount not to exceed \$146,203,083, effective upon the approval of the Governor and Executive Council through March 31, 2018. This amendment expands the existing scope of services. *83.5% Federal / 17.5% General Funds*

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), Amendment 6 on March 26, 2014 (Late Item A), Amendment 7 on June 18, 2014 (Item#61A), Amendment 8 on May 27, 2015 (Item#16), and Amendment 9 on June 24, 2015 (Item#9).

Funds are available in State Fiscal Years 2016 and 2017 and are anticipated to be available in State Fiscal Year 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

State Fiscal Year	Class Object	Class Title	Current Budget	Increase/ (Decrease)	Revised Budget
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	\$30,239,095	\$0	\$30,239,095

Design, Development and Implementation continued

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>
2015	102/500731	Contracts for Program Services	\$4,321,110	\$0	\$4,321,110
2016	102/500731	Contracts for Program Services	\$7,884,885	(\$931,400)	\$6,953,485
2017	102/500731	Contracts for Program Services	\$0	\$1,956,318	\$1,956,318
Total Design, Development and Implementation Phase			<u>\$80,049,344</u>	<u>\$1,024,918</u>	<u>\$81,074,262</u>

Operations

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	\$8,544,809	\$0	\$8,544,809
2015	102/500731	Contracts for Program Services	\$9,164,847	\$0	\$9,164,847
2016	102/500731	Contracts for Program Services	\$16,000,932	\$0	\$16,000,932
2017	102/500731	Contracts for Program Services	\$16,576,532	\$137,872	\$16,714,404
2018	102/500731	Contracts for Program Services	\$12,618,940	\$0	\$12,618,940
Total Operations			<u>\$64,990,949</u>	<u>\$137,872</u>	<u>\$65,128,821</u>
Grand Total			<u>\$145,040,293</u>	<u>\$1,162,790</u>	<u>\$146,203,083</u>

EXPLANATION

This is a **sole source** amendment that adds an optional three-year extension to the Operations Phase, eliminates several enhancements that were included in previous contract amendments and reduces the cost of another, and provides for additional enhancements to the New Hampshire Medicaid Management Information System (MMIS).

Additional Option Years

The State's three-year base contract with Xerox for Operations Phase services was scheduled to end on March 31, 2016. In accordance with the contract, however, DHHS has exercised its option to extend the contract for two additional years. The contract is now scheduled to terminate on March 31, 2018.

In order to leverage the tremendous investment made by the State in the new MMIS, DHHS wishes to amend the contract by adding three additional option years, which if exercised would extend the contract through March 31, 2021. Exercise of the optional extension would result in a maximum term of eight operational years (April 1, 2013 through March 31, 2021). Any such extension would be subject to DHHS and Xerox reaching agreement on the scope of work and price for the additional years.

The alternative is to initiate a project to procure a vendor to take over the NH MMIS effective March 31, 2018. Given the time required to obtain federal funding for an MMIS procurement, conduct such a procurement and negotiate a contract, and possibly manage the transition of the MMIS to a new vendor, DHHS would need to embark on such a project immediately. After careful consideration, the State believes that the option to extend the current contract beyond the five operational years originally defined is the most prudent course from a

financial and programmatic standpoint. This approach is also recognition that the new Health Enterprise MMIS has passed a stringent certification review, has proved adaptable to a wide variety of program initiatives, and has demonstrated the capacity to support the NH Medicaid Program for many years to come.

Changes to Previous Enhancements

Previous contract amendments included several enhancements that were initiated to meet federal or State requirements but which have not yet been implemented due to other pressing priorities. In the years since these enhancements were initiated, changes in the Medicaid program and DHHS priorities have rendered some of them less urgent, and budget constraints have led to their cancelation or delay.

- *Outpatient Prospective Payment System (OPPS) (Appendix A.5):* Originally included in Amendment 2, the OPSS project was intended to align the State's Medicaid reimbursement methodology for hospital payment costs more closely with Medicare. This amendment pre-dated the move to Medicaid Care Management and while the analytical work was completed and paid for, DHHS elected not to implement the associated system changes. Amendment 10 officially cancels those remaining tasks.
- *Enhanced Analytics (Appendix A.6):* Also part of Amendment 2, this enhancement was intended to expand on the framework of the MMIS reporting solution to provide more complex analytical capabilities than those required by the original Request for Proposals. Although DHHS remains interested in improving its analytics tools, the solution envisioned this enhancement is no longer considered sufficient. In addition, canceling this enhancement gives DHHS the option to procure a solution from a specialized analytics vendor.
- *Enhanced Provider Screening (Appendix A.9):* This enhancement, included in Amendment 5, was initiated to meet new provider enrollment requirements established by the Affordable Care Act. DHHS worked with Xerox on a modified design and schedule for this enhancement that resulted in reducing its overall cost to the State.
- *Electronic Health Record (EHR) Provider Incentive Program (Appendix A.9):* DHHS worked with the University of New Hampshire to implement an interim solution for this program, which helps providers to pay for the implementation and operation of EHR systems, while the permanent solution was being developed by Xerox as part of Amendment 5. However, the interim solution proved sufficient to meet the program's ongoing needs, enabling DHHS to cancel this enhancement.
- *Hospice Claims Processing (Appendix A9):* Amendment 5 included an enhancement to enable the MMIS to systematically process hospice claims, replacing the manual workaround currently in place. Given the relatively low volume of these claims, however, DHHS has elected to continue the current approach and redirect its limited budget dollars to critical enhancements related to the New Hampshire Health Protection Program (NHHPP).
- *Family Planning Claims Processing (Appendix A.9):* Also part of Amendment 5, this enhancement was similar to the hospice enhancement described above – replacing a manual process with automated processing. However, the volume of these claims has

declined and is expected to continue to do so because many enrollees in the Family Planning program are now eligible for NHHPP. DHHS therefore has elected to cancel this enhancement.

These changes result in a \$3,678,659 net cost reduction, which DHHS is using to fund enhancements of higher priority while remaining under budget.

Enhancements

Amendment 10 includes seven contract modifications to improve the security of data maintained by the system, to improve the efficiency of program operations, and meet federal MMIS certification requirements:

- Log-in Security Enhancements – implements recommendations made by CMS during the MMIS certification review.
- Database Access for Designated State Users – allows DoIT users who have been authorized to access the MMIS tables directly to do so in a secure manner.
- 2D Barcode and OCR Enhancement –implements barcode enhancements within the MMIS Contact Management module to capture additional information, eliminating manual indexing for certain documents and minimizing errors and modifies the Optical Character Recognition (OCR) software used to capture paper claims data to address new federal requirements.
- Resource Utilization Grouper (RUG) IV – modernizes the process used to establish Nursing Facility rates.
- New MMIS Certification Requirements – addresses unanticipated changes to the certification process that were initiated by CMS and increased the scope of work.
- DMZ Infrastructure Setup – requires Xerox to migrate to the new MOVEit Central and MOVEit DMZ releases from Ipswitch, the software vendor, enhancing the security of file exchanges between the MMIS and other DHHS trading partners.
- Extended Software Maintenance – obligates vendors to support the software versions currently incorporated into the MMIS through the end of the base contract (March 31, 2018).

These enhancements are included in the new Appendix A.16. In addition, changes in the scope and schedule of several previously approved enhancements have been incorporated into a revised Appendix A.12 and a revised Appendix A.15.

Ninety percent (90%) federal funding for the Design, Development and Implementation costs in this Amendment 10 is pending approval by the Centers for Medicare and Medicaid Services. Seventy-five percent (75%) federal funding of the Operations costs of this agreement is pending certification of the New Hampshire MMIS by CMS.

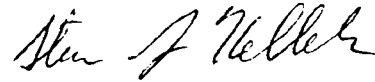
Source of Funds: Design, Development and Implementation phase: 90% federal funds, 10% general funds; Operations phase: 75% federal funds, 25% general funds.

Area served: Statewide.

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
December 4, 2015
Page 5

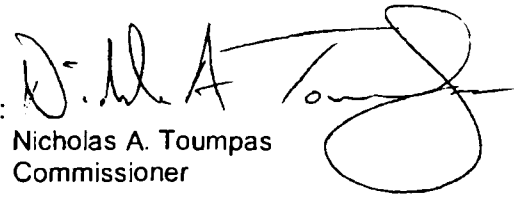
In the event that the Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



Steven J. Kelleher
Interim Chief Information Officer/Director

Approved by:



Nicholas A. Toumpas
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
27 Hazen Dr., Concord, NH 03301
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Denis Goulet
Commissioner

December 4, 2015

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

Dear Commissioner Toumpas:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to enter into a contract amendment with Xerox State Healthcare, LLC, Atlanta, GA, as described below and referenced as DoIT No. 2005-004.

The purpose of this contract amendment is to add an optional three-year extension to the Operations Phase, and provide the additional enhancements to the New Hampshire Medicaid Management Information System (MMIS). The contract amendment includes funding for \$1,162,790, increasing the total funding amount from \$145,040,293 to a new amount not to exceed \$146,203,083, and also extending the completion date from March 31, 2016 to March 31, 2018. The amendment is effective upon the date of Governor and Council approval through March 31, 2018.

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

Sincerely,

Denis Goulet

DG/mh
Contract 2005-004

**State of New Hampshire
Department of Health and Human Services
Amendment 10 to the Xerox State Healthcare, LLC Contract**

This 10th Amendment to the Xerox State Healthcare, LLC contract (hereinafter referred to as "Amendment 10") dated this 4th day of December 2015, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and 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, Amendment 6 on March 26, 2014, Amendment 7 on June 18, 2014, Amendment 8 on May 27, 2015, and Amendment 9 on June 24, 2015, 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 NH 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 NH MMIS was certified by the Centers for Medicare and Medicaid Services ("CMS") on June 15, 2015; and

WHEREAS, the State and the Contractor have agreed to make changes to 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 10, 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, its Amendment 6 on March 26, 2014, its Amendment 7 on June 18, 2014, its Amendment 8 on May 27, 2015, and its Amendment 9 on June 24, 2015.
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:

Contractor Initials:

Date: 12/4/2015

- 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 Meet Federal Requirements
 - Appendix A.13 – NH MMIS System Enhancements for the New Hampshire Health Protection Plan
 - Appendix A.14 – Performance Measures
 - Appendix A.15 – NH MMIS System Enhancements for the Premium Assistance Program and Medicaid Care Management
 - Appendix A.16 – NH MMIS Security and Efficiency Enhancements
- Amendment 1, Amendment 2, Amendment 3, Amendment 4, Amendment 5, Amendment 6, Amendment 7, Amendment 8, Amendment 9, and Amendment 10 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.

Contractor Initials: AD
Date: 12/4/2015

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 \$1,162,790, from \$145,040,293 to \$146,203,083, to reflect the additional requirements set forth in this Amendment 10.
- 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. The effective date of Amendment 6 is March 26, 2014. The effective date of Amendment 7 is June 18, 2014. The effective date of Amendment 8 is May 27, 2015. The effective date of Amendment 9 is June 24, 2015. 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 10 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 6, shall be deleted and replaced in its entirety with:
- Xerox Amendment 10 Appendix A.5 NH MMIS Outpatient Prospective Payment System (OPPS).
5. Exhibit A, Contract Section 3.4 System Specifications 3.4.26, *Enhanced Analytics*, Appendix A.6, Amendment 6, shall be deleted and replaced in its entirety with:
- Xerox Amendment 10 Appendix A.6 NH MMIS Enhanced Analytics.
6. Exhibit A, Contract Section 3.4 System Specifications 3.4.29, *NH MMIS Additional System Enhancements*, Appendix A.9, Amendment 6, shall be deleted and replaced in its entirety with:
- Xerox Amendment 10 Appendix A.9 NH MMIS Additional System Enhancements.
7. Exhibit A, Contract Section 3.4 System Specifications 3.4.32, *NH MMIS System Enhancements to Meet Federal Regulations*, Appendix A.12, Amendment 8, shall be deleted and replaced in its entirety with:
- Xerox Amendment 10 Appendix A.12 NH MMIS System Enhancements to Meet Federal Requirements.
8. Exhibit A, Contract Section 3.4 System Specifications 3.4.34, *NH MMIS System Enhancements for the Premium Assistance Program and Medicaid Care Management Step 2*, Appendix A.15, Amendment 9, shall be deleted and replaced in its entirety with:

Contractor Initials: AO
Date: 2/4/2015

Xerox Amendment 10 Appendix A.15 NH MMIS System Enhancements for the Premium Assistance Program and Medicaid Care Management.

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

3.4.35 NH MMIS Security and Efficiency Enhancements

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.16 of this Amendment 10. The State shall specify these requirements through deliverables/payment milestones specifically set forth in Amendment 10, Appendix A.16.

The Contractor shall purchase on behalf of the State all hardware and software necessary to implement 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 10.

The Contractor shall fully satisfy the requirements for the implementation of the system enhancements as outlined in Amendment 10, Appendix A.16 and in accordance with the payment schedule identified within Amendment 10, Appendix A.2.

10. The provisions of Exhibit A, Contract Paragraph 4.2.3 are hereby replaced with the following:

The total length of this Contract, including both the DDI Phase and the Base Operations Phase is limited to 10 years and four (4) months. However, the State may exercise its contractual right to extend the Contract as set forth in Exhibit A Paragraph 4.2.2 as amended, in which case the total length of the Contract, including both the DDI Phase and the Operations Phase, shall be limited to twelve (12) years and four (4) months, i.e. completed on or before March 31, 2018, unless the State and Contractor mutually agree to extend the Contract further in accordance with Exhibit A Paragraph 4.2.7.

11. The provisions of Exhibit A, Contract Paragraph 4.2.6 are hereby replaced with the following:

At least six months prior to the scheduled termination of the original three-year Operations Phase, the State shall notify the Contractor in writing whether or not it elects to exercise its contractual right to extend the Contract as set forth in Exhibit A Paragraph 4.2.2 as amended.

12. The provisions of Exhibit A, Contract Section 4.2 *Schedule of Performance*, shall be amended to add:

4.2.7 Upon mutual agreement of the State and Contractor, this Contract may be extended for an additional three year period at a price to be negotiated by the parties, in which case the total length of the Contract, including both the DDI Phase and Extended Operations Phase, shall be limited to fifteen (15) years and four (4) months, i.e. completed on or before March 31, 2021.

13. 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:

Contractor Initials: SD

Date: 12/4/2015

- Muhammad Jarrar – Project Manager
- TBD – Operations Manager;
- Martin Ebinezer – Functional Manager;
- Priya Loonkar – QA/Test manager;
- Rishi Mehta – Technical Manager;
- Denise Tenney – Documentation Specialist;
- James Co – Interface Lead;
- Mark Arenburg – Provider Relations Manager;
- Brian Geiger – Ad Hoc Specialist;
- Raja SeshdriKannan – Maintenance Manager;
- Melissa Soule – Modifications Manager.
- Nancy Stanieich – Operations/Claims Processing Manager

14. The provisions of Exhibit A, Contract Paragraph 15 *HIPAA Compliance* are replaced with the following paragraphs:

The Contractor, a Business Associate as defined by HIPAA, agrees that it will take all necessary measures to protect the privacy and provide for the security of any protected health information as required by the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA"). To the extent that HIPAA requires, the Contractor shall enter into agreements with the State required to comply with HIPAA, including but not limited to the Business Associate Agreement contained in Exhibit I hereto.

The Contractor shall develop, distribute and enforce a security policy that must be acknowledged in writing by every Contractor or subcontractor employee with access to NH MMIS Health Enterprise data. The acknowledgement form must state, at a minimum, that the employee shall not access or disclose any NH MMIS data for purposes outside of his or her job functions, and shall not download data from the NH MMIS onto personal, public or centrally accessed computers. The Contractor shall provide annual training on this policy to Contractor and subcontractor employees with access to NH MMIS Health Enterprise data.

15. The provisions of Exhibit A, Contract Paragraph 16 *General Contract Requirements* shall be amended to add:

16.10 System Maintenance and Modification Subcontractor

16.10.1 In accordance with the requirements outlined in Section 6.4 of the RFP, the State has formally approved the addition of Cognizant Technology Solutions U.S. Corporation ("Cognizant") as a subcontractor under the Contract. The State and Contractor have also agreed to a Quarterly Security Approval Request Process for Cognizant, to which the State and Contractor shall adhere to verify the State's approval for specific Cognizant employees to have on-shore and/or off-shore access to the NH MMIS. The Quarterly Security Approval Request Process may not be modified except by the mutual agreement of the State and the Contractor.

16.10.2 Under the Contract, Cognizant is authorized to perform L3 Incident Resolution in Production and minor and major application enhancements to the NH Health Enterprise MMIS

Contractor Initials: SD

Date: 12/4/2015

application, and may do so using onshore or offshore resources. Included in this authorization are the following activities and system components:

- 16.10.2.1 Functional
 - 16.10.2.1.2 Provider Enrollment
 - 16.10.2.1.3 Provider Maintenance
 - 16.10.2.1.4 Member Maintenance
 - 16.10.2.1.5 Service Authorization
 - 16.10.2.1.6 Claims Processing
 - 16.10.2.1.7 Pricing and Payment
 - 16.10.2.1.8 TPL
 - 16.10.2.1.9 Contact Management
 - 16.10.2.1.10 HIPAA X12 and Non X12 Inbound and Outbound, real-time and batch transactions supported in NH Health Enterprise
 - 16.10.2.1.11 EDI interface with Health Enterprise and Front end channel applications
 - 16.10.2.1.12 DSS Interfaces and Reports
- 16.10.2.2 Services
 - 16.10.2.2.1 Production Services – L3 Production Incident Resolution, including all Severity 1 (Urgent), Severity 2 (High), Severity 3 (Medium) and Severity 4 (Low) Incidents, deployment to Production, and Batch scheduling and execution
 - 16.10.2.2.2 Ad-hoc Service Request Fulfillment
 - 16.10.2.2.3 Standard service request Fulfillment
 - 16.10.2.2.4 Application Services – performing minor functional changes to the NH Health Enterprise application as defined in 16.10.2

16. The provisions of Amendment 9, Appendix A.2, *Deliverables List and Payment Schedule* of the Contract are hereby replaced with Amendment 10, Appendix A.2 as attached.

Exhibit B

17. 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 \$51,104,776. The base contract period includes a three-year Base Operations Phase for an amount Not to Exceed \$7,975,733 for the first year, \$8,752,153 for the second year, and \$13,903,164 for the third year (\$2,227,705 in State Fiscal Year 2015 and \$11,675,459 in State Fiscal year 2016), for a total Base Operations Phase amount Not to Exceed \$30,631,050. The total amount for the base contract period shall not exceed \$79,109,463.

The Contract further provides for an optional two-year extension of the Operations Phase, which the State exercised by notifying the Contractor of its intention to extend on September 22, 2015. The contract as extended includes a two-year Extension Operations Phase for an amount Not to Exceed \$17,155,928 for the first year (extension operations year 1) and \$17,341,843 for the

Contractor Initials: RD

Date: 12/4/2015

second year (extension operations year 2) for a total two year Extension Operations Phase amount not to exceed \$34,497,771.

The Contract also provides for Post-DDI Phase Enhancements to be implemented during the base operations phase in accordance with Appendix A.12, Appendix A.13, Appendix A.15, and Appendix A.16 for a Post-DDI Phase Enhancement total amount not to exceed \$32,595,849. The total amount for the base contract, optional operations extension period, and the Post DDI Enhancements shall not exceed \$146,203,083.

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.

18. 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 \$146,203,083, 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.

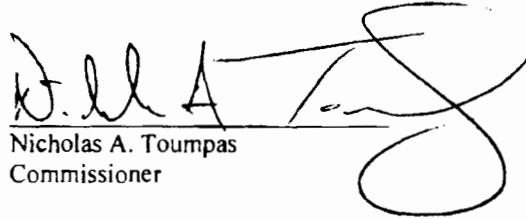
Table 1.5-1: Total Contract Price – DDI, Operations, and Post DDI Enhancements

AMENDMENT 10 PRICE ITEM	
DDI Phase	\$48,478,413
Subtotal DDI Phase:	\$48,478,413
Base Operations Year 1	\$7,975,733
Base Operations Year 2	\$8,752,153
Base Operations Year 3	\$13,903,164
Subtotal Base Operations Phase:	\$30,631,050
(DDI Phase and Base Operations Phase) Total Base Contract:	\$79,109,463
Extension Operations Year 1	\$17,155,928
Extension Operations Year 2	\$17,341,843
Subtotal Extension Operations Phase:	\$34,497,771
Total Operations Phase:	\$65,128,821
Post-DDI Phase Enhancements – Appendix A.12	\$21,093,060
Post-DDI Phase Enhancements – Appendix A.13	\$2,923,787
Post-DDI Phase Enhancements – Appendix A.15	\$7,541,816
Post-DDI Phase Enhancements – Appendix A.16	\$1,037,186
Subtotal Post DDI Enhancements:	\$32,595,849
(DDI Phase, Operations Phase, Post-DDI Phase Enhancements) Total Contract Price:	\$146,203,083

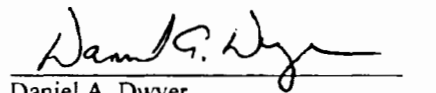
Contractor Initials: AD
 Date: 12/4/2015

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



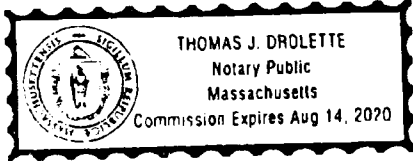
Daniel A. Dwyer
Vice President, Eastern U.S. Operations
Xerox State Healthcare, LLC

Contractor Initials: SD
Date: 12/4/2015

STATE OF MA
COUNTY OF Barnstable

On this the 4th day of December 2015, before me, Thomas J Drolette the undersigned officer, personally appeared Daniel A. Dwyer 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.



Thomas J Drolette
Notary Public/Justice of the Peace
My commission expires: Aug 14, 2020

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

OFFICE OF THE ATTORNEY GENERAL

By: Megan A. Yopie-Alton

Date: 12/9/15

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: 12/4/2015

Amendment 10 Appendix A.2
Debitable List and Payment Schedule

Item	Description	Comp	Cont	Rate	Start	End	Amount	%	Balance	Balance
54	Acceptance Test Readiness Document	comp	comp	15%	07/15/15	07/15/15	\$117,626.00	15%	\$125,654.03	\$127,132.84
55	Initial Change Order Acceptance Test	comp	comp	15%	07/15/15	07/15/15	\$184,336.00	15%	\$1,096,104.00	\$1,078,644.40
56	Operational Readiness Report	comp	comp	15%	07/15/15	07/15/15	\$27,175.00	15%	\$27,175.00	\$27,070.50
57	Program Expansion Enhancement	comp	comp	15%	07/15/15	07/15/15	\$3,504.00	15%	\$3,504.00	\$3,372.44
58	Final UAT Test Plan	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
59	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
60	Final Implementation	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
61	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
62	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
63	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
64	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
65	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
66	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
67	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
68	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
69	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
70	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
71	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
72	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
73	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
74	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
75	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
76	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
77	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
78	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
79	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
80	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
81	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
82	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
83	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
84	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
85	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
86	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
87	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
88	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
89	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
90	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
91	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
92	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
93	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
94	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
95	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
96	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
97	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
98	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
99	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00
100	Final UAT Test Results	comp	comp	15%	07/15/15	07/15/15	\$1,111,000.00	15%	\$1,111,000.00	\$1,111,000.00

Contractor Initial Date: 11/12/15

Amendment 10 Appendix A 2
 Deliverable List and Payment Schedule

Item #	Description	Status	Start Date	End Date	Comp %	Rate	Est. Cost	Est. Value	Est. Pay	Est. Pay %	Total Pay				
												14%	14%	14%	14%
4	Construction of Implementation	comp			10%		\$292,000.00	\$24,840.00	\$2,824.00	1%	\$2,824.00	\$251,456.00	14%	\$40,938.00	
5	Construction of Implementation	comp			10%		\$292,000.00	\$24,840.00	\$2,824.00	1%	\$2,824.00	\$251,456.00	14%	\$40,938.00	
TOTAL Managed Care Phase Enhancements														14%	\$82,876.00
Managed Care Phase Enhancements Phase 2														14%	\$392,318.50
1	Requirements and Design	comp			16%		\$8,475.00	\$4,025.00	\$465.00	1%	\$465.00	\$4,490.00	14%	\$7,910.00	
2	Management Oversight	comp			15%		\$17,150.00	\$14,077.50	\$1,618.50	1%	\$1,618.50	\$15,666.00	14%	\$22,284.00	
3	Document Change Requests	comp			15%		\$17,150.00	\$14,077.50	\$1,618.50	1%	\$1,618.50	\$15,666.00	14%	\$22,284.00	
4	Updated UAT Outputs	comp			15%		\$17,150.00	\$14,077.50	\$1,618.50	1%	\$1,618.50	\$15,666.00	14%	\$22,284.00	
5	Updated UAT Outputs	comp			15%		\$17,150.00	\$14,077.50	\$1,618.50	1%	\$1,618.50	\$15,666.00	14%	\$22,284.00	
6	Final Requirements and Design	comp			15%		\$17,150.00	\$14,077.50	\$1,618.50	1%	\$1,618.50	\$15,666.00	14%	\$22,284.00	
7	Final Requirements and Design	comp			15%		\$17,150.00	\$14,077.50	\$1,618.50	1%	\$1,618.50	\$15,666.00	14%	\$22,284.00	
8	Construction and Unit Test	comp			15%		\$17,150.00	\$14,077.50	\$1,618.50	1%	\$1,618.50	\$15,666.00	14%	\$22,284.00	
9	Construction and Unit Test	comp			15%		\$17,150.00	\$14,077.50	\$1,618.50	1%	\$1,618.50	\$15,666.00	14%	\$22,284.00	
10	Total Construction and Unit Test				15%		\$17,150.00	\$14,077.50	\$1,618.50	1%	\$1,618.50	\$15,666.00	14%	\$22,284.00	
11	System Integration Testing	comp			15%		\$17,150.00	\$14,077.50	\$1,618.50	1%	\$1,618.50	\$15,666.00	14%	\$22,284.00	
12	System Integration Testing	comp			15%		\$17,150.00	\$14,077.50	\$1,618.50	1%	\$1,618.50	\$15,666.00	14%	\$22,284.00	
13	User Acceptance Testing	comp			15%		\$17,150.00	\$14,077.50	\$1,618.50	1%	\$1,618.50	\$15,666.00	14%	\$22,284.00	
14	User Acceptance Testing	comp			15%		\$17,150.00	\$14,077.50	\$1,618.50	1%	\$1,618.50	\$15,666.00	14%	\$22,284.00	
15	Train Staff/Sup Users	comp			15%		\$17,150.00	\$14,077.50	\$1,618.50	1%	\$1,618.50	\$15,666.00	14%	\$22,284.00	
16	Total User Acceptance Testing				15%		\$17,150.00	\$14,077.50	\$1,618.50	1%	\$1,618.50	\$15,666.00	14%	\$22,284.00	
17	Implementation	comp			15%		\$17,150.00	\$14,077.50	\$1,618.50	1%	\$1,618.50	\$15,666.00	14%	\$22,284.00	
18	Production Release	comp			15%		\$17,150.00	\$14,077.50	\$1,618.50	1%	\$1,618.50	\$15,666.00	14%	\$22,284.00	
19	Total Implementation				15%		\$17,150.00	\$14,077.50	\$1,618.50	1%	\$1,618.50	\$15,666.00	14%	\$22,284.00	
TOTAL Managed Care Phase 2 Enhancements														14%	\$1,145,073.00
Modified Nonprofit Benefits														14%	\$13,996.22
TOTAL Modified Nonprofit Benefits Enhancements														14%	\$13,996.22
Family Planning Benefits														14%	\$1,108,110.22
TOTAL Family Planning Benefits Enhancements														14%	\$1,108,110.22
Enhanced Provider Screening														14%	\$8,000.00
1	Requirements and Design	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
2	Requirements and Design	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
3	Final Requirements and Design	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
4	Construction and Unit Test	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
5	Construction and Unit Test	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
6	Implementation	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
7	Implementation	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
8	Implementation	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
9	Additional Functionality	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
10	Additional Functionality	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
11	Change Request Approved	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
12	Change Request Approved	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
13	System Integration Testing Completed	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
14	User Acceptance Testing Completed	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
15	Final Production Validation Completed	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
16	Production Validation Completed	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
17	Production Validation Completed	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
18	Additional Functionality	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
19	Additional Functionality	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
TOTAL Enhanced Provider Screening Enhancements														14%	\$1,145,073.00
Modified Health Benefit Provider Incentive Program														14%	\$1,108,110.22
TOTAL Health Benefit Provider Incentive Program Enhancements														14%	\$1,108,110.22
HPPA Operating Rules Assessment														14%	\$8,000.00
1	Assessment	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
2	Assessment	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
3	Assessment	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
4	Assessment	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
5	Assessment	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
6	Assessment	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
7	Assessment	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
8	Assessment	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
9	Assessment	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
10	Assessment	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
TOTAL HPPA Operating Rules Assessment														14%	\$1,145,073.00
Approved HIT Health Change Requirements Application														14%	\$1,108,110.22
1	Change Request Approved	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
2	Change Request Approved	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
3	Change Request Approved	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
4	Change Request Approved	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
5	Change Request Approved	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
6	Change Request Approved	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
7	Change Request Approved	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
8	Change Request Approved	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
9	Change Request Approved	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
10	Change Request Approved	comp			15%		\$11,340.00	\$8,505.00	\$1,026.60	1%	\$1,026.60	\$7,478.40	14%	\$10,504.60	
TOTAL HIT Health Change Requirements Application														14%	\$1,108,110.22
TOTAL Approved HIT Health Change Requirements Application														14%	\$1,108,110.22

Contractor Initial Date
 [Signature] 4/20/15

Amendment 10 Appendix A2
Deliverable List and Payment Schedule

Item #	Deliverable Description	Start Date	End Date	Unit	Rate	Quantity	Amount	Notes
TOTAL Mile 001 Phase				9%	\$7,271,784.00		\$41,200,000.00	
TOTAL Mile 001 Phase				1%	\$41,200,000.00		\$412,000.00	
TOTAL Mile 001 Phase							\$41,612,000.00	
1	Software License Acquired and Applied			comp			\$720,744.00	
2	Requirements Elicitation - Documented Change Requests	06/01/13	02/28/16	comp			\$178,105.00	
3	Technical Design Completed	06/01/13	02/28/16	comp			\$248,314.00	
4	Development Integration Testing Completed	06/01/13	02/28/16	comp			\$283,381.00	
5	System Integration Testing Completed	06/01/13	02/28/16	comp			\$190,048.00	
6	User Acceptance Testing Completed	06/01/13	02/28/16	comp			\$87,272.00	
7	Final Operational Readiness Testing Approved by CMS	06/01/13	02/28/16	comp			\$3,300,000.00	
8	Pre-Operational Readiness Testing Approved by CMS	06/01/13	02/28/16	comp			\$1,500,000.00	
9	Final Operational Readiness Testing Approved by CMS	06/01/13	02/28/16	comp			\$2,500,000.00	
10	Final Operational Readiness Testing Approved by CMS	06/01/13	02/28/16	comp			\$250,000.00	
11	Final DSD, UAT, CAT, and Data Configuration Updates Completed	06/01/13	02/28/16	comp			\$195,000.00	
12	CY 2014 Catch-Up Fees Submitted	01/15/14	02/28/16	comp			\$290,000.00	
13	CY 2015-16 Catch-Up Fees Submitted (if necessary)	01/15/15	02/28/16	comp			\$31,500.00	
14	CY 2015-16 Catch-Up Fees Submitted (if necessary)	01/15/15	02/28/16	comp			\$37,500.00	
15	CY 2015-16 Catch-Up Fees Submitted (if necessary)	01/15/15	02/28/16	comp			\$37,500.00	
16	CY 2015-16 Catch-Up Fees Submitted (if necessary)	01/15/15	02/28/16	comp			\$37,500.00	
17	CY 2015-16 Catch-Up Fees Submitted (if necessary)	01/15/15	02/28/16	comp			\$37,500.00	
18	CY 2015-16 Catch-Up Fees Submitted (if necessary)	01/15/15	02/28/16	comp			\$37,500.00	
TOTAL A13.7-ANBP							\$3,528,484.00	
HRPAA Operational Plan								
1	Software License Acquired and Applied			comp			\$1,546,000.00	
2	Additional Software License Acquired and Applied			comp			\$1,055,445.00	
3	Integration and Ready to Use	04/30/15	09/30/15	comp			\$140,419.00	
4	Change Request Documented and Approved	04/30/15	09/30/15	comp			\$47,335.00	
5	Technical Design Completed	04/30/15	09/30/15	comp			\$47,335.00	
6	Go/No-Go, UAT, and Data Configuration Updates Completed	04/30/15	09/30/15	comp			\$47,335.00	
7	Development Integration Testing Completed	04/30/15	09/30/15	comp			\$47,335.00	
8	System Test Plan Approved	04/30/15	09/30/15	comp			\$47,335.00	
9	System Integration Testing Completed	04/30/15	09/30/15	comp			\$47,335.00	
10	User Acceptance Testing Completed	04/30/15	09/30/15	comp			\$47,335.00	
11	Final Production Validation Completed	04/30/15	09/30/15	comp			\$47,335.00	
12	Final Production Validation Completed	04/30/15	09/30/15	comp			\$47,335.00	
13	Retention of Phase II CORE Certification Seal	04/30/15	09/30/15	comp			\$47,335.00	
14	Receipt of Phase II CORE Certification Seal	04/30/15	09/30/15	comp			\$47,335.00	
15	Environmental Updates	04/30/15	09/30/15	comp			\$47,335.00	
TOTAL A13.7-HRPAA Operational Plan							\$4,933,156.00	
HRPAA Phase II								
1	Software License Acquired and Applied			comp			\$2,281,482.00	
2	Additional Software License Acquired and Applied			comp			\$1,977,211.00	
3	Integration and Ready to Use	04/30/15	09/30/15	comp			\$29,000.00	
4	Change Request Documented and Approved	04/30/15	09/30/15	comp			\$47,335.00	
5	Technical Design Updated (Data) System Design	04/30/15	09/30/15	comp			\$1,235,757.00	
6	Design Technical Consulting	04/30/15	09/30/15	comp			\$70,000.00	
7	Go/No-Go	04/30/15	09/30/15	comp			\$1,028,187.00	
8	User Test Data Configured, Dev Integration Test Complete	04/30/15	09/30/15	comp			\$1,028,187.00	
9	Data Configuration Technical Consulting	04/30/15	09/30/15	comp			\$70,000.00	
10	System Test Plan and Environment Ready	04/30/15	09/30/15	comp			\$287,748.00	
11	System Integration Testing Completed	04/30/15	09/30/15	comp			\$85,242.00	
12	User Acceptance Testing Technical Consulting	04/30/15	09/30/15	comp			\$49,070.00	
13	User Acceptance Testing Technical Consulting	04/30/15	09/30/15	comp			\$70,000.00	
14	User Acceptance Testing Technical Consulting	04/30/15	09/30/15	comp			\$70,000.00	
15	Final Production Validation Completed	04/30/15	09/30/15	comp			\$70,000.00	
16	Production Implementation and PIR Completed	04/30/15	09/30/15	comp			\$800,222.00	
17	ORR Dev Configuration, Testing Completed - Phase II	04/30/15	09/30/15	comp			\$237,202.00	
18	Phase II - Technical Consulting	04/30/15	09/30/15	comp			\$70,000.00	
19	Amendment 10	04/30/15	09/30/15	comp			\$5.00	
20	Amendment 10	04/30/15	09/30/15	comp			\$375,000.00	
21	Phase II - Technical Consulting	04/30/15	09/30/15	comp			\$141,087.00	
22	Final Production Test with Linked MMIS Release Complete	04/30/15	09/30/15	comp			\$284,000.00	
23	Additional Mapping Updates	04/30/15	09/30/15	comp			\$284,000.00	
TOTAL A13.7-Phase II							\$12,233,019.00	
TOTAL Mile 001 Enhancements A-17							\$51,083,060.00	
Mile 002								
1	Software License Acquired and Applied	06/01/15	02/15/16	comp			\$700,000.00	
2	Software Acquired and Installed	06/01/15	02/15/16	comp			\$282,330.00	
3	Final New Provider - UAT	06/01/15	02/15/16	comp			\$185,000.00	
4	Final New Members in HR/PPE Benefit Plans	06/01/15	02/15/16	comp			\$277,381.00	
5	Appropriate Closure for New Benefit Plan	06/01/15	02/15/16	comp			\$655,182.00	
6	Final Operational Readiness Testing Approved by CMS	06/01/15	02/15/16	comp			\$455,000.00	
7	Final Operational Readiness Testing Approved by CMS	06/01/15	02/15/16	comp			\$455,000.00	
TOTAL A13.7-Phase II							\$4,813,774.00	

Contractor Name: HRPAA
Date: 1/14/2015

Amendment 10 Appendix A 2
Debitable LIR and Payment Schedule

Item	Start Date	End Date	Category	Amount	Balance
TOTAL Initial Post-DDI Enhancements A-13				\$2,823,121.00	
1. MCO Mandatory Enrollment	07/01/16	07/31/15	comp	\$213,893.00	
2. Enrollment Fee and Eligibility Changes	01/15/16	02/15/16	comp	\$810,000.00	
3. X12 B3A Enrollment Transmission	06/30/15	06/30/15	comp	\$707,965.00	
4. X12 B3A Changes	06/30/15	06/30/15	comp	\$570,185.00	
5. X12 B3A Changes for CFI	02/01/15	02/01/15	comp	\$678,724.00	
6. Addition of New MCO	01/15/16	02/15/16	comp	\$743,853.00	
7. FFB Co-Pay Changes	10/06/15	10/06/15	comp	\$384,721.00	
8. X12 B3B Premium Payment Transaction	10/06/15	10/06/15	comp	\$269,133.00	
9. INT BND063 Interface Changes	09/01/16	09/01/16	comp	\$101,450.00	
10a. Additional Interface Changes	09/01/16	09/01/16	comp	\$131,445.00	
10b. Additional Interface Changes	09/01/16	09/01/16	comp	\$125,800.00	
11. X12 B3B New MCO Subsets	06/30/15	06/30/15	comp	\$238,332.00	
12. Coporate Claim Adjustments	06/01/16	06/01/16	comp	\$48,433.00	
13. Expedited Recor Changes	06/01/16	06/01/16	comp	\$158,135.00	
14. Member UI Changes for Additional QHP Data	06/01/16	06/01/16	comp	\$178,800.00	
15. MIS-BND063 Outbound Interface Changes	06/01/16	06/01/16	comp	\$99,865.00	
16. MID Compare Process	06/01/16	06/01/16	comp	\$94,323.00	
17. Increased MCO/MIHS Interface	07/01/16	07/01/16	comp	\$36,875.00	
18. NEMT Appointments Alerts	07/01/16	07/01/16	comp	\$178,115.00	
19. NEMT Appointments	02/01/16	02/01/16	comp	\$23,250.00	
20. NEMT Appointments Testing	04/28/16	04/28/16	comp	\$55,200.00	
21. NEMT-Address Development	04/28/16	04/28/16	comp	\$76,125.00	
22. NEMT-Reasons and Documentation	04/28/16	04/28/16	comp	\$41,800.00	
23. NEMT-EMHS	04/28/16	04/28/16	comp	\$48,800.00	
24. NEMT-EMHS and EMAR	04/28/16	04/28/16	comp	\$53,750.00	
25. NEMT-EMHS	04/28/16	04/28/16	comp	\$104,900.00	
26. Additional Eligibility Changes	06/30/15	06/30/15	comp	\$7,274,848.00	
27. Additional Eligibility Changes	06/30/15	06/30/15	comp	\$27,350.00	
28. General Emergency Pool	06/30/15	06/30/15	comp	\$27,350.00	
29. Cost Sharing Enhancement Pool	06/30/15	06/30/15	comp	\$1.00	
TOTAL A-13 PAF and MCO Contingency Funds				\$287,250.00	
TOTAL Initial Post-DDI Enhancements A-15				\$7,641,816.00	
Legal Security Enhancements				\$82,900.00	
1. Software Acquisition	08/15/15	08/15/15	comp	\$1,850.00	
2. Production Release	08/15/15	08/15/15	comp	\$3,190.00	
TOTAL A-15 Security Enhancements				\$18,100.00	
Database Access for Designated Users				\$50,488.00	
1. Software Acquisition	02/01/16	02/01/16	comp	\$40,800.00	
2. Design and Construction	02/28/16	02/28/16	comp	\$71,843.00	
3. Testing and Implementation	02/28/16	02/28/16	comp	\$17,115.00	
4. UCR Modifications	02/28/16	02/28/16	comp	\$10,800.00	
TOTAL A-16 Database Enhancement				\$89,848.00	
Resource Utilization Greater (RUG) IV				\$189,457.00	
1. Primary Design Document (PDD)	02/15/16	02/15/16	comp	\$40,800.00	
2. Software Acquisition	02/15/16	02/15/16	comp	\$30,800.00	
3. Contract Simulation	02/15/16	02/15/16	comp	\$55,000.00	
4. Finance PDD	05/15/16	05/15/16	comp	\$55,000.00	
5. Develop System Modifications Document (SMD)	06/25/16	06/25/16	comp	\$57,438.00	
6. Finance System Design	09/15/16	09/15/16	comp	\$57,437.00	
7. Regression Testing	10/15/16	10/15/16	comp	\$50,000.00	
8. User Acceptance Testing (UAT)	09/30/16	09/30/16	comp	\$410,875.00	
TOTAL A-16 Resource Utilization Greater (RUG) IV				\$189,457.00	
New Billing Capabilities Enhancements				\$199,487.00	
1. Overview Report for CAS Print Checks	02/01/16	02/01/16	comp	\$48,825.00	
2. Software Acquisition	02/01/16	02/01/16	comp	\$48,106.00	
3. Design and Implementation	05/31/16	05/31/16	comp	\$102,186.00	
TOTAL A-16 Enhanced DME Infrastructure Setup				\$111,946.00	
TOTAL Initial Post-DDI Enhancements A-18				\$1,037,104.00	

Contractor Inback Date 12/14/2015

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Appendix A.5
NH MMIS Outpatient Prospective Payment System
(OPPS)

Update December 2015: The Phase 3-Construction and Phase 4-Implementation components of this project have been cancelled.

#	Milestone or Deliverable	Payment	Date
1	Start Work – Phase 1 Requirements Analysis		
2	Receipt of data extract from DHHS		
3	Delivery of summary of analytical database	\$50,000	12/9/2009
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	2/16/2009
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 first draft Business Requirements Document		
14	Delivery of Business Requirements Document	\$75,000	7/7/2010
15	DHHS acceptance of first draft Business Requirements Document		
16	Start Work – Phase 3 Construction		
17	Delivery of the Detailed Systems Design updates	removed per Amendment	removed per Amendment
18	State Acceptance of the Detailed System Design updates	10	10

Contractor Initials: DD

Date: 12/4/2015

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NH MMIS Outpatient Prospective Payment System
(OPPS)

19	Start Work – Phase 4 Implementation		
20	Delivery of the system test plan and results	removed per Amendment 10	removed per Amendment 10
21	State acceptance of the system test results		
22	Execute User Acceptance Testing; State approved implementation		
23	Implementation – Outpatient Prospective Payment Enhancements		
	Total Cost:	\$375,000	

Contractor Initials: SD

Date: 12/4/2015

Xerox Amendment 10
Appendix A.6
NH MMIS Enhanced Analytics

[removed per Amendment 10]

Contractor Initials: *AD*

Date: 12/4/2015

Xerox Amendment 10
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 [removed per Amendment 10]
2. Medicaid Hospice Benefit
3. Family Planning Benefit
4. Care Management
5. Enhanced Provider Screening

1. Electronic Health Record (EHR) Provider Incentive Program

[removed per Amendment 10]

2. Medicaid Hospice Benefit

[removed per Amendment 10]

3. Family Planning Benefit

[removed per Amendment 10]

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.

