



Jeffrey A. Meyers  
Commissioner

Marcella Jordan Bobinsky  
Acting Director

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

29 HAZEN DRIVE, CONCORD, NH 03301-6503  
603-271-4612 1-800-852-3345 Ext. 4612  
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February 17, 2016

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

**REQUESTED ACTION**

Authorize the Department of Health and Human Services, Division of Public Health Services, Bureau of Infectious Disease Control, to exercise a renewal option to an agreement with Magellan Medicaid Administration, Inc., (Vendor #175784), 11013 West Broad Street, Suite 500, Glen Allen, Virginia 23060 for the provision of Pharmacy Benefit Management services by increasing the price limitation by \$1,130,280 from \$1,623,162 to \$2,753,442 and extending the contract completion date from June 30, 2016 to June 30, 2019, effective July 1, 2016 or date of Governor and Executive Council approval, whichever is later. Governor and Executive Council approved the original agreement on June 19, 2013 (item #90). 100% Other Funds.

Funds to support this request are available in the following account in State Fiscal Year 2017 and anticipated to be available in State Fiscal Year 2018 and State Fiscal Year 2019 upon the availability and continued appropriation of funds in the future operating budgets, with the ability to adjust encumbrances between state fiscal years if needed and justified without further approval from the Governor and Executive Council.

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

FISCAL YEAR	CLASS	TITLE	ACTIVITY CODE	BUDGET	INCREASE	MODIFIED BUDGET
2014	103-502664	Contracts for Prg Svs	90024603	\$803,730		\$803,730
2015	103-502664	Contracts for Prg Svs	90024603	\$402,672		\$402,672
2016	103-502664	Contracts for Prg Svs	90024603	\$416,760		\$416,760
2017	103-502664	Contracts for Prg Svs	90024603		\$376,760	\$376,760
2018	103-502664	Contracts for Prg Svs	90024603		\$376,760	\$376,760
2019	103-502664	Contracts for Prg Svs	90024603		\$376,760	\$376,760
			Sub Totals:	\$1,623,162	\$1,130,280	
					<b>Total</b>	<b>\$2,753,442</b>

The Department of Information Technology is aware of this request. The Department certifies there are no changes to the information technology components of this contract.

**EXPLANATION**

The purpose of this amendment is to renew contract services which provide Pharmacy Benefit Management services to individuals with Human Immunodeficiency Virus (HIV) served by the New Hampshire Ryan White Comprehensive Acquired Immune Deficiency Syndrome Resource Emergency Act Program, known as the Ryan White Program.

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

The original contract contained the option to renew for three (3) additional years, contingent upon the satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Executive Council. The Department is satisfied with the services provided by Magellan Medicaid Administration.

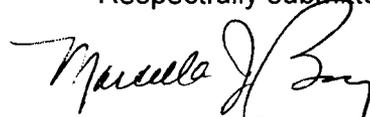
Should Governor and Executive Council not approve this request, the Ryan White Program would be forced to return to the insufficient paper-based system previously used to process payment of approximately 13,000 prescriptions yearly from 175 pharmacies statewide.

Area Served: Statewide

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

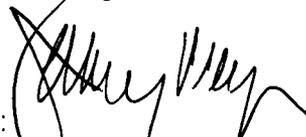
In the event that Other Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



Marcella J. Bobinsky  
Acting Director

Approved by:



Jeffrey A. Meyers  
Commissioner



**State of New Hampshire  
Department of Health and Human Services  
Amendment #1 to the NH AIDS Drug Assistance Program Pharmacy Benefit Management System**

This 1st Amendment to the NH AIDS Drug Assistance Program Pharmacy Benefit Management System contract (hereinafter referred to as "Amendment #1") dated this, January 27, 2016 is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Magellan Medicaid Administration (hereinafter referred to as "the Contractor"), a sole proprietor with a place of business 11013 West Broad Street, Ste. 500 Glen Allen, VA 23060.

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

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

WHEREAS, pursuant to the General Provisions, Paragraph 18 of the Agreement, and Attachment 1, Business and Program Requirements, Paragraph 4, the State may renew the contract for three (3) additional years by written agreement of the parties and approval of the Governor and Executive Council; and;

WHEREAS, the parties agree to extend the Contract for three (3) additional years and increase the price limitation; and

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

To amend as follows:

1. Form P-37, General Provisions, Item 1.7, Completion Date, to read:  
6/30/2019
2. Form P-37, General Provisions, Item 1.8, Price Limitation, to read:  
\$2,753,442
3. Form P-37, General Provisions, Item 1.9, Contracting Officer for State Agency, to read:  
Eric D. Borrin
4. Form P-37, General Provisions, Item 1.10, State Agency Telephone Number, to read:  
(603) 271-9558
5. Contract Agreement – Part 2, Section 1.3 Contract Term to read:  
The Contract and all obligations of the parties hereunder shall become effective after full execution by the parties, and the receipt of required governmental approvals, including, but not limited to, Governor and Executive Council of the State of New Hampshire approval ("Effective Date").

The Contract shall begin on the Effective Date and extend through June 30, 2019.



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

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

This is a Firm Fixed Price (FFP) Contract totaling \$2,753,442 for the period between the effective date and June 30, 2019. The source of funds shall be Other Funds, primarily drug manufacturers' rebates collected under the 340B Drug Pricing Program for drugs purchased by NH ADAP, Magellan shall be responsible for performing its obligations in accordance with the Contract. This Contract shall allow Magellan to invoice the State for the following activities, Deliverables, or milestones at fixed pricing/rates appearing in the price and payment table below:

<b>State Fiscal Year</b>	<b>SFY17</b>	<b>SFY18</b>	<b>SFY19</b>	<b>Total</b>
Previous SFY	7/1/13-6/30/14	7/1/14-6/30/15	7/1/15-6/30/16	
Amount	<b>\$803,730</b>	<b>\$402,672</b>	<b>\$416,760</b>	<b>\$1,623,162</b>
Dates	7/1/16-6/30/17	7/1/17-6/30/18	7/1/18-6/30/19	
Annual Fee	<b>\$376,760</b>	<b>\$376,760</b>	<b>\$376,760</b>	<b>\$1,130,280</b>
Contract Total				<b>\$2,753,442</b>

7. Delete Exhibit P, NH DHHS Standard Exhibit C, Special Provisions, and replace with Exhibit P, Exhibit C, Amendment #1, Special Provisions.
8. Standard Exhibit R, NH DHHS Standard Exhibit E-Certification Regarding Lobbying, Contract Period, to read:  
From Effective Date to 6/30/2019
9. Delete Exhibit T, NH DHHS Standard Exhibit G, Certification Regarding the Americans with Disabilities Act Compliance, and replace with Exhibit T, NH DHHS Exhibit G, Amendment #1, Certification of Compliance with Requirements Pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower Protections.



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

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

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

State of New Hampshire  
Department of Health and Human Services

3/28/16  
Date

*Marcella J. Bay*  
NAME  
TITLE

**Magellan Medicaid Administration**

2/11/2016  
Date

*C. [Signature]*  
NAME  
TITLE

**Acknowledgement:**

State of Pennsylvania, County of Lehigh on 02/11/2016, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

*Yesenia M. Ruiz*  
Name and Title of Notary or Justice of the Peace

Commonwealth of Pennsylvania

NOTARIAL SEAL  
Yesenia M Ruiz, Notary Public  
Whitehall Township, Lehigh County  
My Commission Expires February 8, 2017

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

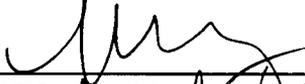
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The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

Date 4/28/14

  
Name: Megan A. Pope  
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

\_\_\_\_\_  
Date

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



**EXHIBIT P**

**NH DHHS EXHIBIT C, AMENDMENT #1**

**SPECIAL PROVISIONS**

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

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



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

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

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



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

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

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with fewer than 50 employees, regardless of the amount of the award, the recipient will provide an EEOC Certification Form to the OCR certifying it is not required to submit or maintain an EEOC. Nonprofit organizations, Indian Tribes, and medical and educational institutions are exempt from the EEOC requirement, but are required to submit a certification form to the OCR to claim the exemption. EEOC Certification Forms are available at: <http://www.ojp.usdoj/about/ocr/pdfs/cert.pdf>.

- 17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.
  
- 18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, \$150,000)

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

- (a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub.L. 112-239) and FAR 3.908.
  
- (b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.
  
- (c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

- 19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions. When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:
  - 19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
  - 19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
  - 19.3. Monitor the subcontractor's performance on an ongoing basis
  - 19.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
  - 19.5. DHHS shall, at its discretion, review and approve all subcontracts. If the Contractor identifies deficiencies or areas for improvement are identified, the Contractor shall take corrective action.

GSK

7/11/14



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**DEFINITIONS**

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

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

**DEPARTMENT:** NH Department of Health and Human Services.

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

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

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

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

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

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

GSK

7/11/16



**EXHIBIT T**

**NH DHHS EXHIBIT G, AMENDMENT #1**

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

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

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

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

The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for

Exhibit T, NH DHHS Standard Exhibit G, Amendment #1

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

Contractor Initials CSG

Date 2/11/16



suspension of payments, suspension or termination of grants, or government wide suspension or debarment.