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Appendix A.9
NH MMIS Additional System Enhancements

Care Management Deliverables / Payment Schedule – Segment I:

Activity	Milestone or Deliverable	Start	Finish	Cost
Phase 0 – Initiation				
Management Oversight			Ongoing	\$74,800
Planning	Implementation Workplan	10/01/2012	11/15/2012 + Ongoing Updates	\$127,250
Phase I – Requirements Analysis				
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
Phase II – Design				
Technical Design	Technical Design Complete	11/08/2012	12/15/2012	\$93,750
Phase III – Configuration, Modification, Development / Construction				
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

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NH MMIS Additional System Enhancements

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
			Total:	\$2,802,275

Care Management Deliverables / Payment Schedule – Segment II:

Activity	Milestone or Deliverable	Start	Finish	Cost
Phase 0 – Initiation				
Management Oversight			Ongoing	\$56,500
Planning	Implementation Workplan	12/01/2012	01/15/2013 + Ongoing Updates	Incl in Phase (I)
Phase I – Requirements Analysis				
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
Phase II – Design				
Technical Design	Technical Design Complete	02/01/2014	04/04/2014	\$70,500
Phase III – Configuration, Modification, Development / Construction				
Coding	Code Complete	09/23/2015	11/24/2015	\$535,000
Unit Testing	Unit Test Complete	09/23/2015	11/24/2015	Incl in Coding
Data Configuration	Data Configuration Complete	09/23/2015	11/24/2015	Incl in Coding
Dev Integration Testing	Dev Integration Testing Complete	09/23/2015	11/24/2015	Incl in Coding
Phase IV – System Integration Testing				
System Test Prep	System Test Environment Ready	11/09/2015	11/24/2015	Incl in Coding
System Test Planning	System Test Plan	03/01/2014	04/25/2014	\$41,000
SIT Execution	System Test Complete	11/30/2015	02/12/2016	\$318,100
Phase V – User Acceptance Testing				
UAT Test Prep	UAT Environment Ready	02/01/2016	02/12/2016	Incl in Coding
UAT Test Planning	UAT Test Plan	03/01/2014	04/25/2014	\$104,250
UAT Execution (State Activity)	UAT Test Complete	02/15/2016	03/25/2016	State Activity

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NH MMIS Additional System Enhancements

Phase VI – Training				
Training Plan Development	Training Plan	01/04/2016	01/15/2016	Incl in Train Staff
Training Materials Updates	Updated Training Materials	01/15/2016	02/01/2016	Incl in Train Staff
Train Staff/ State Users	Training Completed	02/01/2016	02/15/2016	\$8,450
Phase VII – Implementation				
Production Release	Production Ready	03/31/2016	03/31/2016	\$99,973
Post Production Validation	Post Production Validation Complete	04/01/2016	04/29/2016	Incl in Prod Release
			Total:	\$1,415,073

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:

- April 2013 – March 2014: \$373,732
- April 2014 – March 2015: \$321,924
- April 2015 – March 2016: \$267,067
- April 2016 – March 2017: \$209,020
- 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

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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
Phase I – Requirements Analysis				
Requirements Gathering	JAD Sessions Complete	10/01/2015	10/09/2015	\$10,000
Requirements Elaboration	Documented Change Request	10/12/2015	11/02/2015	\$26,000
	Updated DSD Chapters	10/12/2015	01/04/2016	\$30,250
	Updated LI Spreadsheets	10/12/2015	11/02/2015	\$45,000
Phase II – Design				
Technical Design	Technical Design Complete	11/02/2015	12/01/2015	\$78,500
Phase III – Configuration, Modification, Development / Construction				
Licensed Software Integration	Software installed, ready for configuration	11/16/2015	12/04/2015	\$600,000
Coding	Code Complete	12/04/2015	12/21/2015	\$35,783
Unit Testing	Unit Test Complete	12/11/2015	01/04/2016	Incl in Coding
Data Configuration	Data Configuration Complete	12/11/2015	12/11/2015	Incl in Coding
Dev Integration Testing	Dev Integration Testing Complete	01/04/2016	01/11/2016	\$45,000
Phase IV – System Integration Testing				
System Test Prep	System Test Environment Ready	01/11/2016	01/16/2016	Incl in Planning
System Test Planning	System Test Plan	11/02/2015	01/15/2016	\$51,750
SIT Execution	System Test Complete	01/11/2016	02/01/2016	\$183,233
Phase V – User Acceptance Testing				
UAT Test Prep	UAT Environment Ready	02/01/2016	02/02/2016	Incl in Coding
UAT Test Planning	UAT Test Plan	01/15/2016	02/01/2016	\$53,650
UAT Execution (State)	UAT Test Complete	02/02/2016	03/18/2016	\$10,000
Phase VI – Training				
Training Plan Development	Training Plan	12/01/2015	01/08/2016	Incl in Training
Training Materials Updates	Updated Training Materials	01/11/2016	01/16/2016	Incl in Training
Train Staff / State Users	Training Completed	01/11/2016	01/31/2016	\$3,450
Phase VII – Implementation				
Production Release	Production Ready	03/31/2016	03/31/2016	\$34,500
Post Production Validation	Post Production Validation Complete	04/01/2016	04/29/2016	\$45,000

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Phase VIII – Additional Functionality				
Additional Licensed Software Integration	Software installed, ready for configuration	10/12/2015	10/12/2015	\$136,500
Requirements Gathering	Change Request Approved	10/12/2015	10/12/2015	\$56,889
Coding	Code Complete	12/04/2015	12/21/2015	\$99,623
Unit Testing	Unit Test Complete	12/11/2015	01/04/2016	Incl in Coding
SIT Execution	System Test Complete	01/11/2016	02/01/2016	\$56,889
UAT Execution (State)	UAT Test Complete	02/02/2016	03/18/2016	\$42,667
Production Release	Production Ready	03/31/2016	03/31/2016	Incl in Post Production Validation
Post Production Validation	Post Production Validation Complete	04/01/2016	04/29/2016	\$28,445
			Total:	\$1,673,129

Total cost for services plus licenses for the DDI is \$1,673,129.

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:

April 2016 – March 2017: \$396,900
 April 2017 – March 2018: \$396,900

Contractor Initials: DD

Date: 12/9/2015

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

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

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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 file extracts sent to CMS for each of the eight extracts, including the create file and the update file. A replacement file will be sent to correct and an improperly created file if needed but will not be produced on a regular basis.
 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.

Update May 2015: The Contractor Xerox has assumed the following responsibilities:

15. Develop and deliver an updated Detailed System Design (DSD), use cases and system documentation reflecting changes in CMS requirements.
16. Upon implementation, produce T-MSIS Catchup files for each calendar month in CY 2014, CY 2015 and CY2016 until file production is current, and then produce monthly files on an ongoing basis.
17. Provide two full-time technical resources to operate and maintain the T-MSIS component of the MMIS in order to address changes in State and federal requirements in a timely manner.

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NH MMIS System Enhancements to Meet Federal Requirements

Update December 2015: The Contractor Xerox has assumed the following responsibilities:

- 18. Conduct Pre-Operational Readiness Testing (PORT) as required by CMS.
- 19. Conduct Catch-Up File Processing through the first three to six months of CY2016, the exact timeframe to be determined upon the date of CMS approval of operational readiness.

NOTE: The contract as modified by Amendment 10 anticipates that CMS may continue to modify T-MSIS specifications and impose new testing requirements. The T-MSIS Deliverables/Payment Schedule includes nine deliverables for which payment will be made if necessary due to delays in T-MSIS production and catch-up processing over which Xerox has no control.

T-MSIS Deliverables / Payment Schedule (Updated October 2015):

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
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
Phase II – Design				
Technical Design	Technical Design Complete	4/1/2014	5/30/2014	\$249,374
Phase III – Configuration, Modification, Development / Construction				
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
Phase IV – System Integration Testing				
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

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NH MMIS System Enhancements to Meet Federal Requirements

SIT Execution	System Integration Test Complete	9/1/2014	9/30/2014	\$190,698
Phase V – User Acceptance Testing				
UAT Test Prep	UAT Environment Ready	4/1/2015	6/2/2015	Incl in Planning
UAT Test Planning	UAT Test Plan Approved	4/1/2015	6/2/2015	Incl in UAT Test Complete
UAT Execution (State Activity)	UAT Test Complete	4/1/2015	6/2/2015	\$261,272
Phase VI – Implementation				
Pre-Operational Readiness Testing	CMS Approves NH's T-MSIS Readiness Testing	7/1/2015	11/30/2015	\$587,200
Additional CMS-required Readiness Testing (if necessary)	CMS Approves NH's T-MSIS Readiness Testing	12/1/2015	12/31/2015	\$130,000
Additional CMS-required Readiness Testing (if necessary)	CMS Approves NH's T-MSIS Readiness Testing	1/1/2016	1/31/2016	\$130,000
Production Release	Production Ready	6/2/2015	6/25/2015	Incl in Prod Validation
Post Production Validation	Post Production Validation Complete, Including Submission of First Set of Files and Loading of Error Files	6/2/2015	6/25/2015	\$275,940
Documentation	Final DSD, Use Cases and Systems Documentation Approved	4/1/2015	7/15/2015	\$256,991
Phase VII – File Submission Catch-Up				
Catch-Up CY 2014	All Eight Files Submitted and Error File Processing Complete for Each CY 2014 Month	12/1/2015	1/31/2016	\$195,000
Catch-Up CY 2015-16	All Eight Files Submitted and Error File Processing Complete for Each CY 2015-16 Month	2/2/2016	4/30/2016	\$260,000
Additional File Catch-Up Processing (if necessary)	All Eight Files Submitted and Error File Processing Complete for Each CY 2015-16 Month	5/1/2016	5/31/2016	\$32,500

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Additional File Catch-Up Processing (if necessary)	All Eight Files Submitted and Error File Processing Complete for Each CY 2015-16 Month	6/1/2016	6/30/2016	\$32,500
Additional File Catch-Up Processing (if necessary)	All Eight Files Submitted and Error File Processing Complete for Each CY 2015-16 Month	7/1/2016	7/31/2016	\$32,500
Additional File Catch-Up Processing (if necessary)	All Eight Files Submitted and Error File Processing Complete for Each CY 2015-16 Month	8/1/2016	8/31/2016	\$32,500
Additional File Catch-Up Processing (if necessary)	All Eight Files Submitted and Error File Processing Complete for Each CY 2015-16 Month	9/1/2016	9/30/2016	\$32,500
Additional File Catch-Up Processing (if necessary)	All Eight Files Submitted and Error File Processing Complete for Each CY 2015-16 Month	10/1/2016	10/31/2016	\$32,500
Additional File Catch-Up Processing (if necessary)	All Eight Files Submitted and Error File Processing Complete for Each CY 2015-16 Month	11/1/2016	11/30/2016	\$32,500
Total Cost:				\$3,936,851

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

June 2014 - March 2015:	\$57,525	
April 2015 - March 2016:	\$69,029	
April 2016 - March 2017:	\$69,029	
April 2017 - March 2018:	\$69,029	Total Ongoing Data Storage Cost: \$264,612

Following the completion of the file catch-up process, the Contractor Xerox shall provide two full-time technical resources to operate and maintain the T-MSIS component of the MMIS, the costs for which are outlined below:

January 2016 - March 2016:	\$130,000	
April 2016 - March 2017:	\$520,000	
April 2017 - March 2018:	\$520,000	Total Ongoing Operations Cost: \$1,170,000

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NH MMIS System Enhancements to Meet Federal Requirements

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 EDIFICS 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

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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.

Update May 2015: The Contractor Xerox has assumed responsibility for requesting and achieving Committee on Operating Rules for Electronic Data Exchange (CORE) Phase I, II, and III certification.

Update December 2015: The Contractor Xerox will implement environment upgrades to support more accurate testing, improve real-time performance and failover capacity, and implement Edifecs efficiency recommendations.

HIPAA Operating Rules Deliverables / Payment Schedule (Updated October 2015):

Activity	Milestone or Deliverable	Start	Finish	Cost
Phase I – Requirements Analysis				
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
Phase II – Design				
Technical Design	Technical Design Complete	1/1/2014	1/31/2014	\$421,256
Phase III – Configuration, Modification, Development / Construction				
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

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Phase IV – System Integration Testing				
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
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
Phase VII – CORE Certification				
CORE I Certification	Receipt of Phase I CORE Certification Seal	7/1/2015	11/9/2015	\$106,547
CORE II Certification	Receipt of Phase II CORE Certification Seal	7/1/2015	11/9/2015	\$106,547
CORE III Certification	Receipt of Phase III CORE Certification Seal	7/1/2015	11/9/2015	\$106,547
Phase VIII – Environment Upgrades				
Environment Upgrades	Production Implementation of Upgrades	1/17/2016	3/14/2016	\$112,885
Total Cost:				\$4,933,156

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 Recurring License Fees: \$1,698,133

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Following the implementation of the environment upgrades, there will be additional software license and software fees, the costs for which are outlined below.

April 2016 - March 2017: \$39,972

April 2017 - March 2018: \$39,972

Total Ongoing Environment Fees: \$79,944

Total Ongoing Operations Cost: \$1,778,077

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 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

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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 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

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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
- 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

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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, 2014 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.

Update December 2015: In 2015, CMS published updates to the ICD-10-CM General Equivalence Mapping (GEMs) and updates to the ICD-10 Procedure Coding System (ICD-10-PCS) file. In order for the New Hampshire Health Enterprise MMIS to be ready to process with the most complete ICD-10 data and business rules, Xerox will incorporate the updated GEM relationships and new codes into the New Hampshire-specific cross-references. In addition, the State has elected not to renew the Avior software license for a second year.

ICD-10 Deliverables / Payment Schedule (Updated October 2015):

Activity	Milestone or Deliverable	Start	Finish	Cost
Acquire Software License	Licenses Acquired and Applied	2/1/2014	4/12/2014	\$2,281,482
Phase I – Requirements Analysis (ICD-10 Phase I)				
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	Requirements Technical	3/12/2014	6/26/2014	\$80,000

Contractor Initials: SD

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Consulting	Consulting Completed			
	Phase I Subtotal:			\$2,386,746
Phase II – Design (ICD-10 Phase I)				
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
	Phase II Subtotal:			\$1,305,757
Phase III – Configuration, Modification, Development / Construction (ICD-10 Phase I)				
Coding	Code Complete	4/28/2014	6/30/2014	\$1,029,797
Unit Testing	Unit Test Complete	4/28/2014	6/30/2014	Incl in Dev Int Test
Data Configuration	Data Configuration Complete	4/23/2014	6/09/2014	Incl 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
	Phase III Subtotal:			\$2,129,594
Phase IV – System Integration Testing (ICD-10 Phase I)				
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	Incl 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
	Phase IV Subtotal:			\$1,140,990
Phase V – User Acceptance Testing (ICD-10 Phase I)				
UAT Test Preparation	UAT Environment Ready	8/26/2014	10/05/2014	Incl in UAT Execution
UAT Test Planning	UAT Test Plan	8/26/2014	10/05/2014	Incl in UAT Execution
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
	Phase V Subtotal:			\$729,070
Phase VI – Training (ICD-10 Phase I)				
Training Plan / Materials	Updated Training Plan / Materials	3/26/2014	10/03/2014	Incl in Tech Design
Technical Consulting	Training Technical Consulting Completed	3/26/2014	10/03/2014	\$70,000
	Phase VI Subtotal:			\$70,000

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Phase VII – Implementation (ICD-10 Phase I)				
Production Release	Production Implemented PIR Complete	12/03/2014	12/18/2014	\$906,222
Phase VII Subtotal:				\$906,222
Phase VIII – Implementation (ICD-10 Phase II)				
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
Phase VIII Subtotal:				\$327,202
Phase IX – Implementation (ICD-10 Phase III)				
Acquire Avior Software License for Second Year	License Acquired and Applied	Removed per Amendment 10	Removed per Amendment 10	Removed per Amendment 10
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
Additional Mapping Updates	Mapping Updates Approved and Implemented	08/01/2015	10/16/2015	\$284,000
Phase IX Subtotal:				\$945,990
NH ICD-10 Phases I, II and III Total Cost:				\$12,223,053

Contractor Initials: SD

Date: 12/4/2015

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NH MMIS System Enhancements for Premium Assistance and Medicaid Care Management

The NH Health Enterprise Medicaid Management Information System (MMIS) requires enhancements in order to implement the next phases of two major State initiatives, the NH Health Protection Program (NH HPP) and Medicaid Care Management (MCM).

Step 1 of MCM was implemented on December 1, 2013, when most Medicaid clients began receiving health care services via a Managed Care Organization (MCO) contracted with the State. For Step 1, long-term care services were carved out and clients dually eligible for Medicaid and Medicare could voluntarily select an MCO but were not required to enroll in MCM. For Step 2, long-term care services delivered via the Choice for Independence (CFI) waiver program will be added to the list of services delivered by the MCM MCOs. In addition, dual eligibles will be mandatorily enrolled in MCM.

NH HPP is New Hampshire's innovative approach to providing health care coverage to uninsured citizens under the Affordable Care Act. It began with the implementation of a temporary Bridge program in September 2014, under which clients meeting eligibility requirements enrolled with one of the Medicaid MCOs and received services under an Alternative Benefit Plan (ABP). Starting on January 1, 2016, the Bridge program will be replaced by the Premium Assistance Program (PAP). Existing and new NH HPP enrollees will enroll in a Qualified Health Plan (QHP) offered by a Department of Insurance-approved carrier. The State is paying the premiums for these enrollees, requiring the NH Health Enterprise MMIS to support many new processes and interfaces.

In addition to the changes associated specifically with NH HPP and MCM, the NH Health Enterprise MMIS will be enhanced to receive and store additional eligibility and enrollment data and to support 834 Enrollment and 820 Premium Payment transactions. These changes will benefit both NH HPP and MCM. Another significant enhancement is the addition of a third MCM MCO to join the two currently contracted with the State, offering Medicaid clients greater choice in selecting an MCO.

This project consists of eleven (11) deliverables/payment milestones, as described briefly below:

- **MCO Mandatory Enrollment:** Configuration changes will be made to support new cohorts and rates. Capitation payment processing will be modified to eliminate separate claim lines for Behavioral Health, requiring changes to the rate schema.
- **Enrollment File and Eligibility Changes:** The interface with New HEIGHTS will be modified to capture additional data elements. These data elements will be displayed on the MMIS User Interface (UI) pages and included in outbound 834 transactions sent to the MCOs and PAP carriers. Changes will also be made to the daily enrollment file and to presumptive eligibility. To support NH HPP, eligibility and enrollment processing will be modified to allow a QHP enrollee whose eligibility ends mid-month to remain enrolled in the plan till the end of the month.

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- **X12 834 Enrollment Transaction:** New HEIGHTS currently generates and sends 834 enrollment transactions to the MCOs. As part of this project, this responsibility is shifting to the MMIS, which will send the 834 for enrollees in both MCM and NH HPP. This will require developing new maps and logic for the 834 outbound transaction and the 834C inbound transaction sent by the MCOs and PAP carriers. Extensive testing will be required for each trading partner.
- **Phase 1 PAP Changes:** Modifications to the MMIS include a new provider type value and new provider specialty mapping to accommodate the PAP carriers; benefit plan changes and cohort/rate changes that require a mix of configuration and hard coding; and the development of new interfaces and tables to support the receipt and storage of encounter data from the PAP carriers. Other modifications affect the Member UI pages, reporting, 270/271 Health Care Eligibility Inquiry and Response transactions, the Automated Voice Response System (AVRS), and online inquiry.
- **MCM Benefit Plan Changes for CFI:** In order to include CFI services in the MCM benefit package effective January 1, 2016, changes will be made to the benefit plan hierarchy, rates, and business rules.
- **Phase 2 PAP Changes and New MCO:** Phase 2 of the PAP development effort involves extensive payment changes, including new fund codes, new capitation processes and a new binder payment process that is required to enroll a client in a QHP. To support the third MCO, into which clients are expected to enroll starting November 1, 2015 for services starting January 1, 2016, configuration changes are required to set up new benefit plans and modify the benefit plan hierarchy. The new MCO must be set up as a trading partner, with extensive testing required for the many interfaces between it and the MMIS. Other changes affect provider, reference, claims processing, the 270/271, and the AVRS.
- **FFS Co-Pay Changes:** In order to establish consistency between the fee-for-service (FFS) and other Medicaid plans, the MMIS must enforce co-pay requirements for clients with a household income greater than 100 percent of the Federal Poverty Level. Changes will be made to the benefit plans, business rules, Optical Character Recognition (OCR), UI pages, 270/271, AVRS, and reporting.
- **X12 820 Premium Payment Transaction:** Neither NEW HEIGHTS nor the MMIS currently produces the 820 transaction, which reports capitation payments made to MCOs. The State has used the 835 Electronic Advice for this purpose but will implement the 820 as part of this project. As with the 834 discussed earlier, this will involve developing new maps and logic as well as extensive testing with each trading partner.

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- **NH BRIDGES Interface Changes:** The MMIS interface with NH BRIDGES will be modified to capture the legal status, caretaker name, case worker name, and contact information for foster children enrolled in Medicaid. These new data elements will be maintained in the MMIS, displayed on the appropriate UI page, and included in outbound 834 transactions.
- **Additional Interface Changes:** The PAP and the other changes being made as part of this project affect the T-MSIS component of the MMIS, which produces a set of monthly files for the federal government containing extensive data on clients, providers and claims. This payment milestone includes those changes as well as changes to the Options Inbound Service Authorization interface.
- **eFADS and eMAR Changes:** These MMIS components support fraud and abuse detection and investigation (eFADS) and management reporting (eMAR). Those components must be modified to reflect the changes being made for PAP and MCM Step 2.

Update December 2015: Total contingency funds have been reduced from \$985,000 to \$267,250. The Additional Interface Changes deliverable has been split into two sub-deliverables. The NF/DCYF/DJS MCM Changes deliverable has been removed. Anticipated completion dates for several deliverables have been adjusted. In addition, new deliverable/payment milestones have been incorporated into this project, as described below.

- **X12 820 Software Purchase:** The original project specifications did not require the use of the Edifecs X12 820 map and guidelines used by the federal Health Insurance Exchange (HIX). During requirements gathering with the PAP carriers, it was determined that this version of the X12 820 would be necessary to pass data on premiums paid by the State on behalf of QHP members.
- **Capitation Claim Adjustments:** A new function to support adjustment of capitation claims will be implemented, requiring a new capitation job, new business rules, and the redesign of the current kick payment process for newborns. In conjunction with implementation of the X12 820 transaction, this change will result in a capitation payment process that is consistent with standard industry practices.
- **Targeted Recon Changes:** The State has requested changes to the targeted reconciliation ("recon") process to compare on the QHP Plan ID and Plan Variant in addition to the MCO ID.
- **Member UI Changes for Additional QHP Data:** The original scope of work included changes to the eligibility interface from New HEIGHTS to receive additional data on members, including tobacco use status to be used for capitation processing, and to receive other member information to be included in the X12 834 transaction sent from the MMIS to the QHPs. The MMIS will be enhanced with a new member User Interface (UI) page to display information pertaining to QHP status, including tobacco use.

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NH MMIS System Enhancements for Premium Assistance and Medicaid Care Management

- **MMIS-BRIDGES Outbound Interface Changes:** The MMIS will be modified to pass to NH BRIDGES additional data on DCYF members. This enhancement includes passing encounter data and additional member data from the MMIS to NH BRIDGES and including the additional member data on the outbound X12 835 transactions for DCYF members.
- **NF/DCYF/DJJS MCM Changes:** As part of MCM Step 2, changes will be made to the benefit plan hierarchy, rates, and business rules to support inclusion of NF, DCYF and DJJS services.
- **MID Compare Process:** A new "MID Compare" process will be developed and implemented to extract all MCM and QHP enrollees and compare on the Medicaid ID (MID). This will enable DHHS to readily track who is enrolled in each MCO and QHP and to resolve discrepancies.
- **Inbound MCO-MMIS Interface:** A new inbound interface between the MCOs and MMIS and related UI changes will allow the MMIS to capture, store and display information about a member's Primary Care Provider (PCP).
- **Non-Emergency Medical Transportation (NEMT):** NEMT is not part of the QHP benefit for NHHPP members and must be provided by DHHS as a wraparound service. DHHS plans to contract with a single entity to coordinate these services for QHP members as well as for Medically Frail NHHPP FFS clients in the Alternative Benefit Plan and clients in standard Medicaid. This enhancement affects the Provider, Reference/Benefit Plan, and Claims Processing components of the MMIS. New interfaces with the NEMT coordination entity must be developed, along with changes to reporting and T-MSIS. This enhancement includes nine deliverables.
- **Additional Eligibility and Reporting Changes:** The State identified required modifications to properly assign fund codes to newly eligible and not newly eligible recipients (Computer Service Request [CSR] 8127 and CSR 8128) and to date of death logic for Presumptive Eligibility (CSR 8274). The State also identified required modifications to reporting for failed enrollments (CSR 8445) and X12 834 transactions (CSR 8446).

Fixed Payment Schedule (Updated December 2015):

Activity	Milestone or Deliverable	Anticipated Completion Date	Cost
MCO Mandatory Enrollment	Implementation	7/1/2015	\$393,693
Enrollment File and Eligibility Changes	Implementation	12/31/2015	\$610,820
X12 834 Enrollment Transaction	Implementation	1/15/2016	\$707,205
Phase 1 PAP Changes	Implementation	2/28/2016	\$611,334
MCM Benefit Plan Changes for CFI	Implementation	8/30/2016	\$529,185

Contractor Initials: *SD*

Date: 12/4/2015

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Addition of New MCO	Implementation	8/31/2016	\$628,724
FFS Co-Pay Changes	Implementation	5/15/2016	\$783,953
X12 820 Premium Payment Transaction	Implementation	1/15/2016	\$384,721
NH BRIDGES Interface Changes	Implementation	7/31/2016	\$269,733
Additional Interface Changes – T-MSIS	Implementation	4/30/2016	\$101,450
Additional Interface Changes – Options	Implementation	7/31/2016	\$101,449
eFADS and eMAR Changes	Implementation	4/30/2016	\$493,810
X12 820 Software Purchase	Implementation	12/31/2015	\$125,000
Capitation Claim Adjustments	Implementation	7/15/2016	\$236,292
Targeted Recon Changes	Implementation	12/31/2015	\$88,433
Member UI Changes for Additional QHP Data	Implementation	7/15/2016	\$158,435
MMIS-BRIDGES Outbound Interface Changes	Implementation	7/31/2016	\$128,300
MID Compare Process	Implementation	9/15/2016	\$99,956
Inbound MCO-MMIS Interface	Implementation	10/15/2016	\$94,323
NEMT-Requirements Analysis	Requirements/Design Approved	1/29//2016	\$36,875
NEMT-Configuration	Configuration-only changes migrated to UAT	2/29/2016	\$55,875
NEMT-UAT	UAT completed for configuration changes	4/28/2016	\$176,875
NEMT-Regression Testing	Regression testing and critical defect correction completed	4/28/2016	\$23,250
NEMT-Additional Development	Change requests coded tested and implemented	5/27/2016	\$55,250
NEMT-Reports and Documentation	Reporting changes identified and implemented; documentation updated	5/27/2016	\$29,125
NEMT-T-MSIS	T-MSIS changes tested and implemented	4/28/2016	\$61,500
NEMT-EFADS and EMAR	EFADS/EMAR changes tested and implemented	5/27/2016	\$46,000
NEMT-834	Implement new 835 with members in FFS/ABP	5/27/2016	\$53,750
Additional Eligibility Changes	Implement CSRs 8127, 8128, and 8274	1/31/2016	\$104,500
Additional Reporting Changes	Implement CSRs 8445 and 8446	6/30/2016	\$84,750
Total Cost:			\$7,274,566

Contractor Initials: RD

Date: 12/4/2015

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

July 2016 - March 2017: \$33,150
 April 2017 - March 2018: \$33,813 Total Recurring License Fees: \$66,963

Contingency Funds

The State and Contractor acknowledge that the Premium Assistance Program (PAP) is an innovative response to the Affordable Care Act which requires new interfaces with entities that have never worked with Medicaid before and with which the MMIS has never interfaced. In addition, the federal requirement to systematically track client cost sharing on a quarterly basis so that cost sharing may cease once the limit has been reached, and the system changes required to meet this requirement, are not completely understood at this time. As a result, it is in the best interest of the State to allow for the flexibility to adapt to changes in specifications or new specifications that might emerge during the development of these enhancements.

The State and Contractor agree to establish contingency funds in the following amounts:

Category	Expiration Date	Funding Limit
General Contingency	6/30/2016	\$267,250
Cost Sharing Enhancement	3/31/2016	\$0
Total Pool		\$267,250

Each use of the contingency funds shall be initiated by means of a written Change Request, submitted either by State or Contractor staff. No work shall be done or contingency funds expended unless and until the State has approved (a) the Change Request, and (b) the Contractor's quoted price for the change, based on the number of staff hours required to design, develop, test, and implement the change and the staff hour rate of the assigned personnel. Multiple Change Requests may be applied against a funding category up to the funding limit of the category. The State is under no obligation to initiate or approve any Change Requests requiring the use of contingency funds or to expend any of the contingency funds.

Use of this contingency funding is limited to work related to the NH HPP Premium Assistance Program, the NH HPP Cost Sharing Provision, and Medicaid Care Management Step 2. Contingency funding may not be used to supplant funds already committed to the scope of work agreed upon by the State and Contractor, as specified in this Appendix and the Contractor's proposals dated May 19, 2015 and August 5, 2015.

Contractor Initials: AD
 Date: 12/4/2015

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NH MMIS Security and Efficiency Enhancements

Introduction

The New Hampshire Medicaid Management Information System (MMIS) requires the following enhancements to improve the security of data maintained by the system, to improve the efficiency of program operation, and meet federal MMIS certification requirements:

1. Log-in Security Enhancements
2. Database Access for Designated State Users
3. 2D Barcode and OCR Enhancement
4. Resource Utilization Grouper (RUG) IV
5. New MMIS Certification Requirements
6. DMZ Infrastructure Setup
7. Extended Software Maintenance

Enhancement I: Log-in Security Enhancements

During the MMIS certification review, the Centers for Medicare and Medicaid Services (CMS) review team recommended security enhancements to Health Enterprise log-in process given its availability over the public Internet. The State directed Xerox to implement several enhancements to the user log-in process, including lengthening the password from eight characters to ten, enhancing the log-in process so that it is performed over two pages, and incorporated CAPTCHA functionality into the log-in process to protect against "brute force" attacks by hackers. CAPTCHA presents an image of random characters that is difficult for a computer program to interpret but are recognizable by a human user. The user must enter both a password and the correct CAPTCHA response in order to gain access to the system.

Enhancement II: Database Access for Designated State Users

Some State-designated users require read-only access to databases in the MMIS production and User Acceptance Testing (UAT) environments to view and validate NH data. Currently, this access is provided by opening firewalls to provide a private tunnel from the desktop of these users to the data centers hosting the production and UAT databases. To improve the security, the State requested an enhancement that will transition these users to the Xerox Desktop as a Service (DaaS)/Virtual Desktop Infrastructure (VDI).

Enhancement III: 2D Barcode and OCR Enhancement

The State wishes to implement barcode enhancements within the MMIS Contact Management module to capture additional information, including Member Name, Member Medicaid ID, Provider ID and Case Number. Capturing these new fields eliminates manual indexing for certain documents and minimizes the risk of not linking documents to the correct record in the MMIS.

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Appendix A.16
NH MMIS Security and Efficiency Enhancements

The State also wishes to enhance OCR processing of rendering provider ID's to ensure that data is captured appropriately at the claim header and line.

Enhancement IV: Resource Utilization Grouper (RUG) IV

New Hampshire intends to modernize of the process used to establish Nursing Facility rates. The State currently uses RUG III and MDS 2.0 as part of the Acuity Rate Setting (ARS) functionality in the New Hampshire Health Enterprise system. MDS 3.0 data is received from CMS and backward-converted to MDS 2.0 for input into the RUG III grouper. Updating the MDS version to 3.0 will eliminate the current manual conversion. The RUG IV grouper represents a refinement of the RUG grouping process that is consistent with Medicare.

This project includes program and system components. The Xerox Payment Method Development (PMD) team will work with the State to develop a Policy Design Document and perform a complete rate setting simulation by Nursing Facility and RUG Category to determine the impact of the payment policy changes. The PMD team will provide summary reports that show by facility a comparison of the production data from the July 1, 2015 rate cycle using RUG III results versus the results generated by the RUG IV grouper. Following completion of this project phase, Xerox will develop a System Design Document and develop, test and implement the required changes to the ARS component of the MMIS.

Enhancement V: New MMIS Certification Requirements

CMS-initiated changes to the MMIS certification process caused significant re-work and an increase in costs. The initial request for MMIS certification was accompanied by the completed Medicaid Enterprise Certification Toolkit (MECT) checklists. After submission of the request, State and Contractor staff began preparing for what had been assumed to be a traditional MMIS certification review. However, CMS informed the State that instead of the MECT checklists, the certification review would be based on new checklists that were being piloted by CMS. The new checklists represented a significant change from the MECT checklists completed previously, with more than 300 additional checklist items. The new checklist process required narrative responses supported by detailed artifacts that provided the explanation and evidence for how the NH MMIS met all facets of each requirement, in contrast to the MECT's basic "yes" or "no" answers. The Contractor engaged technical, data architecture, and security Subject Matter Experts to respond and document the artifact details to help complete the new checklists and prepare for the on-site review, increasing its costs.

Enhancement VI: DMZ Infrastructure Setup

The State has directed the Contractor to migrate to the new MOVEit Central and MOVEit DMZ system for secure exchange of files. The scope of the enhancement requires both the purchase of additional software from the software vendor, Ipswitch, and the configuration of additional virtual machines (VMs) to install the new MOVEit Infrastructure. The Contractor shall install and configure the latest versions of

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Appendix A.16
NH MMIS Security and Efficiency Enhancements

the MOVEit software. When the defined MOVEit installation is complete, the system will then be verified to make sure the installation was successful and the software is running as expected.

Enhancement VII: Extended Software Maintenance

There are several software products used as part of the New Hampshire Health Enterprise MMIS solution that require extended software maintenance in order to ensure vendor through the end of the contract. While extended maintenance is not generally required to maintain rights to upgrade the software to the latest version, it is necessary to obligate vendors to provide full technical support for the versions currently in use. Not having access to vendor technical support for key infrastructure products is an unacceptable risk to the State of New Hampshire. The Contractor will procure extended support for the following software products:

- IBM WebSphere Portal Server
- IBM WebSphere Process Server
- IBM DB2
- IBM Tivoli Directory Integrator
- Oracle Database
- Docfinity
- Geostan

This enhancement requires no DDI activity and consists only of ongoing operations charges.

Deliverables / Payment Schedule

Activity	Milestone or Deliverable	Start	Finish	Cost
Enhancement I – Log-in Security Enhancements				
Production Release	Development, Configuration, Testing, and Implementation Complete	4/24/2015	6/12/2015	\$92,500
Enhancement II – Database Access for Designated State Users				
Software Acquisition	Required Software Installed	8/1/2015	8/15/2015	\$14,350
Production Release	State Users Verify Connectivity Using Virtual Desktop Infrastructure (VDI)	8/1/2015	8/15/2015	\$3,750
Enhancement III – 2D Barcode and OCR Enhancement				

Contractor Initials: DD
Date: 12/4/2015

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Appendix A.16
NH MMIS Security and Efficiency Enhancements

Activity	Milestone or Deliverable	Start	Finish	Cost
Software Acquisition and Maintenance	Required Software Installed and Maintenance Procured	9/1/2015	9/30/2015	\$50,468
Design and Construction	State-approved Change Request Coded and Unit Tested	9/1/2015	10/1/2015	\$21,283
Testing and Implementation	Change Request Passes UAT and Deployed in Production	10/1/2015	11/1/2015	\$17,415
OCR Modifications	Change Request Completed in OCR System	1/1/2015	2/28/2015	\$10,000
Enhancement IV – Resource Utilization Grouper (RUG) IV				
Develop Policy Design Document (PDD)	Draft PDD Approved by State	1/1/2015	2/1/2016	\$60,000
Conduct Pilot	State Approves Grouping Results for Pilot Nursing Facility	2/1/2016	2/29/2016	\$46,000
Conduct Simulation	State Approves Nursing Facility Rate Simulation Results	3/4/2016	3/9/2016	\$30,000
Finalize PDD	State Approves Final PDD	3/18/2016	4/29/2016	\$55,000
Develop System Modifications Document (SMD)	State Approves SMD	3/18/2016	4/29/2016	\$55,000
Finalize System Design	State Approves Change Request	4/18/2016	6/7/2016	\$57,438
Regression Testing	State Approves Regression Test Results	6/1/2016	9/15/2016	\$57,437
User Acceptance Testing (UAT)	State Approves UAT and Project Completion	8/27/2016	9/30/2016	\$50,000
Enhancement V – New MMIS Certification Requirements				
Develop Responses to CMS Pilot Checklists	State Confirms Completion of All Certification Tasks	2/16/2015	12/14/2015	\$199,457
Enhancement VI –DMZ Infrastructure Setup				
Software Acquisition	Required Software Acquired	1/4/2016	2/1/2016	\$46,825
Design	State Approved Change Request	1/4/2016	2/1/2016	\$68,105
Testing and Implementation	New Infrastructure Deployed in Production	2/2/2016	5/31/2016	\$102,158
Total Cost:				\$1,037,186

Contractor Initials: *DL*
Date: 12/4/2015

Xerox Amendment 10
Appendix A.16
NH MMIS Security and Efficiency Enhancements

In addition to the DDI costs, the Database Access for Designated State Users enhancement requires ongoing maintenance in the following amounts:

April 2016 - March 2017:	\$3,750		
April 2017 - March 2018	\$3,750	Total Recurring Maintenance Cost:	\$7,500

The Database Access for Designated State Users enhancement also requires ongoing software license and software fees, the costs for which are outlined below.

April 2016 - March 2017:	\$6,800		
April 2017 - March 2018:	\$7,800	Total Ongoing Software Cost:	\$14,600
		Total Ongoing Operations Cost:	\$22,100

In addition to the DDI costs, the Enhanced DMZ Infrastructure Setup enhancement requires ongoing software maintenance fees in the following amounts:

January 2016 - March 2016:	\$12,550		
April 2016 - March 2017:	\$50,190		
April 2017 - March 2018:	\$50,190	Total Ongoing Operations Cost:	\$112,930

The Extended Software Maintenance enhancement requires no DDI activity and consists only of ongoing maintenance in the following amounts:

April 2016 - March 2017:	\$470,664		
April 2017 - March 2018:	\$554,400	Total Ongoing Operations Cost:	\$1,025,064

CERTIFICATE OF SOLE MANAGER AND SECRETARY

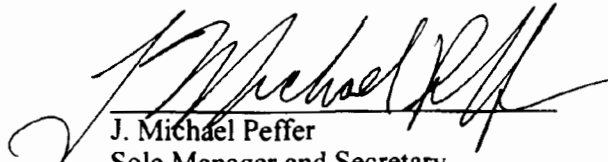
I, J. Michael Peffer, do hereby certify as follows:

(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) Dan Dwyer is a duly appointed, qualified and acting Vice 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. 10 to that certain Medicaid Management Information System Reprourement 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 4th day of December, 2015.

XEROX STATE HEALTHCARE, LLC
a Delaware limited liability company

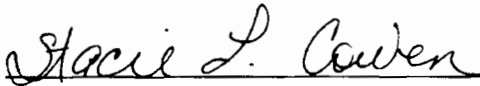


J. Michael Peffer
Sole Manager and Secretary

COMMONWEALTH OF KENTUCKY
COUNTY OF FAYETTE, 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 4th day of December, 2015.



Notary Public in and for the Commonwealth of Kentucky.

My commission expires 9/26/18.

STACIE L. COWEN
NOTARY Public
STATE AT LARGE, KENTUCKY
My COMMISSION EXPIRES
SEPTEMBER 26, 2018
NOTARY ID 518216

3

9 Jm



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

Nicholas A. Toumpas
Commissioner

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

William L. Baggeroer
Chief Information
Officer/Director

6/24/15
#9

June 4, 2015

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

Sole Source
Est: 78.9% Federal
21.1% General

REQUESTED ACTION

Authorize the Department of Health and Human Services, Office of Information Services, to enter into a **sole source** amendment (Amendment 9) 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 \$25,261,365, from \$119,778,928 to \$145,040,293, 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), Amendment 3 on June 23, 2010 (Item#97), Amendment 4 on March 7, 2012 (Item#22A), Amendment 5 on December 19, 2012 (Item#27A), Amendment 6 on March 26, 2014 (Late Item A), Amendment 7 on June 18, 2014 (Item#61A), and Amendment 8 on May 27, 2015 (Item#16).

No State Fiscal Year 2015 funds are required for this amendment; funds 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.

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

Design, Development and Implementation

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	\$30,239,095	\$0	\$30,239,095
2015	102/500731	Contracts for Program Services	\$4,321,110	\$0	\$4,321,110
2016	102/500731	Contracts for Program Services	\$1,283,808	\$6,601,077	\$7,884,885
Total Design, Development and Implementation Phase			\$73,448,267	\$6,601,077	\$80,049,344

Operations			Current	Increase/	Revised
State			Budget	(Decrease)	Budget
<u>Fiscal Year</u>	<u>Class Object</u>	<u>Class Title</u>			
2013	102/500731	Contracts for Program Services	\$2,084,889	\$0	\$2,084,889
2014	102/500731	Contracts for Program Services	\$8,544,809	\$0	\$8,544,809
2015	102/500731	Contracts for Program Services	\$9,164,847	\$0	\$9,164,847
2016	102/500731	Contracts for Program Services	\$9,328,007	\$6,672,925	\$16,000,932
2017	102/500731	Contracts for Program Services	\$9,770,148	\$6,806,384	\$16,576,532
2018	102/500731	Contracts for Program Services	\$7,437,961	\$5,180,979	\$12,618,940
Total Operations			\$46,330,661	\$18,660,288	\$64,990,949
Grand Total			\$119,778,928	\$25,261,365	\$145,040,293

EXPLANATION

This is a **sole source** amendment that provides for the enhancement of the New Hampshire Medicaid Management Information System (MMIS) to support the NH Health Protection Program (NH HPP) and Medicaid Care Management (MCM); increases the payments for ongoing operations so they are more closely aligned with the Contractor's audited costs; and improves accountability by strengthening the contract's provisions for performance measurement, liquidated damages, and turnover of MMIS source code.

Enhancements

NH HPP is New Hampshire's innovative approach to providing health care coverage to uninsured citizens under the Affordable Care Act. It began with the implementation of a temporary Bridge program in September 2014, under which clients meeting eligibility requirements enrolled with one of the Medicaid MCOs and received services under an Alternative Benefit Plan (ABP). Starting on January 1, 2016, the Bridge program will be replaced by the Premium Assistance Program (PAP), under which existing and new NH HPP eligibles will enroll in a Qualified Health Plan (QHP) offered by a Department of Insurance-approved carrier. The State is paying the premiums for these enrollees, requiring the MMIS to support many new processes and interfaces.

MCM Step 1 was implemented on December 1, 2013, when most Medicaid clients began receiving health care services via a Managed Care Organization (MCO) contracted with the State. For Step 1, long-term care services were carved out and clients dually eligible for Medicaid and Medicare could voluntarily select an MCO but were not required to enroll in MCM. For Step 2, long-term care services delivered via the Choices for Independence (CFI) waiver program will be added to the list of services delivered by the MCM MCOs, and dual eligibles will be mandatorily enrolled in MCM.

In addition to the changes associated specifically with NH HPP and MCM Step 2, Amendment 9 requires that the MMIS be enhanced to receive and store additional eligibility and enrollment data and to support 834 Enrollment and 820 Premium Payment transactions. These changes will benefit both NH HPP and MCM. Another significant enhancement under this amendment is the addition of a third MCM MCO to join the two currently contracted with the State.

The fixed cost of these enhancements is \$5,616,077. The amendment establishes an additional \$985,000 in contingency funds to allow for the flexibility to adapt to changes in specifications and new specifications that might emerge during development of the enhancements, for a total of \$6,601,077. The State is not obligated to expend any of the contingency funds.

Operational Cost Increase

The original price for operating and maintaining the MMIS was established in 2005, eight years before the MMIS began operations. The price was based on the anticipated cost of operating an existing legacy system that was to be transferred from another state. DHHS and the Contractor agreed substitute the solution originally proposed with a more advanced solution, as allowed by Section 3.1.3 of the Contract, that would provide greater accessibility and configurability while meeting emerging CMS requirements. However, the operations price remained unchanged.

Within a year after the implementation, the Contractor informed DHHS that the cost of operating the new system was substantially higher than had been proposed for the original legacy solution. The Contractor requested an "equitable adjustment" to increase operations payments to a level consistent with cost of running the system.

DHHS requested justification of the payment increase in the form of documented costs presented in the same format as the original 2005 cost proposal. This enabled DHHS staff to conduct an "apples to apples" comparison of the proposed and actual cost of operating the new MMIS. DHHS determined that the Contractor's costs were in fact significantly higher than proposed, in large part due to the increased cost of data processing, hardware, software, ongoing maintenance, and technical labor for the new solution.

The annual increase in operations and maintenance payments requested by the Contractor and accepted by DHHS represents 81.2% of the annual cost difference documented during the audit. The increase will be effective July 1, 2015; the Contractor has agreed that costs incurred prior to that date cannot be recovered.

The cost of this increase for the nine remaining months of the base contract, through March 31, 2016, is \$4,979,795. The cost of the increase for the two option years is \$13,680,493; the State has not yet exercised either of the option years and Amendment 9 does not obligate the State to do so.

Accountability

To ensure that the State receives full value for the increase in operations payments under this amendment, DHHS staff conducted a review of every performance measure and liquidated damages provision in the contract and original Request for Proposal (RFP). The Contractor agreed to additional liquidated damages provisions and to new and more stringent performance measures. The Contractor also agreed to replace the previous requirement to provide MMIS source code to a third party escrow agent with a new requirement to turn the source directly over to the Department of Information Technology, and to provide a replacement set of source code every six months.

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
June 4, 2015
Page 4

Ninety percent (90%) federal funding for the Design, Development and Implementation costs in this Amendment 9 is pending approval by the Centers for Medicare and Medicaid Services. Seventy-five percent (75%) federal funding of the Operations costs of this agreement is pending certification of the New Hampshire MMIS by CMS.

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 MMIS 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. Toumpas
Commissioner



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

Denis Goulet
Commissioner

June 9, 2015

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 Reprourement, with Xerox State Healthcare, LLC ("Xerox") (formerly Affiliated Computer Systems or ACS) as described below and referenced as DoIT No. 2005-004I.

This is a request to amend the contract with Xerox State Healthcare, LLC, effective upon Governor and Executive Council approval. The primary purpose of this amendment is to develop and operate the State's Medicaid Management Information System. The price limitation is increased by \$25,261,365, from \$119,778,928 to \$145,040,293, through March 31, 2018.

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, appearing to read "Denis Goulet".

Denis Goulet

DG/ltn
2005-004I

cc: Leslie Mason, DoIT
Mark Pitcock, DHHS

ATTACHMENT 1: Vendor Selection Matrix

Vendor	Total Score	Proposed Cost			Total Proposed Cost	Final Cost
		Design, Development, and Implementation (DDI)	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 Health and Human Services
Amendment 9 to the Xerox State Healthcare, LLC Contract**

This 9th Amendment to the Xerox State Healthcare, LLC contract (hereinafter referred to as "Amendment 9") dated this 3rd day of June 2015, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and 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, Amendment 6 on March 26, 2014, Amendment 7 on June 18, 2014, and Amendment 8 on May 27, 2015, 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 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 9, 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, its Amendment 6 on March 26, 2014, its Amendment 7 on June 18, 2014, and its Amendment 8 on May 27, 2015.
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

Contractor Initials: DJ

Date: 6/3/2015

- 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 Meet Federal Requirements
 - Appendix A.13 – NH MMIS System Enhancements for the New Hampshire Health Protection Plan
 - Appendix A.14 – Performance Measures
 - Appendix A.15 – NH MMIS System Enhancements for the Premium Assistance Program and Medicaid Care Management
- Amendment 1, Amendment 2, Amendment 3, Amendment 4, Amendment 5, Amendment 6, Amendment 7, Amendment 8, and Amendment 9 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 \$25,261,365, from \$119,778,928 to \$145,040,293, to reflect the additional requirements set forth in this Amendment 9.
- 3.2. Block 3 Effective Date: Completion of Services is amended by adding the following sentences to section 3.1:

Contractor Initials: RD
Date: 6/3/2015

“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. The effective date of Amendment 6 is March 26, 2014. The effective date of Amendment 7 is June 18, 2014. The effective date of Amendment 8 is May 27, 2015. 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 9 is effective on the date of Governor and Executive Council approval.”

Exhibit A

4. The last sentence of the provision of Exhibit A, Paragraph 3.3 *Operations Phase* is hereby replaced with the following:

During the Operations Phase, the Contractor shall meet all of the Performance Measures set forth in Exhibit A, Appendix A.14 Performance Measures.

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

3.4.34 NH MMIS System Enhancements for the Premium Assistance Program and Medicaid Care Management Step 2

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.15 of this Amendment 9. The State shall specify these requirements through deliverables/payment milestones specifically set forth in Amendment 9, Appendix A.15.

The Contractor shall purchase on behalf of the State all hardware and software necessary to implement 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 9.

The Contractor shall fully satisfy the requirements for the implementation of the system enhancements as outlined in Amendment 9, Appendix A.15 and in accordance with the payment schedule identified within Amendment 9, 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:

- Muhammad Jarrar – Project Manager
- Michelle Dodge – Operations Manager;
- TBD – Functional Manager;
- TBD – QA/Test manager;
- Rishi Mehta – Technical Manager;
- TBD – Documentation Specialist;

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- James Co – Interface Lead;
- Nancy Stanieich – Provider Relations Manager;
- Brian Geiger – Ad Hoc Specialist;
- Rishi Mehta – Maintenance Manager;
- TBD – Modifications Manager.
- Jodi Fisk – Operations/Claims Processing Manager

7. The provisions of Exhibit A, Contract Paragraph 8 *Contract Administration* shall be amended to add:

8.6 Performance Measures

The State and the Contractor shall finalize a mutually agreeable performance report for format, content, and process that shall be used throughout MMIS operations. There shall be two (2) sections of this report. Both sections shall use auditable records and data related to the Contractor's performance and the Contractor shall work with the State to ensure they are able to verify that the data is auditable. Both sections are required on a monthly basis. The first section shall address a subset of performance measures contained in Appendix A.14 while the second section of the report will contain the liquidated damages performance criteria pertaining to ongoing operations from Appendix A3.

8. The provisions of Exhibit A, Contract Paragraph 11, *Liquidated Damages*, are hereby replaced with the following:

The State and the Contractor agree that it will be extremely impracticable and difficult to determine actual damages sustained by the State in the event the Contractor fails to maintain the required performance standards throughout the life of this Contract. Any failure to achieve performance levels by the Contractor may delay and disrupt the State's operations and obligations, leading to a significant impact. Therefore the parties agree that liquidated damages as specified in Appendix A.3 are reasonable and may be imposed by the State.

Written notification of each failure to meet a performance standard shall be given to the Contractor prior to assessing liquidated damages. The Contractor shall have thirty (30) business days from the date of receipt of written notification of a failure to meet a performance standard to cure the failure. The Department may, at its discretion, allow the Contractor additional time to cure the failure. If the failure is not resolved within this cure period, liquidated damages may be imposed retroactively to the date of failure to perform. The assessment of liquidated damages shall be in addition to, and not in lieu of, such other remedies as may be available to the State. Except and to the extent expressly provided herein, the State shall be entitled to recover liquidated damages under each section applicable to any given incident.

Contractor shall not be liable for liquidated damages or other damages due to the acts or failures to act of any other contractors or the State, or for any delays that may be caused by any other contractors or the State, except that Contractor shall be responsible for delays of, or acts or failures to act of, Contractor's subcontractors.

The State shall determine compliance and assessment of liquidated damages on a monthly basis. Liquidated damages may be recovered by means of a set-off against future payments under the Contract. If the Contractor disagrees with the assessment of liquidated damages, it shall inform the State in writing of the basis of its disagreement. The parties will make a good faith effort to negotiate

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any disagreements regarding the applicability of liquidated damages. If the parties are unable to reach agreement, the parties will rely upon the dispute resolution process set forth in Section 17 below.

9. The provisions of Exhibit A, Contract Paragraph 11, *Liquidated Damages*, Amendment 5 Appendix A.3 Liquidated Damages are hereby replaced with Amendment 9 Appendix A.3 Liquidated Damages as attached.
10. The provisions of Exhibit A, Contract Paragraph 16 *General Contract Requirements* shall be amended to add:

16.9 Source Code

16.9.1 The requirements of Contract Section 16.9 supersede those of Section 6.14 (Escrow of Code) and Appendix G-6 (Sample Escrow Agreement) of the State of New Hampshire, Department of Health and Human Services, Medicaid Management Information System Reprocurement, DHHS MMIS RFP 2005-004, dated September 13, 2004, set forth in the Contract between the parties.

16.9.2 The Contractor agrees to provide a sealed package containing magnetic tapes, disks, disk packs, or other forms of media, in machine readable form, and the written documentation prepared in connection therewith, and any subsequent updates or changes thereto (the "MMIS Source Code") for the computer software products, all as identified from time to time by Contractor that comprises the New Hampshire Health Enterprise MMIS ("MMIS") to the New Hampshire Department of Information Technology ("DoIT") for use by the New Hampshire Department of Health and Human Services ("DHHS"). DoIT will be responsible for storage and safekeeping of the MMIS Source Code. The Contractor shall include with the copy of the source code all associated documentation to allow DoIT to load, compile, operate and maintain the MMIS.

16.9.3 Contractor shall be solely responsible for delivering to DoIT the MMIS Source Code on or before July 31, 2015 and then every six (6) months thereafter during the term of the Contract, using Modification hours as set forth in Section 3.3.2 of the Contract to perform this work. DoIT will issue to Contractor a receipt for the MMIS Source Code upon delivery. DoIT acknowledges that the MMIS Source Code and any other information provided to DoIT and DHHS by Contractor in connection with the Contract may contain proprietary information to Contractor and any such proprietary information shall be held in confidence by DoIT and DHHS notwithstanding any termination of this Contract.

16.9.4 The Contractor shall be entitled at reasonable times during normal business hours to inspect and copy the records of DoIT and DHHS with respect to the MMIS Source Code. Further, Contractor shall be entitled during normal business hours to inspect at the facilities of DoIT and DHHS the physical and technical status and condition of the MMIS Source Code.

16.9.5 The MMIS Source Code shall be used by DoIT and DHHS subject to the intellectual property provisions set forth in the Contract and solely for support of the New Hampshire Medicaid program. DoIT and DHHS shall maintain the confidentiality of the MMIS Source Code and use its best efforts to maintain Contractor's proprietary rights, including trade secret rights, in the MMIS Source Code. In the event DoIT and/or DHHS, or any other State Agency receives a request from a third party for a copy of the MMIS Source Code, DoIT, DHHS, or the other State Agency shall notify Contractor promptly in order for Contractor to protect its rights to the MMIS Source Code.

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16.9.6 Contractor hereby transfers to DoIT the title to the media upon which the proprietary technology and materials, the MMIS Source Code, are written or stored. However, this transfer does not include the ownership of the proprietary technology and materials contained on the media such as any copyright, trade secret, patent or other intellectual property rights which shall remain the property of Contractor.

16.9.7 DoIT shall have the right to make copies of the MMIS Source Code as reasonably necessary to perform the Contract. DoIT shall copy all copyright, nondisclosure, and other proprietary notices and titles contained on the MMIS Source Code onto any copies made by DoIT.

11. The provisions of Amendment 8, Appendix A.2, *Deliverables List and Payment Schedule* of the Contract are hereby replaced with Amendment 9, Appendix A.2 as attached.

Exhibit B

12. 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 \$14,287,514 for the third year (\$2,326,930 in State Fiscal Year 2015 and \$11,960,584 in State Fiscal year 2016), for a total Base Operations Phase amount Not to Exceed \$31,787,629. The total amount for the base contract period shall not exceed \$82,652,234.

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 \$16,551,402 for the first year (extension operations year 1) and \$16,651,918 for the second year (extension operations year 2) for a total two year operations extension period price not to exceed \$33,203,320.

The Contract also provides for Post-DDI Phase Enhancements to be implemented during the base operations phase in accordance with Appendix A.12, Appendix A.13 and Appendix A.15 for a Post-DDI Phase Enhancement total amount not to exceed \$29,184,739.. The total amount for the base contract, optional operations extension period, and the Post DDI Enhancements shall not exceed \$145,040,293.

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.

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

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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 \$145,040,293, 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 7 PRICE ITEM	
<i>DDI Phase</i>	\$50,864,605
<i>Subtotal DDI Phase:</i>	\$50,864,605
<i>Base Operations Year 1</i>	\$8,339,558
<i>Base Operations Year 2</i>	\$9,160,557
<i>Base Operations Year 3</i>	\$14,287,514
<i>Subtotal Base Operations Phase:</i>	\$31,787,629
<i>(DDI Phase and Base Operations Phase) Total Base Contract:</i>	\$82,652,234
<i>Extension Operations Year 1</i>	\$16,551,402
<i>Extension Operations Year 2</i>	\$16,651,918
<i>Subtotal Extension Operations Phase:</i>	\$33,203,320
<i>Total Operations Phase:</i>	\$64,990,949
<i>Post-DDI Phase Enhancements – Appendix A.12</i>	\$19,659,875
<i>Post-DDI Phase Enhancements – Appendix A.13</i>	\$2,923,787
<i>Post-DDI Phase Enhancements – Appendix A.15</i>	\$6,601,077
<i>Subtotal Post DDI Enhancements:</i>	\$29,184,739
<i>(DDI Phase, Operations Phase, Post-DDI Phase Enhancements) Total Contract Price:</i>	\$145,040,293

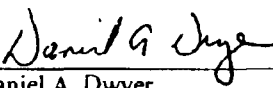
Contractor Initials: SD
 Date: 6/3/2015

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
Managing Director, Eastern U.S. Operations
Xerox State Healthcare, LLC

Contractor Initials: BD

Date: 6/3/2015

STATE OF VIRGINIA
COUNTY OF HENRICO

On this the 3rd day of June 2015, before me, Daniel A. Dwyer the undersigned officer, personally appeared Daniel A. Dwyer who acknowledged himself/herself to be the Managing Director of Xerox State Healthcare, LLC, a Delaware limited liability company, and that he/she, as such Managing Director 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 Managing Director.

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



Cathy V. Pham
Notary Public/Justice of the Peace
My commission expires: 8/31/2017

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

OFFICE OF THE ATTORNEY GENERAL

By: Megan A. York Megan A York Attorney

Date: 6/4/15

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: RD

Date: 6/3/2015

Amendment 9 Appendix A.3
 Deliverables List and Payment Schedule

Item	Description	Unit	Start	End	Rate	Amount	%	Start	End	Rate	Amount	%	Start	End	Rate	Amount	%
1	Project Initiation and Planning	comp	08/15/15	08/15/15	1200.00	\$1,200.00	100%	08/15/15	08/15/15	1200.00	\$1,200.00	100%	08/15/15	08/15/15	1200.00	\$1,200.00	100%
2	Concept (H/D) Project Plan Requirement	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%
3	Project Management Plan	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%
4	Organizational Chart	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%
5	Project Charter and Change Management Plan	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%
6	Quality Assurance Plan	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%
7	Requirements Traceability Matrix	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%
8	Weekly Project Status Reports	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%
9	Detailed Implementation Schedule	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%
10	(DS) Inventory updates	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%
11	Performance Self-Reporting Mechanism Identify	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%
12	Performance CMS Collection Process Plan	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%
13	Project Initiation and Planning Cost	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%
14	Requirements Analysis and Validation	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%
15	Requirements Validation Specification	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%
16	Issue Tracking and Resolution Document	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%
17	Primary Training Plan	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%
18	Secondary Training Plan	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%
19	Primary Data Conversion Plan	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%
20	Secondary Data Conversion Plan	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%
21	Primary System Design Group 1	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%
22	Secondary System Design Group 2	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%
23	Primary System Design Group 3	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%
24	Secondary System Design Group 4	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%
25	Primary System Design Group 5	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%
26	Secondary System Design Group 6	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%
27	Primary System Design Group 7	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%
28	Secondary System Design Group 8	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%
29	Primary System Design Group 9	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%
30	Secondary System Design Group 10	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%
31	Functional Test Summary Report	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%
32	Integration and System Test Script	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%
33	MALIS Change Order # 2	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%
34	Integration and System Test Summary Report	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%
35	Integration and System Test Summary Report	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%
36	Integration and System Test Summary Report	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%
37	Integration and System Test Summary Report	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%
38	Integration and System Test Summary Report	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%
39	Integration and System Test Summary Report	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%
40	Integration and System Test Summary Report	comp	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%	08/15/15	08/15/15	100.00	\$100.00	100%

**Xerox Amendment 9
Appendix A.3
Liquidated Damages**

Service Performance	Standard	Liquidated Damages
1. Claims Adjudication Accuracy	Contractor shall agree to a financial accuracy rate of at least ninety-eight percent (98%) for all claims processed, as determined based on the aggregate total for the calendar month.	For each full percentage point below the standard, the Contractor 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	Contractor shall agree that system downtime shall be no greater than twenty-four (24) hours per incident. The Contractor 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	Contractor shall provide all the reports and paid claims transactional history files defined in the State-approved system documentation within the stated time periods.	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	Calls must be answered within two (2) minutes or less of entering the queue, as determined based on a monthly average.	Liquidated damages in the amount of five percent (5%) of the total monthly invoice for the month in which the violation occurred.
5. Claims Adjudication Timeliness	Ninety (90) percent of all clean provider-submitted claims must be adjudicated for payment, denial or budget relief within thirty (30) calendar days of the date of receipt.	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 Contractor'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 Contractor 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.

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**Xerox Amendment 9
Appendix A.3
Liquidated Damages**

Service Performance	Standard	Liquidated Damages
<p>9. Key Staff Replacement</p>	<p>Contractor does not replace within forty-five (45) State business days key personnel, unless 1) the State approves additional time, and 2) the Contractor makes interim arrangements to assure that the project is not affected by loss of personnel.</p>	<p>Liquidated damages in the amount of five percent (5%) of the total monthly invoice for the month in which the violation occurred.</p>
<p>10. NH MMIS Operational on April 1, 2013</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"> 1. NH MMIS has no Priority 1 ("show stopper") defects based on State testing; 2. NH MMIS remaining other defects (Priority 2, 3, and 4) do not collectively materially negatively impact business operations. 3. There are no known unmet CMS certification requirements within the NH MMIS. <p>The MMIS Critical Functional Requirements consist of the following elements:</p> <ol style="list-style-type: none"> 1. NH MMIS receives, processes and applies member daily eligibility per contractual requirements; 2. NH MIS accepts and processes claims from providers electronically and on paper per contractual requirements; 3. NH MMIS pays, denies, or suspends claims according to contractual requirements; and 4. NH MMIS adjudicates claims every day and determines payments to 	<p>Liquidated damages in the amount of \$5,506,791</p>

**Xerox Amendment 9
Appendix A.3
Liquidated Damages**

Service Performance	Standard	Liquidated Damages
	enrolled NH Medicaid providers through a weekly financial cycle per contractual requirements.	
11. NH MMIS Critical Functional Requirements	<p>The NH MMIS must perform in production compliant with 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"> 1. NH MMIS receives, processes and applies member daily eligibility per contractual requirements; 2. NH MIS accepts and processes claims from providers electronically and on paper per contractual requirements; 3. NH MMIS pays, denies, or suspends claims according to contractual requirements; and 4. NH MMIS adjudicates claims every day and determines payments to enrolled NH Medicaid providers through a weekly financial cycle per contractual requirements. <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>	12. Liquidated damages in the amount of \$2,753,395.50

Contractor Initials: *DD*
Date: 6/3/2013

**Xerox Amendment 9
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.	Applicable through June 30, 2013: Liquidated damages in the amount of \$2,753,395.50 Applicable after June 30, 2013: Liquidated damages in the amount of \$0.
13. Provider Enrollment	Process at least 98 percent of completed provider enrollment applications within five (5) business days of the receipt of all required documents.	Liquidated damages in the amount of five percent (5%) of the total monthly invoice for the month in which the violation occurred.

14. Other Performance Requirements:

- (A) In addition to the liquidated damages specified above, liquidated damages may be assessed if the Contractor fails to meet the performance measures contained in Appendix A.14 and fails to submit and/or implement a successful Corrective Action Plan (CAP) as directed by the State. The Contractor will submit the CAP to the State within ten (10) business days of notification. The CAP must meet State approval. Liquidated damages may be assessed for performance measures that fail to occur within CAP specified times or do not meet requirements established in the CAP.
- (B) For failure to deliver an acceptable CAP within ten (10) business days of notification by the State, the Contractor shall pay the State five hundred dollars (\$500.00) per day that the CAP is late or unacceptable based on industry standards. The State's approval shall not be unreasonably withheld.
- (C) For failure to meet the timeframe specified in the CAP for correcting the deficiency or deficiencies, or other timeframe approved by the State, the Contractor shall pay the State five hundred dollars (\$500.00) per day that the CAP deficiency corrections are late.

Contractor Initials: JD
Date: 6/3/2015

**Xerox Amendment 9
Appendix A.14
Performance Measures**

Appendix A.14 addresses performance measures the State expects the Contractor to meet or exceed, in addition to the performance measures associated with liquidated damages (see Appendix A.3). These Appendices supersede the performance measures in RFP Attachment I, CHAPTER 31, Performance Measures, that previously were incorporated in the contract by reference.

1.1. Global Performance Measures

1. Apply data files according to the requirements as defined during system design and as necessary for on-going operations.
2. Identify and correct data errors within two (2) business days of error detection.
3. Maintain a claims data entry accuracy rate of at least ninety-eight percent (98%).
4. All updates to documentation shall be performed according to a schedule defined and approved by the State as part of the change management process.
5. Updated error reports and audit trails shall be submitted to the State on the next business day following the completion of the update.
6. Forward all incoming checks to the appropriate State location within one (1) business day of receipt.
7. Reports shall be generated and distributed according to the operational schedule defined and approved by the State.
8. All system changes shall be performed according to a schedule defined and approved by the State as part of the change management process (e.g., system maintenance, modification, and reference data files).
9. Ad hoc reports shall be generated, validated and distributed according to the timeframes specified by the State. The State will consider requests from the contractor to extend the timeframes for highly complex reports.
10. System functionality errors shall be resolved within five (5) business days of identification of the error or other mutually agreed timeframe.
11. Maintain a ninety-nine percent (99%) accuracy rate on electronic eligibility file updates.
12. Provide information requested by the State within two (2) business days of receipt of the request.
13. Any State disapproved documentation must be corrected and reissued in final format for State approval within five (5) business days.
14. Meet the performance standards in Part 11 of the State Medicaid Manual.

**Xerox Amendment 9
Appendix A.14
Performance Measures**

1.2. Recipient

1. Distribution of identification cards must be completed within three (3) business days of receipt of data request.

1.3. Provider

1. Licensing transactions that fail the update process shall be resolved within two (2) business days of the failure.
2. Requests for paper enrollment packages shall be fulfilled within one (1) business day of the request.
3. Paper provider enrollment applications shall be keyed within five (5) business days of receipt.
4. Index and attach to the electronic enrollment record all provider documents within two (2) business days of receipt.
5. Screen claims appeals and review for accuracy, validity, and completeness within two (2) business days of receipt from provider.
6. Notify the provider within three (3) calendar days of receipt of a claims appeal of incomplete or missing information.
7. Send the final determination letter on a claims appeal to the provider within ten (10) calendar days of receipt of complete documentation.
8. Generate Missing Data Elements Letter and mail to the provider within ten (10) business days of receipt of incomplete enrollment application explaining additional information required.
9. Record in the MMIS the approval of a provider enrollment application within two (2) business days of receipt of the signed Provider Participation Agreement (PPA) from the State.
10. When follow-up is necessary, return all calls within one (1) business day of receipt of the inquiry.
11. Pended and denied claims from providers who are experiencing higher than average errors (as defined by the State), shall be contacted and offered training within ten (10) business days.
12. Staff provider relations phone lines with trained personnel from 8:00 a.m. to 5:00 p.m. Eastern Time, Monday through Friday.
13. The call abandonment rate must be less than five percent (5%) as measured on a monthly basis.
14. Audit a sample of provider calls for each call center operator on a daily basis and achieve at least ninety-five (95%) accuracy on ninety-five percent (95%) of calls as calculated on a monthly basis (excluding staff in training).
15. Respond to written, faxed, or e-mailed inquiries within five (5) business days of receipt.

**Xerox Amendment 9
Appendix A.14
Performance Measures**

16. Upon State request, print and distribute provider materials, (e.g., manuals, bulletins, inserts and special mailings), within five (5) business days after State approval. These documents shall be posted on the provider website concurrently with the hard copy distribution.
17. Upload provider billing manuals to the MMIS portal within two (2) business days of the approval of the update in UAT.
18. Publish remittance advice messages within one (1) payment cycle from the date of State approval of the message.
19. Monitor and report to the State, billing patterns for newly enrolled providers during their first sixty (60) days of enrollment and report if additional training is necessary.
20. Provide copies of provider data as requested by the State within two (2) business days of the request.
21. Apply updates to the provider file within five (5) business days of receipt of the information.

1.4. Eligibility Verification System (EVS)

1. Assure a response time of no more than twenty (20) seconds for interactive 271 transactions.
2. Assure a response time of no more than twenty-four (24) hours for batch 271 transactions.
3. Provide access to the EVS seven (7) days per week, twenty-four (24) hours per day at least ninety-nine-and-a-half percent (99.5%) of the time as measured monthly, not including State-approved scheduled maintenance windows.

1.5. Automated Voice Response (AVR)

1. Provide a sufficient number of NH and VT toll free telephone lines to ensure that providers do not receive a busy signal ninety-nine percent (99%) of the time when accessing AVR.
2. Provide access to AVR seven (7) days per week, twenty-four (24) hours per day at least ninety-nine-and-a-half percent (99.5%) of the time as measured monthly, not including State-approved scheduled maintenance windows, unless approved otherwise by the State.

1.6. Electronic Claims Management (ECM)

1. Respond to the receipt of a X12N 837 claims transaction with a X12N 999 Functional Acknowledgement within twenty-four (24) hours of receipt.
2. Provide access to ECM seven (7) days per week, twenty-four (24) hours per day at least ninety-nine-and-a-half percent (99.5%) of the time as measured monthly, not including State-approved scheduled maintenance windows, unless approved otherwise by the State.

**Xerox Amendment 9
Appendix A.14
Performance Measures**

1.7. Reference

1. On-line updates to reference data performed by the Contractor must be completed within one (1) business day of receipt.
2. Maintain a ninety-nine percent (99%) accuracy rate for all reference file updates performed by the Contractor.
3. Identify and correct reference file update errors made by the Contractor within one (1) business day of error detection.

1.8. Service Authorization

1. Service Authorization approval/denial notices must be generated and mailed on the next business day after the approval or denial is entered.
2. Paper Service Authorization requests shall be entered into the MMIS within two (2) business days of receipt.

1.9. Claims Control/Entry

1. Every paper claim and attachment must be imaged and viewable within two (2) business days of receipt at the vendor's site.
2. Key paper claims within three (3) business days of receipt.
3. Load non-on-line electronically submitted claims within one (1) business day of receipt from the provider.
4. Test and report results of electronic billing, automated remittance, and electronic fund transfer options within ten (10) business days of a provider's written notice that they are ready to test.
5. Return hardcopy claims missing required data within two (2) business days of receipt.
6. Disability Determination Unit (DDU) documents must be scanned and attached to the case within one (1) business day of receipt.

1.10. Claims Processing

1. Ninety-nine percent (99%) of all clean claims must be adjudicated for payment, denial or budget relief within ninety (90) calendar days of the date of receipt.
2. One hundred percent (100%) of all other claims must be adjudicated within twelve (12) months of the date of receipt.
3. One hundred percent (100%) of all clean provider and State initiated adjustment requests must be adjudicated within ten (10) business days of receipt.

**Xerox Amendment 9
Appendix A.14
Performance Measures**

4. One hundred percent (100%) of all other provider and State initiated adjustment requests must be adjudicated within fifteen (15) business days of receipt.

1.11. Claims Financial and Reporting

1. Maintain a ninety-nine percent (99%) accuracy rate for on-line financial update transactions.

1.12. Third Party Liability (TPL)

1. TPL bills shall be printed and delivered to the State TPL Unit no later than three (3) business days after the production run.
2. Billing of other carriers and providers for paid claims no later than two (2) weeks after discovery of other coverage. Billings and re-billings to be electronic (if carrier compatible).

1.13. Early and Periodic Screening, Diagnosis and Treatment (EPSDT)

1. EPSDT notifications shall be generated and mailed according to the schedule defined and approved by the State.

1.14. Management and Administrative Reporting (MARS)

1. MARS reports shall be balanced to the penny within three (3) business days of generation and prior to distribution to the State.

1.15. County Billing

1. The production of the County Bill will be completed within twenty-four (24) hours of the Billing Units review and approval of the County Bill Claims data.

1.16. Decision Support System (DSS)

1. Update DSS with MMIS and Non-MMIS data according to the schedule defined and approved by the State and notify the State of the status on the following business day.
2. The vendor shall notify the State of any data load problems, discrepancies or failures within one (1) business day of identification and resolve the problem within three (3) business days.

1.17. Acuity

1. Generate and display on-line interim and final census reports according to the schedule defined and approved by the State.

Xerox Amendment 9
Appendix A.14
Performance Measures

2. Generate notification letters to nursing facilities within one (1) business day of completion of each acuity rate setting process.
3. Generate operation and error reports on the same day as the completion of the acuity rate setting process.

1.18. Technical

1. Class 1 - Routine (high frequency) inquiry/update/claim error correction transactions. The time elapsed after the command is given until the records begin to appear on the workstation. The response time must be within an average of two (2) seconds.
2. Class 2 - Routine creation/modification; claim entry and adjudication; enrollment/ application time. The response time must be within an average of four (4) seconds for the records created or modified.
3. The MMIS, including supporting system software, will be available ninety-nine and one half percent (99.5%), twenty-four (24) hours a day, seven (7) days a week, excluding State-approved maintenance windows, to accommodate the concurrent user expectations and deliver performance in accordance with the Application Performance section of the RFP.

1.19. Maintenance

1. Maintain a one hundred percent (100%) accuracy rate on documentation updates. Accuracy is defined as documentation that correctly and completely describes the system processing and any associated manual operations.

1.20. Modification

1. A draft schedule and cost estimate for system modifications shall be provided within five (5) business days and the final documents provided within ten (10) business days.
2. Maintain a one hundred percent (100%) compliance rate in providing complete acceptance testing packages that meet the standards described under contractor responsibilities.
3. Maintain a one hundred percent (100%) accuracy rate on documentation updates. Accuracy is defined as documentation that correctly and completely describes the system processing and any associated manual operations.

1.21. Turnover

1. The contractor shall ensure one hundred percent (100%) accuracy in the software changes, updates, documentation and data transferred to the State.
2. The vendor shall notify the State of any data load problems, discrepancies or failures within one (1) business day of identification and resolve the problem within three (3) business days

Xerox Amendment 9

Appendix A.15

NH MMIS System Enhancements for Premium Assistance and Medicaid Care Management

The NH Health Enterprise Medicaid Management Information System (MMIS) requires enhancements in order to implement the next phases of two major State initiatives, the NH Health Protection Program (NH HPP) and Medicaid Care Management (MCM).

Step 1 of MCM was implemented on December 1, 2013, when most Medicaid clients began receiving health care services via a Managed Care Organization (MCO) contracted with the State. For Step 1, long-term care services were carved out and clients dually eligible for Medicaid and Medicare could voluntarily select an MCO but were not required to enroll in MCM. For Step 2, long-term care services delivered via the Choice for Independence (CFI) waiver program will be added to the list of services delivered by the MCM MCOs. In addition, dual eligibles will be mandatorily enrolled in MCM.

NH HPP is New Hampshire's innovative approach to providing health care coverage to uninsured citizens under the Affordable Care Act. It began with the implementation of a temporary Bridge program in September 2014, under which clients meeting eligibility requirements enrolled with one of the Medicaid MCOs and received services under an Alternative Benefit Plan (ABP). Starting on January 1, 2016, the Bridge program will be replaced by the Premium Assistance Program (PAP). Existing and new NH HPP enrollees will enroll in a Qualified Health Plan (QHP) offered by a Department of Insurance-approved carrier. The State is paying the premiums for these enrollees, requiring the NH Health Enterprise MMIS to support many new processes and interfaces.

In addition to the changes associated specifically with NH HPP and MCM, the NH Health Enterprise MMIS will be enhanced to receive and store additional eligibility and enrollment data and to support 834 Enrollment and 820 Premium Payment transactions. These changes will benefit both NH HPP and MCM. Another significant enhancement is the addition of a third MCM MCO to join the two currently contracted with the State, offering Medicaid clients greater choice in selecting an MCO.

This project consists of eleven (11) deliverables/payment milestones, as described briefly below:

- **MCO Mandatory Enrollment:** Configuration changes will be made to support new cohorts and rates. Capitation payment processing will be modified to eliminate separate claim lines for Behavioral Health, requiring changes to the rate schema.
- **Enrollment File and Eligibility Changes:** The interface with New HEIGHTS will be modified to capture additional data elements. These data elements will be displayed on the MMIS User Interface (UI) pages and included in outbound 834 transactions sent to the MCOs and PAP carriers. Changes will also be made to the daily enrollment file and to presumptive eligibility. To support NH HPP, eligibility and enrollment processing will be modified to allow a QHP enrollee whose eligibility ends mid-month to remain enrolled in the plan till the end of the month.

Xerox Amendment 9

Appendix A.15

NH MMIS System Enhancements for Premium Assistance and Medicaid Care Management

- **X12 834 Enrollment Transaction:** New HEIGHTS currently generates and sends 834 enrollment transactions to the MCOs. As part of this project, this responsibility is shifting to the MMIS, which will send the 834 for enrollees in both MCM and NH HPP. This will require developing new maps and logic for the 834 outbound transaction and the 834C inbound transaction sent by the MCOs and PAP carriers. Extensive testing will be required for each trading partner.
- **Phase 1 PAP Changes:** Modifications to the MMIS include a new provider type value and new provider specialty mapping to accommodate the PAP carriers; benefit plan changes and cohort/rate changes that require a mix of configuration and hard coding; and the development of new interfaces and tables to support the receipt and storage of encounter data from the PAP carriers. Other modifications affect the Member UI pages, reporting, 270/271 Health Care Eligibility Inquiry and Response transactions, the Automated Voice Response System (AVRS), and online inquiry.
- **MCM Benefit Plan Changes for CFI:** In order to include CFI services in the MCM benefit package effective January 1, 2016, changes will be made to the benefit plan hierarchy, rates, and business rules.
- **Phase 2 PAP Changes and New MCO:** Phase 2 of the PAP development effort involves extensive payment changes, including new fund codes, new capitation processes and a new binder payment process that is required to enroll a client in a QHP. To support the third MCO, into which clients are expected to enroll starting November 1, 2015 for services starting January 1, 2016, configuration changes are required to set up new benefit plans and modify the benefit plan hierarchy. The new MCO must be set up as a trading partner, with extensive testing required for the many interfaces between it and the MMIS. Other changes affect provider, reference, claims processing, the 270/271, and the AVRS.
- **FFS Co-Pay Changes:** In order to establish consistency between the fee-for-service (FFS) and other Medicaid plans, the MMIS must enforce co-pay requirements for clients with a household income greater than 100 percent of the Federal Poverty Level. Changes will be made to the benefit plans, business rules, Optical Character Recognition (OCR), UI pages, 270/271, AVRS, and reporting.
- **X12 820 Premium Payment Transaction:** Neither NEW HEIGHTS nor the MMIS currently produces the 820 transaction, which reports capitation payments made to MCOs. The State has used the 835 Electronic Advice for this purpose but will implement the 820 as part of this project. As with the 834 discussed earlier, this will involve developing new maps and logic as well as extensive testing with each trading partner.

Xerox Amendment 9

Appendix A.15

NH MMIS System Enhancements for Premium Assistance and Medicaid Care Management

- **NH BRIDGES Interface Changes:** The MMIS interface with NH BRIDGES will be modified to capture the legal status, caretaker name, case worker name, and contact information for foster children enrolled in Medicaid. These new data elements will be maintained in the MMIS, displayed on the appropriate UI page, and included in outbound 834 transactions.
- **Additional Interface Changes:** The PAP and the other changes being made as part of this project affect the T-MSIS component of the MMIS, which produces a set of monthly files for the federal government containing extensive data on clients, providers and claims. This payment milestone includes those changes as well as changes to the Options Inbound Service Authorization interface.
- **eFADS and eMAR Changes:** These MMIS components support fraud and abuse detection and investigation (eFADS) and management reporting (eMAR). Those components must be modified to reflect the changes being made for PAP and MCM Step 2.

Fixed Payment Schedule

Activity	Milestone or Deliverable	Anticipated Completion Date	Cost
MCO Mandatory Enrollment	Implementation	7/1/2015	\$393,693
Enrollment File and Eligibility Changes	Implementation	7/1/2015	\$610,820
X12 834 Enrollment Transaction	Implementation	8/31/2015	\$707,205
Phase 1 PAP Changes	Implementation	8/31/2015	\$611,334
MCM Benefit Plan Changes for CF1	Implementation	10/4/2015	\$529,185
Phase 2 PAP Changes and New MCO	Implementation	10/4/2015	\$628,724
FFS Co-Pay Changes	Implementation	10/4/2015	\$783,953
X12 820 Premium Payment Transaction	Implementation	10/4/2015	\$384,721
NH BRIDGES Interface Changes	Implementation	10/4/2015	\$269,733
Additional Interface Changes	Implementation	11/1/2015	\$202,899
eFADS and eMAR Changes	Implementation	1/6/2016	\$493,810
Total Cost:			\$5,616,077

Contractor Initials: JD

Date: 6/3/2015

**Xerox Amendment 9
Appendix A.15**

NH MMIS System Enhancements for Premium Assistance and Medicaid Care Management

Contingency Funds

The State and Contractor acknowledge that the Premium Assistance Program (PAP) is an innovative response to the Affordable Care Act which requires new interfaces with entities that have never worked with Medicaid before and with which the MMIS has never interfaced. In addition, the federal requirement to systematically track client cost sharing on a quarterly basis so that cost sharing may cease once the limit has been reached, and the system changes required to meet this requirement, are not completely understood at this time. As a result, it is in the best interest of the State to allow for the flexibility to adapt to changes in specifications or new specifications that might emerge during the development of these enhancements.

The State and Contractor agree to establish contingency funds in the following amounts:

Category	Expiration Date	Funding Limit
General Contingency	3/31/2016	\$560,000
Cost Sharing Enhancement	3/31/2016	\$425,000
Total Pool		\$985,000

Each use of the contingency funds shall be initiated by means of a written Change Request, submitted either by State or Contractor staff. No work shall be done or contingency funds expended unless and until the State has approved (a) the Change Request, and (b) the Contractor's quoted price for the change, based on the number of staff hours required to design, develop, test, and implement the change and the staff hour rate of the assigned personnel. Multiple Change Requests may be applied against a funding category up to the funding limit of the category. The State is under no obligation to initiate or approve any Change Requests requiring the use of contingency funds or to expend any of the contingency funds.

Use of this contingency funding is limited to work related to the NH HPP Premium Assistance Program, the NH HPP Cost Sharing Provision, and Medicaid Care Management Step 2. Contingency funding may not be used to supplant funds already committed to the scope of work agreed upon by the State and Contractor, as specified in this Appendix and the Contractor's proposal dated May 19, 2015.

Contractor Initials: AD

Date: 6/3/2015

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.

Dan Dwyer, Vice President

(Contractor Representative Signature)

(Authorized Contractor Representative Name & Title)

Xerox State Healthcare, LLC

June 3, 2015

(Contractor Name)

(Date)

Contractor initials: DD
Date: 6/3/2015
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: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____

Contractor initials: 80
Date: 6/3/2015
Page # 1 of Page # 2

CERTIFICATE OF SOLE MANAGER AND SECRETARY

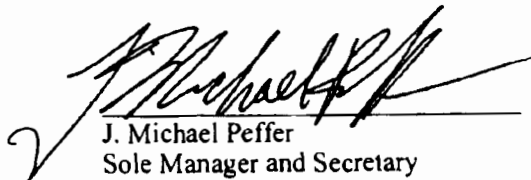
I, J. Michael Peffer, do hereby certify as follows:

(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) Dan Dwyer is a duly appointed, qualified and acting Vice 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. 9 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 3rd day of June, 2015.

XEROX STATE HEALTHCARE, LLC
a Delaware limited liability company

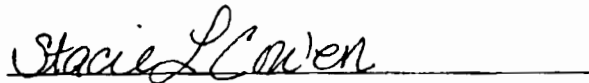


J. Michael Peffer
Sole Manager and Secretary

COMMONWEALTH OF KENTUCKY
COUNTY OF FAYETTE, 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 3rd day of June, 2015.



Notary Public in and for the Commonwealth of Kentucky.

My commission expires 9/26/18.

STACIE L. COWEN
NOTARY Public
STATE AT LARGE, KENTUCKY
MY COMMISSION EXPIRES:
SEPTEMBER 26, 2018
NOTARY ID. 518216

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PL 16



STATE OF NEW HAMPSHIRE
 DEPARTMENT OF HEALTH AND HUMAN SERVICES
 MAY 05 '15 #1 9:57 DAS
 OFFICE OF INFORMATION SERVICES

Nicholas A. Toumpas
 Commissioner

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

William L. Baggeroer
 Chief Information
 Officer/Director

5/29/15 #16

April 22, 2015

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

Sole Source
 83 to Federal
 17 to General

REQUESTED ACTION

Authorize the Department of Health and Human Services, Office of Information Services, to enter into a **sole source** amendment (Amendment 8) to an existing contract (Purchase Order #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 \$2,453,808, from \$117,325,120 to \$119,778,928, 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), Amendment 3 on June 23, 2010 (Item#97), Amendment 4 on March 7, 2012 (Item#22A), Amendment 5 on December 19, 2012 (Item#27A), Amendment 6 on March 26, 2014 (Late Item A), and Amendment 7 on June 18, 2014 (Item#61A).

Funds are available in State Fiscal Year 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.

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

Design, Development and Implementation

State Fiscal Year	Class Object	Class Title	Current Budget	Increase/ (Decrease)	Revised Budget
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	\$30,239,095	\$0	\$30,239,095
2015	102/500731	Contracts for Program Services	\$4,321,110	\$0	\$4,321,110
2016	102/500731	Contracts for Program Services	\$0	\$1,283,808	\$1,283,808
Total Design, Development and Implementation Phase			\$72,164,459	\$1,283,808	\$73,448,267

Operations			Current	Increase/	Revised
State			Budget	(Decrease)	Budget
<u>Fiscal Year</u>	<u>Class Object</u>	<u>Class Title</u>			
2013	102/500731	Contracts for Program Services	\$2,084,889	\$0	\$2,084,889
2014	102/500731	Contracts for Program Services	\$8,544,809	\$0	\$8,544,809
2015	102/500731	Contracts for Program Services	\$9,164,847	\$0	\$9,164,847
2016	102/500731	Contracts for Program Services	\$9,198,007	\$130,000	\$9,328,007
2017	102/500731	Contracts for Program Services	\$9,250,148	\$520,000	\$9,770,148
2018	102/500731	Contracts for Program Services	\$6,917,961	\$520,000	\$7,437,961
Total Operations			\$45,160,661	\$1,170,000	\$46,330,661
Grand Total			\$117,325,120	\$2,453,808	\$119,778,928

EXPLANATION

This is a sole source amendment that provides for the enhancement of the New Hampshire Medicaid Management Information System (MMIS). As the developer of the New Hampshire MMIS, Xerox/ACS is most knowledgeable about its system architecture, integrated software products, and the internal design of the system framework, and is best suited to develop these enhancements.

The primary purpose of this requested action (Amendment 8) is to expand the scope of work for the T-MSIS (Transformed Medicaid Statistical Information System) project, an enhancement required by the Centers for Medicare and Medicaid Services (CMS) that was approved by the Governor and Executive Council in conjunction with Xerox Amendment 6. The increased scope is primarily due to the unanticipated complexity of the MMIS changes that are required to meet CMS requirements. (For example, the number of new computer batch jobs has increased from 40 to more than 120.) Amendment 8 also requires Xerox to submit T-MSIS "catch-up" files for each calendar month back to January 2014. The "catch-up" process will begin in June 2015.

In addition to the T-MSIS change, Amendment 8 increases the scope of the Health Insurance Portability and Accountability Act (HIPAA) Operating Rules enhancement, which was also approved by the Governor and Executive Council as part of Xerox Amendment 6. Xerox will be responsible for obtaining certification of New Hampshire's implementation of the HIPAA Operating Rules by the Committee on Operating Rules for Electronic Data Interchange (CORE). In accordance with the Affordable Care Act, certification is required by December 31, 2015.

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,

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
April 22, 2015
Page 3

(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 CMS due to not complying with federal regulations required for the implementation of T-MSIS and the HIPAA Operating Rules. In addition, CMS has proposed a penalty of \$1 per covered life per day that a health plan such as New Hampshire Medicaid fails to submit documentation of its HIPAA Operating Rules certification, with a maximum penalty of \$20 per covered life. Thus, failure to achieve CORE certification by the December 31, 2015 deadline could result in penalties of \$3.5 million or more.

Ninety percent (90%) federal funding for the Design, Development and Implementation costs in this Amendment 8 is pending approval by the Centers for Medicare and Medicaid Services. Seventy-five percent (75%) federal funding of the Operations costs of this agreement is pending certification of the New Hampshire MMIS by CMS.