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

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

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

2/11/2016  
Date

Contractor Name:

[Signature]  
Name:  
Title:

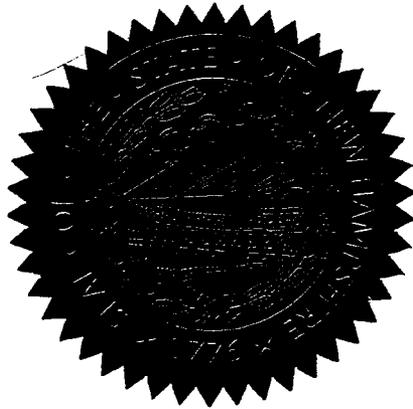
BSH

2/11/16

State of New Hampshire  
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that Magellan Medicaid Administration, Inc. a(n) Virginia corporation, is authorized to transact business in New Hampshire and qualified on November 5, 2004. I further certify that all fees and annual reports required by the Secretary of State's office have been received.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 12<sup>th</sup> day of May, A.D. 2016

A handwritten signature in cursive script, appearing to read "William M. Gardner".

William M. Gardner  
Secretary of State

**MAGELLAN MEDICAID ADMINISTRATION, INC.**

**SECRETARY'S CERTIFICATE**

I, Daniel N. Gregoire, hereby certify that I am the duly elected and qualified Secretary of Magellan Medicaid Administration, a Virginia corporation (the "Corporation"), and that the individual named below is a duly elected officer of the Corporation and is hereby authorized, empowered and directed to make, execute, deliver, file and/or record the attached document on behalf of the Corporation:

Gregory S. Kaupp – Senior Vice President & General Manager,  
Government Markets

IN WITNESS WHEREOF, I have signed my name this 11<sup>th</sup> day of February, 2016.

  
\_\_\_\_\_  
Daniel N. Gregoire



# CERTIFICATE OF LIABILITY INSURANCE

6/17/2016

DATE (MM/DD/YYYY)

5/12/2016

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

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

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

INSR LTR	TYPE OF INSURANCE	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 OTHER:	Y	N	7055341	6/17/2015	6/17/2016	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 1,000,000 \$
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> COMP. \$1,000 <input checked="" type="checkbox"/> COLL. \$1,000	Y	N	AS2-651-004219-115	10/1/2015	10/1/2016	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ XXXXXXXX BODILY INJURY (Per accident) \$ XXXXXXXX PROPERTY DAMAGE (Per accident) \$ XXXXXXXX \$ XXXXXXXX
A	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB DED      RETENTION \$			7055342	6/17/2015	6/17/2016	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000 \$ XXXXXXXX
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	WC7-651-004219-105	10/1/2015	10/1/2016	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A A A	MANAGECARE LIAB. CLAIMS MADE	N	N	01-415-68-82 SIR applies per policy terms & conditions	6/17/2015	6/17/2016	\$10,000,000 per Med Incident \$10,000,000 Aggregate

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
RE: Insured: Magellan Medicaid Administration, Inc. - New Hampshire Department of Health and Human Services is included as additional insured under liability policies.

**CERTIFICATE HOLDER**

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

**CANCELLATION**

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

AUTHORIZED REPRESENTATIVE

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64c 6/19/13 #90 88

JUN 07 '13 AM 8:25 DAS



STATE OF NEW HAMPSHIRE

DEPARTMENT OF HEALTH AND HUMAN SERVICES

29 HAZEN DRIVE, CONCORD, NH 03301-6527  
603-271-4517 1-800-852-3345 Ext. 4517  
Fax: 603-271-4519 TDD Access: 1-800-735-2964



Nicholas A. Toumpas  
Commissioner

José Thier Montero  
Director

May 15, 2013

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

*Sole Source  
100% other (rebates)*

**REQUESTED ACTION**

Authorize the Department of Health and Human Services, Division of Public Health Services, Bureau of Infectious Disease Control, Infectious Disease Prevention, Investigation and Care Services Section, to enter into a sole source agreement with Magellan Medicaid Administration, Inc., Vendor #175784, 11013 West Broad Street, Suite 500, Glen Allen, Virginia 23060, in an amount not to exceed \$1,623,162.00, to provide Pharmacy Benefit Management services to individuals with Human Immunodeficiency Virus served by the New Hampshire Ryan White Comprehensive Acquired Immune Deficiency Syndrome Resources Emergency Act Program, known as the Ryan White Program, statewide, to be effective July 1, 2013 or date of Governor and Council approval, whichever is later, through June 30, 2016.

Funds are anticipated to be available in SFY 2014, SFY 2015, and SFY 2016 based upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts within the price limitation and amend the related terms of the contract without further approval from Governor and Executive Council.

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

Fiscal Year	Class/Object	Class Title	Job Number	Total Amount
SFY 2014	103-502664	Contracts for Program Services	90024603	\$803,730.00
SFY 2015	103-502664	Contracts for Program Services	90024603	\$402,672.00
SFY 2016	103-502664	Contracts for Program Services	90024603	\$416,760.00
			Total	\$1,623,162.00

Her Excellency, Governor Margaret Wood Hassan  
and the Honorable Council  
May 15, 2012  
Page 2

### EXPLANATION

New Hampshire Department of Health and Human Services elected to pursue a sole source contact with Magellan Medicaid Administration, Inc. because the vendor is already under contract with the New Hampshire Department of Health and Human Services for pharmacy benefit management services for New Hampshire Medicaid, and is providing the State with a nearly identical service. Design and implementation costs of the Ryan White Program Pharmacy Benefit Management system are greatly reduced as a result.

Funds in this agreement will be used to implement a pharmacy benefit management system for the Ryan White Program and to process payment for prescription drugs for eligible clients. The Ryan White Program's core mission is to improve health outcomes for persons living with human immunodeficiency virus, and specifically to maximize the percentage of human immunodeficiency virus-infected New Hampshire residents receiving evidence-based medical care, case management, and necessary medications. A core part of fulfilling this mission is payment by the Program for prescription medications needed by these individuals.

The Program's current payment process to pharmacies is fax and paper-based, and requires the manual entry, management and payment of approximately 13,000 prescriptions per year as dispensed by 175 pharmacies statewide. To improve efficiency and data integrity and to fulfill federal Health Resources and Services Administration requirements, the Department seeks to engage Magellan Medicaid Administration, Inc. to utilize its Pharmacy Benefit Management system to automate what is an increasingly cumbersome and inefficient system.

The vendor will be responsible for the configuration and implementation of the Ryan White Program pharmacy benefit management system and shall act as the State's fiscal agent for these services. The vendor will provide all of the system's functional components and meet the Program's requirements. The company has a proven record of dependable performance in the services it provides New Hampshire Medicaid. Pharmaceutical manufacturer rebates paid to the Ryan White Program under the Federal 340B Drug Pricing Program will be utilized to pay for 100% of the expenses of the Pharmacy Benefit Management system.

The SFY 2014 total \$414,678 for system development and implementation and \$389,052 for first year claims processing. The SFY 2015 and SFY 2016 totals are flat fees for claims processing, regardless of volume.

Should Governor and Executive Council not authorize this Request; the Ryan White Program will not have the ability to improve efficiency and financial integrity to fulfill Federal and State expectations and requirements.

This Agreement has the option to renew for three (3) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council. This is the initial agreement between the Ryan White Program and the Vendor for these services.

The following performance measures will be used to measure the effectiveness of the agreement.

- Annually, 95% of claims are correctly applied to the Ryan White Program (no other insurance or coverage was available at the prescription fill date).
- Annually, 95% of medication insurance denials are correctly paid by the Ryan White Program at the New Hampshire Medicaid rate (includes all medications except for those on the Ryan White Program exclusion list).

Her Excellency, Governor Margaret Wood Hassan  
and the Honorable Council  
May 15, 2012  
Page 3

Area served: Statewide

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

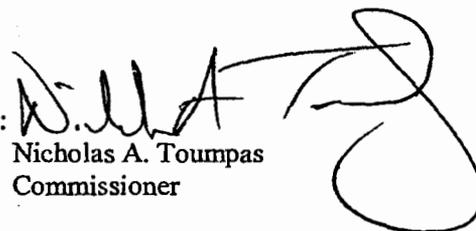
In the event that the Other Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



José Thier Montero, MD  
Director

Approved by:



Nicholas A. Toumpas  
Commissioner

JTM/cc



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

Peter C. Hastings  
Acting Commissioner

April 19, 2013

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

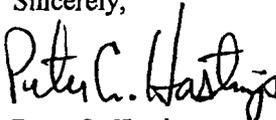
Dear Commissioner Toumpas:

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

This is a request to enter into a contract to provide Pharmacy Benefit Management services to individuals with Human Immunodeficiency Virus served by the New Hampshire Ryan White Comprehensive Acquired Immune Deficiency Syndrome Resources Emergency Act Program, known as the Ryan White Program. The contract shall become effective upon Governor and Council approval, through June 30, 2016, in an amount not to exceed \$1,623,162.00.