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 MMIS 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. Toumpas
Commissioner

ATTACHMENT 1: Vendor Selection Matrix

Vendor	Total Score	Proposed Cost			Proposed Cost Optional 2 Year Extension	Total Proposed Cost	Final Cost
		Design, Development, and Implementation (DDI)	3 Years Operations				
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	588.36	\$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
27 Hazen Dr., Concord, NH 03301
Fax: 603-271-1516 TDD Access: 1-800-735-2964
www.nh.gov/doi/

Denis Goulet
Commissioner

April 29, 2015

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. 2005-004H.

This is a request to amend the contract with Xerox State Healthcare, LLC, effective upon Governor and Executive Council approval. The primary purpose of this amendment is to expand the scope of work for the T-MSIS (Transformed Medicaid Statistical Information System) project, an enhancement previously approved by the Governor and Executive Council and required by the Centers for Medicare and Medicaid Services (CMS). The increased scope is primarily due to the unanticipated complexity of the MMIS changes that are required to meet CMS requirements. In addition, Amendment 8 increases the scope of the Health Insurance Portability and Accountability Act (HIPAA) Operating Rules enhancement. Xerox will be responsible for obtaining certification of New Hampshire's implementation of the HIPAA Operating Rules by the Committee on Operating Rules for Electronic Data Interchange (CORE) in accordance with the Affordable Care Act. Certification is required by December 31, 2015. The price limitation is increased by \$2,453,808, from \$117,325,120 to \$119,778,928 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,

Denis Goulet

DG/ltn
2005-004H

cc: Leslie Mason, DoIT
William Baggeroer, DHHS

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

This 8th Amendment to the Xerox State Healthcare, LLC contract (hereinafter referred to as "Amendment 8") dated this 22nd day of April 2015, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and 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, Amendment 6 on March 26, 2014, and Amendment 7 on June 18, 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 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 8, 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, its Amendment 6 on March 26, 2014, and its Amendment 7 on June 18, 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:
 - o Exhibit A – Statement of Work
 - o Exhibit B – Price and Payment Schedule


Contractor Initials: DMH

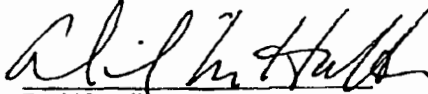
Date: 4/22/15

Xerox State Healthcare, LLC
Amendment 8
Page 6 of 7

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: 4/22/2015

COMMONWEALTH OF MASSACHUSETTS
COUNTY OF ESSEX

On this the 22 day of April 2015, before me, John Granesi 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.

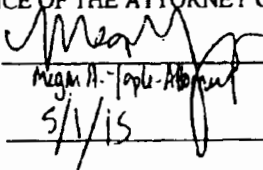
IN WITNESS WHEREOF, I hereunto set my hand and official seal.



Notary Public/Justice of the Peace
My commission expires: Aug. 1, 2018

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

OFFICE OF THE ATTORNEY GENERAL

By: 

Megan H. Pope-Alford
Date: 5/1/15

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: Duff
Date: 4/22/15

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 Corporation's most recent Proxy Statement as of December 31, 2014, 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	11 Riverside Dr, Marblehead, MA 01945	4/25/1957	023-48-6152
CFO	Brian J. Webb-Walsh	88 New Tudor Rd, Pittsford, NY 14534	6/23/1975	083-56-6742
SVP	Daniel A. Dwyer	65 Gilder Road, Bourne, MA 02532	6/12/1956	035-40-6983

All of the information provided in this statement is true, accurate, and complete, to the best of my knowledge and belief as of April 22, 2015.

(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 22nd of April, 2015.

By: *David Hamilton*

Printed Name: David Hamilton

Title: President

Entity: Xerox State Healthcare, LLC

Date: April 22, 2015

Commonwealth of Massachusetts)

) ss

County of Essex)

On this 22nd day of April, 2015, 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:

[Signature]
Notary Public for _____

My Commission Expires:

Aug. 1, 2018

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

[Signature]
4/22/15

CERTIFICATE OF SOLE MANAGER AND SECRETARY

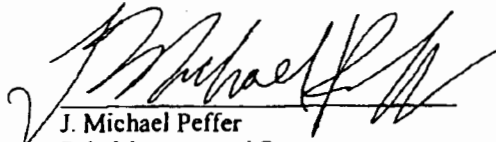
I, J. Michael Peffer, do hereby certify as follows:

(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. 8 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 22nd day of April, 2015.

XEROX STATE HEALTHCARE, LLC
a Delaware limited liability company




J. Michael Peffer
Sole Manager and Secretary

COMMONWEALTH OF KENTUCKY
COUNTY OF FAYETTE, 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 22nd day of April, 2015.



Stacie Cowen, Notary Public
Notary ID. 518216
Commission expires September 26, 2018

STACIE L. COWEN
NOTARY PUBLIC
STATE AT LARGE, KENTUCKY
My Commission Expires:
SEPTEMBER 26, 2018
NOTARY ID. 518216

Notice of 2015 Annual Meeting of Shareholders

Date and Time: Wednesday, May 20, 2015, at 9:00 a.m.

Location: Xerox's Corporate Headquarters, 45 Glover Avenue in Norwalk, Connecticut

Purpose: (1) Election of 9 directors;
(2) Ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2015;
(3) Approval, on an advisory basis, of the 2014 compensation of our named executive officers; and
(4) Consider such other business as may properly come before the meeting.

Record Date: March 23, 2015 — 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 20, 2015.

The Proxy Statement and 2014 Annual Report are available at www.edocumentview.com/XRX or www.xerox.com/investor.

By order of the Board of Directors,



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

April 6, 2015

2004 Directors Plan, which was approved by Xerox shareholders at the 2004 Annual Meeting of Shareholders and amended and restated, with shareholder approval, in 2013. Individually, the compensation for each non-employee director during fiscal year 2014 was as follows:

Name of Director(1)	Fees earned or paid in cash (\$)	Stock Awards (\$)(2)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)(3)	Total (\$)
Glenn A. Britt	47,500	65,000	-	-	-	-	112,500
Richard J. Harrington	92,500	130,000	-	-	-	-	222,500
William Curt Hunter	82,500	130,000	-	-	-	-	212,500
Robert J. Keegan	92,500	130,000	-	-	-	-	222,500
Robert A. McDonald	88,750	75,833	-	-	-	-	164,583
Charles Prince	76,250	130,000	-	-	-	-	206,250
Ann N. Reese	95,000	130,000	-	-	-	-	225,000
Sara Martinez Tucker	72,500	130,000	-	-	-	-	202,500
Mary Agnes Wilderotter	82,500	130,000	-	-	-	-	212,500

(1) Mr. Britt served on the Board until his death on June 11, 2014, and Mr. McDonald served on the Board until his resignation effective July 29, 2014. Mr. Rusckowski was appointed to the Board effective February 19, 2015 and his compensation is, therefore, not included in this table.

(2) The cash value of compensation awarded in the form of DSUs is reflected in this column. The amount presented in this column reflects the aggregate grant date fair value of the DSUs awarded during 2014 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 2014 (based on the year-end closing market price of our Common Stock of \$13.86) held by each director is as follows: Mr. Harrington, 113,787 (\$1,577,088); Mr. Hunter, 135,917 (\$1,883,810); Mr. Keegan, 58,514 (\$811,004); Mr. Prince, 83,257 (\$1,153,942); Ms. Reese, 122,863 (\$1,702,881); Ms. Tucker, 50,062 (\$693,859); and Mrs. Wilderotter, 95,710 (\$1,326,541).

For Mr. Britt and Mr. McDonald, once they were no longer members of the Board, any outstanding DSUs were converted to common stock and distributed in accordance with the plan.

(3) In accordance with applicable SEC rules, dividend equivalents paid in 2014 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 Ursula M. Burns, our director who is also the Chief Executive Officer of Xerox, see the executive compensation tables beginning on page 50.

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, 2014, except as set forth below⁽¹⁾.

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	72,850,594 (2)	6.4%
Common Stock	The Vanguard Group, Inc. 1041 W Valley Rd Malvern, PA 19355	70,691,475 (3)	6.2%
Common Stock	State Street Corporation, as Trustee under other plans and accounts State Street Financial Center One Lincoln Street Boston, MA 02111	67,795,800 (4)	5.9%
Common Stock	Darwin Deason 8181 Douglas Avenue, 10th Floor Dallas, TX 75225	64,490,614 (5)	5.7%

- (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. is a registered investment adviser under the Investment Advisers Act of 1940, as amended ("Investment Advisers Act"), and has subsidiaries that are also investment advisers under the Investment Advisers Act with beneficial ownership of the reported shares.
- (2) BlackRock, Inc. and its subsidiary companies have sole voting power for 61,374,410 shares and sole dispositive power for 72,850,594 shares, and have no shared voting power or shared dispositive power for any of the shares.
- (3) The Vanguard Group, Inc. and its subsidiary companies have sole voting power for 1,883,834 shares, sole dispositive power for 68,938,913 shares, shared dispositive power for 1,752,562 shares and have no shared voting power for any of the shares.
- (4) Within the total shares reported, as to certain of the shares, State Street Corporation has shared voting power and shared dispositive power for 67,795,800 shares, and has no sole voting power or sole dispositive power for any of the shares. As of December 31, 2014, State Street Corporation held 10,346,709 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.
- (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 1,124,354,150 shares of the Company's total common stock outstanding on December 31, 2014.

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, 2015, were as follows:

Name of Beneficial Owner	Amount Beneficially Owned	Total Stock Interest
Ursula M. Burns	1,842,465	2,136,804
James A. Firestone	519,377	604,087
Richard J. Harrington	856	119,935
William Curt Hunter	50	149,239
Jeffrey Jacobson	61,882	117,168
Robert J. Keegan	0	63,558
Kathryn A. Mikells	0	129,871
Charles Prince	10,000	98,412
Ann N. Reese	6,654	134,849
Stephen H. Rusckowski*	0	0
Sara Martinez Tucker	0	55,069
Mary Agnes Wilderotter	0	100,921
Robert K. Zapfel	40,000	127,413
All directors and executive officers as a group (17)	2,995,607	4,465,805

* Mr. Rusckowski was appointed to the Board effective February 19, 2015.

Percent Owned by Directors and Executive Officers: Each director and executive officer beneficially own less than 1% of the aggregate number of shares of Common Stock outstanding at February 28, 2015. The amount beneficially owned by all directors and executive officers as a group also 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, 2015, to acquire upon the exercise of options or rights or upon vesting of performance shares, DSUs or restricted stock units 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 of February 28, 2015 and DSUs, performance shares and restricted stock units not subject to vesting within 60 days of February 28, 2015. 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, 2014 were timely filed, except for Joseph H. Mancini, Jr. and Leslie Varon who each had one late filing.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

EXECUTIVE SUMMARY

2014 Financial Performance

In 2014 we focused on evolving our Services portfolio to enable increased revenue growth and margin expansion, maintaining our market leadership in Document Technology, improving our cost infrastructure and delivering strong cash flow. Highlights of our 2014 financial performance include:

- Total revenue of \$19.5 billion declined 2 percent from 2013. Revenues in our Services segment grew by 1 percent reflecting growth in both of our Services offerings. This growth rate was below the prior year growth rate of 2% and our longer term expectations of mid-to-high single digit growth; however, we did deliver improvements in revenue growth and profit margin through the year. Document Technology segment revenues declined 6 percent reflecting weakness in developing markets, timing of new product introductions, lower financing revenues, price declines and continued migration of customers to Xerox managed print services, which is included in our Services segment. These declines were partially offset by the benefits from refreshes across our product portfolio and improving high-end product revenues.
- Adjusted earnings per share (EPS) from continuing operations was \$1.07, an increase from 2013 adjusted EPS of \$1.04. The increase reflects a higher overall operating margin driven by an expansion in Document Technology margin, which was partially offset by a lower margin in Services. The overall increase in operating margin was negatively impacted by an increase in Other net expenses, including lower gains on asset sales, higher restructuring charges and higher litigation reserves. The increase in EPS was also positively impacted by a lower average share count resulting from share repurchases. See Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations in our Form 10-K for the fiscal year ended December 31, 2014 for a reconciliation of our adjusted EPS to our GAAP EPS.
- Operating cash flow was \$2.1 billion. Our cash generation enabled us to continue to provide a strong return to shareholders through our share repurchase program and dividends.

Attachment C - Xerox State Healthcare, LLC addresses

Address
9040 Roswell Road, Atlanta, GA 30350
1835 S Bragaw Street, Anchorage, AK 99512
820 Stillwater Road, West Sacramento, CA 95605
518 Seventeenth Street, Denver, CO 80202
750 First Street, N.E., Washington, DC 20002
2324 Killlearn Center Blvd., Bldg. E, Tallahassee, FL 32309
1440 Kapiolani Blvd, Ste 1400, Honolulu HI 96814
260 Franklin Street, Boston, MA 02110
1120 N Charles St., Baltimore, MD 21201
1002 Diamond Ridge, Ste 1400, Jefferson City, MO 65109
385-B Highland Colony Parkway, 1st Floor, Ridgeland, MS 39157
2 Pillsbury Street, Concord, NH 03301
100 American Metro Boulevard, Hamilton, NJ 08619
1720 Randolph Rd, SE, Ste. 100, Albuquerque, NM 87101
12357 Riata Trace Parkway, Austin TX 78727
2810 North Parham Road, Richmond, VA 23294
411 East Franklin Street, Richmond, VA 23219
504 West 17th Street, Cheyenne, WY 82001
77 Hartland Street, East Hartford, CT 06108
2900 Westfork Drive, Baton Rouge, LA 70827
121 North Last Chance Gulch, Helena, MT 59601
2310 S. Carson Street, Carson City, NV

Appendix A Appendix A.1
 Schedule of Values and Payment Schedule

Item No.	Description	Unit	Quantity	Unit Price	Total Price	Start Date	End Date	Payment %	Payment Amount	Accumulated Payment	Balance
1	Construction of 1000 sq ft building	sq ft	1000	100.00	100,000.00	01/01/14	01/01/14	10%	10,000.00	10,000.00	90,000.00
2	Construction of 2000 sq ft building	sq ft	2000	100.00	200,000.00	01/01/14	01/01/14	10%	20,000.00	30,000.00	170,000.00
3	Construction of 3000 sq ft building	sq ft	3000	100.00	300,000.00	01/01/14	01/01/14	10%	30,000.00	60,000.00	240,000.00
4	Construction of 4000 sq ft building	sq ft	4000	100.00	400,000.00	01/01/14	01/01/14	10%	40,000.00	100,000.00	300,000.00
5	Construction of 5000 sq ft building	sq ft	5000	100.00	500,000.00	01/01/14	01/01/14	10%	50,000.00	150,000.00	350,000.00
6	Construction of 6000 sq ft building	sq ft	6000	100.00	600,000.00	01/01/14	01/01/14	10%	60,000.00	210,000.00	390,000.00
7	Construction of 7000 sq ft building	sq ft	7000	100.00	700,000.00	01/01/14	01/01/14	10%	70,000.00	280,000.00	430,000.00
8	Construction of 8000 sq ft building	sq ft	8000	100.00	800,000.00	01/01/14	01/01/14	10%	80,000.00	360,000.00	470,000.00
9	Construction of 9000 sq ft building	sq ft	9000	100.00	900,000.00	01/01/14	01/01/14	10%	90,000.00	450,000.00	510,000.00
10	Construction of 10000 sq ft building	sq ft	10000	100.00	1,000,000.00	01/01/14	01/01/14	10%	100,000.00	550,000.00	550,000.00
TOTAL CONSTRUCTION											
11	Professional Fees	hour	1000	100.00	100,000.00	01/01/14	01/01/14	10%	10,000.00	10,000.00	90,000.00
12	Permit Fees	hour	1000	100.00	100,000.00	01/01/14	01/01/14	10%	10,000.00	20,000.00	80,000.00
13	Equipment Rental	hour	1000	100.00	100,000.00	01/01/14	01/01/14	10%	10,000.00	30,000.00	70,000.00
14	Material Delivery	hour	1000	100.00	100,000.00	01/01/14	01/01/14	10%	10,000.00	40,000.00	60,000.00
15	Site Preparation	hour	1000	100.00	100,000.00	01/01/14	01/01/14	10%	10,000.00	50,000.00	50,000.00
TOTAL OTHER COSTS											
16	Contingency	hour	1000	100.00	100,000.00	01/01/14	01/01/14	10%	10,000.00	60,000.00	40,000.00
TOTAL PROJECT COST											
17	Construction of 1000 sq ft building	sq ft	1000	100.00	100,000.00	01/01/14	01/01/14	10%	10,000.00	70,000.00	30,000.00
18	Construction of 2000 sq ft building	sq ft	2000	100.00	200,000.00	01/01/14	01/01/14	10%	20,000.00	90,000.00	110,000.00
19	Construction of 3000 sq ft building	sq ft	3000	100.00	300,000.00	01/01/14	01/01/14	10%	30,000.00	120,000.00	180,000.00
20	Construction of 4000 sq ft building	sq ft	4000	100.00	400,000.00	01/01/14	01/01/14	10%	40,000.00	160,000.00	240,000.00
21	Construction of 5000 sq ft building	sq ft	5000	100.00	500,000.00	01/01/14	01/01/14	10%	50,000.00	210,000.00	290,000.00
22	Construction of 6000 sq ft building	sq ft	6000	100.00	600,000.00	01/01/14	01/01/14	10%	60,000.00	270,000.00	330,000.00
23	Construction of 7000 sq ft building	sq ft	7000	100.00	700,000.00	01/01/14	01/01/14	10%	70,000.00	340,000.00	370,000.00
24	Construction of 8000 sq ft building	sq ft	8000	100.00	800,000.00	01/01/14	01/01/14	10%	80,000.00	420,000.00	410,000.00
25	Construction of 9000 sq ft building	sq ft	9000	100.00	900,000.00	01/01/14	01/01/14	10%	90,000.00	510,000.00	420,000.00
26	Construction of 10000 sq ft building	sq ft	10000	100.00	1,000,000.00	01/01/14	01/01/14	10%	100,000.00	610,000.00	390,000.00
TOTAL CONSTRUCTION											
27	Professional Fees	hour	1000	100.00	100,000.00	01/01/14	01/01/14	10%	10,000.00	620,000.00	340,000.00
28	Permit Fees	hour	1000	100.00	100,000.00	01/01/14	01/01/14	10%	10,000.00	630,000.00	330,000.00
29	Equipment Rental	hour	1000	100.00	100,000.00	01/01/14	01/01/14	10%	10,000.00	640,000.00	320,000.00
30	Material Delivery	hour	1000	100.00	100,000.00	01/01/14	01/01/14	10%	10,000.00	650,000.00	310,000.00
31	Site Preparation	hour	1000	100.00	100,000.00	01/01/14	01/01/14	10%	10,000.00	660,000.00	300,000.00
TOTAL OTHER COSTS											
32	Contingency	hour	1000	100.00	100,000.00	01/01/14	01/01/14	10%	10,000.00	670,000.00	290,000.00
TOTAL PROJECT COST											

Contractor Initials: *DMK*
 Date: *10/1/13*

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NH MMIS System Enhancements to Meet Federal Requirements

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

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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.

Update May 2015: The Contractor Xerox has assumed the following responsibilities:

15. Develop and deliver an updated Detailed System Design (DSD), use cases and system documentation reflecting changes in CMS requirements.
16. Upon implementation, produce T-MSIS files for each calendar month in CY 2014 and CY 2015 until file production is current, and then produce monthly files on an ongoing basis.
17. Provide two full-time technical resources to operate and maintain the T-MSIS component of the MMIS in order to address changes in State and federal requirements in a timely manner.

Contractor Initials: DMH
Date: 4/22/15

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T-MSIS Deliverables / Payment Schedule (Updated May 2015):

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
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
Phase II – Design				
Technical Design	Technical Design Complete	4/1/2014	5/30/2014	\$249,374
Phase III – Configuration, Modification, Development / Construction				
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
Phase IV – System Integration Testing				
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
Phase V – User Acceptance Testing				
UAT Test Prep	UAT Environment Ready	4/1/2015	6/2/2015	Incl in Planning
UAT Test Planning	UAT Test Plan Approved	4/1/2015	6/2/2015	Incl in UAT Test Complete
UAT Execution (State Activity)	UAT Test Complete	4/1/2015	6/2/2015	\$261,272

Contractor Initials: JMH
Date: 4/22/15

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NH MMIS System Enhancements to Meet Federal Requirements

Phase VI – Implementation				
Production Release	Production Ready	6/2/2015	6/25/2015	Incl in Prod Validation
Post Production Validation	Post Production Validation Complete, Including Submission of First Set of Files and Loading of Error Files	6/2/2015	6/25/2015	\$275,940
Documentation	Final DSD, Use Cases and Systems Documentation Approved	4/1/2015	7/15/2015	\$256,991
Phase VII – File Submission Catch-Up				
Catch-Up CY 2014	All Eight Files Submitted and Error File Processing Complete for Each CY 2014 Month	6/15/2015	9/1/2015	\$195,000
Catch-Up CY 2015	All Eight Files Submitted and Error File Processing Complete for Each CY 2015 Month Through November 2016	9/1/2015	12/31/2015	\$195,000
Total Cost:				\$2,797,151

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 Data Storage Cost: \$276,116

Following the completion of the file catch-up process, the Contractor Xerox shall provide two full-time technical resources to operate and maintain the T-MSIS component of the MMIS, the costs for which are outlined below:

January 2016 - March 2016:	\$130,000	
April 2016 - March 2017:	\$520,000	
April 2017 - March 2018:	\$520,000	Total Ongoing Operations Cost: \$1,170,000

Contractor Initials: SMH
Date: 4/22/15

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NH MMIS System Enhancements to Meet Federal Requirements

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

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NH MMIS System Enhancements to Meet Federal Requirements

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.

Update May 2015: The Contractor Xerox has assumed responsibility for requesting and achieving Committee on Operating Rules for Electronic Data Exchange (CORE) Phase I, II, and III certification.

HIPAA Operating Rules Deliverables / Payment Schedule (Updated May 2015):

Activity	Milestone or Deliverable	Start	Finish	Cost
Phase I – Requirements Analysis				
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
Phase II – Design				
Technical Design	Technical Design Complete	1/1/2014	1/31/2014	\$421,256
Phase III – Configuration, Modification, Development / Construction				
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
Phase IV – System Integration Testing				
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

Contractor Initials: DMH

Date: 4/22/15

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SIT Execution	System Integration Test Complete	3/3/2014	3/28/2014	\$368,599
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
Phase VII – CORE Certification				
CORE I Certification	Receipt of Phase I CORE Certification Seal	7/1/2015	11/9/2015	\$106,547
CORE II Certification	Receipt of Phase II CORE Certification Seal	7/1/2015	11/9/2015	\$106,547
CORE III Certification	Receipt of Phase III CORE Certification Seal	7/1/2015	11/9/2015	\$106,547
Total Cost:				\$4,820,271

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

Contractor Initials: SMH
Date: 4/22/15

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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

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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

Xerox Amendment 8
Appendix A.12
NH MMIS System Enhancements to Meet Federal Requirements

- 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
 - 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

Xerox Amendment 8
Appendix A.12
NH MMIS System Enhancements to Meet Federal Requirements

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, 2014 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.

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
Phase I – Requirements Analysis (ICD-10 Phase I)				
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
	Phase I Subtotal:			\$2,386,746
Phase II – Design (ICD-10 Phase I)				
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
	Phase II Subtotal:			\$1,305,757
Phase III – Configuration, Modification, Development / Construction (ICD-10 Phase I)				
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
	Phase III Subtotal:			\$2,129,594
Phase IV – System Integration Testing (ICD-10 Phase I)				
System Test Preparation	System Test Environment Ready	5/06/2014	6/26/2014	\$267,748

Contractor Initials: DMH
Date: 4/22/15

Xerox Amendment 8
Appendix A.12
NH MMIS System Enhancements to Meet Federal Requirements

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
Phase IV Subtotal:				\$1,140,990
Phase V – User Acceptance Testing (ICD-10 Phase I)				
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
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
Phase V Subtotal:				\$729,070
Phase VI – Training (ICD-10 Phase I)				
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
Phase VI Subtotal:				\$70,000
Phase VII – Implementation (ICD-10 Phase I)				
Production Release	Production Implemented PIR Complete	12/03/2014	12/18/2014	\$906,222
Phase VII Subtotal:				\$906,222
Phase VIII – Implementation (ICD-10 Phase II)				
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
Phase VIII Subtotal:				\$327,202
Phase IX – Implementation (ICD-10 Phase III)				
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

Contractor Initials: JMH
Date: 4/22/15

Xerox Amendment 8
Appendix A.12
NH MMIS System Enhancements to Meet Federal Requirements

Regression Testing	Full Regression Test Completed with Latest MMIS Release	8/6/2015	9/8/2015	\$161,097
<i>Phase IX Subtotal:</i>				<i>\$765,390</i>
NH ICD-10 Phases I, II and III Total Cost:				\$12,042,453

Contractor Initials: DMH
Date: 4/22/15

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.

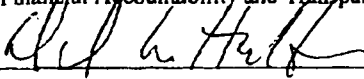
In accordance with 2 CFR Part 170 (*Reporting Subaward and Executive Compensation Information*), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

- 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

(Contractor Representative Signature) (Authorized Contractor Representative Name & Title)
Xerox State Healthcare, LLC April 22, 2015

(Contractor Name) (Date)

Contractor initials: DuH
Date: 4/22/15
Page # _____ of Page # _____

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

Contractor initials: DW H
Date: 4/22/15
Page # _____ of Page # _____



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

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

61A MHT

6/18/14 #61A

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.

05-95-95-954010-5952 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
Total Design, Development and Implementation Phase			\$68,369,837	\$3,794,622	\$72,164,459

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
Total Operations Phase			\$42,155,674	\$3,004,987	\$45,160,661

Grand Total **\$110,525,511** **\$6,799,609** **\$117,325,120**

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

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
Page 4

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.

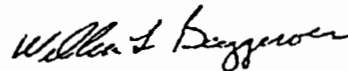
Ninety percent (90%) federal funding for the Design, Development and Implementation efforts in this Amendment 7 is pending approval by the Centers for Medicare and Medicaid Services. Seventy-five percent (75%) federal funding of the Operations phase of this agreement is pending certification of the New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

ATTACHMENT 1: Vendor Selection Matrix

Vendor	Total Score	Proposed Cost			Proposed Cost Optional 2 Year Extension	Total Proposed Cost	Final Cost
		Design, Development, and Implementation (DDI)	Proposed Cost 3 Years Operations	Proposed Cost			
Xerox/ACS State Healthcare, LLC	772.25	\$28,153,244	\$21,776,083	\$13,838,384	\$61,767,711	\$60,860,763	
EDS Information Services, LLC	568.36	\$28,973,156	\$27,373,485	\$17,847,475	\$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
27 Hazen Dr., Concord, NH 03301
Fax: 603-271-1516 TDD Access: 1-800-735-2964
www.nh.gov/doit/

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/lrm
2005-004G

cc: Leslie Mason, DoIT
William Baggeroer, DHHS

cyt



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

129 PLEASANT STREET, CONCORD, NH 03301-3867
603-271-8160 1-800-852-3346 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

June 11, 2014

G&C Approved

Peter C. Hastings, Commissioner
State of New Hampshire
Department of Information Technology
27 Hazen Drive
Concord, NH 03301

Date 6/18/14
Item # 61A

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

SL

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 10th 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:
 - o Exhibit A – Statement of Work
 - o Exhibit B – Price and Payment Schedule
 - o Exhibit C – Special Provisions

Contractor Initials: SMH
Date 6/10/14

- o Exhibit C-1 Special Provisions for MMIS Contracts
- o Exhibit D – Certification Regarding Drug Free Workplace Requirements
- o Exhibit E – Certification Regarding Lobbying
- o Exhibit F – Certification Regarding Debarment, Suspension and other Responsibility Matters
- o Exhibit G – Certificate Regarding Americans with Disabilities Act Compliance
- o Exhibit H – Certification Regarding Environmental Tobacco Smoke
- o Exhibit I –HIPAA Business Associate Agreement
- o Exhibit J – Certification Regarding Federal Funding Accountability and Transparency Act (FFATA) Compliance
- o Exhibit K – Ownership and Control Statement
- o Exhibit L – Performance Bond Continuation Certificate
- o 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

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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;

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- 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.

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

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

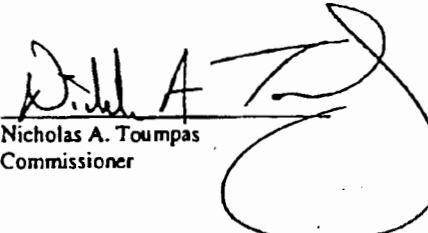
Exhibit K

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.

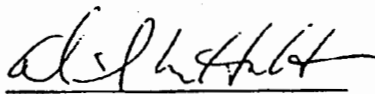
Contractor Initials: DMH
 Date: 6/16/14

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



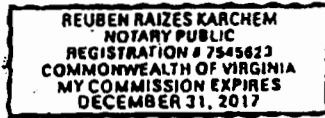
David Hamilton
President
Xerox State Healthcare, LLC

Contractor Initials: DH
Date: 0/10/14

STATE OF Virginia
COUNTY OF Fairfax

On this the 10th 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: D. K. Boston

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: SHK

Date: 6/10/2014

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

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

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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

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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
Phase II – Design				
Technical Design	Technical Design Complete	4/1/2014	5/30/2014	\$249,374
Phase III – Configuration, Modification, Development / Construction				
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
Phase IV – System Integration Testing				
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
Phase V – User Acceptance Testing				
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
Phase VI – Implementation				
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
Total Cost:				\$1,832,984

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: D & H

Date: 6/10/2014

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NH MMIS System Enhancements to Meet Federal Requirements

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;

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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
Phase I – Requirements Analysis				
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
Phase II – Design				
Technical Design	Technical Design Complete	1/1/2014	1/31/2014	\$421,256
Phase III – Configuration, Modification, Development / Construction				
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
Phase IV – System Integration Testing				
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

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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
Total Cost:				\$4,500,630

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

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NH MMIS System Enhancements to Meet Federal Requirements

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

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NH MMIS System Enhancements to Meet Federal Requirements

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 ICD 10 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

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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, 2014 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.

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Date: 6/10/2014

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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
Phase I – Requirements Analysis (ICD-10 Phase I)				
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
Phase I Subtotal:				\$2,386,746
Phase II – Design (ICD-10 Phase I)				
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
Phase II Subtotal:				\$1,305,757
Phase III – Configuration, Modification, Development / Construction (ICD-10 Phase I)				
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
Phase III Subtotal:				\$2,129,594
Phase IV – System Integration Testing (ICD-10 Phase I)				
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
Phase IV Subtotal:				\$1,140,990
Phase V – User Acceptance Testing (ICD-10 Phase I)				
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

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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
Phase V Subtotal:				\$729,070
Phase VI – Training (ICD-10 Phase I)				
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
Phase VI Subtotal:				\$70,000
Phase VII – Implementation (ICD-10 Phase I)				
Production Release	Production Implemented PIR Complete	12/03/2014	12/18/2014	\$906,222
Phase VII Subtotal:				\$906,222
Phase VIII – Implementation (ICD-10 Phase II)				
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
Phase VIII Subtotal:				\$327,202
Phase IX – Implementation (ICD-10 Phase III)				
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
Phase IX Subtotal:				\$765,390
NH ICD-10 Phases I, II and III Total Cost:				\$12,042,453

Contractor Initials: DMH
Date: 6/10/2014

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

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:

Activity	Start Date
Enroll New Provider Types	June 30, 2014
Enroll Members in NHPP 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 NHPP and the

Contractor Initials: DMF

Date: 01/10/2014

Xerox Amendment 7

Appendix A.13

NH MMIS System Enhancements for the NH Health Protection Plan

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.

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Appendix A.13
NH MMIS System Enhancements for the NH Health Protection Plan

- 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.

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Appendix A.13
NH MMIS System Enhancements for the NH Health Protection Plan

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 AIX Workgroup
TIER 1-2 Processors
CONTROL-M for Distributed Systems
CONTROL-M/Agent for AIX Workgroup
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

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.

Contractor Initials: DMH
Date: 6/10/2014

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
Total:			\$1,850,607

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
June 2014 - March 2015:	\$111,899	\$91,398	\$203,297
April 2015 - March 2016:	\$264,417	\$365,595	\$630,012
April 2016 - March 2017	\$264,417	\$365,595	\$630,012
April 2017 - March 2018:	\$264,417	\$365,595	\$630,012
		Total:	\$2,093,333

Contractor Initials: DMH

Date: 6/10/2014

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

3. Fiscal Agent Staff Increase:

June 2014 - March 2015:	\$238,383
Total:	\$238,383

Contractor Initials: DMH
Date: 01/01/2014

Attachment 1 Appendix A.2
 Deliverables List and Payment Schedule

Deliverables	Account #	Start Date	End Date	Amount	Payment %	Payment Date	Payment Amount	Balance	Total Paid	Total Due
1. Initial Project Meeting	04/20/14	04/20/14	04/20/14	10,000.00	10%	04/20/14	10,000.00	89,000.00	10,000.00	99,000.00
2. Project Charter Development	04/20/14	04/20/14	04/20/14	10,000.00	10%	04/20/14	10,000.00	79,000.00	20,000.00	99,000.00
3. Business Requirements Document	04/20/14	04/20/14	04/20/14	10,000.00	10%	04/20/14	10,000.00	69,000.00	30,000.00	99,000.00
4. System Requirements Document	04/20/14	04/20/14	04/20/14	10,000.00	10%	04/20/14	10,000.00	59,000.00	40,000.00	99,000.00
5. Software Requirements Specification	04/20/14	04/20/14	04/20/14	10,000.00	10%	04/20/14	10,000.00	49,000.00	50,000.00	99,000.00
6. User Acceptance Test Plan	04/20/14	04/20/14	04/20/14	10,000.00	10%	04/20/14	10,000.00	39,000.00	60,000.00	99,000.00
7. Test Strategy	04/20/14	04/20/14	04/20/14	10,000.00	10%	04/20/14	10,000.00	29,000.00	70,000.00	99,000.00
8. Test Cases	04/20/14	04/20/14	04/20/14	10,000.00	10%	04/20/14	10,000.00	19,000.00	80,000.00	99,000.00
9. Test Environment Setup	04/20/14	04/20/14	04/20/14	10,000.00	10%	04/20/14	10,000.00	9,000.00	90,000.00	99,000.00
10. Test Execution	04/20/14	04/20/14	04/20/14	10,000.00	10%	04/20/14	10,000.00	0.00	99,000.00	99,000.00
11. Test Report	04/20/14	04/20/14	04/20/14	10,000.00	10%	04/20/14	10,000.00	0.00	99,000.00	99,000.00
12. Project Closeout	04/20/14	04/20/14	04/20/14	10,000.00	10%	04/20/14	10,000.00	0.00	99,000.00	99,000.00
Total				100,000.00			100,000.00	0.00	100,000.00	100,000.00

Contractor Initial: *[Signature]* Date: *[Date]*

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File: AppAttachment 1 Appendix A.2 Deliverables List and Payment Schedule

NH Department of Health and Human Services

STANDARD EXHIBIT I

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.

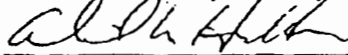
In accordance with 2 CFR Part 170 (*Reporting Subaward and Executive Compensation Information*), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

- 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

(Contractor Representative Signature)

(Authorized Contractor Representative Name & Title)

Xerox State Healthcare, LLC

June 10, 2014

(Contractor Name)

(Date)

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 I.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: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
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

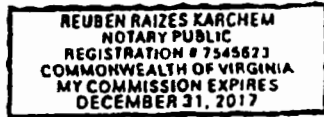
Title: President

Entity: Xerox State Healthcare, LLC

Date:

State of Virginia)
County of Fairfax) ss

On this 10th 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

Dmit
6/10/2014

Attachment A - Beneficial Owners



Xerox Corporation
2300 East Avenue
St. Joseph, MO
64503-1500

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)	Opt on 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⁽¹⁾.

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'

Jim H
6/10/2014

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
Kathym 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.

CERTIFICATE OF SOLE MANAGER AND SECRETARY

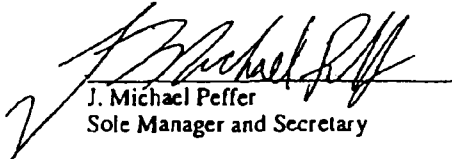
I, J. Michael Pepper, do hereby certify as follows:

(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 Reprourement 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.

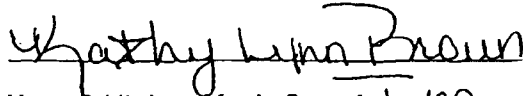
XEROX STATE HEALTHCARE, LLC
a Delaware limited liability company

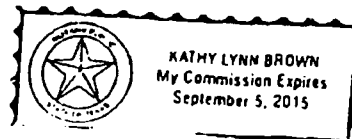

J. Michael Pepper
Sole Manager and Secretary

STATE OF TEXAS
COUNTY OF DALLAS, ss.:

On this day, personally appeared before me, J. Michael Pepper, 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

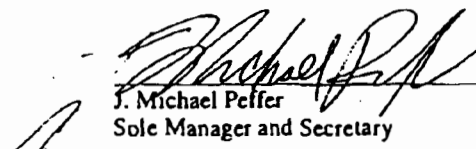
I, J. Michael Peffer, do hereby certify as follows:

(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.

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

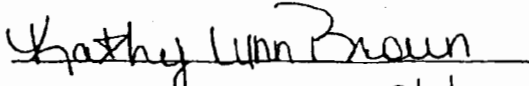
XEROX STATE HEALTHCARE, LLC
a Delaware limited liability company

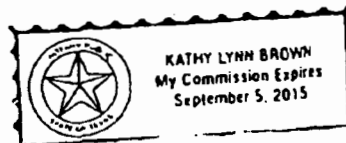

J. Michael Peffer
Sole Manager and Secretary

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 TX
My commission expires 9/5/15





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

G&C Approved

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

Date 3-26-14
 Item # LATE Item A

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>Fiscal Year</u>	<u>Class/Object</u>	<u>Class Title</u>	<u>Current Budget</u>	<u>Increase/Decrease</u>	<u>Modified 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
Sub Total: Design, Development and Implementation			\$50,864,605	\$4,321,110	\$55,185,715

Operations Funding

State			Current	Increase/	Modified
<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
Sub Total: Operations Phase			\$40,854,696	\$1,219,621	\$42,074,317

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

State			Current	Increase/	Modified
<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
Sub Total: Amendment 6			\$0	\$13,184,122	\$13,184,122

Design, Development and Implementation

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

Amendment 6 Operations

State			Current	Increase/	Modified
<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
Sub-Total: Amendment 6 Operations			\$0	\$81,357	\$81,357

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 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.

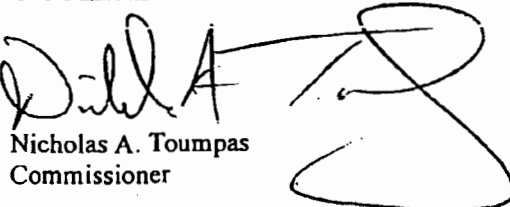
Respectfully submitted,



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

December 13, 2012

APPROVED BY _____

DATE 12/13/12

PAGE 1

ITEM # 27A

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

State Fiscal Year	Class Object	Class Title	Current Modified Budget	Increase/ (Decrease)	Revised Modified Budget
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
SFY 2006	102/500731	Contracts for Program Services	\$ 76,326.00	\$ -	\$ 76,326.00

His Excellency, Governor John H. Lynch
 and the Honorable Executive Council
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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	\$7,840,155.00	\$779,258.00	\$8,619,413.00
		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>Class Object</u>	<u>Class Title</u>	<u>Current Modified</u>	<u>Increase</u>	<u>Revised</u>
<u>Year</u>			<u>Budget</u>	<u>(Decrease)</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 addition of accountability and operational metrics~~ 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

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and the Honorable Executive Council
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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

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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, 2012 to March 31, 2013.

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 4	Year 4	Year 4	Year 4	Year 4	Year 4
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 5	Year 5	Year 5	Year 5	Year 5	Year 5
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
Year 6	Year 6	Year 6	Year 6	Year 6	Year 6

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, generate 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. 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

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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).

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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. Xerox/ACS State Healthcare, LLC, was selected as the Medicaid Management Information System contractor through a competitive bid process.

~~On January 2005, the Department of Health and Human Services received four 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. Xerox/ACS received the highest score on each of these three criteria and the highest score overall. Xerox/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, Xerox/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 Xerox/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 8 to the Implementation Advanced Planning Document and a new separate Planning Advanced Planning Document for the HIPAA Operating Rules Assessment. Both documents will be formally reviewed by the federal Centers for Medicare and Medicaid Services. The Advanced Planning Documents will address the need to extend the project timeline consistent with the dates provided in this contract Amendment 5. A copy of the contract amendment will be submitted to the Centers for Medicare and Medicaid Services along with the Advanced Planning Documents. The Department of Health and Human Services fully anticipates that the Centers for Medicare and Medicaid Services will approve the Advanced Planning Documents, thereby approving Federal Financial Participation for the continuation of contractor services to support the

His Excellency, Governor John H. Lynch
and the Honorable Executive Council
December 13, 2012
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Medicaid Management Information System implementation timeline at the percentages identified earlier in this cover letter.

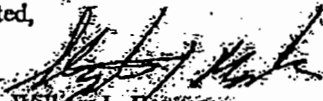
Ninety percent (90%) federal funding for the Design, Development and Implementation phase in this Amendment 5 is pending approval by the Centers for Medicare and Medicaid Services. Seventy-five percent (75%) federal funding of the Operations phase of this agreement is pending certification of the New 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).


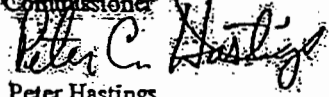
Area served: Statewide.

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. Bagger
Chief Information
Officer/Director

Approved by:


Nicholas A. Tompkins
Commissioner

Peter Hastings
Acting Commissioner
Department of Information
Technology

ATTACHMENT 1: Vendor Selection Matrix

Vendor	Total Score	Proposed Cost			Total Proposed Cost	Final Cost
		Design, Development, and Implementation (DDI)	3 Years Operations	Optional 2 Year Extension		
Xerox/ACS State Healthcare, LLC	772.25	\$28,153,244	\$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

CERTIFICATE OF SOLE MANAGER AND SECRETARY

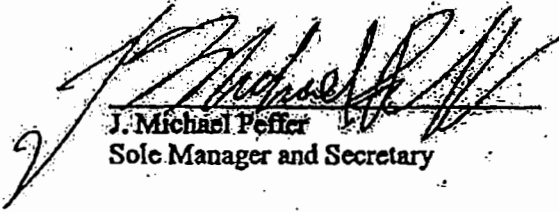
I, J. Michael Peffer, do hereby certify as follows:

(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) Daniel A. Dwyer is a duly appointed, qualified and acting Vice 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. 5 to that certain Medicaid Management Information System Reprourement 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 13th day of December, 2012.

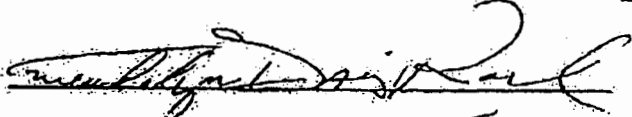
XEROX STATE HEALTHCARE, LLC
a Delaware limited liability company


J. Michael Peffer
Sole Manager and Secretary

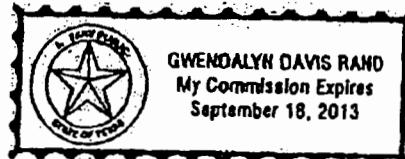
STATE OF TEXAS
COUNTY OF DALLAS, ss.:

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 13th day of December, 2012.


Notary Public in and for the State of TEXAS.

My commission expires 9-18-13.



20
12/13/2012



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/

Peter C. Hastings
Acting Commissioner

December 13, 2012

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 Reprocedurement, with Xerox State Healthcare, LLC ("Xerox") (formerly Affiliated Computer Systems or ACS) as described below and referenced as DoIT No. 2005-004E.

This is a request for approval to amend the contract with Xerox State Healthcare, LLC, effective upon Governor and Executive Council approval. This amendment includes required federal enhancements supporting system deployment in addition to HIPAA compliance, Managed Care Program, Affordable Care Act, and other programs. This amendment increases the price limitation by \$15,765,290, from \$75,954,011 to an amount not to exceed \$91,719,301. The contract expiration date is extended from December 31, 2017 to 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,

Peter C. Hastings

PCH/ltm
2005-004E

cc: Leslie Mason, DoIT
Brian Earp, DHHS



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

Nicholas A. Toumpas
 Commissioner

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

William L. Baggeroer
 Chief Information Officer

February 22, 2012

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

APPROVED BY _____
 DATE 3/7/12
 PAGE 4
 ITEM # 22A

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 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
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
Total Operations Phase			<u>\$35,631,516.00</u>	<u>\$1,885,000.00</u>	<u>\$37,516,516.00</u>
TOTAL			<u>\$66,916,886.00</u>	<u>\$9,037,125.00</u>	<u>\$75,954,011.00</u>

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.