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

Sincerely,

  
Peter C. Hastings

PCH/ltm  
Contract #2013-073

CC: Chris Cullinan, DHHS  
Sarah McPhee, DHHS  
Leslie Mason, DoIT

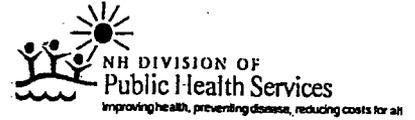
STM  
WLB



STATE OF NEW HAMPSHIRE

DEPARTMENT OF HEALTH AND HUMAN SERVICES

29 HAZEN DRIVE, CONCORD, NH 03301-6527  
603-271-4502 1-800-852-3345 Ext. 4502  
Fax: 603-271-4934 TDD Access: 1-800-735-2964



Nicholas A. Toumpas  
Commissioner

José Thier Montero  
Director

April 24, 2013

Peter C. Hastings  
Acting Commissioner/CIO  
Department of Information Technology  
27 Hazen Drive  
Concord, New Hampshire 03301

Requested Action and Explanation

The Department of Health and Human Services (DHHS), Division of Public Health Services (DPHS), Bureau of Infectious Disease Control, respectfully requests the Department of Information Technology's approval of a sole source agreement with Magellan Medicaid Administration, Inc. (Vendor #175784), 11013 West Broad Street, Suite 500, Glen Allen, VA 23060, to provide pharmacy benefit management (PBM) services to individuals with Human Immunodeficiency Virus (HIV) served by the New Hampshire Ryan White Comprehensive Acquired Immune Deficiency Syndrome Resources Emergency (CARE) Act Program, known as the Ryan White Program, statewide, to be effective July 1, 2013 or date of Governor and Council approval, whichever is later, through June 30, 2016 in an amount not to exceed \$1,623,162.00.

Funds are available in the following account for SFY 2014 and are anticipated to be available in SFY 2015 and SFY 2016 based upon the availability and continued appropriation of funds in the future operating budgets with authority to adjust amounts if needed and justified between State Fiscal Years.

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

Fiscal Year	Class/Object	Class Title	Job Number	Total Amount
SFY 2014	103-502664	Contracts for Program Services*	90024603	\$803,730.00
SFY 2015	103-502664	Contracts for Program Services	90024603	\$402,672.00
SFY 2016	103-502664	Contracts for Program Services	90024603	\$416,760.00
			Total	\$1,623,162.00

\* SFY 2014 amount is the total of \$414,678 for the development and implementation of the system plus \$389,052 for processing fee for the first year: 7/1/13 to 6/30/14. Each annual fee is a flat amount regardless of the volume of claims processed.

## EXPLANATION

The Ryan White Program's core mission is to improve health outcomes for persons living with HIV, and specifically to maximize the percentage of HIV-infected New Hampshire residents receiving evidence-based medical care, case management, and necessary medications. A core part of fulfilling this mission is payment by the Program for prescription medications needed by these individuals.

~~The Program's current payment process to pharmacies is fax and paper-based, and requires the manual entry, management and payment of approximately 13,000 prescriptions per year as dispensed by over 175 pharmacies statewide. To improve efficiency and data integrity and to fulfill federal Health Resources Services Administration (HRSA) requirements, DHHS seeks to engage Magellan Medicaid Administration, Inc. to utilize its Pharmacy Benefit Management (PBM) solution to automate what is an increasingly cumbersome and inefficient system.~~

NH DHHS elected to pursue a sole source contract with Magellan Medicaid Administration, Inc. because the vendor is already under contract with DHHS for pharmacy benefit management services for NH DHHS' Office of Medicaid Business and Policy (OMBP), and is providing the State with a nearly identical service. Design and implementation costs of the Ryan White Program PBM system are greatly reduced as a result. The vendor will be responsible for the configuration, and implementation of the Ryan White Program PBM system and shall act as the State's fiscal agent for these services. The vendor will provide all of the system's functional components and meet the Program's requirements. The company has a proven record of dependable performance in the services it provides OMBP. Manufacturer rebates paid to the Ryan White Program under the Federal 340B Drug Pricing Program will be utilized to pay for 100% of the expenses of the PBM solution.

This Agreement has the option to renew for three (3) additional year(s), contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council. This is the initial agreement with this Vendor for these services.

### Prior Related Actions

No previous Related Actions.

### Alternatives and Benefits

The proposed solution will eliminate most of the paperwork and dramatically reduce the staff time devoted to data entry, filing, payment processing and reporting. The overall result will be increased efficiency and lower administrative costs for the Program, and for the pharmacies that serve Ryan White Program clients. The automated PBM system would also provide the benefit of dealing with a single vendor, rather than with over 175 individual pharmacies.

The current paper-based system was created in the mid 1990s and has continued virtually unchanged since then. There are few alternatives to a pharmacy benefit management system other than to continue the current manual process. At best the Ryan White Program would continue to pay excessive administrative costs for an obsolete paper-based system for claims processing.

### Impact on Other State Agencies and Municipalities

None anticipated.

Open Standards

An open source software PBM (POS, Reporting, Call Center, etc.) solution was not considered since the State is leveraging the existing OMBP PBM solution already in place through Magellan and there is not commercially viable open source PBM solution product suite in the market place. Magellan is able to offer this service to DHHS at a substantially reduced cost. Magellan guarantees that the State will have access to its data in compliance with RSA 21-R:13.

Supporting Documentation

NH Department of Health and Human Services, Division of Public Health Services, Pharmacy Benefits Management System Contract 2013-073

**Summary of Requested Action**

Date of most recently approved NHITP: _____	October 21, 2005
NHITP Initiative / Project Name: _____	N/A
NHITP Initiative / Project Number: _____	N/A
A&E System Request ID: _____	N/A

**Requisition Information:**

Vendor Name	Magellan Medicaid Administration, Inc.
-------------	--

**Funding Sources and Amounts:**

	*Object Code(s)	FY2014	FY2015	FY2016	Total
STATE					
FEDERAL					
OTHER (340B Drug Rebates)	502664	\$803,730.00	\$402,672.00	\$416,760.00	\$1,623,162.00
<b>TOTAL</b>		<b>\$803,730.00</b>	<b>\$402,672.00</b>	<b>\$416,760.00</b>	<b>\$1,623,162.00</b>

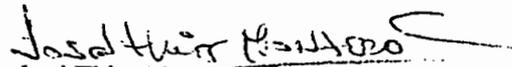
**CONTACT PERSON:**

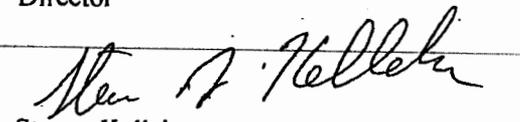
Christopher Cullinan  
NH DHHS, DPHS, BIDC, ID PICS Section  
29 Hazen Drive  
Concord, NH 03301  
Telephone: 603-271-4480  
Fax : (603) 271-4934  
ccullinan@dhhs.state.nh.us

**CERTIFICATION**

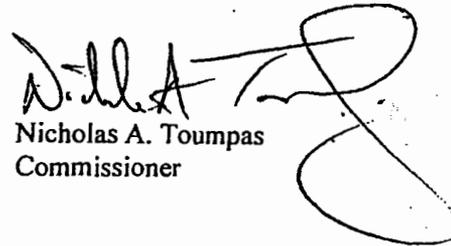
The undersigned hereby certify that the information provided in this document and any attachments is complete and accurate and that alternatives to the solution defined in this document have been appropriately considered.

Respectfully submitted,

  
José Thier Montero, MD  
Director

  
Steven Kelleher  
Information Technology Manager, DHHS  
NH Department of Information Technology

Approved by:

  
Nicholas A. Toumpas  
Commissioner

CC: Leslie Mason, IT Manager  
Martha Wells, Business Systems Liaison  
Brook Dupee, Bureau Chief  
Donna Mombourquette, ID-PICS Section Chief  
Sarah McPhee, Program Manager

**STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
PHARMACY BENEFIT MANAGEMENT SYSTEM CONTRACT  
CONTRACT 2013-046  
AGREEMENT- PART 1**

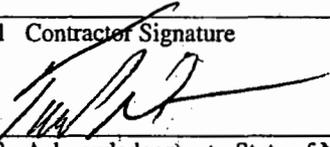
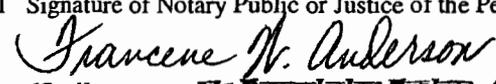
Subject: NH AIDS Drug Assistance Program Pharmacy Benefit Management System

**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

<b>1.1 State Agency Name</b> New Hampshire Department of Health and Human Services Division of Public Health Services		<b>1.2 State Agency Address</b> 29 Hazen Drive, Concord NH 03301	
<b>1.3 Contractor Name</b> Magellan Medicaid Administration		<b>1.4 Contractor Address</b> 11013 West Broad St. Ste. 500 Glen Allen, VA 23060	
<b>1.5 Contractor Phone Number</b> 804-548-0100	<b>1.6 Account Number</b> 05-95-90-902510-2229-103-502664	<b>1.7 Completion Date</b> 06/30/2016	<b>1.8 Price Limitation</b> \$1,623,162
<b>1.9 Contracting Officer for State Agency</b> Lisa L. Bujno, MSN, APRN Bureau Chief		<b>1.10 State Agency Telephone Number</b> 603-271-4501	
<b>1.11 Contractor Signature</b> 		<b>1.12 Name and Title of Contractor Signatory</b> Timothy P. Nolan, President	
<b>1.13 Acknowledgement:</b> State of <del>New Hampshire</del> <sup>Virginia</sup> , County of <del>Merrimack</del> <sup>Henrico</sup> On <u>4/30/2013</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
<b>1.13.1 Signature of Notary Public or Justice of the Peace</b>  [Seal] My Commission Expires <u>5/30/2014</u> Registration No. <u>322352</u>			
<b>1.13.2 Name and Title of Notary or Justice of the Peace</b> Francene W. Anderson, Notary Public			
<b>1.14 State Agency Signature</b> 		<b>1.15 Name and Title of State Agency Signatory</b> Lisa L. Bujno, Bureau Chief	
<b>1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable)</b> By: _____ Director, On: _____			
<b>1.17 Approval by the Attorney General (Form, Substance and Execution)</b> By: <u>Kevin P. Herrick</u> <u>Janice P. Herrick, Attorney</u> On: <u>27 May 2013</u>			
<b>1.18 Approval by the Governor and Executive Council</b> By: _____ On: _____			





confined in block 19 of his or her successor certificate(s) of insurance to all renewals of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate of insurance shall contain a clause stating the intent to outsource or transfer the Contracting Work identified in block 14 of this Agreement to his or her (or the Contractor's) other agents or consultants or subcontractors of the contractor.

**15. WORKERS' COMPENSATION.** The Contractor agrees to comply with all applicable laws, regulations and codes of practice with respect to the requirements of New Jersey Chapter 15:27, *Workers' Compensation*. The Contractor shall be solely responsible for the acquisition of all applicable workers' compensation insurance for all employees of the Contractor, including any subcontractors, who are performing work under the Agreement. The Contractor shall be responsible for the payment of all workers' compensation benefits to any employee of the Contractor who is injured or disabled as a result of work performed under the Agreement. The Contractor shall be responsible for the payment of all workers' compensation benefits to any employee of the Contractor who is injured or disabled as a result of work performed under the Agreement. The Contractor shall be responsible for the payment of all workers' compensation benefits to any employee of the Contractor who is injured or disabled as a result of work performed under the Agreement. The Contractor shall be responsible for the payment of all workers' compensation benefits to any employee of the Contractor who is injured or disabled as a result of work performed under the Agreement.

**16. MAINTAIN THE LICENSE.** Any license by the State to exercise the profession of a contractor shall be deemed to be a public trust and shall be held in trust for the benefit of the State. No license shall be granted or renewed unless the contractor has first obtained a license from the State. The contractor shall be deemed to have accepted the license and shall be deemed to have agreed to comply with all applicable laws, regulations and codes of practice with respect to the requirements of the license.

**17. NOTICE.** Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given if the notice is in writing and is delivered to the address specified in the address book of the contractor.

**18. AMENDMENTS.** This Agreement may be amended, altered or discharged by an instrument in writing signed by the parties hereto and duly filed, approved or such amendment, waiver or discharge by the Governor and Executive Council of the State of New Jersey.

**19. CONSTRUCTION OF AGREEMENT AND TERMS.** This Agreement shall be construed in accordance with the laws of the State of New Jersey, and its meaning shall be given to the benefit of the parties and their respective successors and assigns. The written use of the Agreement is the writing chosen by the parties to express their mutual intent, and the rule of construction shall be applied against it in favor of the party.

**20. ENTIRE AGREEMENT.** The parties hereto intend that this Agreement shall be the entire agreement between them and shall be construed to contain any such intent.

**21. ASSIGNMENT.** The Contractor shall not assign, subcontract or otherwise transfer any part of the Agreement to any other party without the prior written consent of the other party. Any assignment, subcontract or other transfer of any part of the Agreement shall be null and void.

**22. SEVERABILITY.** If any provision of this Agreement is held to be unenforceable, the remainder of the Agreement shall remain in full force and effect.

**23. SIGNATURE.** The Contractor shall execute and deliver to the other party a true and correct copy of this Agreement, signed by the Contractor, and shall be deemed to have accepted the Agreement.

**24. ENTIRE AGREEMENT.** This Agreement shall be the entire agreement between the parties and shall be construed to contain any such intent.

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF PUBLIC HEALTH SERVICES  
CONTRACT 2013-073 PHARMACY BENEFITS MANAGEMENT SYSTEM  
CONTRACT AGREEMENT – PART 2

**TERMS AND DEFINITIONS**

The following general contracting terms and definitions apply except as specifically noted elsewhere in this document.

<b>Acceptance</b>	Notice from the State that a Deliverable has satisfied Acceptance Test or Review.
<b>Acceptance Letter</b>	An Acceptance Letter provides notice from the State that a Deliverable has satisfied Acceptance Tests or Review.
<b>Acceptance Period</b>	The timeframe during which the Acceptance Test is performed
<b>Acceptance Test and Review</b>	Tests performed to determine that no Defects exist in the application Software or the System
<b>Acceptance Test Plan</b>	The Acceptance Test Plan provided by Magellan and agreed to by the State that describes at a minimum, the specific Acceptance process, criteria, and Schedule for Deliverables.
<b>ADAP</b>	The term "ADAP" refers to the New Hampshire AIDS Drug Assistance Program, administered by the NH CARE Program within the NH Division of Public Health Services.
<b>Agreement</b>	A contract duly executed and legally binding.
<b>Appendix</b>	Supplementary material that is collected and appended at the back of a document
<b>CCP</b>	Change Control Procedures
<b>Certification</b>	Magellan's written declaration with full supporting and written Documentation (including without limitation test results as applicable) that Magellan has completed development of the Deliverable and certified its readiness for applicable Acceptance Testing or Review.
<b>Change Control</b>	Formal process for initiating changes to the proposed solution or process once development has begun.
<b>Change Order</b>	Formal documentation prepared for a proposed change in the Specifications.
<b>CM</b>	Configuration Management
<b>Confidential Information</b>	Information required to be kept Confidential from unauthorized disclosure <i>under the Contract</i>
<b>Contract</b>	This Agreement between the State of New Hampshire and a Vendor, which creates binding obligations for each party to perform as specified in the Contract Documents.
<b>Contract Conclusion</b>	Refers to the conclusion of the Contract, for any reason, including but not limited to, the successful Contract completion, termination for convenience, or termination for default.
<b>Contract Documents</b>	Documents that comprise this Contract (See Contract Agreement, Section 1.1)
<b>Contractor</b>	The term "Contractor" means (Magellan Health Services Inc.).
<b>COTS</b>	Commercial Off-The-Shelf Software
<b>CR</b>	Change Request

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<b>Cure Period</b>	The thirty (30) day period following written notification of a default within which a Magellan must cure the default identified.
<b>Custom Code</b>	Code developed by Magellan specifically for this project for the State of New Hampshire
<b>Custom Software</b>	Software developed by Magellan specifically for this project for the State of New Hampshire
<b>Data</b>	State's records, files, forms, Data and other documents or information, in either electronic or paper form, that will be used /converted by Magellan during the Contract Term
<b>DBA</b>	Database Administrator
<b>Deficiencies/Defects</b>	A failure, deficiency or defect in a Deliverable resulting in a Deliverable, the Software, or the System, not conforming to its Specifications.  <b>Class A Deficiency</b> – <i>Software</i> - Critical, does not allow System to operate, no work around, demands immediate action; <i>Written Documentation</i> - missing significant portions of information or unintelligible to State; <i>Non Software</i> - Services were inadequate and require re-performance of the Service.  <b>Class B Deficiency</b> – <i>Software</i> - important, does not stop operation and/or there is a work around and user can perform tasks; <i>Written Documentation</i> - portions of information are missing but not enough to make the document unintelligible; <i>Non Software</i> - Services were deficient, require reworking, but do not require re-performance of the Service.  <b>Class C Deficiency</b> – <i>Software</i> - minimal, cosmetic in nature, minimal effect on System, low priority and/or user can use System; <i>Written Documentation</i> - minimal changes required and of minor editing nature; <i>Non Software</i> - Services require only minor reworking and do not require re-performance of the Service.
<b>Deliverable</b>	A Deliverable is any Written, Software, or Non-Software Deliverable (letter, report, manual, book, other), provided by Magellan to the State or under the terms of a Contract requirement.
<b>Department</b>	An agency of the State
<b>Department of Information Technology (DoIT)</b>	The Department of Information Technology established under RSA 21-R by the Legislature effective September 5, 2008.
<b>Digital Signature</b>	Guarantees the unaltered state of a file
<b>Documentation</b>	All information that describes the installation, operation, and use of the Software, either in printed or electronic format.
<b>Effective Date</b>	The Contract and all obligations of the parties hereunder shall become effective on the date the Governor and the Executive Council of the State of New Hampshire approves the Contract
<b>Encryption</b>	Supports the encoding of data for security purposes
<b>Enhancements</b>	Updates, additions, modifications to, and new releases for the Software, and all changes to the Documentation as a result of