DDI Phase	DDI Phase	DDI Phase	DDI Phase	DDI Phase
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* 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 1* 10/1/2014 - 09/30/2015	Operations Extension Year 1* 1/1/2016 - 12/31/2016

¹ 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.

DDI Phase	\$26,153,244	\$26,153,244	\$31,285,370	\$31,285,370	\$38,437,495
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
Operations Phase	\$34,707,519	\$34,707,519	\$35,631,516	\$35,631,516	\$37,516,516
Total Contract	\$60,860,763	\$60,860,763	\$66,916,886	\$66,916,886	\$75,954,011

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

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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. 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

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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 EDIFECs' 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.

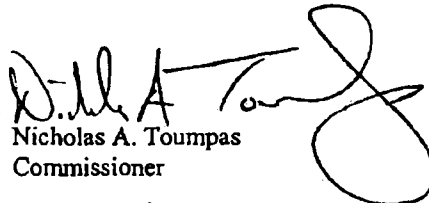
His Excellency, Governor John H. Lynch
and the Honorable Executive Council
February 22, 2012
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Respectfully submitted,

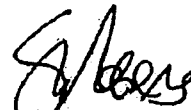


William L. Baggeroer
Chief Information Officer

Approved by:



Nicholas A. Toumpas
Commissioner



S. Williams Rogers
Commissioner
Department of Information Technology

ATTACHMENT 1: Vendor Selection Matrix

Vendor	Total Score	Proposed Cost			Proposed Cost: 3 Years Operations	Proposed Cost: Optional 2 Year Extension	Total Proposed Cost	Final Cost
		Total	Design, Development, and Implementation (DDI)	3 Years Operations				
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

To Admin Sucs
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
603-271-8166 1-800-852-3345 Ext. 8166
Fax: 603-271-8431 TDD Access: 1-800-735-2864

Nicholas A. Toumpas
Commissioner

Kathleen A. Dunn
Director

June 2, 2010

APPROVED BY _____
DATE: 6/23/10
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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			\$35,631,516.00	\$0.00	\$35,631,516.00
TOTAL			\$66,916,886.00	\$0.00	\$66,916,886.00

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.

ACS Contract Duration Adjustment			
Original Contract 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
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* 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 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.

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

ACS Contract Price Adjustment				
	Original Contract	Amendment 1 No Cost Extension	Amendment 2 Contract Increase \$6,056,123	Amendment 3 No Cost Extension
DDI Phase	\$26,153,244	\$26,153,244	\$31,285,370	\$31,285,370
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
Operations Phase	\$34,707,519	\$34,707,519	\$35,631,516	\$35,631,516
Total Contract	\$60,860,763	\$60,860,763	\$66,916,886	\$66,916,886

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

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June 2, 2010
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- 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 OPSS 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.

ATTACHMENT 1: Vendor Selection Matrix

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

6-1-09



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

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

Nicholas A. Toumpas
Commissioner

Kathleen A. Dunn
Director

April 30, 2009

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State House
Concord, NH 03301

APPROVED BY _____

DATE 6/17/09

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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
DDI Expenses					
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
DDI Subtotal			\$26,153,244	\$5,132,126	\$31,285,370

SFY	Account Number	Account Title	Current Modified Budget	Increase / (Decrease) Amount	Revised Modified Budget
Operations Expenses					
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
Operations Subtotal			\$34,707,519	\$923,997	\$35,631,516
Total			\$60,860,763	\$6,056,123	\$66,916,886

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.

ACS 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	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

The "" indicates an optional extension period, built into the original contract, which may be exercised at DHHS' discretion.

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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

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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

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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.

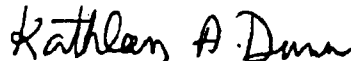
In the aggregate, the source of funding is 82% federal funds, 18% state funds.

Geographic Area to be Served:

Statewide.

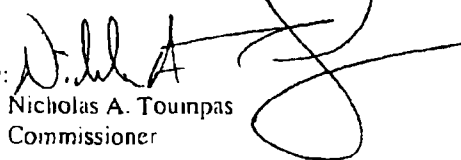
In the event that the Federal Funds become no longer available, General Funds will not be requested to support this program.

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

ATTACHMENT 1: Vendor Selection Matrix

Vendor	Total Score	Proposed Cost			Proposed Cost Optional 2 Year Extension	Total Proposed Cost	Final Cost
		Design Development and Implementation (DDI)	2 Years Operations	2 Years Operations			
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

27 Hazen Dr., Concord, NH 03301
603-271-2843 1-800-852-3345 x2843
Fax: 603-271-1516 TDD Access: 1-800-735-2964
www.nh.gov/doi/

Richard C. Bailey, Jr.
Chief Information Officer

May 20, 2009

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 Affiliated Computer Systems (ACS) as described below and referenced as DoIT No. 2005-004B.

This is a request for approval to amend the ACS contract by increasing the price limitation by \$6,056,123 from \$60,860,763 to \$66,916,886, to expand the scope of design, development and implementation to include necessary system functionality in the new Medicaid Management Information System (MMIS), and extend the contract termination date from January 1, 2014 to June 30, 2015, effective upon the approval date of Governor and Executive Council through to June 30, 2015. 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, appearing to read "Richard C. Bailey, Jr.", written over a horizontal line.

Richard C. Bailey, Jr.

RCB/ltn
2005-004B
A&ERID #8564

cc: Leslie Mason
Mary Gay Grizwin



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
Fax: 603-271-8431 TDD Access: 1-800-736-2964

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
DDI Expenses					
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
Operating Expenses					
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

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and the Honorable Executive Council
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Page 2

2014	010-095-6126-098		\$0	\$2,279,867	\$2,279,867
Operations Subtotal			\$34,707,519	\$0	\$34,707,519
Total			\$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.

Current Contract Phase/Year	Amendment 1 Phase/Year	Price
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
Total Contract Price		\$60,860,763

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
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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
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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.

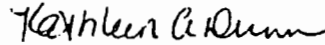
In January 2005, the Department received four (4) proposals in response to the RFP. (Please see attached bidders list). The proposals included a technical proposal and a separate cost proposal. A team of six individuals from DHHS and the Office of Information Technology thoroughly reviewed and evaluated 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,

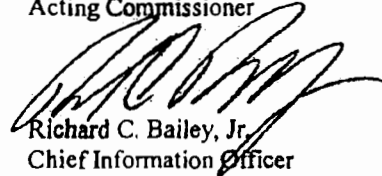


Kathleen A. Dunn
Acting Medicaid Director

Approved by:



Nicholas A. Toumpas
Acting Commissioner



Richard C. Bailey, Jr.
Chief Information Officer

ATTACHMENT 1: Vendor Selection Matrix

Vendor	Total Score	Proposed Cost Design, Development and Implementation (DDI)	Proposed Cost 3 Years Operations	Proposed Cost Optional 2 Year Extension	Total Proposed Cost	Final Cost
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



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

12/07/05

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
Total Contract Price:	\$60,860,763

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.
DDI EXPENSES				
	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
DDI Sub-Total				\$26,153,244
OPERATING EXPENSES	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
Operations Sub-Total				\$34,707,519
Total Contract Price				\$60,860,763

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.

His Excellency, Governor John Lynch
and the Honorable Executive Council
December 2, 2005
Page 3 of 8

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 E) 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,

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and the Honorable Executive Council
December 2, 2005
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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:

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and the Honorable Executive Council
December 2, 2005
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- 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.

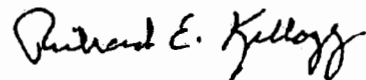
In the aggregate, the source of funding is:
Federal Funds – 78%
General Funds – 22%
Other Funds – 0%

Area served: Statewide.

His Excellency, Governor John Lynch
and the Honorable Executive Council
December 2, 2005
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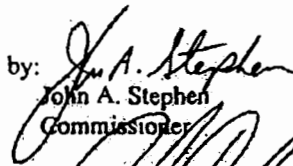
In the event that federal funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,

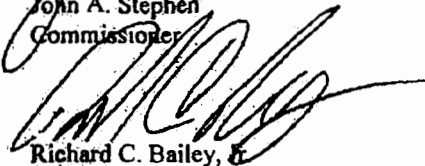


Richard E. Kellogg
Interim Medicaid Director

Approved by:



John A. Stephen
Commissioner



Richard C. Bailey, Jr.
Chief Information
Officer


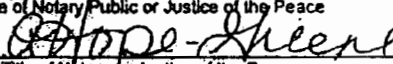
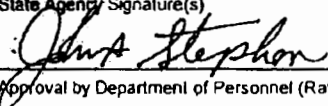
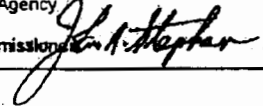
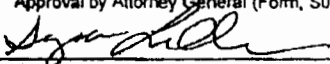
Subject: MEDICAID MANAGEMENT INFORMATION SYSTEM REPROCUREMENT - DHHS MMIS RFP 2005-004

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. Identification and Definitions

1.1 State Agency Name New Hampshire Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301	
1.3 Contractor Name ACS State Healthcare, LLC		1.4 Contractor Address 9040 Roswell Road, Suite 700 Atlanta, GA 30350	
1.5 Account No.	1.6 Completion Date 11/01/2010	1.7 Audit Date	1.8 Price Limitation \$60,860,763
1.9 Contracting Officer for State Agency John Stephen, Commissioner of Health and Human Services		1.10 State Agency Telephone Number 603-271-4688	
1.11 Contractor Signature 		1.12 Name & Title of Contractor Signor T.J. Burlin, Group President	
1.13 Acknowledgment: State of <u>DC</u> , County of _____ On <u>10/18/05</u> , before the undersigned officer, personally appeared the person identified in block 1.12., or satisfactorily proven to be the person whose name is signed in block 1.11., and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace (Seal) 		A. Hope-Greene Notary Public, District of Columbia My Commission Expires 07-31-2009	
1.13.2 Name & Title of Notary or Justice of the Peace Ayanna Hope-Greene		DC Notary Public	
1.14 State Agency Signature(s) 		1.15 Name/Title of State Agency Signor(s) John Stephen, Commissioner 	
1.16 Approval by Department of Personnel (Rate of Compensation for Individual Consultants) By: _____ Director, On: _____			
1.17 Approval by Attorney General (Form, Substance and Execution) By:  Assistant Attorney General, On: <u>10/18/05</u>			
1.18 Approval by the Governor and Council By: _____ On: _____			
2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("the State"), engages contractor identified in block 1.3 ("the Contractor") to perform, and the Contractor shall perform, that work or sale of goods, or both, identified and more particularly described in EXHIBIT A incorporated herein ("the Services").			
3. EFFECTIVE DATE: COMPLETION OF SERVICES. 3.1 This agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Council of the State of New Hampshire approve this agreement, ("the Effective Date"). 3.2 If the date for commencement in Exhibit A precedes the Effective Date all services performed by Contractor between the commencement date and the Effective Date shall be performed at the sole risk of the contractor and in the event that this Agreement does not become effective, the State shall be under no obligation to pay the contractor for any costs incurred or services performed; however that if this Agreement becomes effective all costs incurred prior to the effective date shall be paid under the terms of this Agreement. All services must be completed by the date specified in block 1.5.			
4. CONDITIONAL NATURE OF AGREEMENT. Notwithstanding anything in this agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of those funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the account identified in block 1.5 in the event funds in that account are reduced or unavailable.			

It is unlawful to make any alteration to the text of this document.

A signature on this document signifies that no alterations have been made to the original text or format.

5. CONTRACT PRICE: LIMITATION ON PRICE: PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in Exhibit B, incorporated herein.

5.2 The payment by the State of the contract price shall be the only, and the complete, reimbursement to the Contractor for all expenses, of whatever nature, incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by RSA 607 through 7-C or any other provision of law.

5.4 Notwithstanding anything in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made, hereunder exceed the price limitation set forth in block 1.8 of these general provisions.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS: EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to civil rights and equal opportunity laws. In addition, the vendor shall comply with all applicable copyright laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap or national origin and will take affirmative action to prevent such discrimination.

6.3 If this agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11248 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States, access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants and conditions of this Agreement.

7. PERSONNEL

7.1 The performance of the Services shall be carried out by employees of the Contractor. The Contractor shall at its own expense, provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 The Contractor shall not hire, and shall permit no subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services, to hire any person who has a contractual relationship with the State, or who is a State officer or employee, elected or appointed.

7.3 The Contracting Officer specified in block 1.8, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final.

8. EVENT OF DEFAULT, REMEDIES.

8.1 Anyone or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Events of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule; or

8.1.2 failure to submit any report required hereunder; or

8.1.3 failure to perform any other covenant or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this agreement, effective two (2) days after giving the Contractor notice of termination; and

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the Contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor; and

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and

8.2.4 treat the agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA: ACCESS; CONFIDENTIALITY; PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 On and after the Effective Date, all data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by RSA 91-A or other existing law. Disclosure pursuant to a right to know request shall require prior written approval of the State.

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("the Termination Report") describing in detail all Services performed, and the Contract Price earned, to and including the date of termination. To the extent possible, the form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in EXHIBIT A.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, worker's compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT, DELEGATION AND SUBCONTRACTS. The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the State. None of the Services shall be delegated or subcontracted by the Contractor without the prior written consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or

on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant shall survive the termination of this Agreement.

14. INSURANCE AND BOND.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, both for the benefit of the State, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per incident; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 of these general provisions, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 of this paragraph shall be the standard form employed in the State of New Hampshire, issued by underwriters acceptable to the State, and authorized to do business in the State of New Hampshire. Each policy shall contain a clause prohibiting cancellation or modifications of the policy earlier than 10 days after written notice thereof has been received by the State.

15. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that event, or any subsequent Event. No express failure of any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other default on the part of the Contractor.

16. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, above.

17. AMENDMENT. This agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Council of the State of New Hampshire.

18. CONSTRUCTION OF AGREEMENT AND TERMS. This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns.

19. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this agreement shall not be construed to confer any such benefit.

20. SPECIAL PROVISIONS. The additional provisions set forth in EXHIBIT C hereto are incorporated as part of this Agreement.

21. ENTIRE AGREEMENT. This agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understanding.

It is unlawful to make any alteration to the text of this document.

A signature on this document signifies that no alterations have been made to the original text or format.

ATTACHMENT 1: Vendor Selection Matrix

Vendor	Total Score	Proposed Cost Design, Development, and Implementation (DDI)	Proposed Cost 3 Years Operations	Proposed Cost Optional 2 Year Extension	Total Proposed Cost	Final Cost
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

**ASSESSMENT OF THE MMIS REPROCUREMENT RFP
AND
PRELIMINARY ASSESSMENT OF THE SELECTED VENDOR'S PROPOSAL**

As part of its quality assurance efforts, FOX Systems conducted a review of the New Hampshire Request for Proposal (RFP) for the Medicaid Management Information System Reprocurement. FOX has completed a review of the technical proposal submitted by ACS, the selected vendor, in response to the RFP. FOX was not involved in writing the NH MMIS RFP or in the proposal evaluation and vendor selection process, nor was FOX given access to any proposals other than the selected vendor's proposal. The reviews that FOX conducted were done in support of the activities required under our Quality Assurance (QA) contract with the State.

This document summarizes the results of these reviews.

Assessment of the RFP for the Medicaid Management Information System Reprocurement

In preparation for the independent validation and verification (IV&V) activities to be performed under our QA contract with the State of New Hampshire, FOX Systems staff reviewed the RFP for the NH MMIS reprocurement and performed an analysis to ensure our understanding of the New Hampshire requirements. We found the RFP to be comprehensive in describing the system functions and features to be provided in the new system, as well as in delineating the activities to be performed by the contractor during the design, development, and implementation (DDI) and operations phases of the contract.

The RFP includes all of the major functions of a standard MMIS, as well as New Hampshire-specific functions such as acuity rate setting and county billing. The RFP is comparable in scope and level of detail to other recent RFPs for a new MMIS system that have been issued by other states.

Overall, we believe that the RFP issued by New Hampshire is a very good, solid RFP that contains all of the necessary information for bidders to have developed and submitted complete proposals that address the needs of New Hampshire.

Preliminary Assessment of the ACS Proposal

In October 2005 in anticipation of the start of the new MMIS vendor contract, the State provided FOX Systems with a copy of the selected vendor's (ACS') technical proposal so that we could begin our initial requirements traceability matrix (RTM). This activity includes tracking all RFP requirements from the vendor's proposal through the development and implementation of the new MMIS to ensure that the new system meets New Hampshire's requirements.

FOX completed a thorough review of the entire technical proposal to get a sense of the system being proposed for transfer to New Hampshire and the modifications that will be required to the proposed base system to meet New Hampshire requirements. Following this initial review, FOX began a second-tier, more detailed review of the vendor's response to the specific New Hampshire requirements as defined in the RFP and began the development of the initial RTM. At this time, completion of the RTM deliverable is on hold since the effort was tabled when the contract process stalled and it was unclear whether ACS would be the new vendor.

The analysis for updating the RTM is a work in process, and FOX has made considerable progress toward completing this task. In each of the proposal sections the vendor has provided an overview of the functionality to be provided and a specific response to each of the RFP requirements. The overviews provide a description of the function and often include sample screens from the proposed transfer system to demonstrate the functionality. The detail responses to each requirement describe how the proposed system meets the requirement or how the system will be modified to meet the requirement. In addition, the detailed responses identify requirements that need further clarification of the specific details of the requirement during the DDI phase in order to provide what New Hampshire requires.

Based on the work that has been done to date, FOX is providing the following preliminary assessment of the ACS technical proposal. As stated in the introduction, FOX did not have access to any other vendor's technical proposal so our assessment is based on the ACS proposal alone and does not include any comparative information in relation to proposals submitted by other vendors.

From an overall perspective, the ACS technical proposal demonstrates a good understanding of the New Hampshire requirements and offers technological advancements such as real-time claims processing, a web-based design, and provider and recipient websites that should enhance user, provider, and recipient access to data and information on the New Hampshire Medicaid program. The proposal is well written and, for the most part, clear in identifying what is being offered. The ACS system being proposed for transfer and modification appears to provide most of the functionality required for New Hampshire and describes those functions that will require modifications to make the system New Hampshire specific. In addition, there are few, if any, assumptions and constraints identified in the proposal that would limit the state's ability to obtain a truly New Hampshire MMIS.

Based on the reviews described above, FOX believes that the system proposed by ACS will meet or exceed the requirements for the new New Hampshire MMIS.



John A. Stephen
Commissioner

Stephen A. Norton
Director

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

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

COPY

November 1, 2004

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

APPROVED BY LJC

DATE 12/01/04

PAGE _____

REQUESTED ACTION

ITEM # late Item F

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

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

EXPLANATION

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

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

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

1. Pre-DDI Services – Services to assist with Project Management and Organization and to enhance the Department's readiness for providing business rules criteria to support development of the systems rules logic. These services will be provided in advance of the start of system development and at a high level include:
 - Completing a business rules analysis to ensure the State has compiled all of the business process information that the Implementation Vendor will require thereby helping to ensure that aggressive project timeframes are met;
 - Defining and clearly confirming the business processing rules that will be used to inform the code logic of the new MMIS;
 - Conducting a Critical Report Analysis; and
 - Proposing a conversion strategy for historical MMIS Medicaid eligibility data.
2. DDI Quality Assurance Services – Services to monitor, verify, and validate the deliverables produced by the implementation contractor, to conduct all aspects of system testing, and to verify and validate operational readiness. These services will be provided throughout the systems development process through to implementation and at a high level include:
 - Understanding the State's requirements for the MMIS and ensuring that the new MMIS addresses and meets the functional, technical, and operational requirements specified by the State;
 - Participating in Joint Application Design Sessions (JAD) and deliverables review;
 - Providing project monitoring, identifying risks and proposing risk mitigation strategies;
 - Planning, preparing, and conducting requisite auditing and testing of the systems functionality and operations environment; and
 - Providing Independent Validation and Verification (IV&V) for the project.
3. Post-DDI Services – Services to assist the Department in its preparation for the eventual MMIS Federal Certification Review. The Centers for Medicare and Medicaid Services (CMS) must review the processing, performance, and output of the MMIS to ensure that it meets Federal MMIS requirements. These services will be provided after the system is operational in production and include:
 - Verifying that the requisite documentation is compiled and preparing the State for the CMS on-site MMIS certification review process; and
 - Facilitating the State's response to the CMS certification process, helping to ensure a successful certification and the realization of maximum Federal Financial Participation (FFP) for MMIS operations.

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

His Excellency, Governor Craig R. Benson
And the Honorable Executive Council
November 1, 2004
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interfaces, new systems architecture, and expanded business operations support and claims adjudication and payment capabilities. The Quality Assurance Contractor will partner with the State to monitor that the functional requirements stipulated by the State, and approved by the Federal Government, are addressed adequately by the implementation contractor during the system design and development, that all aspects of the functional, technical, and operational components of the MMIS are verified and validated, and to monitor the project's progress according to plan.

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

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

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

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

His Excellency, Governor Craig R. Benson
And the Honorable Executive Council
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proposal following the evaluation process. FOX received the highest total score overall, concluding that the FOX proposal best met the objectives set forth in the RFP.

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

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

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

BACKGROUND

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

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

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

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

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

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

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

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

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

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

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

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

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

- Deliverables are produced at the cost outlined.

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

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

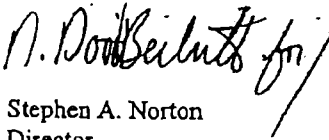
Source of Funds: 90% Federal Funds, 10% State General Funds

Geographic area to be served: Statewide

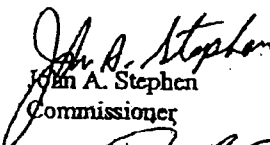
In the event that the Federal Funds become no longer available, General Funds will not be requested to support this program.

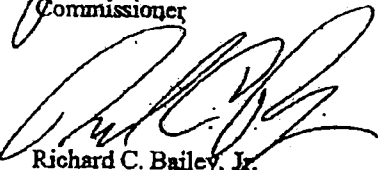
His Excellency, Governor Craig R. Benson
And the Honorable Executive Council
November 1, 2004
Page 8 of 9

Respectfully submitted,


Stephen A. Norton
Director

Approved by:


John A. Stephen
Commissioner


Richard C. Bailey, Jr.
Interim Chief Information
Officer

Attachment 1: Bidders List

Company	Has a License	Submitted Bid	Max Bid	Max Bid	Max Bid
BDMP	Yes				
Compass	Yes				
Deloitte	Yes	Yes	52.75 \$	4,184,661	
FOX Systems Inc.		Yes	81.25 \$	3,530,240	\$ 2,977,995
Maximus	Yes	Yes	69.75 \$	1,989,597	
S3 Technologies	Yes				

* Not a requirement of the RFP



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

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

John A. Stephen
 Commissioner

Richard Kellogg
 Interim Director

October 18, 2005

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

APPROVED BY _____
 DATE 11/2/05
 PAGE 10
 REQUESTED ACTION ITEM # 77

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
Total Contract Price:	\$60,860,763

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.
DDI EXPENSES				
	2005-2006	030-095-0422-090	MMIS Reprocurement	\$25,000,000
	2005-2006	030-095-0145-090	HHS Infotech	\$1,076,918
	SFY 2006	010-095-6126-097	Medicaid Contracts	\$76,326
DDI Sub-Total				\$26,153,244
OPERATING EXPENSES	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
Operations Sub-Total				\$34,707,519
Total Contract Price				\$60,860,763

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, 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 procurement, 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:

- ACS State Healthcare, LLC;

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and the Honorable Executive Council
October 18, 2005
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- 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.

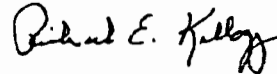
In the aggregate, the source of funding is:
Federal Funds – 78%
General Funds – 22%
Other Funds – 0%

Area served: Statewide.

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

His Excellency, Governor John Lynch
and the Honorable Executive Council
October 18, 2005
Page 5 of 6

Respectfully submitted,

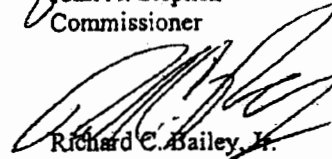


Richard Kellogg
Interim Director

Approved by:



John A. Stephen
Commissioner



Richard C. Bailey, Jr.
Interim Chief Information
Officer

ATTACHMENT 1: Vendor Selection Matrix

Vendor	Total Score	Proposed Cost Design, Development, and Implementation (DDI)	Proposed Cost 3 Years Operations	Proposed Cost Optional 2 Year Extension	Total Proposed Cost	Final Cost
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

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
JFK Federal Building, Government Center
Room 2325
Boston, Massachusetts 02203



Division of Medicaid and State Operations / Region I

October 26, 2005

John A. Stephen, Commissioner
Department of Health and Human Services
129 Pleasant Street
Concord, New Hampshire 03301-3857

Dear Commissioner Stephen:

The Centers for Medicare & Medicaid Services (CMS) approves Amendment 2 to the Department's MMIS Re-procurement Project Implementation Advance Planning Document (IAPD) to implement a replacement Medicaid Management Information System (MMIS). Amendment 2 implements changes in the project cost and timeframe originally described in the IAPD that are necessary to realign the MMIS project budget, timeline and scope of work based upon an extended procurement period and the negotiated contract with ACS State Healthcare, LLC (ACS) (The Department's IAPD was previously approved by CMS with our letter dated May 18, 2004, and was amended with our letter dated December 21, 2004). Additionally CMS approves the Department's proposed contract with ACS to implement and subsequently maintain and support the replacement New Hampshire MMIS. The Department's request for approval, the accompanying IAPD Amendment, the proposed ACS contract and the contractor selection report were submitted to CMS for required review and approval action with your letter dated September 29, 2005. Technical clarification to the contract and IAPD amendment were included in Diane Delisle's e-mails dated October 6, 7, and 16, 2005 and a telephone conversation on October 20, 2005.

IAPD amendment 2 implements the following changes to the previously approved project plan: 1) extends the timeline for transfer, enhancement, and implementation of New Hampshire's replacement MMIS from June 1, 2007 to November 1, 2007; 2) proposes the allocation of enhanced FFP in the amount of \$500,000 (\$450,000 FFP) to cover the services of an Interface contractor (Deloitte) to redesign the data extraction process from the NewHEIGHTS system as it pertains to the new MMIS; and 3) proposes to extend the current MMIS support contract with Electronic Data Systems (EDS) from May 31, 2007 to November 1, 2007, with an optional six-month extension period through April 2008, to provide for continuity of the current MMIS operations and maintenance during the extended project period.

The proposed MMIS contract with ACS is the result of the Department's September, 2004 Request for Proposals (RFP), which was amended in December, 2004 to decrease the scope and increase the timeframe associated with the project. The Design, Development, and Implementation (DDI) period of the contract begins at contract signing and ends on November 1, 2007. The Operational Support phase of the contract begins on November 1, 2007 and runs through October 31, 2010. The contract allows for one additional two-year extension.

The IAPD amendment and the proposed MMIS contract are approved in accordance with the provisions of 45 CFR 92.36(a), 45 CFR 95 Subpart F, 42 CFR 433 Subpart C and Part 11 of the State Medicaid Manual. In accordance with the provision at 45 CFR 92.36(a)*, our review of the proposed contract was limited to ensuring that the proposed contract is consistent with the Department's approved MMIS Implementation Advance Planning Document (IAPD) and RFP. The State of New Hampshire procurement policies and procedures will dictate the appropriate elements of the procurement and contract. Based on our review, we have determined that the proposed contract is consistent with the Department's approved MMIS Implementation Advance Planning Document (IAPD) and RFP.

(* 45 CFR 92.36(a) states that "When procuring property and services under a grant, a State will follow the same policies and procedures it uses for procurements from its non-Federal funds. The State will ensure that every purchase order or other contract includes any clauses required by Federal statutes and executive orders and their implementing regulations.")

CMS's approval authorizes the Department to claim: 1) 90 percent Federal financial participation (FFP) in allowable ACS contract-related MMIS DDI costs in an amount not to exceed \$24,555,584 (\$22,100,026 FFP); 2) 75 percent FFP in allowable ACS contract-related MMIS DDI costs in an amount not to exceed \$1,512,745 (\$1,134,559 FFP); and 3) 50 percent FFP in allowable ACS contract-related MMIS DDI costs in an amount not to exceed \$84,921 (\$42,461 FFP). This raises the total amount approved for this project to \$34,806,683 (\$31,065,135 FFP). Approval of additional funds in the amount of \$500,000 (\$450,000 FFP) for costs associated with an Interface Contractor, Deloitte Systems, to enhance the data interface between the NewHEIGHTS system and the new MMIS will be addressed upon receipt of a contract amendment with the selected contractor and supporting documentation. This approval also authorizes appropriate levels of FFP in allowable MMIS maintenance and support costs allocable to Title XIX as provided for under this contract for the initial contract period. It is noted that the proposed contract with ACS allows for contract extensions totaling two additional years beyond November 1, 2010. CMS prior approval of these extensions will be required.

Approval of operational funding (i.e. 75 percent FFP) for the replacement MMIS will be determined following full operation of the new MMIS system and on-site evaluation by CMS. The requirements for requesting CMS approval of MMIS operations costs at the 75 percent rate of FFP are set forth in SMM Section 11240. FFP in operations cost of the replacement MMIS will be limited to the 50 percent rate until the complete replacement system is approved by CMS for 75 percent FFP as provided for in section 11269 of the SMM.

This approval is subject to the provisions related to operational cost allocation for fiscal agent MMIS operations contracts found at Section 11276.10 of the State Medicaid Manual (SMM). This section acknowledges that "A fiscal agent may perform many additional functions (see Section 11276.7) for the State beyond those related to MMIS operations eligible for 75 percent FFP, yet bill the State at one all inclusive rate per claim processed. If this is the case, develop a cost allocation plan through which payments to the fiscal agent are broken out for matching at the appropriate FFP rates. (See Section 11276.7)" In accordance with this Section, the Department must ensure that it has a cost allocation plan that properly allocates MMIS fiscal agent contract cost between MMIS and non-MMIS allowable cost and between Medicaid and non-Medicaid cost, as applicable.

Page 3 – John A. Stephen, Commissioner

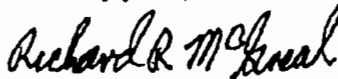
Any deviation from the approved contract's scope of work, duration or cost requires CMS prior approval of an LAPD and contract amendment in accordance with the provisions of SMM Section 11238 and 45 CFR 95 Subpart F. Should the project deviate from the CMS approved LAPD, FFP in the MMIS project may be suspended or disallowed as provided for in Federal regulations at CFR 95.611 (c)(3) and 95.612. In any event, authorization of Federal funding for the MMIS DDI effort will expire on November 1, 2007 i.e., the LAPD scheduled date for implementation of the complete replacement MMIS. In addition, continued Federal funding of the Department's MMIS project is contingent upon:

- (1) The Department's ability to demonstrate progress in meeting project milestone commitments;
- (2) CMS approval of the proposed EDS contract extension;
- (3) CMS approval of the proposed contract with Deloitte systems to redesign the data extraction process from the NewHEIGHTS system as it pertains to the new MMIS;
- (4) The Department's continued submission of monthly status reports. Monthly status reports must be submitted to this office by the last day of each calendar month.

Please provide my office with one soft copy and one hard copy of the executed contract with ACS.

Questions on this matter should be referred to Jon Langnead of this office at (617) 565-1214.

Sincerely yours,



Richard McGreal
Associate Regional Administrator

cc: Diane Delisle



STATE OF NEW HAMPSHIRE
OFFICE OF INFORMATION TECHNOLOGY

Office of the Governor
27 Hazen Dr., Concord, NH 03301
603-271-4208 1-800-852-3345 x4208
Fax: 603-271-1516 TDD Access: 1-800-735-2964

Richard C. Bailey, Jr.
Chief Information Officer

October 17, 2005

John A. Stephen, Commissioner
State of New Hampshire
Department of Health and Human Services
129 Pleasant Street
Concord, NH 03301-3857

Dear Commissioner Stephen:

This letter represents formal notification that the Office of Information Technology (OIT) has approved your agency's request to enter into a contract with ACS State Healthcare, LLC, 9040 Roswell Road, Suite 700, Atlanta, GA 30350, Vendor Number TBD as described below and referenced as OIT No. 2005-004. This project is a result of RFP# 2005-004.

This is a request to enter into a contract to design, develop, implement, support, maintain, and operate the State's Medicaid Management Information System (MMIS). The contract will become effective upon Governor and Council approval through November 1, 2010, with one optional two-year extension periods not to exceed November 1, 2012. The amount of the contract is not to exceed \$60,860,763.

This project is set forth in the Department of Health and Human Services Strategic Information Technology Plan Name Medicaid Decision Support System, Project Number 13.4 of Table 7.2 Current and Planned Information Technology Initiatives, dated June 3, 2003.

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

Sincerely,

A handwritten signature in black ink, appearing to read "R. C. Bailey, Jr.", written over the word "Sincerely,".
Richard C. Bailey, Jr.

RB/efg
OIT 2005-004

cc: Leslie Mason, Contract Manager, OIT Logistics
David Perry, Contract Manager, OIT Logistics



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

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

John A. Stephen
Commissioner

Richard Kellogg
Interim Director

October 17, 2005

Richard C. Bailey, Jr.
Chief Information Officer
Office of Information Technology
27 Hazen Drive
Concord, NH 03301-6506

REQUESTED ACTION

Approval of the contract pursuant to RFP-DHHS-2005-004, for the Medicaid Management Information System Reprocurement Project, between the New Hampshire Department of Health and Human Services (DHHS and the Department), Office of Medicaid Business and Policy (OMBP) and ACS State Healthcare, LLC, 9040 Roswell Road, Suite 700, Atlanta, GA 30350 (Vendor Number tbd) to design, develop, implement, support, maintain, and operate the State's Medicaid Management Information System (MMIS) over a five year base contract period (two year Design, Development and Implementation (DDI) Phase, and three year Operations Phase) in the amount of \$47,134,331.00 (\$26,153,244 for DDI and \$20,981,087 for Operations) from November 2, 2005 or date of Governor and Council approval, whichever is later, through November 1, 2010.

The Contract further provides for a two-year extension of the Operations Phase in the amount of \$13,726,432 from November 2, 2010 through November 1, 2012 at the option of the State, resulting in a total contract amount of \$60,860,763. The Medicaid Management Information System Reprocurement Project is identified in the updated Strategic Information Technology Plan dated June 3, 2003, as "Section 7: *IT Initiatives*, Table 7.2: *Current and Planned Information Technology Initiatives*, Project Number 13.4". The Capital Budget Overview Committee approved this Plan in October 2003.

EXPLANATION

This request is issued by the Department of Health and Human Services (DHHS) in conjunction with the Office of Information Technology (OIT), seeking approval for the contract with ACS State Healthcare, LLC to replace the existing Medicaid Management Information System (MMIS), using a system transfer and enhancement approach. Under this contract, the

Richard C. Bailey, Jr.
Chief Information Officer
October 17, 2005
Page 2

contractor will implement a state of the art MMIS system that will be web-based, compliant with the Health Insurance Portability and Accountability Act (HIPAA), will meet the standards for an MMIS as detailed in Part 11 of the State Medicaid Manual, will meet federal MMIS certification standards, and will meet or exceed the functional, technical, and operational requirements of the NH MMIS Request for Proposals (RFP).

The base contract is for a five-year period. The MMIS Design, Development, and Implementation (DDI) will occur over a twenty-four month period, commencing on November 2, 2005, with the deployment of the MMIS targeted for November 1, 2007. Following the two-year DDI period, the contractor will provide MMIS fiscal agent maintenance, modification and operations support for an additional three years through to November 1, 2010. The State may, at its discretion, extend the contract for an additional two-year period up to November 1, 2012.

The key drivers behind this request for approval to contract for the MMIS Implementation and fiscal agent contractor services under the MMIS Reprocurement Project are:

1. The State's need to eliminate the risk of potential loss of significant dollars in federal match for the MMIS - The Centers for Medicare and Medicaid Services (CMS) warned the State by letter on January 14, 2004 that the State must actively commence reprocurement of its MMIS contract or else risk a loss or reduction of the 75/25 Federal Financial Participation (FFP) for MMIS operations. This loss of FFP would result in a critical loss of millions of dollars to the State.
2. The State submitted an Implementation Advanced Planning Document (IAPD) to CMS, which was approved by CMS on May 18, 2004 that delineated the State's plan for the competitive reprocurement of its MMIS, replacing the existing MMIS using a system transfer and enhancement approach. CMS' approval of the State's IAPD resulted in approval of 90/10 Federal Financial Participation (FFP) for State staff costs dedicated to the MMIS reprocurement effort and the costs for Quality Assurance vendor services. Final approval of 90/10 FFP for the MMIS Implementation actual contractor costs would be determined based on CMS approval of the MMIS Implementation contract.
3. The State issued its MMIS Reprocurement RFP, approved by CMS, in September 2004. The RFP was amended through the RFP Addendum 1, also approved by CMS, and released in November 2004. Proposals were received from four vendors in January 2005 and all four proposals were evaluated between January and May of 2005. ACS was selected as the winning bidder, having received the highest point total and having submitted the lowest cost overall.
4. The current MMIS is an aged system, implemented in 1994 and is over 11 years old. The State's existing contract with its current MMIS fiscal agent, Electronic Data Systems (EDS), is in its 11th year. The system has required remediation throughout the past 11 years to address antiquated technology and software.

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5. The inflexible design of the current MMIS requires a significant investment of technical resource effort and cost to implement changes such that system enhancements do not keep pace with the changing nature of the Medicaid business.
6. The new web-based, table-driven, and rules based design features of the new MMIS as incorporated by the contract will allow the State to realize workflow and system operational efficiencies not realized or supported by the current system. Capabilities of the new system will enhance utilization management efforts, facilitate provider self-service including the on-line submission of claims, enforce correct claims editing and payment, and support real-time, on-line claims adjudication, thereby allowing providers to see the immediate results of their claims submissions and allowing for the timely resubmission of claims submitted in error.
7. During the operations phase, even though the scope of functionality and operations services agreed to under this contract will be more expansive, the State will realize a reduction in the annual operating expense of the MMIS as compared with the historical operations expense of Amendments 9 and 10 of the current contract. MMIS operations support is matched at a 75/25 federal/state FFP.
8. The MMIS is the primary automated system providing administrative support to the Department's Medicaid program and is critical to the mission of DHHS. The MMIS will process over 6.5 million Medicaid and other related claims for over \$775 million a year and will issue payment to over 7,000 active providers for services provided on behalf of over 96,000 eligible recipients statewide. The new MMIS will support expanded functionality including acuity processing, county billing and receipts management, and case tracking.

The Implementation contractor must fully implement the new MMIS by November 1, 2007 and the operationalized MMIS must be certified within one year of the go-live date. The contractor is subject to meeting specified performance metrics and the contract provides for liquidated damages to the State in the event that specified performance metrics are not met.

The NH MMIS will be hosted at the Implementation contractors' data center. The contractor is required to maintain local staffing in New Hampshire during the system Design, Development, and Implementation (DDI) period through certification, and while providing on-going system modifications and fiscal agent operations services.

The State, through this contract, acquires the services of ACS State Healthcare, LLC to implement a new NH MMIS that includes all of the functionality required for a certified MMIS including Recipient, Provider, and Reference data management, claims and financial processing, Management Administrative Reporting System (MARS) and Surveillance Utilization Review System (SURS), requisite interface and adhoc reporting capability, and that also includes the integrated functionality to support County Billing and Receivables Management, Acuity Processing including Nursing Facility Cost Reporting, and Case Tracking requirements as

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described and documented in the amended RFP. Consistent with the MMIS RFP Addendum 1, the new MMIS will not include new Pharmacy Benefits Management (PBM) or Decision Support System (DSS) components, but will support interfaces with the State's existing PBM and DSS.

The new MMIS will be constructed using current tools and technology that maximizes use of the Internet and electronic data interchange capability. The web-based user interface will improve provider and recipient access to information and access to self-service capabilities such as on-line provider enrollment processing and claims submission. The NH MMIS will be table-driven and rules-based, and it will support multi-payer and on-line real-time transaction processing.

The design of the new NH MMIS will be more agile and robust to accommodate NH DHHS' enterprise-wide and integrated program management and processing needs. Flexibility features such as table-driven and rules-based capabilities will support the efforts of non-technical business program staff to implement data and processing changes easily and quickly, thereby minimizing the need for major system modification and intervention by technical resources. Workflow processing will enhance the efficiency and automated processing of provider enrollment applications, case tracking activities, and prior authorization management.

BACKGROUND

New Hampshire's current MMIS is a component-based system. It is comprised of three (3) distinct systems, each operated by a different vendor. The three components include the Fee for Service (FFS) NH Automated Information System (NH AIM), maintained and operated by EDS; the Pharmacy Benefits Management (PBM) System maintained and operated by First Health Services Corporation, and the Medicaid Decision Support System (MDSS) operated and maintained by Medstat in conjunction with a team of State technical support staff. The MMIS processes Medicaid payments for covered services provided to New Hampshire Medicaid-eligible persons in both its fee for service and pharmacy benefit management programs. Additionally, the MMIS performs various programmatic review, audit, and reporting functions to assess and evaluate the provision of Medicaid services and the associated payment. The current MMIS meets all certification requirements as set forth by the Centers for Medicare and Medicaid Services (CMS) in Part 11 of the State Medicaid Manual.

Through this contract, the State is acquiring the services of the contractor to replace the NH AIM, Fee for Service component of the MMIS. The FFS component is the traditional MMIS that processes all Medicaid claims, except for pharmacy, and issues payment to providers. The Fee for Service system is the core component of the MMIS. It is the primary tool used by the Department of Health and Human Services to manage its Medicaid program. EDS implemented the NH AIM system in April 1994. The NH AIM system was certified by CMS in 1998. The State owns the NH AIM hardware and software. The new MMIS will support fee for service claims processing as well as improved benefit plan management, and will integrate the Management Administrative Reporting and Surveillance Utilization Review functions currently supported under the MDSS.

The Department and OIT have worked collaboratively with the Federal Centers for Medicare and Medicaid Services (CMS) throughout this procurement and contracting process. MMIS State staff created and submitted the federally required documentation to acquire the

Richard C. Bailey, Jr.
Chief Information Officer
October 17, 2005
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requisite federal prior approvals and to obtain federal authorization for 90/10 FFP for the project. MMIS project staff submitted and received approval from CMS for the following documents:

- Planning advanced planning document (PAPD)
- Implementation advanced planning document (IAPD)
- Amendment 1 to the IAPD
- MMIS RFP 2005-004
- Addendum 1 to MMIS RFP 2005-004

CMS is in the process of reviewing the attached contract and Amendment 2 to the IAPD. CMS has confirmed via email that the contract as submitted is consistent with the IAPD, and therefore, that CMS is not likely to request any changes to the contract.

PRIOR RELATED ACTIONS

Prior related actions in support of the overall MMIS Reprocurement Project include approval acquired to release RFP DHHS-2005-004 for the procurement of the MMIS Reprocurement Project Implementation vendor, approval acquired to release RFP-DHHS-2005-002 to procure the MMIS Quality Assurance Vendor, approval of the contract between the Department and the MMIS Quality Assurance vendor, FOX Systems, Inc., and approval acquired for Amendment 10 to the EDS contract for the continued maintenance and operations support of the existing MMIS.

SUPPORT OF ARCHITECTURE PRINCIPLES

This request supports principles: A1: *The Business Users are Leaders and Owners for All Business Application System Initiatives and Major System Modifications. Information Technology Personnel Must be included to Provide Technical Direction and Support from the Start;* A2: *The State Develops and Implements Information Systems Which Support the Business Goals and Significantly Improve the Effectiveness and Efficiency of All System Users;* A3: *Good Project Management Techniques are Integral to the Successful Development of Application Systems. A Systems Development Methodology is Followed When Analyzing, Designing, Implementing and Maintaining Application systems;* A6: *The State Plans for System maintenance Starting From Initial Systems Development. Planning Continues Throughout the System's Life.*

SUPPORTING DOCUMENTATION

Attachment 1 – Vendor Selection Matrix
Attachment 2 – Contract Documents (P-37, Exhibit A, and Exhibit B)

ALTERNATIVES

The State has considered the need to upgrade its MMIS for a significant period of time. The Department and OIT, in December 2003, issued a Request for Information (RFI) to obtain

Richard C. Bailey, Jr.
Chief Information Officer
October 17, 2005
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information about major medical claims processing alternatives available in the marketplace at that time. Subsequent to receiving responses to the RFI, State staff met with vendors to review MMIS-related solutions and to explore industry experience with the design, development, and implementation of system solutions that were likely to meet the federal certification requirements of an MMIS.