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	Enhancements, including, but not limited to, Enhancements produced by Change Orders
<b>Federal Upper Limit</b>	The term “Federal Upper Limit” means the maximum amount that Medicaid can reimburse for a drug product as established by CMS.
<b>Firm Fixed Price Contract</b>	A Firm-Fixed-Price Contract provides a price that is not subject to increase, i.e., adjustment on the basis of Magellan’s cost experience in performing the Contract
<b>Implementation</b>	The process for making the System fully Operational for processing the Data.
<b>Implementation Plan</b>	Sets forth the transition from development of the System to full operation, and includes without limitation, training, business and technical procedures.
<b>Information Technology (IT)</b>	Refers to the tools and processes used for the gathering, storing, manipulating, transmitting, sharing, and sensing of information including, but not limited to, Data processing, computing, information systems, telecommunications, and various audio and video technologies.
<b>Invoking Party</b>	In a dispute, the party believing itself aggrieved
<b>Key Project Staff</b>	Personnel identified by the State and by Magellan as essential to work on the Project.
<b>Magellan/Vendor</b>	Magellan whose proposal or quote was awarded the Contract with the State and who is responsible for the Services and Deliverables of the Contract.
<b>NH ADAP Medical Advisory Board (MAB)</b>	NH ADAP Medical Advisory Board (MAB) is the group of stakeholders, including doctors, healthcare professionals and consumers of HIV services that consults with NH ADAP staff and make clinical and business decisions for the program.
<b>Normal Business Hours</b>	Normal Business Hours – 8:00 a.m. to 5:00 p.m. EST, Monday through Friday excluding State of New Hampshire holidays. State holidays are: New Year’s Day, Martin Luther King Day, President’s Day, Memorial Day, July 4 <sup>th</sup> , Labor Day, Veterans Day, Thanksgiving Day, the day after Thanksgiving Day, and Christmas Day. Specific dates will be provided
<b>Notice to Proceed (NTP)</b>	The State Contract Manager’s written direction to Magellan to begin work on the Contract on a given date and time
<b>Open Data Formats</b>	A data format based on an underlying Open Standard.
<b>Open Source Software</b>	Software that guarantees the user unrestricted use of the Software as defined in RSA 21-R:10 and RSA 21-R:11.
<b>Open Standards</b>	Specifications for the encoding and transfer of computer data that is defined in RSA 21-R:10 and RSA 21-R:13.
<b>Operating System</b>	System is fully functional, all Data has been loaded into the System, is available for use by the State in its daily operations.
<b>Operational</b>	Operational means that the System is operating and fully functional, all Data has been loaded; the System is available for use by the State in its daily operations, and the State has issued an

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	Acceptance Letter.
<b>Order of Precedence</b>	The order in which Contract/Documents control in the event of a conflict or ambiguity. A term or condition in a document controls over a conflicting or ambiguous term or condition in a document that is lower in the Order of Precedence
<b>Prescriber</b>	The term "Prescriber" means the authorized individual writing the prescription for the recipient.
<b>Prior Authorization (PA)</b>	The term "Prior Authorization" or "PA" means the pre-claim submission approval that shall be given to Providers by Magellan's clinical call center for a specified client for any drug that is subject to PA restrictions.
<b>Project</b>	The planned undertaking regarding the entire subject matter of an RFP and Contract and the activities of the parties related hereto.
<b>Project Management Plan</b>	A document that describes the processes and methodology to be employed by Magellan to ensure a successful Project.
<b>Project Managers</b>	The persons identified who shall function as the State's and Magellan's representative with regard to Review and Acceptance of Contract Deliverables, invoice sign off, and Review and approval of Change Requests (CR) utilizing the Change Control Procedures (CCP)
<b>Project Staff</b>	State personnel assigned to work with Magellan on the Project
<b>Project Team</b>	The group of State employees and Magellan's personnel responsible for managing the processes and mechanisms required such that the Services are procured in accordance with the Work Plan on time, on budget and to the required specifications and quality
<b>Proposal</b>	The submission from a Vendor in response to the Request for a Proposal or Statement of Work
<b>Prospective Drug Utilization Review (ProDUR)</b>	The term "Prospective Drug Utilization Review" or "ProDUR" means the provision of certain information, on-line, to authorized Providers prior to filling a prescription.
<b>Provider</b>	The term "Provider" means an enrolled NH ADAP provider of pharmacy or medical services.
<b>Regression Test Plan</b>	A plan integrated into the Work Plan used to ascertain whether fixes to Defects have caused errors elsewhere in the application/process.
<b>Retrospective Drug Utilization Review (RetroDUR)</b>	The term "Retrospective Drug Utilization Review" or "RetroDUR" means the review of Provider dispensing patterns and client use of drugs.
<b>Review</b>	The process of reviewing Deliverables for Acceptance
<b>Review Period</b>	The period set for Review of a Deliverable. If none is specified then the Review Period is five (5) business days.
<b>RFP (Request for Proposal)</b>	A Request For Proposal solicits Proposals to satisfy State functional requirements by supplying data processing product and/or Service

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	resources according to specific terms and conditions
<b>Role/Privilege Management</b>	Supports the granting of abilities to users or groups of users of a computer, application or network
<b>Schedule</b>	The dates described in the Work Plan for deadlines for performance of Services and other Project events and activities under the Contract
<b>Services</b>	The work or labor to be performed by Magellan on the Project as described in the Contract.
<b>Software</b>	All custom Software and COTS Software provided by Magellan under the Contract
<b>Software Deliverables</b>	COTS Software and Enhancements
<b>Software License</b>	Licenses provided to the State under this Contract
<b>Solution</b>	The Solution consists of the total Solution, which includes, without limitation, Software and Services, addressing the requirements and terms of the Specifications. The off-the-shelf Software and configured Software customized for the State provided by Magellan in response to this RFP.
<b>Specifications</b>	The written Specifications that set forth the requirements which include, without limitation, this RFP, the Proposal, the Contract, any performance standards, Documentation, applicable State and federal policies, laws and regulations, State technical standards, subsequent State-approved Deliverables, and other Specifications and requirements described in the Contract Documents. The Specifications are, by this reference, made a part of the Contract as though completely set forth herein.
<b>State</b>	STATE is defined as: State of New Hampshire NH DHHS, AIDS Drug Assistance Program Bureau of Infectious Disease Control 29 Hazen Drive Concord, NH 03301 Reference to the term "State" shall include applicable agencies
<b>State Data</b>	Any information contained within State systems in electronic or paper format.
<b>State Fiscal Year (SFY)</b>	The New Hampshire State Fiscal Year extends from July 1 <sup>st</sup> through June 30 <sup>th</sup> of the following calendar year
<b>State Project Leader</b>	State's representative with regard to Project oversight
<b>State's Project Manager (PM)</b>	State's representative with regard to Project management and technical matters. Agency Project Managers are responsible for Review and Acceptance of specific Contract Deliverables, invoice sign off, and Review and approval of a Change Proposal (CP).
<b>Statement of Work (SOW)</b>	A Statement of Work clearly defines the basic requirements and objectives of a Project. The Statement of Work also defines a high level view of the architecture, performance and design requirements, the roles and responsibilities of the State and Magellan. The Contract Agreement SOW defines the results that Magellan remains responsible and accountable for achieving.
<b>Subcontractor</b>	A person, partnership, or company not in the employment of, or owned by, Magellan, which is performing Services under this

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	Contract under a separate Contract with or on behalf of Magellan
<b>System</b>	All Software, specified hardware, and interfaces and extensions, integrated and functioning together in accordance with the Specifications.
<b>TBD</b>	To Be Determined
<b>Term</b>	Period of the Contract from the Effective Date through termination.
<b>Test Plan</b>	A plan, integrated in the Work Plan, to verify the code (new or changed) works to fulfill the requirements of the Project. It may consist of a timeline, a series of tests and test data, test scripts and reports for the test results as well as a tracking mechanism.
<b>Third Party Liability (TPL)</b>	The term "Third Party Liability" or "TPL" means any source of payment or potential source of payment for prescription drugs, other than NH ADAP.
<b>Transition Services</b>	Services and support provided when Magellan is supporting System changes.
<b>UAT</b>	User Acceptance Test
<b>Unit Test</b>	Developers create their own test data and test scenarios to verify the code they have created or changed functions properly as defined.
<b>User Acceptance Testing</b>	Tests done by knowledgeable business users who are familiar with the scope of the Project. They create/develop test cases to confirm the System was developed according to specific user requirements. The test cases and scripts/scenarios should be mapped to business requirements outlined in the user requirements documents.
<b>User Management</b>	Supports the administration of computer, application and network accounts within an organization
<b>Vendor/ Magellan</b>	Magellan whose proposal or quote was awarded the Contract with the State and who is responsible for the Services and Deliverables of the Contract.
<b>Verification</b>	Supports the confirmation of authority to enter a computer system, application or network
<b>Warranty Period</b>	A period of coverage during which Magellan is responsible for providing a guarantee for products and Services delivered as defined in the Contract.
<b>Warranty Releases</b>	Code releases that are done during the Warranty Period.
<b>Warranty Services</b>	The Services to be provided by Magellan during the Warranty Period.
<b>Work Hours</b>	Vendor personnel shall work Normal Business Hours between 8:00 am and 5:00 pm, eight (8) hour days, forty (40) hour weeks, excluding State of New Hampshire holidays. Changes to this schedule may be made upon agreement with the State Project Manager.
<b>Work Plan</b>	The overall plan of activities for the Project created in accordance with the Contract. The plan and delineation of tasks, activities and events to be performed and Deliverables to be produced under the Project as specified in Appendix C. The Work Plan shall include a detailed description of the Schedule, tasks/activities, Deliverables,

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	critical events, task dependencies, and the resources that would lead and/or participate on each task.
<b>Written Deliverables</b>	Non-Software written deliverable Documentation (letter, report, manual, book, other) provided by Magellan either in paper or electronic format.

**INTRODUCTION**

This Contract is by and between the State of New Hampshire, acting through New Hampshire Department of Health and Human Services (“State”), and Magellan Medicaid Administration (“Magellan”), having its principal place of business at 11013 W. Broad St. Ste. 500, Glen Allen, VA 23060-5937.

Magellan shall be responsible for the design, development, and Implementation of the NH AIDS Drug Assistance Program (ADAP) Pharmacy Benefits Management (PBM) system and shall act as the State’s Fiscal Agent for these Services. Magellan shall provide all of the system’s functional components and requirements, including Services and deliverables, outlined within this Contract.

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

**RECITALS**

The State desires to have Magellan provide a Pharmacy Benefits Management System, and associated Services for the Department of Health and Human Services, Division of Public Health Services;

Magellan wishes to provide a Pharmacy Benefits Management System and associated Services for the State.

The parties therefore agree as follows:

**1. CONTRACT DOCUMENTS**

**1.1 Contract Documents**

This Contract is comprised of the following documents (Contract Documents):

- A. Part 1 – State Terms and Conditions contained in the Form P-37
- B. Part 2 – The Contract Agreement
- C. Part 3 – Consolidated Exhibits
  - Exhibit A- Contract Deliverables
  - Exhibit B- Price and Payment Schedule
  - Exhibit C- Special Provisions
  - Exhibit D- Administrative Services
  - Exhibit E- Implementation Services
  - Exhibit F- Testing Services

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Exhibit G- Maintenance and Support Services  
Exhibit H- Requirements  
Exhibit I- Work Plan  
Exhibit J- Software License and related Terms  
Exhibit K- Warranty and Warranty Services  
Exhibit L- Training Services

Exhibit N- Magellan Proposal, by reference  
Exhibit O- Certificates and Attachments  
Exhibit P- DHHS Standard Exhibit C: Special Provisions  
Exhibit Q- DHHS Standard Exhibit D: Certification Regarding Drug-Free  
Workplace Requirements  
Exhibit R- DHHS Standard Exhibit E: Certification Regarding Lobbying  
Exhibit S- DHHS Standard Exhibit F: Certification Regarding Debarment,  
Suspension, and Other Responsibility Matters  
Exhibit T- DHHS Standard Exhibit G: Certification Regarding the Americans  
with Disabilities Act Compliance  
Exhibit U- DHHS Standard Exhibit H: Environmental Tobacco Smoke  
Exhibit V- DHHS Standard Exhibit I: Health Insurance Portability and  
Accountability Act  
Exhibit W- DHHS Standard Exhibit J: Certification Regarding the Federal  
Funding Accountability and Transparency Act (FFATA) Compliance

Attachment 1 – Business and Program Requirements

### 1.2 Order of Precedence

In the event of conflict or ambiguity among any of the text of the Contract Documents, the following Order of Precedence shall govern:

- a. *The State of New Hampshire Terms and Conditions*, Form P-37-Contract Agreement (Part 1)
- b. State of New Hampshire, Department of Health and Human Services Contract 2013-073 (Parts 2 and 3); then
- c. The Vendor's Proposal

### 1.3 Contract Term

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

The Contract shall begin on the Effective Date and extend through June 30, 2016. The Term may be extended up to three years, ("Extended Term") at the sole option of the State, subject to the parties prior written Agreement on applicable fees for each extended Term, up to but not beyond June 30, 2019.

Magellan shall commence work upon issuance of a Notice to Proceed by the State.

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The State does not require Magellan to commence work prior to the Effective Date; however, if Magellan commences work prior to the Effective Date and a Notice to Proceed, such work shall be performed at the sole risk of Magellan. In the event that the Contract does not become effective, the State shall be under no obligation to pay Magellan for any costs incurred or Services performed; however, if the Contract becomes effective, all costs incurred prior to the Effective Date shall be paid under the terms of the Contract.

**Time is of the essence in the performance of Magellan's obligations under the Contract.**

## 2. COMPENSATION

### 2.1 Contract Price

The Contract price, method of payment, and terms of payment are identified and more particularly described in Contract Exhibit B: *Price and Payment Schedule*.

### 2.2 Non-Exclusive, Firm Fixed Price Contract

This is a Non-Exclusive, Firm Fixed Price (FFP) Contract with Price and Term limitations as set forth in the Contract.

The State reserves the right, at its discretion, to retain other Contractors to provide any of the Services or Deliverables identified under this procurement or make an award by item, part or portion of an item, group of items, or total Proposal. Magellan shall not be responsible for any delay, act, or omission of such other Contractors, except that Magellan shall be responsible for any delay, act, or omission of the other Contractors if such delay, act, or omission is caused by or due to the fault of Magellan.

## 3. CONTRACT MANAGEMENT

The Project will require the coordinated efforts of a Project Team consisting of both Magellan and State personnel. Magellan shall provide all necessary resources to perform its obligations under the Contract. Magellan shall be responsible for managing the Project to its successful completion.

### 3.1 Magellan's Contract Manager

Magellan shall assign a Contract Manager who shall be responsible for all Contract authorization and administration. Magellan's Contract Manager is:

Donna M. Mellen  
Senior Director, Business Development  
Magellan Medicaid Administration  
46 Ronald Drive, Swansea, MA 02777  
Tel: 508-324-0629  
Fax: 804-548-0015  
Email: [DMMellen@MagellanHealth.com](mailto:DMMellen@MagellanHealth.com)

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**3.2 Magellan's Project Manager**

**3.2.1 Contract Project Manager**

Magellan shall assign a Project Manager who meets the requirements of the Contract, including but not limited to, the requirements set forth in the RFP. Magellan's selection of the Magellan Project Manager shall be subject to the prior written approval of the State. The State's approval process may include, without limitation, at the State's discretion, Review of the proposed Magellan Project Manager's resume, qualifications, references, and background checks, and an interview. The State may require removal or reassignment of Magellan's Project Manager who, in the sole judgment of the State, is found unacceptable or is not performing to the State's satisfaction.

**3.2.2** Magellan Project Manager must be qualified to perform the obligations required of the position under the Contract, shall have full authority to make binding decisions under the Contract, and shall function as Magellan's representative for all administrative and management matters. Magellan's Project Manager shall perform the duties required under the Contract, including, but not limited to, those set forth in Contract Exhibit I, Section 2. Magellan's Project Manager must be available to promptly respond during Normal Business Hours within two (2) hours to inquiries from the State, and be at the site as needed. Magellan's Project Manager must work diligently and use his/ her best efforts on the Project.

**3.2.3** Magellan shall not change its assignment of Magellan Project Manager without providing the State written justification and obtaining the prior written approval of the State. State approvals for replacement of Magellan's Project Manager shall not be unreasonably withheld. The replacement Project Manager shall have comparable or greater skills than Magellan Project Manager being replaced; meet the requirements of the Contract, and be subject to reference and background checks described above in Contract Agreement Part 2, Section 3.2.1: *Contract Project Manager*, and in Contract Agreement Part 2, Section 3.6: *Reference and Background Checks*, below. Magellan shall assign a replacement Magellan Project Manager within ten (10) business days of the departure of the prior Magellan Project Manager, and Magellan shall continue during the ten (10) business day period to provide competent Project management Services through the assignment of a qualified interim Magellan Project Manager.

**3.2.4** Notwithstanding any other provision of the Contract, the State shall have the option, at its discretion, to terminate the Contract, declare Magellan in default and pursue its remedies at law and in equity, if Magellan fails to assign a Magellan Project Manager meeting the requirements and Terms of the Contract.