In a letter directed to the State in January 2004, CMS cited the longevity of the current MMIS contract and that the State had not taken action to competitively reprocure its MMIS contract. Therefore, CMS warned that approval of an extension to the existing MMIS contract set to expire on June 30, 2004 and the associated 75/25 FFP for MMIS operations was in jeopardy. CMS advised the State to submit a plan to CMS for the reprocurement of the NH MMIS contract. The Department submitted its Planning Advanced Planning Document (PAPD) to CMS in February 2004, requesting authorization for FFP at 90/10 for the MMIS reprocurement planning effort. CMS approved the PAPD in March 2004.

The State MMIS team conducted a review of the alternatives, completed a comprehensive requirements analysis, strategized about the best approach for ensuring the likelihood of success in implementing an MMIS, and estimated costs based on vendor responses to the Request for Information as well as the cost experiences of other states in implementing an MMIS. The Department summarized its plan for the reprocurement of the NH MMIS in its MMIS Reprocurement Project Implementation Advanced Planning Document (IAPD) that was submitted to CMS in April and approved by CMS in May 2004.

Five possible alternative strategies for the Reprocurement of the NH MMIS were reviewed and were documented in detail in the State's IAPD. The alternatives that were considered were as follows:

1. Takeover and enhance the existing MMIS
2. State takeover of existing MMIS operations
3. Partner with another state
4. Develop a custom MMIS
5. Transfer and enhance an existing MMIS

The transfer and enhance alternative was determined by the State to be potentially less expensive, require less development time, and involve less risk than a building a new custom designed MMIS. Although the transfer approach was likely to require more development time and potentially to be more costly than a takeover of the existing MMIS, the Department held that, based on the cost benefit analysis and the alternatives analysis completed for the IAPD, the investment would be better spent on a new MMIS for New Hampshire that would optimize the advantages of current technologies for meeting the State's current and future business needs.

The State received and evaluated proposals submitted by four different vendors in response to the MMIS RFP. Proposals were received from the following four vendors:

- EDS Information Services, LLC
- Unisys Corporation,
- First Health Services Corporation, and
- ACS State Healthcare, LLC.

Richard C. Bailey, Jr.
Chief Information Officer
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Page 7

All of the proposals were evaluated and scored based on three primary components:

- The proposed solution,
- Vendor qualifications, and
- Overall cost

A team of six evaluators, including staff from the OIT and different business areas of DHHS, reviewed and scored each of the four proposals in their entirety. Counsel specific to process was provided by the DHHS Commissioner's Office throughout the evaluation. Additionally, over 25 subject matter experts were engaged in the review of the vendor proposals, reviewing chapters from all four vendors that were pertinent to their areas of business and/or technical expertise. The subject matter experts provided critical feedback to the evaluation team during evaluation check point meetings, but did not participate in actually scoring the proposals.

All four vendors were invited and chose to participate in two-day, on-site vendor orals. Orals included a system overview focused on specific requirements targeted by the State team, an interactive system demonstration of the transfer system, and a team interview. All vendors received the same advance instructions and schedule of activity for the orals. Subject matter experts were present for the system overviews, had scheduled time to interact with the proposed system transfer solution, and then participated in a debriefing session with the evaluation team.

The Attorney General's Office was consulted throughout the proposal evaluation for the review of findings and for counsel regarding process. Following the Unisys vendor orals, deficiencies in the Unisys proposal were determined, and on presentation to the Attorney General's Office, the Unisys proposal was found to be non-compliant and was disqualified from further consideration. It is important to note that the Unisys proposal was not the lowest cost bid.

Of the three remaining vendor proposed solutions, the final scoring results determined that ACS State Healthcare, LLC had proposed the best MMIS solution for the State of New Hampshire. ACS had also proposed the lowest cost overall. Final point scoring and costs for all vendors except for Unisys which was non-compliant and disqualified from final consideration, are presented in the *Vendor Selection Matrix* in Attachment 1 to this request.

ACS received the highest point total, proposed a state of the art solution that was determined to be the best solution for meeting the functional, technical, and operational MMIS-related requirements 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.

BENEFITS

The MMIS Reprocurement Project and the MMIS solution and fiscal agent services acquired through this contract with ACS State Healthcare, LLC will provide the State with the functional, technical, and operational capability to support more efficient and effective program administration, to facilitate provider access and interaction with the Medicaid program, and to provide State staff with data, process workflows, and tools to help streamline daily business operations.

Richard C. Bailey, Jr.
Chief Information Officer
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Benefits of the new NH MMIS, transferred and enhanced and operated by ACS State Healthcare, LLC include, but are not limited to the following:

1. A new system solution, constructed using current state of the art tools and technologies, that will support the enterprise-wide administration of the NH Medicaid program and additionally will provide processing and operations support for the management of other medical assistance and benefit programs.
2. An MMIS solution that maximizes Federal Financial Participation at 90/10 federal/state match and supports expanded functionality beyond the State's current MMIS, including county billing and receipts management, nursing facility cost reporting and acuity determinations, and case tracking workflows.
3. An expansion of fiscal agent operations services beyond those covered in the current fiscal agent contract, to include maintenance of up to date provider files and billing manuals, data matching for third party coverage, and support for clinical claims auditing, as well as operations support for the three expansion components of the MMIS: county billing, acuity processing, and case tracking.
4. A reduction in the operations cost across the years of the operations phase of this contract as compared with current operations costs under the existing contract. FFP for operations is 75/25 federal/state.
5. Functionality to support efficient program and cost management, including more sophisticated clinical claims editing to ensure the correct and appropriate payment for procedures, enhanced provider utilization monitoring and fraud detection capability to monitor provider activity and ensure the integrity of payments made, and the expanded capability to more clearly define benefit plans and eligible recipients, reducing redundant service delivery to the same recipient under multiple different programs.
6. A web-based user interface and web portal that supports enhanced provider and recipient self-service capabilities, improving provider and recipient ease of access to pertinent up to date information and providing on-line transactional processing to support:
 - On-line, real-time claims submission and adjudication, returning to providers immediate feedback on the status of claims processed, and affording providers the capability to correct errors or to adjust claims in a timely manner
 - Submission of provider enrollment applications and allowing for provider on-line update to contact information, tracking the status of applications, and access to electronic remittance advices
7. A flexible table-driven, rules based design that will allow for changes to be implemented by non-technical state staff, eliminating the need for costly

Richard C. Bailey, Jr.
Chief Information Officer
October 17, 2005
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vendor technical support to implement routine business rules in support of program management. The more agile design of the new MMIS provides the flexibility necessary to further efforts to keep pace with the evolving nature of the Medicaid program and timely implementation of cost savings initiatives.

CONTACT PERSON

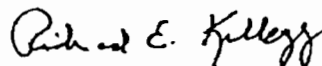
David C. Perry, Jr.
Contracts Manager
Office of Information Technology
49 Donovan Street
Concord, NH 03301
Telephone: (603) 271-4030
Fax: (603) 271-3007
Email: dperry@oit.nh.gov

Richard C. Bailey, Jr.
Chief Information Officer
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CERTIFICATION

The undersigned hereby certify that the information provided in this document and any attachments is complete and accurate and that alternatives to the solution defined in this document have been appropriately considered.

Respectfully submitted,

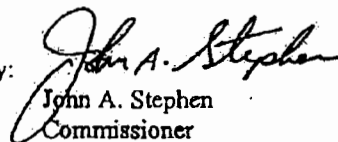


Richard E. Kellogg
Interim Medicaid Director



Peter D. Croteau, Director
Agency Software Division

Approved by:



John A. Stephen
Commissioner

Richard C. Bailey, Jr.
 Chief Information Officer
 October 17, 2005
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Agency: DHHS

Date: October 16, 2005

Date of most recently approved SITP: <u>June 3, 2003</u>
SITP Initiative / Project Name: <u>Medicaid Decision Support System</u>
SITP Initiative / Project Number: <u>13.4 of Table 7.2 Current and Planned Information Technology Initiatives</u>
Project Beginning Date: <u>November 2005</u> Project Ending Date: <u>November 2010</u>

Requisition Information:

Vendor Name	Requisition Number	State contract (Y) or (N)

Funding Sources and Amounts:

Item	Object Code	SFY06	SFY07	SFY08	SFY09	SFY10	SFY11	SFY12	TOTAL
DDI									
STATE	0465	06-07 Capital Budget							\$5,275,085
FEDERAL	0465	06-07 Capital Budget							\$20,878,159
OPERATIONS									
STATE	0465		\$1,191,100	\$1,762,342	\$1,722,352	\$1,717,283	\$1,713,836	\$569,966	\$8,676,879
FEDERAL	0465		\$3,573,300	\$5,287,027	\$5,167,055	\$5,151,848	\$5,141,509	\$1,709,901	\$26,030,640
TOTAL									\$60,860,763

**Sources of Funding

Source	Object Code	Federal/General %	Account	Amount
SFY 06-07 Capital Budget	465	80/20	030-095-0422-090	\$25,000,000
SFY 06-07 Capital Budget	465	72/28	030-095-0145-090	\$1,076,918
SFY 06 IT Operating Budget	465	50/50	010-095-6126-097	\$76,326
SFY 08-10 Operating Budget	465	75/25	010-095-6126-098	\$20,981,087
SFY 11-12 Operating Budget	465	75/25	010-095-6126-098	\$13,728,432
Total:				\$60,860,763

- Information Technology consultants 465: Minor Software (<= \$500/unit) 220; Contract Equipment Repairs 225;
- Software maintenance 230; Maintenance/mini- computer maintenance 231; PC Maintenance 243; Computer lease 256;
- Major Software (>\$500/unit) 312; New PC Hardware 310; New mainframe/mini hardware 315; Replacement mainframe/mini hardware 329;
- PC Hardware replacement 330; Information Technology training and development 805.

Richard C. Bailey, Jr.
 Chief Information Officer
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ATTACHMENT 1: Vendor Selection Matrix

Vendor	Total Score	Proposed Cost Design, Development, and Implementation (DDI)	Proposed Cost 3 Years Operations	Proposed Cost Optional 2 Year Extension	Total Proposed Cost	Final Cost
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

Richard C. Bailey, Jr.
Chief Information Officer
October 17, 2005
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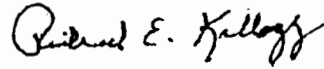
ATTACHMENT 2: CONTRACT

Richard C. Bailey, Jr.
Chief Information Officer
October 17, 2005
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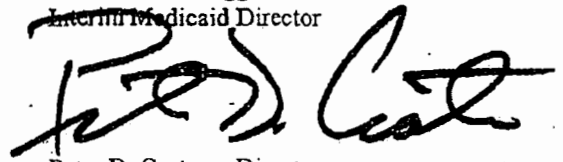
CERTIFICATION

The undersigned hereby certify that the information provided in this document and any attachments is complete and accurate and that alternatives to the solution defined in this document have been appropriately considered.

Respectfully submitted,

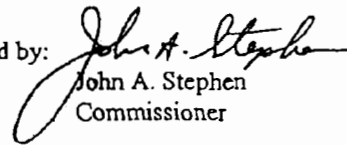


Richard E. Kellogg
Interim Medicaid Director



Peter D. Croteau, Director
Agency Software Division


Approved by:



John A. Stephen
Commissioner

CERTIFICATE OF ASSISTANT SECRETARY

I, Cynthia L. Hageman, in my capacity as Assistant Secretary of ACS State Healthcare, LLC, a Delaware limited liability company (the "Company"), am delivering this Certificate of Assistant Secretary to certify that the following individual is the duly elected, qualified and acting President of the Company and in such capacity is authorized to sign on behalf of the Company that certain Medicaid Management Information System Reprocurement Contract between the State of New Hampshire Department of Health and Human Services and the Company, effective October 12, 2005, and all other documents to be executed in connection therewith on behalf of the Company, and the signature opposite his name is his true and genuine signature.

Officer	Office Held	Signature
Tom Burlin	President	

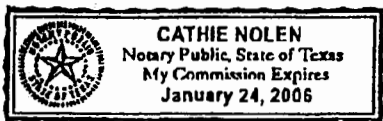
IN WITNESS WHEREOF, I have set my hand to this Certificate as of the 12th day of October, 2005.

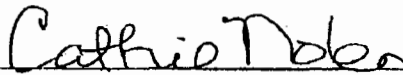
ACS STATE HEALTHCARE, LLC,
a Delaware limited liability company

By: 
Cynthia L. Hageman
Assistant Secretary

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on this 12th day of October, 2005, by Cynthia L. Hageman, Assistant Secretary of ACS State Healthcare, LLC, a Delaware limited liability company, on behalf of said company.




Notary Public, State of Texas

**State of New Hampshire
Department of Health and Human Services
Medicaid Management Information System (MMIS) Reprocurement
Contract Number _____
Exhibit A
Statement of Work**

1. INTRODUCTION

This Contract is entered into by and between the State of New Hampshire, Department of Health and Human Services, with offices at 129 Pleasant Street, Concord, NH 03301 ("State" or "DHHS") and ACS State Healthcare, LLC with offices at 9040 Roswell Road, Suite 700, Atlanta, GA 30350 ("Contractor").

1.1 Purpose

The State is entering into this contract to obtain a new Medicaid Management Information System ("MMIS") for New Hampshire. The Contractor is required to design, install, operate and maintain a customized MMIS that shall meet all of the functional, operational, and technical requirements described in DHHS MMIS Request for Proposals No. 2005-004 ("RFP 2005-004"), as amended [11/9/2004], and meets the MMIS certification requirements of the Centers for Medicare and Medicaid Services ("CMS") for enhanced federal funding. The MMIS shall take advantage of recent technological advancements, and will utilize the system design and technological solutions which are described in the Contractor's Technical Proposal. Provided, however, that the parties may agree to substitute a more advanced, or state-of-the-art technology, which may include a different system development methodology, so long as it provides equivalent or greater functionality.

2. CONTRACT/ORDER OF PRECEDENCE

2.1 Contract Documents

This Contract between DHHS 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
 - Appendix A.1 – Preliminary Work Plan
 - Appendix A.2 – Deliverables List and Payment Schedule
 - Appendix A.3 – Liquidated Damages
 - Exhibit B – Price and Payment Schedule
 - Exhibit C – Special Provisions

- 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 (ADA) Compliance
- Exhibit H – Certification Regarding Environmental Tobacco Smoke
- Exhibit I – Provisions Regarding Health Insurance Portability and Accountability Act Compliance
- Exhibit J – Conflict of Interest Agreement
- 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.

2.2 Contract Interpretation

2.2.1 The parties agree that in resolving any inconsistencies, discrepancies or ambiguity regarding any of the contract documents, the order of precedence shall be the order that the documents are listed, from top to bottom, in section 2.1 above.

2.2.2 In the event of a discrepancy and/or inconsistency within the Contractor's Technical Proposal, or between RFP 2005-004 and the Contractor's Technical Proposal, the Contractor agrees that the terms most favorable to the State, as determined by DHHS shall apply.

2.2.3 To the extent that this Contract makes explicit reference to the functional, technical or operational requirements set forth in RFP 2005-004, as amended, those requirements are understood to be incorporated by reference into this contract and are considered additional terms, in addition to any other specific requirements set forth herein. However, the parties may agree to substitute a more advanced, or state-of-the-art technology, which may include a different system development methodology, so long as it provides equivalent or greater functionality.

3. SCOPE OF SERVICES

3.1 Overview

In general, this non-exclusive contract includes planning, design, installation, data conversion, implementation, documentation, licensing, testing, integration, support, maintenance, training, modifications, enhancements, and operation of the MMIS.

3.1.1 The Contractor shall provide the State the services, software and deliverables described in this Contract and the contract documents in accordance with the time schedule set forth in the Baseline Work Plan.

3.1.2 The Contractor shall meet all of the operational, technical and functional requirements as set forth in RFP 2005-004, except to the extent that the State has formally agreed to relax those requirements in this Contract, or an approved deliverable, or through the formal change request process.

3.1.3 In meeting the operational, technical, and functional requirements set forth in RFP 2005-004, the Contractor shall utilize the specific software and hardware systems and technological solutions as described in the Contractor's Technical Proposal, except to the extent that the State has agreed to relax those requirements in this Contract, or an approved deliverable, or through the formal change request process. Provided, however, that the parties may agree to substitute a more advanced, or state-of-the-art technology, so long as it provides equivalent or greater functionality.

3.1.4 The State agrees that throughout the term of this Contract, it shall make all reasonable efforts to fulfill all of the State Responsibilities identified in RFP 2005-004, including but not limited to, (a) providing all necessary information and data to the Contractor in a timely fashion, (b) working cooperatively with the Contractor's staff to identify the requirements of the new MMIS; (c) making State staff available to participate in Joint Application Development ("JAD") sessions and other required meetings; (d) completing the review of all deliverables within the timeframes established by this Contract, and (e) taking all reasonable steps to ensure the cooperation of the incumbent vendor during the transition.

3.1.5 Notwithstanding the above, the State has the right to take advantage of any advanced, or state-of-the-art technology that Contractor offers, so long as it provides equivalent or greater functionality.

3.2 DDI Phase

This Contract has been divided into two phases: the Design, Development and Implementation (DDI) phase, and the Operations phase. The DDI phase consists of nine sub-phases:

- Project Initiation and Planning
- Requirements Analysis and Validation

- Design
- Construction and Unit Testing
- Integration and System Testing
- Conversion
- Acceptance Test
- Implementation
- Post-Implementation Evaluation

Each of these sub-phases is further divided into a number of tasks and associated deliverables. Appendix A.1, to this Contract contains a Preliminary Work Plan that has been developed by the Contractor and which sets out the steps to be completed throughout the DDI phase. It is understood that the parties will work cooperatively to develop a Baseline Work Plan, following the execution of this contract, and that the Contractor will deliver the Baseline Work Plan as a deliverable to DHHS. Once it is accepted by both parties, the Baseline Work Plan will become part of this contract, and will replace the Preliminary Work Plan. Appendix A.2 to this Contract contains a list of the deliverables associated with each phase, with a date for delivery of each deliverable, the payment schedule for each deliverable including the holdback amount. The delivery date for each deliverable may be amended or adjusted by agreement of the parties in conjunction with the development of the Baseline Work Plan which will be jointly developed by the parties.

3.2.1 Project Initiation and Planning

During this sub-phase, the Contractor shall plan for and prepare to begin other sub-phases of the DDI phase of the project. The Contractor, working closely with DHHS, shall develop and create the following eleven (11) major deliverables: the Project Management Plan; the Baseline Work Plan; the Problem Control and Change Management Plan; the Project Communications Plan; the Quality Assurance Plan; the Requirements Traceability Matrix; the Project Status Report format; the Detailed Implementation Schedule; the Performance Self-Reporting Mechanism; the Preliminary CMS Certification Process Plan; and Concord, NH DDI Site Requirement Plan.

Each of these deliverables shall meet the minimum requirements set forth in RFP 2005-004, Attachment 1, Chapter 1, Section 1.2.3.

In addition to any other provisions herein, the Contractor agrees to fully satisfy each of the Contractor Responsibilities for this sub-phase as set forth in RFP 2005-004, Attachment 1, Chapter 1, Section 1.2.2.

3.2.2 Requirements Analysis and Validation

During this sub-phase, the Contractor shall work to establish a common understanding between DHHS and ACS of the requirements for the new NH MMIS. To reach this goal, the Contractor shall: (a) conduct formal interviews with DHHS subject matter experts, (b) research current programs to identify key areas of questions and

missing information, (c) conduct Joint Application Design (JAD) sessions to come to common understanding of the technical and functional requirements of the new NH MMIS and to orient JAD participants to the look, feel and general functionality of the system.

In addition to any other provisions herein, the Contractor agrees to fully satisfy each of the Contractor Responsibilities for this sub-phase as set forth in RFP 2005-004, Attachment 1, Chapter 1, Section 1.3.2.

The Contractor shall provide the following eight (8) major deliverables as part of the Requirements Analysis and Validation Task: the Requirements Validation Specification (RVS) document; Preliminary Unit and Integrated/System Test Plans; Preliminary Training Plan; Preliminary Conversion/Migration Plan; Preliminary Operations Plan; Preliminary Disaster Recovery Plan; Preliminary Security Plan; and Issues Tracking and Resolution Matrix.

These deliverables shall meet all of the requirements defined in RFP 2005-004 Attachment 1, Chapter 1, Section 1.3.3.

3.2.3 *Design*

During this sub-phase the Contractor shall work with DHHS to design the State's new NH MMIS. The Contractor shall base its design upon the requirements specified in the RVS Document. During this phase, the Contractor shall define the hardware, software, business practices, and implementation resources needed to implement the new MMIS.

In addition to any other provisions herein, the Contractor agrees to fully satisfy each of the Contractor Responsibilities for this sub-phase as set forth in RFP 2005-004, Attachment 1, Chapter 1, Section 1.4.2.

The Contractor shall provide the following eight (8) major deliverables during this sub-phase: General System Design (GSD); Detailed System Design (DSD); Test Environment Preparation Document; Preliminary MMIS Implementation Plan; Preliminary Contingency Plan; Finalized Disaster Recovery Plan; Finalized Security Plan; and Finalized CMS Certification Process Plan.

These deliverables shall meet all of the requirements defined in RFP Attachment 1, Chapter 1, Section 1.4.3.

3.2.4 *Construction and Unit Testing*

During this sub-phase the Contractor shall be responsible for undertaking all necessary activities to transform the design contained in the GSD and DSD documents into a working new MMIS.

In addition to any other provisions herein, the Contractor agrees to fully satisfy each of the Contractor Responsibilities for this sub-phase as set forth in RFP 2005-004, Attachment 1, Chapter 1, Section 1.5.2.

The Contractor shall provide the following ten (10) major deliverables during this sub-phase which include the following: Construction and Unit Test Summary; Unit Test Results; Integration and System Test Scripts; Preliminary MMIS User Manuals; Preliminary Provider Handbooks; Finalized MMIS Implementation Plan; Finalized Integration and System Test Plan; Finalized Contingency Plan; Finalized Conversion/Migration Plan; and Finalized Operations Plan.

These deliverables shall meet all of the requirements defined in RFP Attachment 1, Chapter 1, Section 1.5.3.

3.2.5 Integration and System Testing

During this sub-phase the Contractor shall be responsible for performing subsystem tests, integrated system tests and parallel system tests and conducting a capacity analysis of system traffic to ensure that the NH MMIS functions appropriately per the requirements outlined in the RVS, and more specifically that it processes and pays all claim transactions, processes and reports encounter and eligibility data, updates all types of files, and produces required reports and other outputs.

In addition to any other provisions herein, the Contractor agrees to fully satisfy each of the Contractor Responsibilities for this sub-phase as set forth in RFP 2005-004, Attachment 1, Chapter 1, Section 1.6.2:

The Contractor shall produce the following ten (10) major deliverables during this sub-phase: Integration and System Test Summary; Integration and System Test Results; X12N EDI Companion Guides; Provider Status Evaluation; Preliminary Converted Files; Training Manuals; Revised Detailed System Design; Acceptance Test Plan; Acceptance Test Tracking System; and Finalized Training Plan.

These deliverables shall meet all of the requirements defined in RFP Attachment 1, Chapter 1, Section 1.6.3.

3.2.6 Conversion

During this sub-phase the Contractor shall implement a system to transform the data from the existing MMIS and any other source system identified by DHHS into the new NH MMIS. Working with DHHS, the Contractor shall establish data and file transfer requirements and data sources, develop a conversion plan, and develop a conversion crosswalk. In addition, the Contractor shall undertake conversion testing to verify that current MMIS data, or data from other source systems, is converted and formatted correctly and can be used by the new NH MMIS.

In addition to any other provisions herein, the Contractor agrees to fully satisfy each of the Contractor Responsibilities for this sub-phase as set forth in RFP 2005-004, Attachment 1, Chapter 1, Section 1.7.2.

The Contractor shall produce the following one (1) deliverable for this sub-phase: the Conversion Test Results. This deliverable shall meet all of the requirements defined in RFP Attachment 1, Chapter 1, Section 1.7.3.

3.2.7 Acceptance Test

During this sub-phase the Contractor shall demonstrate the production readiness of the new NH MMIS. The Contractor shall undertake a comprehensive review of all new NH MMIS processing. This shall include, but not be limited to, verification of converted data, system edits and audits, claim adjudication and payment, file management, content and format of all system-generated outputs, and interfaces between subsystems and external sources.

In addition, the Contractor shall undertake Operational Readiness Tests (ORTs) in a live operating environment to demonstrate that the operations staff and procedures meet all of the State's processing requirements, and to ensure that the Contractor is ready to process and pay all claims properly, meet all reporting requirements, and use a properly functioning data communications network, and has a demonstrated backup capacity and an ability to perform all required functions for the anticipated volume of transactions within the schedules established by the State. ORTs shall be undertaken in conjunction with the State, and shall be subject to the State's review and approval.

The Contractor shall also demonstrate and verify, in accordance with the approved Security Plan and Disaster Recovery Plan, that it has adequate physical plant security, data security, fire and disaster prevention and recovery procedures.

In addition to any other provisions herein, the Contractor agrees to fully satisfy each of the Contractor Responsibilities for this sub-phase as set forth in RFP 2005-004, Attachment 1, Chapter 1, Section 1.8.2.

The Contractor shall provide the following four (4) major deliverables during this sub-phase: Acceptance Test Resolutions document; Operational Readiness Report; Finalized MMIS User Manuals; and Finalized MMIS Provider Handbooks.

These deliverables shall meet all of the requirements defined in RFP Attachment 1, Chapter 1, Section 1.8.3.

3.2.8. Implementation

During this sub-phase the Contractor shall carry out a seamless and orderly transition from the incumbent vendor to the Contractor. Upon completion of this sub-

phase, the Contractor shall begin to operate the new NH MMIS, processing all claim types and performing all fiscal agent duties for ongoing operations.

During implementation, the Contractor shall complete the following tasks:

- Executing the implementation plan;
- Establishing production schedules;
- Installing production hardware and software;
- Performing final data conversion;
- Conducting final validation;
- Promoting the system to production;
- Hiring staff;
- Performing user and operations training
- Conducting provider training; and
- Updating MMIS system documentation.

As part of implementation, the Contractor shall also develop a State Training Plan and a Provider Training Plan, which shall be subject to DHHS approval.

In addition to any other provisions herein, the Contractor agrees to fully satisfy each of the Contractor Responsibilities for this sub-phase as set forth in RFP 2005-004, Attachment 1, Chapter 1, Section 1.9.2.

The Contractor shall provide the following two (2) major deliverables during this sub-phase: the MMIS Systems Documentation; and the Results of Final Data Conversion. These deliverables shall meet all of the requirements defined in RFP Attachment 1, Chapter 1, Section 1.9.3.

3.2.9 Post-Implementation Evaluation

During this sub-phase, the Contractor shall take all steps necessary to assist the State in obtaining federal certification of the MMIS with CMS, including but not limited to: preparing all reports and data necessary for certification with CMS; updating documentation, including systems documentation for submission to CMS; and preparing for the CMS on-site review.

In addition to any other provisions herein, the Contractor agrees to fully satisfy each of the Contractor Responsibilities for this sub-phase as set forth in RFP 2005-004, Attachment 1, Chapter 1, Section 1.10.2.

The Contractor shall provide four (4) major deliverables during this sub-phase: the Evaluation Plan; Evaluation Report; Corrective Action Plan; and Certification Manuals. These deliverables shall meet all of the requirements defined in RFP Attachment 1, Chapter 1, Section 1.10.3.

3.3 Operations Phase

During the Operations phase, the Contractor shall operate and maintain the MMIS in a manner that meets all of the systems specifications outlined in Section 3.4 below. More specifically, the Contractor shall be responsible for: acquiring and maintaining all necessary hardware, software and telecommunications equipment; hiring, training and overseeing the staff necessary to operate the MMIS; maintaining and updating all data backup, archive and storage; preparing and distributing all required reports; provider services, including enrollment and inquiry; claims receipt, screening, batching and imaging; technical support; and customer support.

During the Operations Phase, the Contractor shall meet all of the Performance Measures set forth in RFP 2005-004, Attachment 1, Chapter 31.

3.3.1 Maintenance

The Contractor shall be responsible for providing maintenance services to the MMIS throughout the term of this contract. For purposes of this Contract, 'Maintenance' shall be defined to include both routine, as well as unanticipated changes, repairs, alterations or adjustments that are required to: sustain routine system operation and availability, correct defects; meet the performance requirements detailed in the RFP; ensure that data, tables, programs and documentation are current and that errors are found and corrected. The Contractor shall provide necessary Maintenance services, including ongoing changes to software and other component parts of the MMIS throughout the term of this contract in order to ensure that the MMIS system meets federal certification requirements, any and all federal and state statutory or regulatory requirements, and any requirements contained in the CMS State Medicaid Manual.

The Maintenance function of the MMIS shall meet all of the functional requirements set out in RFP 2005-004, Attachment 1, Chapter 28, Section 1.4. Furthermore, the Contractor agrees to fully satisfy all of the Contractor Responsibilities associated with the Maintenance functions, as set forth in RFP 2005-004, Attachment 1, Chapter 28, Section 1.3.

3.3.2 Modifications

For purposes of this Contract, 'Modification' shall be defined as a change or addition identified by DHHS or Contractor which is not required by regulatory or contractual obligations.

The Contractor shall be responsible for implementing any Modifications to the new NH MMIS as requested by the State throughout the term of this Contract, so long as the number of hours spent on said Modifications does not exceed the total Modification hour limitation as agreed to by the Parties.

Modification hours for each year of operations following the implementation of the MMIS will equal 5,000 hours for each year. The Parties agree that these Modification hours shall be non-lapsing at the end of each year such that any unused Modification hours from one year shall roll forward and be added to the 5,000 hour threshold for the following year of this contract or shall be added to the Modification hour threshold established for the subsequent year of an optional amendment.

All Modifications to the MMIS shall be initiated by means of a written Change Request, submitted either by State staff or Contractor staff. In either case, no work shall be done on any Modifications to the system unless and until the State (a) has reviewed all documentation related to the change, and (b) has given final approval to the work.

The Modifications function of the MMIS shall meet all of the functional requirements set out in RFP 2005-004, Attachment 1, Chapter 29, Section 1.4. Furthermore, the Contractor agrees to fully satisfy all of the Contractor Responsibilities associated with the Modification functions, as set forth in RFP 2005-004, Attachment 1, Chapter 29, Section 1.3.

3.3.3 Turnover Tasks

The period commencing twelve (12) months prior to the end of the contract (or any contract amendment) through to the conclusion of the contract period is referred to as the Turnover Phase. The Turnover Phase is the period of transition during which the MMIS and all related operational and technical support activities that have been maintained by the Contractor shall be turned over to the State and/or a subsequent fiscal agent.

During the Turnover Phase, the Contractor shall be responsible for engaging in activities necessary to wind down its operations and ensure a smooth transition to the entity which will be responsible for taking over operations of the MMIS.

During the Turnover Phase, the Contractor shall carry out all of the tasks and meet all of the functional and technical requirements identified in RFP 2005-004, Attachment 1, Chapter 30, Section 1.3 through 1.6.

The parties agree that the costs associated with the turnover activities specified in the RFP have been included in the annual operations costs, and that there shall not be any additional costs to the State associated with the Turnover activities.

3.4 System Specifications

3.4.1 *General*

The new MMIS shall be a flexible, business-rules-based system that supports not only core MMIS functionality but also changes easily with shifting Federal and State policies. The MMIS shall be designed using a modular, table-driven structure that accommodates changes and easily integrates new modules. The MMIS tables shall support on-line add/change transactions and all transactions must appear in an on-line printable, audit trail report. The MMIS shall be rules-based, incorporating table-driven, on-line customizable business rules that can be easily configured and adapted to accommodate changing business needs.

Furthermore, the MMIS shall meet all of the general operational, technical, and functional requirements as listed in RFP 2005-004, Attachment 1, Chapter 2, Sections 1.1 through 1.37, and the Technical Requirements contained in RFP 2005-004, Attachment 1, Chapter 27, Sections 1.1 through 1.24.

In meeting the operational, technical and functional requirements listed in RFP 2005-004, the Contractor shall, to the greatest extent possible, utilize and implement those technical solutions which are discussed and outlined in the Contractor's Technical Proposal. However, the parties may agree to substitute a more advanced, or state-of-the-art technology, so long as it provides equivalent or greater functionality.

3.4.2 *Recipients*

The new MMIS shall have the capability to maintain a comprehensive relational database of current and historic information for recipients who have qualified to participate in NH health care programs, updated through the New HEIGHTS daily interface, interfaces with other systems, and on-line data entry.

The Recipient function of the MMIS shall meet the business needs identified in RFP 2005-004, Attachment 1, Chapter 3, Section 1.1, and shall meet all of the functional requirements set out in RFP 2005-004, Attachment 1, Chapter 3, Section 1.4.

Furthermore, the Recipient subsystem shall contain all necessary interfaces as defined in RFP 2005-004, Attachment 1, Chapter 3, Section 1.5. The Recipient function shall further accommodate all of the required inputs, and produce the required outputs, as specified in RFP 2005-004, Attachment 1, Chapter 3, Sections 1.6 and 1.7 respectively.

In addition to any other provisions herein, the Contractor agrees to fully satisfy all of the Contractor Responsibilities associated with the Recipients System, as set forth in RFP 2005-004, Attachment 1, Chapter 3, Section 1.3.

3.4.3 *Benefits*

The new MMIS shall include a benefits administration subsystem which shall support multi-program processing, including managed care as well as fee-for-service programs.

The Benefits subsystem shall meet the business needs identified in RFP 2005-004, Attachment 1, Chapter 4, Section 1.1, and shall meet all of the functional requirements set out in RFP 2005-004, Attachment 1, Chapter 4, Section 1.4.

Furthermore, the Benefits subsystem shall contain all necessary interfaces as defined during the requirements analysis phase. The Benefits subsystem shall accommodate all of the required inputs, and produce the required outputs, as specified in RFP 2005-004, Attachment 1, Chapter 4, Sections 1.6 and 1.7 respectively.

In addition to any other provisions herein, the Contractor agrees to fully satisfy all of the Contractor Responsibilities associated with the Benefits subsystem as set forth in RFP 2005-004, Attachment 1, Chapter 4, Section 1.3.

3.4.4 *Providers*

The new MMIS shall have the capability to maintain comprehensive current and historical information about medical and non-medical providers who have applied to participate in Medicaid, and other current or future State benefit programs.

The Provider sub-system shall meet the business needs identified in RFP 2005-004, Attachment 1, Chapter 5, Section 1.1, and shall meet all of the functional requirements set forth in RFP 2005-004, Attachment 1, Chapter 5, Sections 1.4 through 1.17.

Furthermore, the Provider subsystem shall contain all necessary interfaces as defined in RFP 2005-004, Attachment 1, Chapter 5, Section 1.18. The Provider subsystem shall further accommodate the required inputs, and produce the required outputs, as specified in RFP 2005-004, Attachment 1, Chapter 5, Sections 1.19 and 1.20 respectively.

In addition to any other provisions herein, the Contractor agrees to fully satisfy all of the Contractor Responsibilities associated with the Provider subsystem, as set forth in RFP 2005-004, Attachment 1, Chapter 5, Section 1.3.

3.4.5 *Eligibility Verification System*

The new MMIS shall contain an Eligibility Verification System (EVS) which shall receive and process eligibility inquiries and responses. The EVS system shall be available 24 hours a day, 7 days a week, and shall interface with the Provider and Recipient databases to access the information necessary to respond to inquiries. The EVS system shall accept provider inquiries and provide electronic responses to inquiries regarding recipient eligibility status and other eligibility-related information. The EVS system makes the information available through the appropriate HIPPA-mandated electronic transactions, ANSI X12N 270 and 271.

The Eligibility Verification subsystem shall meet the business needs identified in RFP 2005-004, Attachment 1, Chapter 6, Section 1.1 and shall meet all of the functional requirements set forth in RFP 2005-004, Attachment 1, Chapter 6, Section 1.4.

Furthermore, the Eligibility Verification subsystem shall accommodate the required inputs, and produce the required outputs, as specified in RFP 2005-004, Attachment 1, Chapter 6, Sections 1.6 and 1.7 respectively.

In addition to any other provisions herein, the Contractor agrees to fully satisfy all of the Contractor Responsibilities associated with the Eligibility Verification subsystem, as set forth in RFP 2005-004, Attachment 1, Chapter 6, Section 1.3.

3.4.6 Automated Voice Response

The new MMIS shall include an Automated Voice Response System (AVRS) which shall provide user-friendly, real-time, touch-tone telephone access to recipient eligibility, provider warrant, prior authorization, and claim status information for NH Medicaid-enrolled Providers.

The AVRS shall meet the business needs identified in RFP 2005-004, Attachment 1, Chapter 7, Section 1.1, and shall meet all of the functional requirements set forth in RFP 2005-004, Attachment 1, Chapter 7, Section 1.4.

Furthermore, the AVRS shall accommodate the required inputs, and produce the required outputs, as specified in RFP 2005-004, Attachment 1, Chapter 7, Sections 1.6 and 1.7, respectively.

In addition to any other provisions herein, the Contractor agrees to fully satisfy all of the Contractor Responsibilities associated with the AVRS subsystem, as set forth in RFP 2005-004, Attachment 1, Chapter 7, Section 1.3.

3.4.7 Electronic Claims Management (ECM)

The NH MMIS shall contain an Electronic Claims Management (ECM) subsystem, which shall accept and process electronic claims, either in a batch mode or as interactive inquiries, and shall provide for electronic claim status requests via HIPAA-mandated ANSI X12N 276 and 277 transactions.

The ECM subsystem which the Contractor provides shall meet all of the business needs identified in RFP 2005-004, Attachment 1, Chapter 8, Section 1.1, and will meet all of the functional requirements set forth in RFP 2005-004, Attachment 1, Chapter 8, Section 1.4.

Furthermore, the ECM subsystem shall accommodate the required inputs, and produce the required outputs, as specified in RFP 2005-004, Attachment 1, Chapter 8, Sections 1.6 and 1.7, respectively.

In addition to any other provisions herein, the Contractor agrees to fully satisfy all of the Contractor Responsibilities associated with the ECM subsystem as set forth in RFP 2005-004, Attachment 1, Chapter 8, Section 1.3.

3.4.8 *Reference*

The New NH MMIS shall contain a Reference database function which shall maintain a timely, accurate, automated and date-sensitive data repository of reference data, including current and historical status and all required attributes, such as rates, units, provider restrictions, and prior authorizations. The Contractor shall utilize a web-based, table-driven relational database to support this functionality.

The Reference database shall meet all the business needs identified in RFP 2005-004, Attachment 1, Chapter 9, Section 1.1, and shall meet all of the functional requirements set forth in RFP 2005-004, Attachment 1, Chapter 9, Section 1.4.

Furthermore, the Reference database shall contain all necessary interfaces as defined in RFP 2005-004, Attachment 1, Chapter 9, Section 1.5. The Reference database shall further accommodate the required inputs, and produce the required outputs; as specified in RFP 2005-004, Attachment 1, Chapter 9, Sections 1.6 and 1.7, respectively.

In addition to any other provisions herein, the Contractor agrees to fully satisfy all of the Contractor Responsibilities associated with the Reference database, as set forth in RFP 2005-004, Attachment 1, Chapter 9, Section 1.3.

3.4.9 *Prior Authorization*

The New NH MMIS shall contain a Prior Authorization (PA) function, which shall support the tracking of prior authorization requests and disposition for

services and procedures requiring review and approval, based upon State prior authorization rules, policies and procedures.

The PA subsystem shall meet the business needs identified in RFP 2005-004, Attachment 1, Chapter 10, Section 1.1, and shall meet all of the functional requirements set forth in RFP 2005-004, Attachment 1, Chapter 10, Section 1.4.

Furthermore, the PA subsystem shall contain all necessary interfaces as defined in RFP 2005-004, Attachment 1, Chapter 10, Section 1.5. The PA subsystem shall further accommodate the required inputs, and produce the required outputs, as specified in RFP 2005-004, Attachment 1, Chapter 10, Sections 1.6 and 1.7, respectively.

In addition to any other provisions herein, the Contractor agrees to fully satisfy all of the Contractor Responsibilities associated with the PA subsystem, as set forth in RFP 2005-004, Attachment 1, Chapter 10, Section 1.3.

3.4.10 Claims Control/Entry

The New NH MMIS shall contain a Claims Control/Entry function which shall ensure that all claim records are captured at the earliest possible time and in an accurate manner by monitoring the movement and distribution of all claim records batches once they are entered into the system to ensure an accurate audit trail from receipt through data entry to final disposition.

The Claims Control/Entry subsystem shall meet the business needs identified in RFP 2005-004, Attachment 1, Chapter 11, Section 1.1, and will meet all of the functional requirements set forth in RFP 2005-004, Attachment 1, Chapter 11, Section 1.4.

Furthermore, the Claims Control/Entry subsystem shall contain all necessary interfaces as defined in RFP 2005-004, Attachment 1, Chapter 11, Section 1.5. The Claims Control/Entry subsystem shall further accommodate the required inputs, and produce the required outputs, as specified in RFP 2005-004, Attachment 1, Chapter 11, Sections 1.6 and 1.7, respectively.

In addition to any other provisions herein, the Contractor agrees to fully satisfy all of the Contractor Responsibilities associated with the Claims Control/Entry subsystem, as set forth in RFP 2005-004, Attachment 1, Chapter 11, Section 1.3.

3.4.11 Claims Processing

The New NH MMIS shall contain a Claims Processing sub-system, which shall perform full online adjudication of all claims received via the web, batch, paper, WINASAP2003, and exam entry functions. The Claims Processing

subsystem shall be capable of maintaining the applicable rules and policies, maintaining the pricing methodologies, processing claims to a finalized status or suspending claims for review, and providing required reports and statistics for management review.

The Claims Processing subsystem shall fully support the following functions:

- edit/audit function, which shall ensure that all claims, financial transactions and payments are processed according to State and Federal rules, policies and guidelines,
- pricing and adjudication function which shall process claims through to final adjudication,
- claims suspense resolution function, which shall allow for claims to be held in various systems for review and resolution, based on claims processing rules and the business need, and
- fiscal pend function which shall allow for the identification and selection of adjudicated claims and financial transactions for exclusion from payment during selected financial cycles.

The Claims Processing subsystem shall meet the business needs identified in RFP 2005-004, Attachment 1, Chapter 12, Section 1.5, and shall meet all of the functional requirements set forth in RFP 2005-004, Attachment 1, Chapter 12, Section 1.8 through 1.10.

Furthermore, the Claims Processing subsystem shall accommodate the required inputs, and produce the required outputs, as specified in RFP 2005-004, Attachment 1, Chapter 12, Sections 1.12 and 1.13, respectively.

In addition to any other provisions herein, the Contractor agrees to fully satisfy all of the Contractor Responsibilities associated with the Claims Processing subsystem, as set forth in RFP 2005-004, Attachment 1, Chapter 12, Section 1.7.

3.4.12 Claims Financial and Reporting

The New NH MMIS shall contain a Claims Financial and Reporting subsystem, which shall be capable of managing the processing of payments. This subsystem contains three separate functions: (i) claims operation management, which is a reporting and data archival function; (ii) payment processing, which includes the capability to process payments whether issued via check or Electronic Funds Transmittals (EFT), the generation of check or EFT files, check registers, remittance advices, and all payment balancing and control reports, as well as processing provider 1099 information; (iii) adjustment processing, which includes claim specific adjustments, gross level adjustments, and mass adjustments of claims.

The Claims Financial and Reporting subsystem shall meet the business needs identified in RFP 2005-004, Attachment 1, Chapter 13, Section 1.4, and shall meet all of the functional requirements set forth in RFP 2005-004, Attachment 1, Chapter 13, Sections 1.7 through 1.10.

Furthermore, the Claims Financial and Reporting subsystem shall contain all necessary interfaces as defined in RFP 2005-004, Attachment 1, Chapter 13, Section 1.11. The Claims Financial and Reporting subsystem shall further accommodate the required inputs, and produce the required outputs, as specified in RFP 2005-004, Attachment 1, Chapter 13, Sections 1.12 and 1.13, respectively.

In addition to any other provisions herein, the Contractor agrees to fully satisfy all of the Contractor Responsibilities associated with the Claims Financial and Reporting subsystem, as set forth in RFP 2005-004, Attachment 1, Chapter 13, Section 1.6.

3.4.13 *Third Party Liability (TPL)*

The New NH MMIS shall contain a Third Party Liability (TPL) processing subsystem, which shall be capable of performing the following functions:

- maintaining a database of third-party liability information,
- identifying third party resources available to Medicaid recipients,
- identifying potential coverage by third parties,
- cost-avoiding claims, where appropriate, where there is potential third party coverage, and
- providing users with on-line access to information necessary to effectively manage and operate the TPL program.

The TPL subsystem shall satisfy the business needs identified in RFP 2005-004, Attachment 1, Chapter 14, Section 1.1, and shall meet all of the functional requirements set forth in RFP 2005-004, Attachment 1, Chapter 14, Section 1.4.

Furthermore, the TPL subsystem shall contain all necessary interfaces as defined in RFP 2005-004, Attachment 1, Chapter 14, Section 1.5. The TPL subsystem shall further accommodate the required inputs, and produce the required outputs, as specified in RFP 2005-004, Attachment 1, Chapter 14, Sections 1.6 and 1.7, respectively.

In addition to any other provisions herein, the Contractor agrees to fully satisfy all of the Contractor Responsibilities associated with the TPL subsystem, as set forth in RFP 2005-004, Attachment 1, Chapter 14, Section 1.3.

3.4.14 *Early and Periodic Screening, Diagnosis and Treatment (EPSDT)*

The New NH MMIS shall contain an Early and Periodic Screening, Diagnosis and Treatment (EPSDT) subsystem, which shall be capable of tracking and reporting on services to recipients eligible for the EPSDT program.

The EPSDT subsystem shall satisfy the business needs identified in RFP 2005-004, Attachment 1, Chapter 15, Section 1.1, and shall meet all of the functional requirements set forth in RFP 2005-004, Attachment 1, Chapter 15, Section 1.4.

Furthermore, the EPSDT subsystem shall accommodate the required inputs, and produce the required outputs, as specified in RFP 2005-004, Attachment 1, Chapter 15, Sections 1.6 and 1.7, respectively.

In addition to any other provisions herein, the Contractor agrees to fully satisfy all of the Contractor Responsibilities associated with the EPSTD subsystem, as set forth in RFP 2005-004, Attachment 1, Chapter 15, Section 1.3.

3.4.15 Management and Administrative Reporting System (MARS)

The New NH MMIS shall contain a Management and Administrative Reporting System (MARS) which will provide timely and meaningful information about the NH Medicaid Program and support the business decision-making process.

The MARS subsystem shall satisfy the business needs identified in RFP 2005-004, Attachment 1, Chapter 16, Section 1.1, and shall meet all of the functional requirements set forth in RFP 2005-004, Attachment 1, Chapter 16, Section 1.4.

Furthermore, the MARS subsystem shall accommodate the required inputs, and produce the required outputs, as specified in RFP 2005-004, Attachment 1, Chapter 16, Sections 1.6 and 1.7, respectively.

In addition to any other provisions herein, the Contractor agrees to fully satisfy all of the Contractor Responsibilities associated with the MARS subsystem, as set forth in RFP 2005-004, Attachment 1, Chapter 16, Section 1.3.

3.4.16 Surveillance and Utilization Reporting System (SURS)

The New NH MMIS shall contain a Surveillance and Utilization Reporting System (SURS) which shall be designed to identify and correct fraud and abuse within the Medicaid Program and to assure that appropriate health care is delivered to Medicaid recipients according to current standards of practice aimed at promoting quality improvement resulting in optimal outcomes of health.

The SURS system shall satisfy the business needs identified in RFP 2005-004, Attachment 1, Chapter 17, Section 1.1, and shall meet all of the functional requirements set forth in RFP 2005-004, Attachment 1, Chapter 17, Section 1.4.

Furthermore, the SURS system shall accommodate the required inputs, and produce the required outputs, as specified in RFP 2005-004, Attachment 1, Chapter 17, Sections 1.6 and 1.7, respectively.

In addition to any other provisions herein, the Contractor agrees to fully satisfy all of the Contractor Responsibilities associated with the SURS system, as set forth in RFP 2005-004, Attachment 1, Chapter 17, Section 1.3.

3.4.17 Care Management

The New NH MMIS shall contain functionality which shall allow the State, in the future, to implement primary care case management (PCCM) or some other form of provider risk-sharing arrangement, or high-risk case management or disease-specific case management. The new NH MMIS shall be capable of supporting the requirements for implementing and operating these changes.

The Care Management functions shall satisfy the business needs identified in RFP 2005-004, Attachment 1, Chapter 18, Section 1.1, and shall meet all of the functional requirements set forth in RFP 2005-004, Attachment 1, Chapter 18, Sections 1.4 through 1.8.

Furthermore, the Care Management functions shall accommodate the required inputs, and produce the required outputs, as specified in RFP 2005-004, Attachment 1, Chapter 18, Sections 1.10 and 1.11, respectively.

In addition to any other provisions herein, the Contractor agrees to fully satisfy all of the Contractor Responsibilities associated with the Care Management functions, as set forth in RFP 2005-004, Attachment 1, Chapter 18, Section 1.3.

3.4.18 Case Tracking

The New NH MMIS shall contain a Case Tracking function which shall provide a variety of case tracking capabilities, including the ability to track the process of medical eligibility determinations and enrollment into DHHS services; the ability to automatically produce form letters; and the ability to provide time sensitive case management of recipients, including progress notes.

The Case Tracking function shall satisfy the business needs identified in RFP 2005-004, Attachment 1, Chapter 19, Section 1.1, and shall meet all of the functional requirements set forth in RFP 2005-004, Attachment 1, Chapter 19, Section 1.4.

Furthermore, the Case Tracking function shall accommodate the required inputs, and produce the required outputs, as specified in RFP 2005-004, Attachment 1, Chapter 19, Sections 1.6 and 1.7, respectively.

In addition to any other provisions herein, the Contractor agrees to fully satisfy all of the Contractor Responsibilities associated with the Case Tracking function, as set forth in RFP 2005-004, Attachment 1, Chapter 19, Section 1.3.

3.4.19 Ad Hoc Reporting

The New NH MMIS shall provide the capability to meet the special and ad hoc reporting needs of the MMIS users, including user-friendly, online report request capability and replacement of printed reports with on-line viewing of information.

The Ad Hoc Reporting function shall satisfy the business needs identified in RFP 2005-004, Attachment 1, Chapter 20, Section 1.1, and shall meet all of the functional requirements set forth in RFP 2005-004, Attachment 1, Chapter 20, Section 1.4.

Furthermore, the Ad Hoc Reporting function shall accommodate the required inputs, and produce the required outputs, as specified in RFP 2005-004, Attachment 1, Chapter 20, Sections 1.6 and 1.7, respectively.

In addition to any other provisions herein, the Contractor agrees to fully satisfy all of the Contractor Responsibilities associated with the Ad Hoc Reporting function, as set forth in RFP 2005-004, Attachment 1, Chapter 20, Section 1.3.

3.4.20 County Billing and Receipts

The New NH MMIS shall provide County Billing and Receipts functionality, which shall support the overall management and financial reconciliation of county bills and receipts activities.

The County Billing and Receipts functionality shall satisfy the business needs identified in RFP 2005-004, Attachment 1, Chapter 21, Section 1.1, and shall meet all of the functional requirements set forth in RFP 2005-004, Attachment 1, Chapter 21, Sections 1.4 through 1.8.

Furthermore, the County Billing and Receipts functionality shall contain the required interfaces as designated in RFP 2005-004, Attachment 1, Chapter 21, Section 1.9. The County Billing and Receipts functionality shall further accommodate the required inputs, and produce the required outputs, as specified in RFP 2005-004, Attachment 1, Chapter 21, Sections 1.10 and 1.11, respectively.

In addition to any other provisions herein, the Contractor agrees to fully satisfy all of the Contractor Responsibilities associated with the County Billing and Receipts functionality, as set forth in RFP 2005-004, Attachment 1, Chapter 21, Section 1.3.

3.4.21 *Acuity Rate Setting*

The New NH MMIS shall contain an Acuity Rate Setting and Claims Processing function which shall carry out the functions necessary to determine the acuity classification for individual nursing facility residents based on data provided to Contractor by DHHS; set and periodically recalculate nursing facility payment rates; automate the processing of nursing facility cost reporting; and pay Medicaid nursing facility claims based upon the acuity level of each individual resident and the corresponding acuity rate for the facility.

The Acuity Rate Setting and Claims Processing function shall satisfy the business needs identified in RFP 2005-004, Attachment 1, Chapter 23, Section 1.1, and shall meet all of the functional requirements set forth in RFP 2005-004, Attachment 1, Chapter 23, Sections 1.4 through 1.6.

Furthermore, the Acuity Rate Setting and Claims Processing function shall contain the required interfaces as designated in RFP 2005-004, Attachment 1, Chapter 23, Section 1.7. The Acuity Rate Setting and Claims Processing function shall further accommodate the required inputs, and produce the required outputs, as specified in RFP 2005-004, Attachment 1, Chapter 23, Sections 1.8 and 1.9, respectively.

In addition to any other provisions herein, the Contractor agrees to fully satisfy all of the Contractor Responsibilities associated with the Acuity Rate Setting and Claims Processing function, as set forth in RFP 2005-004, Attachment 1, Chapter 23, Section 1.3.

3.4.22 *Security*

The New NH MMIS shall provide security from anticipated threats or hazards to its data, and shall restrict the availability of data to appropriate staff and other designated individuals and organizations using standardized system applications and data security capabilities.

The Contractor shall take reasonable and appropriate safeguards to secure the MMIS against hardware failure, software failure or human intervention.

The Contractor shall ensure that the MMIS development and operations are in compliance with both state and federal regulations and guidelines related to security, privacy, confidentiality, and auditing.

The Security function shall satisfy the business needs identified in RFP 2005-004, Attachment 1, Chapter 25, Section 1.1. In addition to any other provisions herein, the Contractor agrees to implement security measures that fully comply with the functional requirements set forth in RFP 2005-004, Attachment 1, Chapter 25, Sections 1.2 through 1.9.

3.4.23 Disaster Recovery and Backup

The Contractor shall design, create and implement a Disaster Recovery and Backup plan, which shall ensure, to the greatest extent possible, that the MMIS shall be protected against hardware and software failures, human error, natural disasters, and other emergencies that could interrupt services.

The Disaster Recovery and Backup plan shall satisfy the business needs identified in RFP 2005-004, Attachment 1, Chapter 26, Section 1.1, and shall meet all of the functional requirements set forth in RFP 2005-004, Attachment 1, Chapter 26, Sections 1.2 through 1.3.

4. SCHEDULE OF PERFORMANCE

4.1 Effective Date

4.1.1 This Contract and all obligations of the parties hereunder shall take effect on the date of approval of this Contract by the Governor and Council of the State of New Hampshire (the "Effective Date").

4.1.2 The State does not require the Contractor to commence work prior to the Effective Date; however, if the Contractor commences work prior to the Effective Date, such work shall be performed at the sole risk of the Contractor. In the event that this Contract does not become effective, the State shall be under no obligation to pay the Contractor for any costs incurred or services performed; however, if the Contract becomes effective, all costs incurred prior to the Effective Date shall be paid under the terms of the contract.

4.2 Schedule of Performance

4.2.1 The Contractor will commence work on the DDI phase of the contract within five calendar days of the Effective Date. The parties agree that time is of the essence. The Contractor shall meet all deadlines set forth in this Contract. Absent written approval by the State, the DDI phase shall be completed on or before the 24-month anniversary of the Effective Date of this Contract.

4.2.2 The Operations Phase shall commence on the first day of the month immediately following the date when the new State-approved MMIS is fully operational (the "go live" date). For example, if the MMIS system is fully operational on October 20, 2007, the Operations Phase will commence on

November 1, 2007. The MMIS implementation and the start of operations are contingent on State approval and documentation in writing that the State agrees to a specified go-live date based on the criteria set forth in RFP Section 6.15 Testing and Acceptance. The Contractor's initial term of the Operations Phase shall run for three years, and absent a contractual extension jointly agreed by the parties, will terminate on the first day of the month following the five year anniversary of the Effective Date. The State, at its sole discretion, may exercise an option to extend the Operations Phase of the contract for an additional two-year period. If the State exercises its option to extend the contract, the Operations Phase will terminate on the first day of the month following the seven-year anniversary of the Effective Date.

4.2.3. The total length of this Contract, including both the DDI phase and the Operations Phase is limited to five (5) years, unless the State exercises its contractual right to extend the contract, in which case the total length of the Contract, including both the DDI Phase and the Operations Phase will be limited to seven (7) years.

4.2.4 The Preliminary Work Plan contained in Appendix A.1 and the deliverables schedule in Appendix A.2 are both premised on the Effective Date of the contract falling on or before October 19, 2005. If the Start Date is delayed for any reason beyond the control of the Contractor, as approved by the State, which approval shall not be unreasonably withheld, all dates shall be moved accordingly to reflect the difference between the Effective Date and October 19, 2005. For example, if the Effective Date occurs 14 days after October 19, 2005, then all of the dates contained in the Work Plan and the Deliverables Schedule shall be adjusted by 14 days to reflect this delay.

4.2.5 For purposes of this contract, "days" shall be defined to include weekends and holidays unless specifically defined as a "business day." However, if the due date falls on a weekend or holiday, the due date shall be the next business day.

4.2.6 At least six months prior to the scheduled termination of the contract, the State shall notify Contractor in writing whether or not it elects to exercise its option to extend the contract.

5. STATEMENT OF WORK

During the Design, Development, and Implementation (DDI) phase of this contract the Parties agree that either party may request a change within the scope of the statement of work of this contract. Any such request for a change within the scope of this contract shall be made by written change order and shall follow the procedure set forth in RFP Section 6.16, Change Control Procedures

5.1 Work Plan

The DDI phase is intended to last for twenty-four (24) months following the Effective Date of this Contract. Appendix A.1 to this contract consists of the Preliminary Work Plan, which sets out in detail the various tasks, which will be accomplished by the Contractor during the DDI Phase, and the dates of completion. It is the parties' mutual intent to avoid any deviation from a timetable, in the absence of prior written approval from the State. Subsequent to the signing of this Contract, the parties will jointly develop and agree upon a Baseline Work Plan, which will be a deliverable supplied by the Contractor. Once it has been accepted and adopted by the parties, the Baseline Work Plan will replace the Preliminary Work Plan, and will be incorporated into the Contract.

The Baseline Work Plan will contain dates that accurately reflect the actual Start Date of this Contract and will be delivered within ten(10) days of the Effective Date of this Contract.

The parties recognize that the Baseline Work Plan is intended to be a dynamic document subject to amendments and revisions in accordance with the provisions in Section 5.2 below.

5.2 Periodic Work Plan Updates

Beginning on the twentieth (20th) day after the Effective Date of this Contract, and continuing every fourteenth (14th) day thereafter until the end of the DDI phase, the Contractor shall submit an updated Work Plan to the State project manager, which accurately reflects the status of the project schedule, tasks, deliverables, critical events, task dependencies, and payment schedule.

No changes to the work plan are permitted without the prior written approval of the State. Within five (5) days from the receipt of the updated Work Plan, the project manager shall notify the Contractor as to whether the changes contained in the updated Work Plan are accepted or rejected. Approval by the State shall not be unreasonably withheld.

5.3 Delays

In the event of a delay in the schedule, the Contractor shall immediately notify the State in writing. The written notification shall identify the nature of the delay; its estimated duration period to reconciliation; specific actions or inactions of the Contractor or State causing the problem; specific actions that need to be taken to correct the problem; and the expected schedule impact on the project.

After notification of a delay the State and the Contractor shall negotiate in good faith to resolve the difficulty and to adjust the work schedule. Any agreements to adjust the work schedule based upon such negotiations shall be memorialized in a written agreement by the State. Absent the State's written consent, no changes to the work schedule are permitted.

Time is of the essence in this Contract. If the Contractor fails to meet a deadline imposed by the Work Plan, and the parties are unable to reach a negotiated agreement to extend the deadline, the State reserves the right to declare the Contractor to be in default, and to pursue any and all remedies whether at law or equity.

6. DELIVERABLES

The Contractor shall provide the State with the deliverables listed in Appendix A.2. All deliverables shall be subject to the State's acceptance in accordance with the following time frames:

- **Written Deliverables:** The State shall review the Written Deliverables for an acceptance period of ten (10) business days after receiving written certification from the Contractor that the Written Deliverable is final, complete, and ready for review. The State shall notify the Contractor in writing of its acceptance or non-acceptance of a Deliverable by the end of the ten (10) business day review period. If any deficiency exists, the State shall notify the Contractor in writing of the deficiency and the Contractor shall correct the deficiency within five (5) business days of receipt of notice from the State. Any such correction shall be made at no charge to the State. Upon receipt of the corrected deliverable, the State shall have seven (7) business days to review the corrected Written Deliverable and notify the Contractor of its acceptance or rejection thereof. The State reserves the right to extend the approval period when multiple and/or complex deliverables are presented at the same time, provided Contractor shall receive a commensurate extension to the stated time period in the event addition time is needed for the State to perform its review.
- **Software Deliverables:** The State shall evaluate Software Deliverables during the Conversion and Test Phases.

If any deliverable is rejected by the State, and the Contractor fails to remedy the defect to the State's satisfaction within the agreed upon time-frame, the State may declare the Contractor in default, terminate this Contract, and pursue its remedies in law or in equity. The State's option to terminate this Contract and pursue its remedies shall remain in effect until satisfactory completion of all acceptance testing under this Contract.

7. TESTING AND ACCEPTANCE

The Contractor shall provide an integrated and coherent approach to complete system testing, deficiency testing, training, and warranty services to ensure a successful MMIS implementation.

The Contractor shall undertake the following levels of testing:

- Construction and Unit Testing;
- Conversion Testing;

- System Testing;
- Integration/Parallel Testing;
- User Acceptance Testing;
- Regression Testing; and
- Virus Scanning.

In regard to each of these different testing activities, the Contractor shall meet the functional requirements set forth in RFP 2005-004, Section 6.15.

The Contractor shall allow a minimum of 24 weeks for User Acceptance Testing, including Operational Readiness Testing.

The Contractor shall be responsible for:

- establishing multiple test environments;
- identifying, preparing, and documenting all test plans, test scenarios, test scripts, test data and expected results;
- providing a mechanism for reporting actual test results vs. expected test results, and for resolution and tracking of all problems and errors identified during testing.

The Contractor shall maintain an automated tracking mechanism to ensure all deficiencies identified are logged along with their resolution.

The Contractor shall establish a test center with all necessary equipment for testing, including hardware and software.

During the testing process, the Contractor shall work cooperatively with the State's Quality Assurance (QA) vendor, in the development, execution and review of the data and test results.

If the Contractor fails to make corrections within the time allotted by the State, or if the entire system fails the acceptance test, the State may, at its option: (i) terminate this Contract, in whole or in part, by providing written notice to the Contractor, without penalty or obligation to the State, and deem the Contractor in default; (ii) return the Contractor's product and receive a refund of all amounts paid, including but not limited to, applicable license fees within ninety (90) days of notification to the Contractor of the State's intent to request a refund, or (iii) pursue its available remedies at law or in equity.

The State's option to pursue these remedies remains in effect until satisfactory completion of all acceptance testing.

8. CONTRACT ADMINISTRATION

8.1 Project Staff

Handwritten signature and date:
10/19/05

During the term of this Contract, the Contractor shall provide a fully-staffed project team. All project staff assigned by the Contractor shall meet the minimum qualifications required by the terms of this Contract, including but not limited to DHHS MMIS RFP 2005-004.

The State reserves the right to require removal or reassignment of Contractor's Key staff, as defined below, that are found unacceptable to the State. The State may conduct reference checks on Contractor's Key staff. The State reserves the right to reject Contractor's Key staff as a result of such reference checks

The Contractor shall not reduce overall project staffing levels without the prior written approval of the State. The Contractor shall seek to avoid having to replace project staff except as necessary due to sickness, death, termination of employment, or unpaid leave of absence. In the event Contractor has a legitimate business need to replace project staff, Contractor will discuss the situation with the State along with plans for replacement staff. Replacement project staff shall have comparable or greater skills with regard to performance of the project as the staff being replaced. The State shall have final approval over any proposed replacement of Key Staff.

8.1.1 *Key Staff*

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

- Helen Wetherbee – Project Manager;
- Steve Olson – Implementation Manager;
- Sue Cooke – Functional Manager;
- Peggy Easley – QA/Test manager;
- Alek Szlam – Technical Manager;
- Doug White – Conversion/Data Migration Manager;
- *To Be Determined* – Documentation Specialist;
- Doug Gilliatt – Interface Lead;
- Diane Gately – Training/Provider Relations Manager;
- *To Be Determined* – Ad Hoc Specialist;
- *To Be Determined* – Maintenance Manager;
- *To Be Determined* – Modifications Manager.
- Pamela Mark – Operations/Claims Processing Manager

The parties agree that the success of the MMIS project depends upon the availability of the Contractor's Key Staff during critical phases of project activity, such as requirements analysis, design, testing, training and implementation. Therefore, the Contractor shall take all reasonable measures to ensure that Key Staff are available during critical phases of project activity, either by being located on-site in New Hampshire or by being available when needed on-site, at the request of the State.

The Contractor shall make every effort to avoid changing any Key Staff throughout the contract period, unless such replacement is necessary due to sickness, death, termination of employment or unpaid leave of absence. Any such changes to the Contractor's key staff shall require the prior written approval of the State.

The State reserves the right to require removal or reassignment of the Contractor's key staff found unacceptable to the State.

8.2. Project Workspace and Equipment

During the term of this Contract, the Contractor shall procure, furnish and equip an appropriate office location ("Office") within the City of Concord, within 15 minutes of the DHHS's Pleasant Street building, sufficient to house the new MMIS project, and all staff, hardware, software and equipment necessary to develop the MMIS through contract completion. The Office shall be sufficient to house the Contractor's project staff and twenty-five (25) members of the State project personnel assigned to the Contractor's site, which may include Quality Assurance contractor personnel.

The Office shall include the necessary furnishings, telephones, internet access, shared server, and shared office equipment such as printers and photocopiers. Leasing or purchasing of the Office, as well as procurement of the necessary equipment, shall be the sole responsibility of the Contractor.

The Contractor shall allow the State, and its authorized representatives, at all reasonable times, to enter all areas of the Contractor's premises where duties under this Contract are being performed, to inspect, monitor, or otherwise evaluate the work being performed.

During the DDI phase of the Contract, the Contractor shall ensure that the Project Manager is generally available on-site in New Hampshire Monday through Friday, 8:00 a.m. – 5:00 p.m.

In addition to any other provisions herein, the Contractor shall provide a workspace which meets all of the requirements set forth in RFP 2005-004, Section 6.19.3.

8.3 ACS Project Manager

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

Helen Wetherbee,
Project Manager

ACS State Healthcare, LLC
9040 Roswell Road, Suite 700
Atlanta, GA 30350

Or

2 Pillsbury Place,
Concord, NH 03301
901-496-9227/Helen.Wetherbee@acs-inc.com

or a designated successor.

The State reserves the right to approve or disapprove the Contractor's Contract Manager, and to require removal and replacement of any Contract Manager who, in the sole judgment of the State, is not performing to the State's satisfaction.

To the greatest extent possible, the State shall attempt to channel all communications with the Contractor through the Project Manager, who shall be the primary liaison between the Contractor and the State.

8.4 State Project Manager

The State shall designate a Project Manager who shall function as the State's representative with regard to review and acceptance of Contract Deliverables, invoice sign off, review and approval of Change Proposals (CP) utilizing the Change Control Procedures (CPC), and development of amendments to this Contract. This person shall be:

Diane Delisle
Director, MMIS
N.H. Department of Health and Human Services
129 Pleasant Street
Thayer Building
Concord, NH 03301
603-271-7238 / Fax 603-271-2679 / diane.delisle@oit.nh.gov

or a designated successor.

8.5 Access/Cooperation

As applicable, and subject to the applicable laws and regulations, the State shall provide the Contractor access to all program files, libraries, personal computer-based systems, software packages, network systems, security systems, and hardware as required to complete the contracted services.

The State shall use reasonable efforts to provide approvals, authorizations, and decisions reasonably necessary to allow the Contractor to perform its obligations under this Contract.

9. TERMINATION

9.1 Event of Default/Remedies

9.1.1 In case of a default by either party, the opposing party shall provide written notice of default describing the other party's failure to perform under the contract. The notice of default shall give the other party at least thirty (30) days to cure the default. If the defaulting party fails to cure the default within the cure period, the other party may terminate the contract and pursue its remedies at law or equity or both. Neither party is permitted to terminate the contract or seek a judicial remedy for breach unless the defaulting party has been provided written notice and an opportunity to cure the default.

9.1.2 In the event that the State declares the Contractor in default and terminates the contract, the State may, at a minimum, take any or all of the following actions:

9.1.2.1 Set off against any other obligations the State may owe to the Contractor

9.1.2.2 Procure equipment, software, and/or services that are the subject of this Contract from another source, and the Contractor shall be liable for all damages up to one and a half times the contract price, including but not limited to (i) the cost differences between the contract price and the cost of procuring replacement equipment, software, and/or services from another source and (ii) if applicable, all administrative costs directly related to the replacement of this Contract, such as costs of competitive bidding, mailing, advertising, applicable fees, charges or penalties, and staff time costs, (iii) the cost of continuing to operate the current NH MMIS until such time as a new MMIS is operational.

9.1.2.3 Treat this Contract as breached and pursue any of its remedies at law or in equity, or both; and

9.1.2.4 If the State terminates the contract for cause under Section 9.3, in addition to any other remedies, the State shall have the right to receive prompt reimbursement of all payments made to Contractor under this Contract for any deliverables that are not usable by the State in completing the work hereunder, at the sole judgment of the State. Such termination shall be deemed due to Contractor's default and shall be without any penalty or liability on the part of the State.

9.1.3 No remedy conferred under this Contract is intended to be exclusive of any other remedy, and each remedy is cumulative and in addition to every other remedy in the contract. The State's election of any remedy or remedies shall not constitute a waiver of its right to pursue other available remedies.

9.2 Termination for Convenience

The State may, at its sole discretion, terminate this Contract, in whole or part, by providing thirty (30) days written notice to the Contractor. In the event of such termination for convenience, the State shall pay the Contractor (a) the agreed upon price, if separately stated, for deliverables for which acceptance has been given by the State, (b) amounts for services provided prior to the date of termination for which no separate price is stated and which are not associated with or related to a specific development but which have not received acceptance. The amount for such services and deliverables in development but not accepted shall be in accordance with Exhibit B, Firm Fixed Price Payment Schedule.

During the thirty (30) day notice period (see above), the Contractor shall wind down and cease its services as quickly and efficiently as reasonably possible, without performing unnecessary services or activities and by minimizing negative effects on the State from such winding down and cessation of services.

9.3 Termination for Cause

The State may terminate the Contract based upon the failure of the Contractor to perform its obligations under the Contract, including without limitation, the following:

9.3.1. The State may terminate this Contract by written notice if it determines that the Contractor has violated state or federal laws regarding ethics in public acquisition and procurement and performance of contracts.

9.3.2 The State may terminate the Contract by written notice if it determines that the Contractor, and/or any of its officials, employees or agents received payments of gratuities or kickbacks from a subcontractor.

9.3.3 The State may terminate the Contract by written notice if the Contractor replaces any of its Key Staff without first seeking State's prior written approval, or if the Contractor replaces a member of the Key Staff with a person who lacks the necessary qualifications for the work, or is otherwise unacceptable to the State. Prior to terminating the contract pursuant to this provision, the State shall provide written notice to the Contractor granting it thirty (30) days to cure the default by removing or reassigning the unacceptable staff member.

9.4 Termination Procedure

9.4.1 Upon termination of this Contract, the State, in addition to any other rights provided in this Contract, may require the Contractor to deliver to the State any property, including without limitation, hardware, equipment, software and written deliverables, which has been created pursuant to this Contract prior to termination.

9.4.2 After receipt of a notice of termination, and except as otherwise directed by the State, the Contractor shall:

- Immediately stop work under this Contract, to the extent specified in the notice;
- Promptly, but in no event later than thirty (30) days after issuance of the State's termination notice, terminate its orders and subcontracts related to the work which has been terminated and settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the State to the extent required, which approval or ratification will not be unreasonably withheld.
- Take such action as the State directs, or as necessary to preserve and protect the property related to this Contract which is in the possession of the Contractor and in which the State has an interest;
- Transfer title to the State and deliver in the manner, at the times, and to the extent directed by the State, any property which is required to be furnished to the State and which has been accepted or requested by the State; and
- Provide written certification to the State that the Contractor has surrendered to the State all such property.

10. SPECIFIC MANDATES

10.1 Failure to Meet Start Date for Operations Phase

The Contractor agrees 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, or other date as agreed upon by the State, including the cost necessary for the State to continue to operate the current NH MMIS until such time as the new MMIS is operational. The Contractor shall also forfeit all claims for payment of monthly expenses and operational payments for any month after the 24-month anniversary of the Effective Date that the new MMIS remains non-operational. The foregoing provisions shall not apply in the event that any delay is caused primarily by the State. The parties agree to rely upon the dispute resolution procedure outlined in Section 17 below in the event that a disagreement arises regarding which party is responsible for a delay in implementation.

10.2 Failure to Ensure Federal Certification

The Contractor agrees to make the State whole for any losses, including financial, arising from the Contractor's failure to ensure that Federal certification approval for the maximum allowable enhanced Federal Financial Participation (FFP) for the NH MMIS is achieved within one (1) year of the operational start date, and that FFP is retroactively approved to the operational start date. If the Contractor fails to garner CMS certification, in a timely manner, the Contractor shall be liable to the State for the difference between the maximum allowable FFP and the amount actually received by the State during the period when certification was denied. The State will work in good faith to obtain FFP to the operational start date, and in addition the State will provide the necessary resources and direction to Contractor during the certification process.

Should de-certification of the NH MMIS, or any component part of it, occur prior to Contract termination, the Contractor shall be liable for any damages resulting from its actions or inaction relating to the de-certification and loss of allowable enhanced FFP.

10.3 Failure to Meet State Medicaid Manual

The Contractor agrees to make the State whole for any losses, including financial, arising from the Contractor's failure to perform all of its Medicaid functions according to the terms and conditions required by the State Medicaid Manual, Part 11.

If during the Operations Phase, CMS imposes fiscal sanctions against the State as a result of the Contractor's or any subcontractor's action or inaction, the Contractor shall compensate the State for the entire amount lost by the State by the imposition of the CMS sanction. The Contractor further agrees that the State shall be permitted to use an off-set against future payments to recover the cost of any sanctions by CMS which are the result of the Contractor's actions or inactions.

11. LIQUIDATED DAMAGES

The State and the Contractor agree that it will be extremely impracticable and difficult to determine actual damages sustained by the State in the event the Contractor fails to maintain the required performance standards throughout the life of this Contract. Any failure to achieve performance levels by the Contractor will delay and disrupt the State's operations and obligations, leading to a significant impact. Therefore the parties agree that liquidated damages as specified in Appendix A.3 are reasonable.

The assessment of liquidated damages shall be in addition to, and not in lieu of, such other remedies as may be available to the State. Except and to the extent expressly provided herein, the State shall be entitled to recover liquidated damages under each section applicable to any given incident.

The State shall determine compliance and assessment of liquidated damages on a monthly basis. The State shall notify the Contractor of the potential assessment, in writing, of all liquidated damages. Liquidated damages may be recovered by means of a

set-off against future payments under the Contract. If the Contractor disagrees with the assessment of liquidated damages, it shall inform the State in writing of the basis of its disagreement. The parties will make a good faith effort to negotiate any disagreements regarding the applicability of liquidated damages. If the parties are unable to reach agreement, the parties will rely upon the dispute resolution process set forth in Section 17 below.

12. CHANGE OF OWNERSHIP

The Contractor shall notify the State if there is any change in the ownership of the Contractor, including but not limited to a sale, merger, or acquisition by another entity. In the event of a change of ownership of the Contractor for any reason whatsoever, the State shall have the option of continuing under this Contract with the Contractor or its successors or assigns for the full remaining term of this Contract, continuing the Contract with the Contractor or its successor or assigns for such period of time as determined by the State, or immediately terminating this Contract. Within 30 days of receiving notice of the change in ownership, the State shall notify the Contractor whether the State intends to terminate the contract, continue it for a period of time, or continue it for the full remaining term. If the State terminates the Contract as a result of a change in ownership by the Contractor, the State will have no liability to the Contractor, its successors or assigns.

13. WARRANTIES

13.1 Warranty Period

The Warranty Period shall commence upon the operational start date of the state-approved new MMIS, and shall continue until Federal Certification is received. Except as provided in sections 13.1.1 and 13.1.2 below, the Warranty Period will terminate following receipt of Federal Certification, when the State issues the Contractor a Letter of Acceptance for the MMIS.

13.1.1 The Warranty Period will be extended for six (6) months for any system changes that were completed during the certification period for purposes of gaining certification compliance.

13.1.2 The Warranty Period shall be extended for an additional thirty (30) calendar days for any deficiencies that were corrected or repaired within the final thirty (30) days of the Warranty Period.

13.2 Scope of Warranties

13.2.1 The Contractor warrants that the MMIS, including but not limited to the system and its individual modules, functions, and elements, shall conform when completed to the specifications, terms and requirements of this Contract,

including but not limited to all system elements, i.e. the software, hardware and interfaces.

13.2.2 The Contractor warrants that all software provided, including but not limited to, the individual modules, functions, and elements, furnished under this Contract, shall function properly, and shall meet the requirements and specifications of this Contract, and shall operate in accordance with those specifications.

13.2.3 The Contractor warrants that it has good title to, or the right to allow the State to use, all services, equipment, and software provided under this Contract, and that such services, equipment, and software do not violate or infringe any patent, trademark, copyright, trade name or other intellectual property rights or misappropriate a trade secret of any third party. This warranty shall be ongoing and perpetual and shall survive the termination or conclusion of this Contract.

13.2.4 The Contractor warrants that the software it provides under this contract shall not contain any viruses, destructive programming, or mechanisms designed to disrupt the performance of the software in accordance with the specifications.

13.2.5 The Contractor warrants that all system components, including but not limited to the individual modules of functions and elements, including any replacement or upgraded system software components provided by the vendor shall be free from any deficiencies, and shall be compatible with each other and shall operate with the rest of the system software without any loss of functionality.

13.2.6 The Contractor warrants that all services to be provided under this Contract shall be provided in a professional manner in accordance with industry standards.

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

13.3 Warranty Services

13.3.1. During the Warranty Period, the Contractor shall maintain, repair or correct any deficiencies in the system, including but not limited to the individual modules or functions and elements, at no additional cost to the State, in accordance with the specifications and requirements of this Contract.

13.3.2 The Contractor shall correct all deficiencies found during the Warranty Period, at no cost to the State within a reasonable amount of time as determined jointly by the parties.

13.3.3 In the event the Contractor fails to correct a deficiency within the period of time allotted, the State shall have the right, at its option: (i) to declare the Contractor in default, terminate the contract, in whole or in part pursuant to the termination provisions of section 9.1 above, without penalty to the State; or (ii) to pursue its available remedies at law or in equity.

13.3.4 In addition to any other provisions herein, the Contractor shall provide the specific Warranty Services that are specified in RFP 2005-004, Section 6.17.2, subsections a through h during the Warranty Period.

14. FEDERAL CERTIFICATION

The Contractor shall provide the State with an MMIS that meets all federal CMS MMIS certification requirements, and which is capable of gaining certification. The Contractor shall provide the State with an MMIS that fully complies with all design and operational requirements specified in the State Medicaid Manual Part 11, and all related federal regulations. The Contractor shall provide the State with an MMIS that operates, at all times, in conformity with the approved State Plan, the policies and procedures of the State, in order to ensure compliance for the certification. System certification shall be obtained retroactive to the operational start date.

In addition to any other provisions herein, the Contractor shall meet all of the requirements for federal certification set forth in RFP 2005-004, Section 6.18.

15. HIPPA COMPLIANCE

The Contractor warrants and agrees that it will take all necessary measures to protect the privacy and provide for the security of any protected health information as required by the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPPA"). To the extent that HIPPA requires, the contractor shall enter into agreements with the State required to comply with HIPPA, including but not limited to the Business Associate Agreement contained in Exhibit H hereto

16. GENERAL CONTRACT REQUIREMENTS

16.1 Conditional Nature of Contract

Notwithstanding any provision in this Contract to the contrary, all obligations of the State, including without limitation, the continuance of payments, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments in excess of such available appropriated funds. In the event of a

reduction or termination of those funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate the Contract immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account in the event funds in the account identified for the Medicaid Management Information System Reprocurement Project are reduced or unavailable.

16.2 Force Majeure

Neither Contractor nor the State shall be responsible for delays or failures in performance resulting from events beyond the control of such party and without fault or negligence of such party. Such events shall include, but not be limited to, acts of God, strikes, blackouts, riots, acts of war, epidemics, fire, power failures, nuclear accidents, earthquakes, and unusually severe weather.

16.3 Access To and Control of Information

16.3.1 In performing its obligations under this Contract, the Contractor may gain access to information of the State, including confidential information. The Contractor shall not use information developed or obtained during the performance of, or acquired or developed by reason of this Contract, except as is directly connected to and necessary for the Contractor's performance under this Contract.

16.3.2 The Contractor shall maintain the confidentiality of and protect from unauthorized use, disclosure, publication, and reproduction, all information of the State that becomes available to the Contractor in connection with its performance under this Contract, regardless of its form.

16.3.3 Any disclosure of the State's information shall require prior written approval of the State. The Contractor shall immediately notify the State if any request, subpoena or other legal process is served upon the Contractor regarding the State's information, and the Contractor shall cooperate with the State in any effort it undertakes to contest the subpoena or other legal process at no additional cost to the State.

16.3.4 In the event of unauthorized use or disclosure of the State's information, the Contractor shall immediately notify the State, and the State shall immediately be entitled to pursue any remedy at law, including, but not limited to injunctive relief.

16.3.5 Insofar as the Contractor seeks to maintain the confidentiality of its confidential or proprietary information, the Contractor must clearly identify in writing the information it claims to be confidential or proprietary. The Contractor acknowledges that the State is subject to applicable state laws and regulations governing disclosure of information, including but not limited to the Right to

Know Law, RSA 91-A. The State shall maintain the confidentiality of the identified confidential or proprietary information insofar as it is consistent with applicable state and federal laws and regulations, including but not limited to RSA 91-A. In the event the State receives a request for the information identified by the Contractor as confidential or proprietary, the State shall notify the Contractor and specify the date the State will be releasing the requested information. Any effort to prohibit or enjoin the release of the information shall be the Contractor's sole responsibility at the Contractor's sole expense. If the Contractor fails to obtain a court order enjoining the disclosure, the State shall release the information on the date specified in the State's notice to the Contractor without any State liability to the Contractor.

16.3.6 This section shall survive the termination of this Contract.

16.4 Licenses

During the development and implementation of the project, the Contractor shall provide the State with all of the necessary user rights and/or licenses in any software used for the MMIS. The Contractor shall acquire and hold the software license through the successful completion of the implementation of the project. At the successful completion of the implementation of the project, the Contractor shall issue the State a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use and authorize others to use for Federal Government purposes, software, modifications to software, and documentation that was designed, developed, installed or enhanced as part of the NH MMIS project.

16.5 Intellectual Property

The State shall hold all ownership, title, and rights in any custom software designed or developed in connection with performance of obligations under this Contract, or modifications to the software, and their associated documentation including any and all performance enhancing operational plans and Contractor's special utilities. The State shall have sole right to produce, publish, or otherwise use such software, modifications, and documentation developed under this Contract and to authorize others to do so.

In no event shall the Contractor be precluded from developing for itself, or for others, materials that are competitive with, or similar to, custom software, modifications, reports and documentation, developed in connection with performance of obligations under the contract. In addition, the Contractor shall be free to use its general knowledge, skills, experience, and any other ideas, concepts, know-how and techniques that are acquired or used in the course of its performance under this agreement.

All deliverables, in whole and in part, shall be deemed works made for hire of State for all purposes of copyright law, and copyright shall belong solely to the State. To the extent that any such deliverable does not qualify as a work for hire under applicable law, and to the extent that the deliverable includes materials subject to copyright, patent,

trade secret, or other proprietary right protection, the Contractor agrees to assign, and hereby assigns, all right, title and interest in and to deliverables, including without limitation all copyrights, inventions, patents, trade secrets, and other proprietary rights therein to the State.

16.6 Performance Bond

16.6.1 Within ten (10) business days of the Effective Date of the Contract, the Contractor shall furnish the State with a Performance Bond in an amount equal to twenty percent (20%) of the total of the "Total DDI Cost" as set forth in Exhibit B to this Contract. The Contractor shall bear the full expense of both the initial and the annual premiums of the performance bond. Failure to procure a satisfactory performance bond shall be grounds for termination of the Contract.

16.6.2 The Performance Bond shall be issued by a licensed insurance company authorized to do business in the State of New Hampshire and made payable to the State of New Hampshire. The Performance Bond shall secure the performance of the Contractor, including without limitation performance of the services in accordance with the Work Plan.

16.6.3 The Performance Bond shall be maintained by the Contractor in full force and effect until successful completion of the Warranty Period for the MMIS as defined in section 13.3 of this Contract.

16.7 Non-Solicitation of Employees

During the term of this Contract and for a period of one (1) year after its expiration or termination, the parties agree not to employ, offer employment, or refer for employment to any third party, any employees of the other party in any capacity without prior written consent of the other party.

16.8 Non-Exclusive Contract

It is understood that this contract is a non-exclusive agreement, and that the State of New Hampshire retains its right to contract with other entities or organizations to provide any additional services related to the operation, enhancement, or modification of the MMIS.

17 DISPUTE RESOLUTION PROCESS

17.1 The parties shall use their best, good faith efforts to cooperatively resolve disputes and problems that arise in connection with this Contract. When a dispute arises between the Contractor and the State, both parties will attempt to resolve the dispute pursuant to this section and will continue without delay to carry out all their respective responsibilities under this Contract.

17.2 The Contractor and the State will use their best efforts to resolve disputes arising in the normal course of business at the lowest organizational level between each party's staff with appropriate authority to resolve such disputes. When a dispute arises between the parties which cannot be resolved in the normal course of business, the State Project Manager and the ACS Project Manager shall each notify the other of the dispute, with the notice specifying the disputed issue. The State Project Manager and the ACS Project Manager shall use their best, good faith efforts to resolve the dispute within five business days of submission by either party to the other of such dispute notice.

17.3 If the Project Managers are unable to resolve the dispute within such five business days, they shall immediately escalate the matter to the ACS Regional Vice President in charge of the Northeast Region and the Medicaid Director for the State of New Hampshire, which will have ten business days to resolve the dispute.

17.4 If the representatives identified in 17.3 above are unable to resolve the dispute within such period, the matter shall be referred to the Managing Director of ACS Government Health Care Solutions and to the Commissioner of the Department of Health and Human Services, which will have ten business days to resolve the dispute. If these representatives are unable to resolve the dispute within such period, either party may pursue its available legal and equitable remedies.

17.5 Discussions and correspondence among the representatives for purposes of these negotiations shall be treated as confidential information developed for purposes of settlement, exempt from discovery and production, which shall not be admissible in litigation, subject to applicable State and Federal law. Documents identified in or provided with such communications, which are not prepared for purposes of the negotiations, are not so exempted and may, if otherwise admissible, be admitted in evidence in a lawsuit.