**3.2.5** The Magellan Project Manager is:  
Donna M. Mellen  
Senior Director, Business Development  
Magellan Medicaid Administration  
46 Ronald Drive, Swansea, MA 02777  
Tel: 508-324-0629  
Fax: 804-548-0015  
Email: DMMellen@MagellanHealth

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**3.3 Magellan Key Project Staff**

- 3.3.1** Magellan shall assign Key Project Staff who meet the requirements of the Contract, and can implement the Software Solution meeting the requirements set forth in Exhibit H: *System Requirements*, Table C.2: *General System Requirements - Vendor Response Checklist*. The State may conduct reference and background checks on Magellan Key Project Staff. The State reserves the right to require removal or reassignment of Magellan's Key Project Staff who are found unacceptable to the State.
- 3.3.2** Magellan shall not change any Magellan Key Project Staff commitments without providing the State written justification and obtaining the prior written approval of the State. State approvals for replacement of Magellan Key Project Staff will not be unreasonably withheld. The replacement Magellan Key Project Staff shall have comparable or greater skills than Magellan Key Project Staff being replaced; meet the requirements of the Contract, including but not limited to the requirements set forth in RFP Appendix C: *System Requirements and Deliverables* and be subject to reference and background checks described in Contract Agreement-Part 2, Section 3.6: *Reference and Background Checks*,
- 3.3.3** Notwithstanding any other provision of the Contract to the contrary, the State shall have the option to terminate the Contract, declare Magellan in default and to pursue its remedies at law and in equity, if Magellan fails to assign Key Project Staff meeting the requirements and Terms of the Contract or if it is dissatisfied with Magellan's replacement Project staff.

Magellan Key Project Staff shall consist of the following individuals in the roles identified below:

**Magellan's Key Project Staff:**

Key Member(s)

Donna M. Mellen

Donald C. Moore

Title

Senior Director, Business Development

Vice President, Operations

**3.4 State Contract Manager**

The State shall assign a Contract Manager who shall function as the State's representative with regard to Contract administration. The State Contract Manager is:

Christopher Cullinan  
NH DHHS, AIDS Drug Assistance Program  
Bureau of Infectious Disease Control  
29 Hasen Drive, Concord, NH 03301  
Tel: (603) 271-4480  
Fax: (603) 271-4934  
Email: ccullinan@dhhs.state.nh.us

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### 3.5 State Project Manager

The State shall assign a Project Manager. The State Project Manager's duties shall include the following:

- a. Leading the Project;
- b. Engaging and managing all vendors;
- c. Managing significant issues and risks.
- d. Reviewing and accepting Contract Deliverables;
- e. Invoice sign-offs;
- f. Review and approval of change proposals; and
- g. Managing stakeholders' concerns.

The State Project Manager is:

Sarah McPhee  
NH DHHS, AIDS Drug Assistance Program  
Bureau of Infectious Disease Control  
29 Hasen Drive, Concord, NH 03301  
Tel: (603) 271-3958  
Fax: (603) 271-4934  
Email: [sarah.mcphee@dhhs.state.nh.us](mailto:sarah.mcphee@dhhs.state.nh.us)

### 3.6 Reference and Background Checks

The State may, at its sole expense, conduct reference and background screening of the Magellan Project Manager and Magellan Key Project Staff. The State shall maintain the confidentiality of background screening results in accordance with the Contract Agreement, Part 2-Section 11: *Use of State's Information, Confidentiality*.

## 4. DELIVERABLES

### 4.1 Vendor Responsibilities

Magellan shall be solely responsible for meeting all requirements, and Terms and conditions specified in this Contract, regardless of whether or not a Subcontractor is used.

Magellan may subcontract Services subject to the provisions of the Contract, including but not limited to, the Terms and conditions in Section 6: *General Contract Requirements* herein and the *Contract Agreement Part 1: State of New Hampshire Terms and Conditions-P-37*. Magellan must submit all information and documentation relating to the Subcontractor, including Terms and conditions consistent with this Contract. The State will consider Magellan to be wholly responsible for the performance of the Contract and the sole point of contact with regard to all contractual matters, including payment of any and all charges resulting from the Contract.

### 4.2 Deliverables and Services

Magellan shall provide the State with the Deliverables and Services in accordance with the time frames in the Work Plan for this Contract, and as more particularly described in Contract Exhibit A: *Contract Deliverables*.

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Upon its submission of a Deliverable or Service, Magellan represents that it has performed its obligations under the Contract associated with the Deliverable or Service.

#### 4.3 Non-Software and Written Deliverables Review and Acceptance

After receiving written Certification from Magellan that a Non-Software or Written Deliverable is final, complete, and ready for Review, the State will Review the Deliverable to determine whether it meets the Requirements outlined in Contract Exhibit A: *Contract Deliverables*. The State will notify Magellan in writing of its Acceptance or rejection of the Deliverable within five (5) business days of the State's receipt of Magellan's written Certification. If the State rejects the Deliverable, the State shall notify Magellan of the nature and class of the Deficiency and Magellan shall correct the Deficiency within the period identified in the Work Plan. If no period for Magellan's correction of the Deliverable is identified, Magellan shall correct the Deficiency in the Deliverable within five (5) business days. Upon receipt of the corrected Deliverable, the State shall have five (5) business days to Review the Deliverable and notify Magellan of its Acceptance or rejection thereof, with the option to extend the Review Period up to five (5) additional business days. If Magellan fails to correct the Deficiency within the allotted period of time, the State may, at its option, continue Reviewing the Deliverable and require Magellan to continue until the Deficiency is corrected, or immediately terminate the Contract, declare Magellan in default, and pursue its remedies at law and in equity.

#### 4.4 System/Software Testing and Acceptance

System/Software Testing and Acceptance shall be performed as set forth in the Test Plan and more particularly described in Exhibit F: *Testing Services*.

#### 4.5 Security

The State must ensure that appropriate levels of security are implemented and maintained in order to protect the integrity and reliability of its information technology resources, information, and Services. State resources, information, and services must be available on an ongoing basis, with the appropriate infrastructure and security controls to ensure business continuity and safeguard State networks, Systems and Data.

IT Security involves all functions pertaining to the securing of State Data and Systems through the creation and definition of security policies, procedures and controls covering such areas as identification, authentication and non-repudiation.

All components of the Software shall be Reviewed and tested to ensure they protect the State's hardware and software and its related Data assets. See *Contract Agreement - Part 3 - Exhibit F: Testing* for detailed information on requirements for Security testing.

### 5. SOFTWARE

#### 5.1 Software and Documentation

Magellan shall provide the State with any applicable Software Licenses and Documentation set forth in the Contract, and particularly described in Exhibit J: *Software License and Related Terms*.

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**5.2 Software Support and Maintenance**

Magellan shall provide the State with Software any applicable support and Maintenance Services set forth in the Contract, and particularly described in Exhibit J: *Software*.

**5.3 Restrictions**

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

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

**5.4 Title**

Magellan must hold the right to allow the State to use the Software or hold all title, right, and interest in the Software and its associated Documentation

**6. WARRANTY**

Magellan shall provide the Warranty and Warranty Services set forth in the Contract, and particularly described in Exhibit K: *Warranty and Warranty Services*.

**7. SERVICES**

Magellan shall provide the Services required under the Contract Documents. All Services shall meet, and be performed, in accordance with the Specifications.

**7.1 Administrative Services**

Magellan shall provide the State with the administrative Services set forth in the Contract, and particularly described in Exhibit D: *Administrative Services*.

**7.2 Implementation Services**

Magellan shall provide the State with the Implementation Services set forth in the Contract, and particularly described in Exhibit E: *Implementation Services*.

**7.3 Testing Services**

Magellan shall perform testing Services for the State set forth in the Contract, and particularly described in Exhibit F: *Testing Services*.

**7.4 Training Services**

Magellan shall provide the State with training Services set forth in the Contract, and particularly described in Exhibit L: *Training Services*.

**7.5 Maintenance and Support Services**

Magellan shall provide the State with Maintenance and support Services for the Software set forth in the Contract, and particularly described in Exhibit G: *System Maintenance and Support*.

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**8. WORK PLAN DELIVERABLE**

Magellan shall provide the State with a Work Plan that shall include, without limitation, a detailed description of the Schedule, tasks, Deliverables, major milestones, task dependencies, and payment Schedule.

The initial Work Plan shall be a separate Deliverable and is set forth in Contract Exhibit I: *Work Plan*. Magellan shall update the Work Plan as necessary, but no less than every two weeks, to accurately reflect the status of the Project, including without limitation, the Schedule, tasks, Deliverables, major milestones, task dependencies, and payment Schedule. Any such updates to the Work Plan must be approved by the State, in writing, prior to final incorporation into Contract Exhibit I: *Work Plan*. The updated Contract Exhibit I: *Work Plan*, as approved by the State, is incorporated herein by reference.

Unless otherwise agreed in writing by the State, changes to the Contract Exhibit I: *Work Plan* shall not relieve Magellan from liability to the State for damages resulting from Magellan's failure to perform its obligations under the Contract, including, without limitation, performance in accordance with the Schedule.

In the event of any delay in the Schedule, Magellan must immediately notify the State in writing, identifying the nature of the delay, i.e., specific actions or inactions of Magellan or the State causing the problem; its estimated duration period to reconciliation; specific actions that need to be taken to correct the problem; and the expected Schedule impact on the Project.