State of New Hampshire
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 Medicaid Management Information System (MMIS) Reprourement Contract
 Appendix A.1 – Preliminary Work Plan

WBS	Task Name	Duration	Start	Finish	Resource Names
	New Hampshire MMIS	758 days?	8/15/2005	7/22/2008	
1	Intent to Award	0 days	8/15/2005	8/15/2005	
2	Performance Bond to Department	0 days	8/26/2005	8/26/2005	
3	Contract Start Date	0 days	10/20/2005	10/20/2005	
4	Project Management, Initiation and Planning	460 days	10/20/2005	8/6/2007	
4.1	Establish Project Document Repository	1 day	10/20/2005	10/20/2005	Business Analysts
4.2	Conduct/Attend Project Kickoff Meeting	1 day	10/20/2005	10/20/2005	Implementation Manager
4.3	Project Team Establishment	1 day	10/21/2005	10/21/2005	Implementation Manager
4.4	Develop (Modify) Standard Plans	15 days	10/24/2005	11/11/2005	
4.5	Develop (Modify) Standard Deliverable Formats	5 days	10/21/2005	10/27/2005	
4.6	Review Standard Plans and Formats	38 days	10/24/2005	12/15/2005	
4.7	Requirements Traceability Matrix	28 days	10/21/2005	11/30/2005	
4.8	Detailed Project Work Plan	38 days	10/21/2005	12/14/2005	
4.9	Develop Performance Report Card (Performance Self-Reporting Mechanism)	65 days	10/21/2005	1/24/2006	
4.10	Performance Report Card/Self-Reporting Mechanism Approved	0 days	1/24/2006	1/24/2006	
4.11	Facilities / Space Planning	108 days	10/20/2005	3/23/2006	
4.12	Project Management Tracking	456 days	10/26/2005	8/6/2007	
5	Requirements Analysis and Validation	243 days?	10/17/2005	9/28/2006	
5.1	Conduct Requirements Validation Specification (RVS) Activities	92.83 days?	10/17/2005	2/27/2006	
5.2	Approved Master RVS	0 days	2/27/2006	2/27/2006	
5.3	Issues Tracking and Resolution Matrix	33 days	10/28/2005	12/14/2005	
5.4	Approved Issues Tracking and Resolution Matrix	0 days	12/14/2005	12/14/2005	
5.5	Preliminary Test Plan	53 days	1/25/2006	4/7/2006	
5.6	Approved Preliminary Test Plan	0 days	4/7/2006	4/7/2006	
5.7	Preliminary Disaster Recovery Plan (DRP)	28 days	10/28/2005	12/7/2005	
5.8	Approved Preliminary DRP	0 days	12/7/2005	12/7/2005	
5.9	Preliminary Training Plan - DHHS and Provider Training	29 days	5/9/2006	6/19/2006	
5.10	Preliminary Training Plan Approved	0 days	6/19/2006	6/19/2006	
5.11	Preliminary Operations Plan	48 days	4/11/2006	6/16/2006	
5.12	Preliminary Operations Plan Revisions Approved	0 days	6/16/2006	6/16/2006	
5.13	Preliminary Security Plan	60 days	7/6/2006	9/28/2006	
5.14	Preliminary Security Plan Approved	0 days	9/28/2006	9/28/2006	
5.15	Written Approval to Proceed to Design Phase	0 days	2/27/2006	2/27/2006	
6	Design	501 days?	10/20/2005	10/2/2007	

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WBS	Task Name	Duration	Start	Finish	Resource Names
6.1	Critical Systems Acquisitor and Deployment	395 days	1/10/2006	7/23/2007	
6.2	EDI Hardware	40 days	11/30/2005	1/27/2006	
6.3	Conduct General System Design (GSD) Activities	130.93 days?	10/20/2005	4/25/2006	
6.4	Preliminary MMIS Implementation Plan	43 days	2/27/2006	4/27/2006	
6.5	Preliminary Contingency Plan	43 days	2/27/2006	4/27/2006	
6.6	Finalized Disaster Recovery Plan (DRP)	28 days	2/27/2006	4/6/2006	
6.7	Finalized Certification Process Plan	28 days	2/27/2006	4/6/2006	
6.8	Finalized Security Plan	42 days	9/29/2006	11/28/2006	
6.9	Fiscal Agent Facility and Staffing	179.7 days	4/20/2006	1/3/2007	
6.10	Define Transition Requirements	321 days	7/6/2006	10/2/2007	
6.11	Finalized Integration and System Test Plans	38 days	4/10/2006	6/1/2006	
7	Construction and Testing	362 days?	12/16/2005	5/16/2007	
7.1	MMIS Base System Environment Setup	106 days	12/16/2005	5/16/2006	
7.2	UAT Procedures	53 days	4/7/2006	6/21/2006	
7.3	Construction	232 days?	3/13/2006	2/6/2007	
7.4	Preliminary MMIS User Manuals	59 days	5/15/2006	6/7/2006	
7.5	Finalized MMIS Implementation Plan	33 days	7/24/2006	9/7/2006	
7.6	Finalized Contingency Plan	33 days	7/24/2006	9/7/2006	
7.7	EDI Development	253 days	4/11/2006	4/5/2007	
7.8	Preliminary Provider Manuals/Handbooks	37 days	2/27/2006	4/19/2006	
7.9	Provider Bulletins	35 days	2/27/2006	4/17/2006	
7.10	Finalized Operations Plan	38 days	9/6/2006	10/27/2006	
7.11	Operational Procedures Development	131 days	10/30/2006	5/2/2007	
7.12	Complete Departmental Work Plans	10 days	5/3/2007	5/16/2007	
8	Integration	390 days	10/20/2005	4/30/2007	
8.1	Establish System Test Environment(s)	15.5 days	1/17/2006	2/7/2006	
8.2	Segue Setup	8 days	10/20/2005	10/31/2005	
8.3	Reporting	10 days	10/20/2005	11/2/2005	
8.4	Defect Tracking	65.5 days	10/20/2005	1/24/2006	
8.5	Provider Re-Enrollment	111 days	11/24/2006	4/30/2007	
8.6	Training Materials and Manuals	42 days	8/30/2006	10/27/2006	
8.7	Finalized Training Plan	32 days	7/17/2006	8/29/2006	
9	Conversion	331.17 days	2/9/2006	5/25/2007	
9.1	Adapt Conversion/Migrator Plan	42 days	2/9/2006	4/10/2006	

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WBS	Task Name	Duration	Start	Finish	Resource Names
9.2	Develop Balancing Summaries	100 days	1/8/2007	5/25/2007	SE[328%]
9.3	Develop Validation Summaries	100 days	12/8/2006	4/27/2007	SE[324%]
9.4	Code and Unit Test Conversion Programs	20 days	12/13/2006	1/10/2007	
9.5	Run Sample Conversion	10 days	1/4/2007	1/17/2007	SE
9.6	Populate Test Regions with Converted Data	18.5 days	1/18/2007	2/13/2007	
9.7	Prepare Finalized Conversion Plan	28 days	5/23/2006	6/30/2006	
10	Acceptance Testing	361 days	5/17/2006	10/10/2007	
10.1	Load MMIS data	12 days	5/17/2006	6/2/2006	
10.2	Load data for OmniAlert	6 days	5/17/2006	5/24/2006	
10.3	User Acceptance Test Planning	91 days	6/22/2006	10/30/2006	
10.4	Conduct UAT	160 days	3/1/2007	10/10/2007	
11	Implementation	343 days	6/5/2006	10/2/2007	
11.1	Final Systems Documentation	25 days	8/1/2007	9/4/2007	
11.2	Fiscal Agent Staff Training	243.5 days	6/5/2006	5/16/2007	
11.3	DHHS Staff Training	57 days	2/21/2007	5/10/2007	
11.4	Provider Training	222 days	6/8/2006	4/19/2007	
11.5	Implement EDI	25.5 days	8/28/2007	10/2/2007	
11.6	Create Production JCL and Files	9 days	8/10/2007	8/22/2007	Test[50%]
11.7	Load Production Files	5 days	8/23/2007	8/29/2007	Test[50%]
11.8	Create Production Cycle Flowcharts	5 days	8/30/2007	9/5/2007	Test
11.9	Prepare Cycle Schedule	3 days	9/6/2007	9/10/2007	Test[167%]
11.10	Provider File Conversion	5 days	9/11/2007	9/17/2007	SE
11.11	Final File Conversion	10 days	9/18/2007	10/1/2007	SE[63%]
11.12	Final File Conversion Review	10 days	9/18/2007	10/1/2007	DHHS[63%]
11.13	Approved File Conversion	0 days	10/1/2007	10/1/2007	
11.14	Notification to Department of Operational Readiness	0.5 days	10/2/2007	10/2/2007	Impl Mgr
11.15	Department Approval for System Live	0.5 days	10/2/2007	10/2/2007	DHHS
11.16	System Live	0 days	10/2/2007	10/2/2007	
12	Post Implementation Evaluation	210 days	10/3/2007	7/22/2008	
12.1	Begin Operations Phase Tasks	1 day	10/3/2007	10/3/2007	
12.2	Certification	190 days	10/3/2007	6/24/2008	
12.3	DDI Project Close Down	20 days	6/25/2008	7/22/2008	
12.4	New NH MMIS DDI Complete	0 days	7/22/2008	7/22/2008	

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Appendix A.2
Deliverables List and Payment Schedule

RF#	Deliverable	Work Plan Delivery Date	Expected Invoice Date	Payment Amount	Holdback Amount	Payment less 15% holdback	Holdback Release %	Holdback Release Amount	Payment with Holdback	% Released Holdback	Holdback Release Amount
1	Project Initiation and Planning	11/26/2005	12/12/2005	\$1,068,102.55	\$200,395.38	\$1,588,737.17	0%	\$0.00	\$1,588,737.17	15%	\$200,395.38
2	Conduct MR, DDI, Project Site, Requirements	10/31/2005	1/11/2006	\$1,297,000.00	\$1,297,000.00	\$1,297,000.00	0%	\$0.00	\$1,297,000.00	15%	\$1,297,000.00
3	Project Management Plan	11/11/2005	1/21/2006	\$1,297,000.00	\$1,297,000.00	\$1,297,000.00	0%	\$0.00	\$1,297,000.00	15%	\$1,297,000.00
4	Detailed Project Work Plan	11/11/2005	1/21/2006	\$1,297,000.00	\$1,297,000.00	\$1,297,000.00	0%	\$0.00	\$1,297,000.00	15%	\$1,297,000.00
5	Problem Control and Change Management Plan	10/31/2005	1/11/2006	\$1,297,000.00	\$1,297,000.00	\$1,297,000.00	0%	\$0.00	\$1,297,000.00	15%	\$1,297,000.00
6	Project Communication Plan	10/31/2005	1/11/2006	\$1,297,000.00	\$1,297,000.00	\$1,297,000.00	0%	\$0.00	\$1,297,000.00	15%	\$1,297,000.00
7	Quality Assurance Plan	10/31/2005	1/11/2006	\$1,297,000.00	\$1,297,000.00	\$1,297,000.00	0%	\$0.00	\$1,297,000.00	15%	\$1,297,000.00
8	Requirements Traceability Matrix	10/28/2005	1/10/2006	\$42,452.00	\$42,452.00	\$42,452.00	0%	\$0.00	\$42,452.00	15%	\$42,452.00
9	Weekly Project Status Reports	10/27/2005	1/09/2006	\$196,277.00	\$196,277.00	\$196,277.00	0%	\$0.00	\$196,277.00	15%	\$196,277.00
10	Detailed Implementation Schedule (OIS) w/quarterly updates	10/27/2005	12/15/2005	\$21,014.00	\$21,014.00	\$21,014.00	0%	\$0.00	\$21,014.00	15%	\$21,014.00
11	Performance Self-Reporting Mechanism-Monthly	12/22/2005	1/24/2006	\$55,024.00	\$55,024.00	\$55,024.00	0%	\$0.00	\$55,024.00	15%	\$55,024.00
12	Preliminary CMS Certification Process Plan	10/31/2005	1/11/2006	\$12,075.00	\$12,075.00	\$12,075.00	0%	\$0.00	\$12,075.00	15%	\$12,075.00
13	Total Project Initiation and Planning Cost			\$2,325,001.53	\$1,976,261.32	\$1,976,261.32	0%	\$0.00	\$1,976,261.32	15%	\$348,740.23
14	Requirements Analysis and Validation	1/28/2006	2/27/2006	\$9,306,890.00	\$9,306,890.00	\$9,306,890.00	1%	\$93,068.90	\$5,423,890.60	14%	\$882,999.40
15	Requirements Validation Specification	1/11/2006	1/21/2006	\$2,132,000.00	\$2,132,000.00	\$2,132,000.00	1%	\$21,320.00	\$44,833.82	14%	\$7,298.48
16	Preliminary Test Plan	3/02/2006	4/7/2006	\$1,020,000.00	\$1,020,000.00	\$1,020,000.00	1%	\$10,200.00	\$61,926.88	14%	\$10,081.12
17	Preliminary Training Plan	3/9/2006	6/19/2006	\$4,853,000.00	\$4,853,000.00	\$4,853,000.00	1%	\$48,530.00	\$41,841.58	14%	\$6,811.42
18	Preliminary Conversion/Migration Plan	3/9/2006	4/10/2006	\$93,375.00	\$93,375.00	\$93,375.00	1%	\$933.75	\$90,302.50	14%	\$13,072.50
19	Preliminary Operations Plan	5/16/2006	6/16/2006	\$140,397.00	\$140,397.00	\$140,397.00	1%	\$1,403.97	\$120,736.28	14%	\$18,654.74
20	Preliminary Disaster Recovery Plan	1/14/2006	1/27/2006	\$106,791.00	\$106,791.00	\$106,791.00	1%	\$1,067.91	\$91,840.28	14%	\$14,950.74
21	Preliminary Security Plan	8/29/2006	9/28/2006	\$47,566.00	\$47,566.00	\$47,566.00	1%	\$475.66	\$40,908.76	14%	\$6,659.24
22	Total Requirements Analysis and Validation			\$9,887,176.90	\$1,620,108.40	\$5,937,803.40	1%	\$59,377.74	\$3,909,287.38	14%	\$981,488.64
23	Design	3/21/2006	4/23/2006	\$2,813,754.00	\$2,813,754.00	\$2,813,754.00	2%	\$56,275.08	\$2,447,065.88	13%	\$385,788.02
24	General System Design	4/21/2006	5/22/2006	\$1,292,330.27	\$1,292,330.27	\$1,292,330.27	2%	\$25,846.01	\$1,115,623.33	13%	\$198,702.94
25	Detailed System Design	6/7/2006	7/7/2006	\$1,062,330.27	\$1,062,330.27	\$1,062,330.27	2%	\$21,246.61	\$1,037,623.33	13%	\$244,702.94
26	Detailed System Design	8/17/2006	9/20/2006	\$882,920.27	\$882,920.27	\$882,920.27	2%	\$17,658.41	\$863,627.88	13%	\$98,702.94
27	Detailed System Design	11/16/2006	12/18/2006	\$21,372.17	\$21,372.17	\$21,372.17	2%	\$427.44	\$18,593.79	13%	\$2,778.38
28	Detailed System Design	1/6/2007	2/6/2007	\$2,372.17	\$2,372.17	\$2,372.17	2%	\$47.44	\$1,853.79	13%	\$2,778.38
29	Test Environment Preparation	5/19/2006	5/19/2006	\$104,082.00	\$104,082.00	\$104,082.00	2%	\$2,081.64	\$99,551.34	13%	\$13,530.66
30	Preliminary MMIS Implementation Plan	3/24/2006	4/25/2006	\$49,422.00	\$49,422.00	\$49,422.00	2%	\$988.44	\$42,997.14	13%	\$6,424.88
31	Preliminary Contingency Plan	4/25/2006	4/25/2006	\$4,208.00	\$4,208.00	\$4,208.00	2%	\$84.16	\$3,259.22	13%	\$10,940.78
32	Finalized Disaster Recovery Plan	3/9/2006	4/4/2006	\$84,208.00	\$84,208.00	\$84,208.00	2%	\$1,684.16	\$73,259.22	13%	\$10,940.78
33	Finalized Security Plan	10/13/2006	11/13/2006	\$48,653.00	\$48,653.00	\$48,653.00	2%	\$973.06	\$42,241.11	13%	\$6,311.89
34	Finalized CMS Certification Process Plan	3/2/2006	4/4/2006	\$4,208.00	\$4,208.00	\$4,208.00	2%	\$84.16	\$3,259.22	13%	\$10,940.78
35	Total Design			\$7,179,238.32	\$1,074,930.90	\$6,102,808.42	2%	\$142,800.78	\$3,246,199.21	13%	\$992,340.11
36	Construction and Unit Testing	5/12/2006	5/29/2006	\$1,232,330.27	\$1,232,330.27	\$1,232,330.27	2%	\$24,646.01	\$1,115,623.33	13%	\$184,702.94
37	Construction and Unit Test Summary	6/22/2006	7/7/2006	\$1,062,330.27	\$1,062,330.27	\$1,062,330.27	2%	\$21,246.61	\$1,037,623.33	13%	\$244,702.94
38	Construction and Unit Test Summary	8/19/2006	9/30/2006	\$882,920.27	\$882,920.27	\$882,920.27	2%	\$17,658.41	\$863,627.88	13%	\$98,702.94
39	Construction and Unit Test Summary	10/22/2006	10/16/2006	\$2,372.17	\$2,372.17	\$2,372.17	2%	\$47.44	\$1,853.79	13%	\$2,778.38
40	Construction and Unit Test Summary	12/29/2006	1/12/2007	\$2,372.17	\$2,372.17	\$2,372.17	2%	\$47.44	\$1,853.79	13%	\$2,778.38
41	Construction and Unit Test Summary	1/17/2007	1/21/2007	\$2,372.17	\$2,372.17	\$2,372.17	2%	\$47.44	\$1,853.79	13%	\$2,778.38
42	Integration and System Test Scripts	6/29/2006	6/29/2006	\$173,310.00	\$173,310.00	\$173,310.00	2%	\$3,466.20	\$160,779.70	13%	\$22,530.30
43	Preliminary MMIS User Manuals	3/15/2006	4/7/2006	\$160,143.00	\$160,143.00	\$160,143.00	2%	\$3,202.86	\$139,324.41	13%	\$20,183.59
44	Finalized MMIS Implementation Plan	8/7/2006	9/7/2006	\$148,486.00	\$148,486.00	\$148,486.00	2%	\$2,969.72	\$128,164.55	13%	\$19,300.45
45	Finalized Integration and System Test Plan	5/17/2006	6/12/2006	\$141,737.00	\$141,737.00	\$141,737.00	2%	\$2,834.74	\$123,328.59	13%	\$18,428.41
46	Finalized Contingency Plan	8/7/2006	9/7/2006	\$148,486.00	\$148,486.00	\$148,486.00	2%	\$2,969.72	\$128,164.55	13%	\$19,300.45

State of New Hampshire
Department of Health and Human Services
Medical Management Information System (MMIS) Reprocurrency Contract
Appendix A.2
Deliverables List and Payment Schedule

Ref #	Deliverable	Work Plan Start Date	Work Plan End Date	Estimated Invoice Date	Payment Amount	Holdback Amount	Payment Less 15% Holdback	Holdback Factor	Payment With Holdback	% Retained Holdback	Holdback Reclaim Amount
46	Finalized Conversion/Migration Plan	5/31/2006	6/30/2006	6/30/2006	\$114,676.00	\$17,201.40	\$97,474.60	2%	\$95,503.20	13%	\$14,972.80
47	Finalized Operations Plan	9/27/2006	10/27/2006	10/27/2006	\$49,647.00	\$7,447.05	\$42,199.95	2%	\$40,252.90	13%	\$9,454.11
	Total Construction and Unit Testing				\$4,847,870.32	\$727,133.33	\$4,120,736.99	2%	\$3,943,603.66	13%	\$630,166.34
	Integration and System Testing										
48	Integration and System Test Summary Iteration 1	5/12/2006	5/29/2006	5/29/2006	\$1,212,330.27	\$192,348.54	\$1,019,981.73	2%	\$990,633.23	13%	\$188,707.94
49	Integration and System Test Summary Iteration 2	6/22/2006	7/7/2006	7/7/2006	\$1,882,330.27	\$282,348.54	\$1,600,000.73	2%	\$1,577,652.23	13%	\$244,702.94
50	Integration and System Test Summary Iteration 3	8/16/2006	8/30/2006	8/30/2006	\$682,330.27	\$102,348.54	\$579,981.73	2%	\$567,633.23	13%	\$88,702.94
51	Integration and System Test Summary Iteration 4	10/2/2006	10/16/2006	10/16/2006	\$2,137,217.17	\$320,583.83	\$1,816,633.34	2%	\$1,784,049.51	13%	\$277,736.38
52	Integration and System Test Summary Iteration 5	12/29/2006	1/12/2007	1/12/2007	\$2,137,217.17	\$320,583.83	\$1,816,633.34	2%	\$1,784,049.51	13%	\$277,736.38
53	Integration and System Test Summary Iteration 6	1/17/2007	1/31/2007	1/31/2007	\$2,137,217.17	\$320,583.83	\$1,816,633.34	2%	\$1,784,049.51	13%	\$277,736.38
54	Integration and System Test Results	3/7/2007	4/5/2007	4/5/2007	\$46,672.00	\$7,000.80	\$39,671.20	2%	\$37,670.40	13%	\$6,000.80
55	X12N EDI Companion Guides	4/16/2007	4/30/2007	4/30/2007	\$78,804.00	\$11,820.60	\$66,983.40	2%	\$64,962.80	13%	\$10,020.60
56	Provider Status Evaluation	1/30/2007	2/13/2007	2/13/2007	\$58,610.00	\$8,791.50	\$49,818.50	2%	\$47,807.00	13%	\$7,011.50
57	Preliminary Converted Files	9/13/2006	9/27/2006	9/27/2006	\$82,481.00	\$12,369.15	\$70,111.85	2%	\$67,742.70	13%	\$10,369.15
58	Revised Defined System Design	7/7/2006	8/7/2006	8/7/2006	\$48,672.00	\$7,300.80	\$41,371.20	2%	\$39,070.40	13%	\$6,300.80
59	Acceptance Test Plan	7/11/2006	8/7/2006	8/7/2006	\$58,871.00	\$8,826.65	\$50,044.35	2%	\$48,217.70	13%	\$7,826.65
60	Acceptance Test Tracking System	7/31/2006	8/29/2006	8/29/2006	\$38,249.00	\$5,737.35	\$32,511.65	2%	\$30,774.30	13%	\$5,737.35
61	Finalized Training Plan	9/21/2006	10/2/2006	10/2/2006	\$48,672.00	\$7,300.80	\$41,371.20	2%	\$39,070.40	13%	\$6,300.80
62	Training Materials and Manuals	9/21/2006	10/2/2006	10/2/2006	\$48,672.00	\$7,300.80	\$41,371.20	2%	\$39,070.40	13%	\$6,300.80
	Total Integration and System Testing				\$4,311,047.32	\$645,487.18	\$3,665,560.14	2%	\$3,500,072.96	13%	\$565,487.18
	Conversion										
63	Conversion Test Results	1/4/2007	1/17/2007	1/17/2007	\$60,822.00	\$9,123.30	\$51,698.70	1%	\$50,575.40	14%	\$8,123.30
	Total Conversion				\$60,822.00	\$9,123.30	\$51,698.70	1%	\$50,575.40	14%	\$8,123.30
	Acceptance Test										
64	Acceptance Test Resolutions Document	8/31/2007	9/14/2007	9/14/2007	\$147,829.00	\$22,174.35	\$125,654.65	1%	\$123,437.30	14%	\$22,174.35
65	Operational Readiness Report	8/30/2007	9/13/2007	9/13/2007	\$32,175.00	\$4,826.25	\$27,348.75	1%	\$26,522.50	14%	\$4,826.25
66	Finalized MMIS User Manuals	9/10/2007	10/1/2007	10/1/2007	\$39,904.00	\$5,985.60	\$33,918.40	1%	\$33,032.80	14%	\$5,985.60
67	Finalized MMIS Provider Handbooks	9/10/2007	10/1/2007	10/1/2007	\$39,904.00	\$5,985.60	\$33,918.40	1%	\$33,032.80	14%	\$5,985.60
	Total Acceptance Test				\$269,812.00	\$40,971.80	\$228,840.20	1%	\$224,768.40	14%	\$40,971.80
	Implementation										
68	MMIS Systems Documentation	6/7/2007	9/4/2007	9/4/2007	\$114,924.00	\$17,238.60	\$97,685.40	1%	\$95,961.60	14%	\$17,238.60
69	Results of Final Conversion	9/18/2007	10/1/2007	10/1/2007	\$98,575.00	\$14,786.25	\$83,788.75	1%	\$82,002.50	14%	\$14,786.25
	Total Implementation				\$213,499.00	\$32,024.85	\$181,474.15	1%	\$178,004.10	14%	\$32,024.85
	Post-implementation evaluation										
70	Finalization plan	10/16/2007	10/30/2007	10/30/2007	\$17,531.00	\$2,629.65	\$14,901.35	1%	\$14,471.70	14%	\$2,629.65
71	Evaluation report	5/13/2008	5/27/2008	5/27/2008	\$30,575.00	\$4,586.25	\$25,988.75	1%	\$25,459.50	14%	\$4,586.25
72	Corrective action plan	8/11/2008	8/24/2008	8/24/2008	\$27,470.00	\$4,120.50	\$23,349.50	1%	\$22,929.00	14%	\$4,120.50
	Function, including first run reports for federally required reports	12/1/2007	12/24/2007	12/24/2007	\$13,805.00	\$2,070.75	\$11,734.25	1%	\$11,527.50	14%	\$2,070.75
	Total Post-implementation evaluation				\$89,381.00	\$13,407.15	\$75,973.85	1%	\$74,944.00	14%	\$13,407.15
	Total				\$28,113,249.31	\$4,322,917.43	\$23,790,331.88	1%	\$23,357,414.45	14%	\$4,322,917.43
	Note:										
	Note:										
	Note:										

State of New Hampshire
 Department of Health and Human Services
 Medicaid Management Information System (MMIS) Reprocurement
 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.

State of New Hampshire
 Department of Health and Human Services
 Medicaid Management Information System (MMIS) Reprocurement
 Appendix A.3

Liquidated Damages

Service Performance	Standard	Liquidated Damages
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	Contactor 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.

State of New Hampshire
Department of Health and Human Services
Medicaid Management Information System (MMIS) Reprocurement
Contract Number _____
Exhibit B
Price Payment Schedule

1. PAYMENT SCHEDULE

1.1 Firm Fixed Price

This Contract between the State of New Hampshire, Department of Health and Human Services ("State") and ACS State Healthcare, LLC ("Contractor") is an agreement to plan, design, install, implement, support, maintain, and operate the State's new NH MMIS System over a five year base contract period (two year 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 the Contractor 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 Contractor shall be responsible for performing the work in accordance with the Contract Documents, including without limitation, the requirements, terms, and conditions contained herein.

1.2 DDI Phase Payment Schedule

This Contract shall allow the Contractor to invoice the State for the activities, deliverables or milestones at fixed pricing/rates appearing in the Deliverables List and Payment Schedule, which is Appendix A.2 to Exhibit A of this Contract. The total contract price for the DDI phase shall not exceed \$26,153,244.

1.3 Operations Phase Payment Schedule

During the Operations Phase, the Contractor shall be paid a firm fixed amount annually as full compensation for all activities associated with the ongoing operations of the MMIS system, as set forth in Table 1.3-1 below. The fixed annual cost includes the cost for 5,000 modification hours per year. The Parties agree that these modification hours shall be non-lapsing at the end of each year such that any unused modification hours from one year shall roll forward and be added to the 5,000 hour threshold for the following year of the base contract or shall be added to the modification hour threshold established for the subsequent year of the optional extension at no additional cost. The Contractor shall submit monthly invoices during the operations phase for one-twelfth (1/12th) of the annual operations cost.

JSB

Table 1.3-1 Operations Phase Payment Schedule

Operations Phase Years	Contract Amount
Year 1	\$7,146,599
Year 2	\$7,000,755
Year 3	\$6,833,733
Total	\$20,981,087

Optional Extension Years	Contract Amount
Year 4	\$6,886,829
Year 5	\$6,839,603
Total for Operation Phase for Optional Period	\$13,726,432

Total for Entire Operations Phase if Extension Option is Exercised	\$34,707,519
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1.4 Pass-Through Costs

All postage required for the distribution of Medicaid identification cards, correspondence, policies, billing instructions, and forms related to the operation of the MMIS shall be treated as "pass through costs," and shall be paid by the Contractor, which shall be reimbursed monthly for its actual costs. The Contractor shall exert all reasonable efforts to employ any commercially available techniques such as bulk mailing, consolidation of mailing and zip-code pre-sorting or the use of carriers other than the United States Postal Service to reduce postage costs assumed by the State.

Upon request by the State, the Contractor shall provide proof of its actual postage costs in the form of invoices from the postal carrier utilized by the Contractor.

1.5 Total Contract Price

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 \$60,860,763, 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.

Contractor's Initials JTB

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

PHASE/YEAR	PRICE
DDI Phase	\$26,153,244
Operations Phase Year 1	\$7,146,599
Operations Phase Year 2	\$7,000,755
Operations Phase Year 3	\$6,833,733
Optional Extension Year 1	\$6,886,829
Optional Extension Year 2	\$6,839,603
Total Contract Price:	\$60,860,763

2. INVOICING

The Contractor shall submit invoices for Services or Deliverables as permitted by the Contract and the terms listed herein. All invoices shall be subject to the State's approval, which shall not be unreasonably withheld. Invoices shall contain detailed information, including without limitation, the following information as applicable: identification of each Deliverable for which payment is sought; date of delivery and/or installation; the Acceptance date triggering such payment and any other Project costs. Upon acceptance of a Deliverable, and a properly documented invoice, the corresponding fee specified becomes due and payable, and the State shall pay the invoice within thirty (30) days of Invoice issuance, except as otherwise provided in this Contract.

If the State receives an invoice and the amount on the invoice is calculated incorrectly, the State shall notify the Contractor of the alleged error prior to the due date for such payment. The State and the Contractor agree to make good faith efforts to resolve the invoicing error within fifteen (15) days from such notification to the Contractor. The State shall promptly pay on the earlier of either the resolution of such dispute or within 15-days from its notification of the miscalculation. No late charges shall be applied against the State.

3. PAYMENT ADDRESS

All payments are to be made to the following address:

Diane Delisle
 Director, MMIS
 N.H. Department of Health and Human Services
 129 Pleasant Street
 Thayer Building
 Concord, NH 03301

Contractor's Initials TJB

4. OVERPAYMENTS TO CONTRACTOR

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

5. CREDITS/OFFSETS

The State reserves the right to apply credits due to the State arising out of this Contract against the Contractor's invoices, or to offset from the amounts otherwise payable to Contractor under this Contract those liquidated damages required or permitted under this Contract. The State will provide written explanation of the basis for the credit or offset, which will be attached to the affected invoice payment.

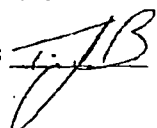
6. PROJECT HOLDBACKS

6.1 The State may withhold fifteen percent (15%) of the agreed-upon price for each deliverable during the DDI phase as set forth in the Deliverables List and Payment Schedule, which is Appendix A.2 to Exhibit A of this Contract. The holdbacks will be held by the State until successful completion of the warranty period as defined in Exhibit A, Section 13.1.

6.2 A portion of the total holdback for all deliverables contained in a given subphase shall be released upon successful and satisfactory completion of all deliverables for that sub-phase. The amount of the holdback release is set forth in the Table 6.2-1 below. A sub-phase shall be deemed to have been successfully and satisfactorily completed upon the final acceptance by the State of all deliverables associated with that subphase.

Table 6.2-1: Holdback Release Table

DDI Sub-Phases	Percent Holdback Release
Project Initiation and Planning	0%
Requirements Analysis and Validation	1%
Design	2%
Construction and Unit Testing	2%
Integration and System Testing	2%
Conversion	1%
Acceptance Testing	1%
Implementation	1%
Post Implementation Evaluation	1%

Contractor's Initials 

**State of New Hampshire
Department of Health and Human Services
Medicaid Management Information System (MMIS) Reprocurement
Contract Number _____
Exhibit C**

**Special Provisions
Reference Article 20**

Section 8.1.1 of the State of New Hampshire Terms and Conditions (P-37) has been amended to read as follows:

8.1.1 failure to perform the Services in accordance with the Contract; or

Section 8.2.2 of the State of New Hampshire Terms and Conditions (P-37) has been amended to read as follows:

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the Contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines the Contractor has cured the Event of Default shall not be paid to the Contractor until the Event of Default has been cured, or in the event that the Event of Default cannot be cured, or Contractor fails to cure, the amount of suspended payments will be forever forfeited by Contractor; and

State of New Hampshire
Department of Health and Human Services
Medicaid Management Information System (MMIS) Reprocurement
Contract Number _____

EXHIBIT D

ACS State Healthcare, LLC with offices at 9040 Rosewell Road, Suite 700, Atlanta, GA 30350 ("Contractor") agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative execute the following Certification:

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS
ALTERNATIVE I - FOR GRANTEEES OTHER THAN INDIVIDUALS

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

This certification is required by the regulations implementing & Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Resister (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to: Commissioner, NH Department of Health and Human Services, 129 Pleasant Street, Concord, NH 03301-3857.

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
 - Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
 - Establishing an ongoing drug-free awareness program to inform employees about --

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS
ALTERNATIVE I - FOR GRANTEEES OTHER THAN INDIVIDUALS, cont'd

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

The dangers of drug abuse in the workplace;

The grantee's policy of maintaining a drug-free workplace;

Any available drug counseling, rehabilitation, and employee assistance programs; and

The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

- Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
- Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will --

Abide by the terms of the statement; and

Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

- Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted --

Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS
ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS, cont'd

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

Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

- Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).
2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

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

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

ACS State Healthcare, LLC


From: 11/01/05 To: 11/01/10

Contractor Name

Period Covered by this Certification

T.J. Burlin, Group President

Name and Title of Authorized Contractor Representative



10/12/05

Contractor Representative

Date

State of New Hampshire
Department of Health and Human Services
Medicaid Management Information System (MMIS) Reprocurement
Contract Number _____

EXHIBIT E

ACS State Healthcare, LLC with offices at 9040 Rosewell Road, Suite 700, Atlanta, GA 30350 ("Contractor") agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative execute the following Certification:

CERTIFICATION REGARDING LOBBYING

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

Programs (indicate applicable program covered):

Aid to Families with Dependent Children Program under Title IV-A of the Social Security Act
Child Welfare under Title IV-B of the Social Security Act
Child Support Enforcement Program under Title IV-D of the Social Security Act
Foster Care under Title IV-E of the Social Security Act
Job Opportunities and BASIC Skills (JOBS) Program under Title IV-F of the Social Security Act
Medicaid Program under Title XIX of the Social Security Act
Social Services Block Grant Program under Title XX of the Social Security Act
Refugee Resettlement Program under the Refugee Act of 1980
Child Care and Development Block Grant Program
US Department of Agriculture, Food and Consumer Service, Nutrition Program for the Elderly (NPE) and Food Stamp Program

Contract Period: November 2, 2005 through November 1, 2010

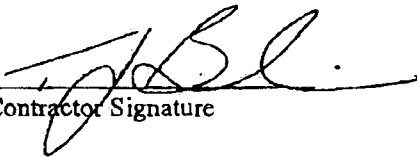
The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or

cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions, attached and identified as Standard Exhibit E-1.

- (3) The undersigned shall require that the language of this certification be included in the award document for subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

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


Contractor Signature

Group President
Contractor's Representative Title

I.J. Burlin
Contractor's Representative Name

10/12/05
Date

State of New Hampshire
Department of Health and Human Services
Medicaid Management Information System (MMIS) Reprocurement
Contract Number _____

EXHIBIT F

ACS State Healthcare, LLC with offices at 9040 Roswell Road, Suite 700, Atlanta, GA 30350 ("Contractor") agrees to comply with the provisions of Executive Office of the President, Executive Order 12529 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative execute the following Certification:

**CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER
RESPONSIBILITY MATTERS - PRIMARY COVERED TRANSACTIONS**

Instructions for Certification

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the DHHS agency to which this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal" "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See attached definitions.

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER
RESPONSIBILITY MATTERS - PRIMARY COVERED TRANSACTIONS, cont'd

6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participating in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

Certification Regarding Debarment, Suspension, and Other
Responsibility Matters - Primary Covered Transactions

- The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:

are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

have not within a three-year period preceding this proposal (contract) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery,

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER
RESPONSIBILITY MATTERS - PRIMARY COVERED TRANSACTIONS, cont'd

bribery, falsification or destruction of records, making false statements, or receiving stolen property;

are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

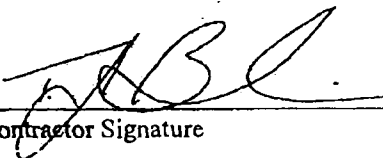
Certification Regarding Debarment, Suspension, Ineligibility and
Voluntary Exclusion - Lower Tier Covered Transactions
(To Be Supplied to Lower Tier Participants)

- Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:

are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.

The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.



Contractor Signature

I.J. Burlin

Contractor Name

Group President

Contractor's Representative Title

10/12/05

Date

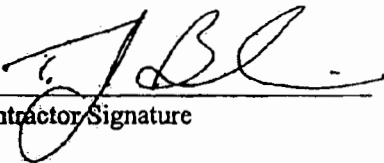
State of New Hampshire
Department of Health and Human Services
Medicaid Management Information System (MMIS) Reprocurement
Contract Number _____

EXHIBIT G

CERTIFICATION REGARDING THE
AMERICANS WITH DISABILITIES ACT COMPLIANCE

ACS State Healthcare, LLC with offices at 9040 Roswell Road, Suite 700, Atlanta, GA 30350 ("Contractor") agrees by signature of the Contractor's representative below, to execute the following certification:

I. By signing and submitting this proposal (contract) the Contractor agrees to make reasonable efforts to comply with all applicable provisions of the Americans with Disabilities Act of 1990.



Contractor Signature

Group President

Contractor's Representative Title

I.J. Burlin

Contractor Name

10/12/05

Date

State of New Hampshire
Department of Health and Human Services
Medicaid Management Information System (MMIS) Reprocurement
Contract Number _____
Exhibit H

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

ACS State Healthcare, LLC, a corporation registered in the State of New Hampshire, with a principal place of business at 9040 Rosewell Road, Suite 700, Atlanta, GA 30350 ("Contractor") agrees, by signature of the Contractor's representative as identified below, to execute the following certification:

1. By signing and submitting this contract, the Contractor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.



Contractor Signature

Group President

Contractor's Representative Title

T.J. Burlin

Contractor Name

10/12/05

Date

State of New Hampshire
Department of Health and Human Services
Medicaid Management Information System (MMIS) Reprocurement
Contract Number _____

Standard Exhibit I

The Contracto, ACS State Healthcare, LLC ("Contractor"), a corporation registered in the State of New Hampshire, with a principal place of business at 9040 Roswell Road, Suite 700, Atlanta, GA 30350 agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164. As defined herein, "Business Associate" shall mean the Contractor and subcontractors and agents of the Contractor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

BUSINESS ASSOCIATE AGREEMENT

(1) Definitions.

- a. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- b. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- c. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- d. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191.
- e. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- f. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- g. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- h. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.501.
- i. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- j. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.

k. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time.

(2) Use and Disclosure of Protected Health Information.

a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, the Business Associate shall not, and shall ensure that its directors, officers, employees and agents, do not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.

b. Business Associate may use or disclose PHI:

- (i) for the proper management and administration of the Business Associate;
- (ii) as required by law, pursuant to the terms set forth in paragraph d. below; or
- (iii) for data aggregation purposes for the health care operations of Covered Entity.

c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to immediately notify Business Associate of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.

d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

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

(3) Obligations and Activities of Business Associate.

a. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, including any security incident involving Covered Entity data, of which it becomes aware, within two (2) business days of becoming aware of such unauthorized use or disclosure or security incident.

b. Business Associate shall use administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of protected health information, in electronic or any other form, that it creates, receives, maintains or transmits under this Agreement, in accordance with the Privacy and Security Rules, to prevent the use or disclosure of PHI other than as permitted by the Agreement.

c. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business

Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.

d. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section (3)b and (3)k herein. The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard provision #13 of this Agreement for the purpose of use and disclosure of protected health information.

e. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.

f. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.

g. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.

h. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.

i. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.

j. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.

k. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

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

(5) Termination for Cause

In addition to standard provision #10 of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, as amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA and the Privacy and Security Rule.
- e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section 3 k, the defense and indemnification provisions of section 3 d and standard contract provision #13, shall survive the termination of the Agreement.

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

New Hampshire
The State

John A. Stephen
Signature of Authorized Representative

John A. Stephen
Name of Authorized Representative

Commissioner, DHHS
Title of Authorized Representative

October 17, 2005
Date

ACS State Healthcare LLC
Name of the Contractor

T.J. Burlin
Signature of Authorized Representative

T.J. Burlin
Name of Authorized Representative

Group President
Title of Authorized Representative

10/12/05
Date

**State of New Hampshire
Department of Health and Human Services
Medicaid Management Information System (MMIS) Reprocurement
Contract Number _____
Exhibit J
Conflict of Interest Agreement**

The State of New Hampshire, Department of Health and Human Services, for due consideration, has engaged ACS State Healthcare, LLC ("Contractor"), a corporation registered in the State of New Hampshire, with a principal place of business at 9040 Rosewell Road, Suite 700, Atlanta, GA 30350, to provide the State of New Hampshire Department of Health and Human Services ("State"), computer design, development, installation, support, maintenance and operation services related to the State's reprocurement of a Medicaid Management Information System ("MMIS").

The vendors identified in Attachment A hereto, which is incorporated herein by reference, have submitted a proposal in response to the State's Request for Proposal ("RFP") Number 2005-004, in connection with the State's MMIS Reprocurement.

The State desires to avoid, neutralize, or mitigate any of Contractor's conflict of interest or the appearance of conflict of interest; and

The parties agree that a conflict of interest agreement ("Agreement") supplementing their contractual relationship is appropriate.

WHEREFORE, the parties agree as follows:

Definitions:

For purposes of this Agreement, the following definitions shall apply:

A. "Conflict of Interest" means a situation, circumstance, interest, or relationship, including but not limited to, financial, pecuniary, contractual, possessory, security, organizational, associational, or other interest or relationship, which has the potential to cause a private interest to directly or indirectly affect, influence, or interfere with the proper exercise of the Contractor's obligations to the State. Such Conflicts of Interest include without limitation, those that could bias Contractor's judgment and performance, and facilitate an unfair competitive advantage to the Contractor or the vendors identified in Attachment A hereto. "Conflict of Interest" includes potential, apparent, or actual conflicts of interest.

B. "Contract" means the contract between the Contractor and the State for the reprocurement of the MMIS system.

C. "Contractor" means ACS State Healthcare, LLC's entire corporate structure, including without limitation, parent companies, sister companies, affiliates, subsidiaries,

joint venture partners, and other interest held by ACS State Healthcare, LLC; ACS State Healthcare, LLC's employees, subcontractor employees, and consultants (collectively referred to as "Agents") working on or having access to information regarding the Contract; and the Agents' spouse and family members, including without limitation parents, children, and siblings.

Requirements:

Contractor hereby warrants, represents and certifies, that, to the best of Contractor's knowledge, there are no facts or circumstances which could give rise to a Conflict of Interest, including but not limited to, the following:

Contractor does not now have, and has not since September 13, 2004, had any financial, contractual, possessory, security, or other interest or relationship of any type, or other interest in, or with, the above-named vendors that could reasonably be construed to create a Conflict of Interest in connection with the Contractor's performance of its duties under the Contract. This includes, without limitation, the following:

Contractor is not now an officer, director, manager, trustee, member, employee, principal, or agent of the vendors identified in attachment A, and has not been in any of the aforementioned capacities at any time since September 13, 2004.

Contractor does not now have an ownership interest of any type, including without limitation, as an owner (e.g. sole proprietor, partner), shareholder, or otherwise, and has not had such an interest in the vendors identified in Attachment A at any time since September 13, 2004.

Contractor will not be subject to, nor will it receive, any direct or indirect financial, pecuniary, or other benefit as a result of the selection or non-selection of the vendors identified in Attachment A.

Disclosure

Contractor is under a continuing duty to use best efforts and due diligence to identify and immediately disclose, in writing, to the State any and all Conflicts of Interest that arise during the pendency of the Contract. This duty to disclose includes without limitation any circumstance or situation that renders the above certifications inaccurate, or should any person or entity, whether or not a vendor, propose a relationship with Contractor that would render the above certifications inaccurate. Contractor will immediately provide the State a full written disclosure, including but not limited to, a detailed description of the nature of the Conflict of Interest, and the actions that the Contractor has taken or proposes to take, after consultation with the State, to avoid, mitigate, or neutralize the Conflict of Interest. The Contractor shall continue performance under the Contract until notified by the State of any alternative action to be taken.

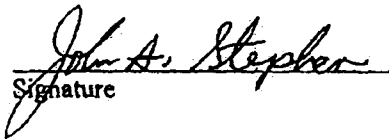
Remedies

Notwithstanding any provision of the Contract, the State, at its sole discretion, may terminate the Contract, in whole or in part and without liability to the Contractor, if the State determines that a Conflict of Interest exists. If the Contractor misrepresents or fails to disclose any information required under this Agreement, or take any required action under this Agreement, the Contractor will be deemed to be in default of the Contract, and the State, at its sole discretion, may terminate the Contract, and pursue its remedies at law, or in equity.

N.H. DEPARTMENT OF HEALTH AND HUMAN SERVICES

John A. Stephen
Name (Print)

Commissioner, DHHS
Title

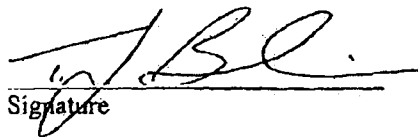

Signature

10/17/05
Date

ACS STATE HEALTHCARE, LLC

T.J. Burlin
Name (Print)

Group President
Title


Signature

10/12/05
Date

**State of New Hampshire
Department of Health and Human Services
Medicaid Management Information System (MMIS) Reprocurement
Contract Number _____
Exhibit J
Conflict of Interest Agreement**

ATTACHMENT A

	NAME	ADDRESS
1.	ACS State Healthcare, LLC	9040 Roswell Road, Suite 700 Atlanta, GA 30350
2.	EDS Information Services, LLC	225 Grandview Ave Camphill, PA 17011
3.	First Health Services Corporation	4300 Cox Road Glen Allen, VA 23060
4.	Unisys Corporation	11720 Plaza America Drive, Tower III Reston, VA 20190