In the event additional time is required by Magellan to correct Deficiencies, the Schedule shall not change unless previously agreed in writing by the State, except that the Schedule shall automatically extend on a day-to-day basis to the extent that the delay does not result from Magellan's failure to fulfill its obligations under the Contract. To the extent that the State's execution of its major tasks takes longer than described in the Work Plan, the Schedule shall automatically extend on a day-to-day basis.

Notwithstanding anything to the contrary, the State shall have the option to terminate the Contract for default, at its discretion, if it is dissatisfied with Magellan's Work Plan or elements within the Work Plan.

**9. CHANGE ORDERS**

The State may make changes or revisions at any time by written Change Order. The State originated changes or revisions shall be approved by the Department of Information Technology. Within five (5) business days of Magellan's receipt of a Change Order, Magellan shall advise the State, in detail, of any impact on cost (e.g., increase or decrease), the Schedule, or the Work Plan.

Magellan may request a change within the scope of the Contract by written Change Order, identifying any impact on cost, the Schedule, or the Work Plan. The State shall attempt to respond to Magellan's requested Change Order within five (5) business days. The State Agency, as well as the Department of Information Technology, must approve all Change Orders in writing. The State shall be deemed to have rejected the Change Order if the parties are unable to reach an agreement in writing.

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All Change Order requests from Magellan to the State, and the State Acceptance of Magellan's estimate for a State requested change, will be acknowledged and responded to, either acceptance or rejection, in writing. If accepted, the Change Order(s) shall be subject to the Contract amendment process, as determined to apply by the State.

## 10. INTELLECTUAL PROPERTY

The State shall hold all ownership, title, and rights in any Custom Software developed in connection with performance of obligations under the Contract, or modifications to the Software, and their associated Documentation including any and all performance enhancing Operational plans and Vendors' special utilities. The State shall have sole right to produce, publish, or otherwise use such Software, modifications, and Documentation developed under the Contract and to authorize others to do so.

### 10.1 State's Data

All rights, title and interest in State Data shall remain with the State.

### 10.2 Vendor's Materials

Subject to the provisions of this Contract, Magellan may develop for itself, or for others, materials that are competitive with, or similar to, the Deliverables. In accordance with the confidentiality provision of this Contract, Magellan shall not distribute any products containing or disclose any State Confidential Information. Magellan shall be free to use its general knowledge, skills and experience, and any ideas, concepts, know-how, and techniques that are acquired or used in the course of its performance under this Contract, provided that such is not obtained as the result of the deliberate memorization of the State Confidential Information by Magellan employees or third party consultants engaged by Magellan.

Without limiting the foregoing, the parties agree that the general knowledge referred to herein cannot include information or records not subject to public disclosure under New Hampshire RSA Chapter 91-A, which includes but is not limited to the following: records of grand juries and petit juries; records of parole and pardon boards; personal school records of pupils; records pertaining to internal personnel practices, financial information, test questions, scoring keys and other examination data use to administer a licensing examination, examination for employment, or academic examination and personnel, medical, welfare, library use, video tape sale or rental, and other files containing personally identifiable information that is private in nature.

### 10.3 State Website Copyright

#### WWW Copyright and Intellectual Property Rights

All right, title and interest in the State WWW site, including copyright to all Data and information, shall remain with the State. The State shall also retain all right, title and interest in any user interfaces and computer instructions embedded within the WWW pages. All WWW pages and any other Data or information shall, where applicable, display the State's copyright.

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**10.4 Custom Software Source Code**

Magellan shall provide the State with a copy of the source code for any Custom Software, which shall be subject to the License rights. The State shall receive a worldwide, perpetual, irrevocable, non-exclusive paid -up right and license to use, copy, modify and prepare derivative works of any custom developed Software.

**10.5 Survival**

This Contract Agreement Section 10: *Intellectual Property* shall survive the termination of the Contract.

**11. USE OF STATE'S INFORMATION, CONFIDENTIALITY**

**11.1 Use of State's Information**

In performing its obligations under the Contract, Magellan may gain access to information of the State, including State Confidential Information. "State Confidential Information" shall include, but not be limited to, information exempted from public disclosure under New Hampshire RSA Chapter 91-A: *Access to Public Records and Meetings* (see e.g. RSA Chapter 91-A: 5 *Exemptions*). Magellan shall not use the State Confidential Information developed or obtained during the performance of, or acquired, or developed by reason of the Contract, except as directly connected to and necessary for Magellan's performance under the Contract.

**11.2 State Confidential Information**

Magellan shall maintain the confidentiality of and protect from unauthorized use, disclosure, publication, and reproduction (collectively "release"), all State Confidential Information that becomes available to Magellan in connection with its performance under the Contract, regardless of its form.

Subject to applicable federal or State laws and regulations, Confidential Information shall not include information which: (i) shall have otherwise become publicly available other than as a result of disclosure by the receiving party in breach hereof; (ii) was disclosed to the receiving party on a non-confidential basis from a source other than the disclosing party, which the receiving party believes is not prohibited from disclosing such information as a result of an obligation in favor of the disclosing party; (iii) is developed by the receiving party independently of, or was known by the receiving party prior to, any disclosure of such information made by the disclosing party; or (iv) is disclosed with the written consent of the disclosing party. A receiving party also may disclose Confidential Information to the extent required by an order of a court of competent jurisdiction.

Any disclosure of the State Confidential Information shall require the prior written approval of the State. Magellan shall immediately notify the State if any request, subpoena or other legal process is served upon Magellan regarding the State Confidential Information, and Magellan shall cooperate with the State in any effort the State undertakes to contest the request, subpoena or other legal process, at no additional cost to the State.

In the event of the unauthorized release of State Confidential Information, Magellan shall immediately notify the State, and the State may immediately be entitled to pursue any remedy at law and in equity, including, but not limited to, injunctive relief.

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**11.3 Vendor Confidential Information**

Insofar as Magellan seeks to maintain the confidentiality of its confidential or proprietary information, Magellan must clearly identify in writing all information it claims to be confidential or proprietary. Notwithstanding the foregoing, the State acknowledges that Magellan considers the Software and Documentation to be Confidential Information. Magellan acknowledges that the State is subject to State and federal laws governing disclosure of information including, but not limited to, RSA Chapter 91-A. The State shall maintain the confidentiality of the identified Confidential Information insofar as it is consistent with applicable State and federal laws or regulations, including but not limited to, RSA Chapter 91-A. In the event the State receives a request for the information identified by Magellan as confidential, the State shall notify Magellan and specify the date the State will be releasing the requested information. ~~At the request of the State, Magellan shall cooperate and assist the State with the collection and Review of Magellan's information, at no additional expense to the State.~~ Any effort to prohibit or enjoin the release of the information shall be Magellan's sole responsibility and at Magellan's sole expense. If Magellan fails to obtain a court order enjoining the disclosure, the State shall release the information on the date specified in the State's notice to Magellan, without any liability to Magellan.

**11.4 Survival**

This Contract Agreement Section 11, *Use of State's Information, Confidentiality*, shall survive termination or conclusion of the Contract.

**12. TERMINATION**

This Section 13 shall survive the termination or Contract Conclusion.

**13.1 Termination for Default**

Any one or more of the following acts or omissions of Magellan shall constitute an event of default hereunder ("Event of Default")

- a. Failure to perform the Services satisfactorily or on schedule;
- b. Failure to submit any report required; and/or
- c. Failure to perform any other Covenant, Term or Condition of the Contract

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

- a. Unless otherwise provided in the Contract, the State shall provide Magellan written notice of default and require it to be remedied within, in the absence of a greater or lesser specification of time, within thirty (30) days from the date of notice, unless otherwise indicated within by the State ("Cure Period"). If Magellan fails to cure the default within the Cure Period, the State may terminate the Contract effective two (2) days after giving Magellan notice of termination, at its sole discretion, treat the Contract as breached and pursue its remedies at law or in equity or both.

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- b. Give Magellan a written notice specifying the Event of Default and suspending all payments to be made under the Contract and ordering that the portion of the Contract price which would otherwise accrue to Magellan during the period from the date of such notice until such time as the State determines that Magellan has cured the Event of Default shall never be paid to Magellan.
- c. Set off against any other obligations the State may owe to Magellan any damages the State suffers by reason of any Event of Default;
- d. Treat the Contract as breached and pursue any of its remedies at law or in equity, or both.
- e. Procure Services that are the subject of the Contract from another source and Magellan shall be liable for reimbursing the State for the replacement Services, and all administrative costs directly related to the replacement of the Contract and procuring the Services from another source, such as costs of competitive bidding, mailing, advertising, applicable fees, charges or penalties, and staff time costs; all of which shall be subject to the limitations of liability set forth in the Contract.

13.1.2 Magellan shall provide the State with written notice of default, and the State shall cure the default within thirty (30) days.

13.1.3 Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant shall survive termination or Contract Conclusion.

**13.2 Termination for Convenience**

13.2.1 The State may, at its sole discretion, terminate the Contract for convenience, in whole or in part, by thirty (30) days written notice to Magellan. In the event of a termination for convenience, the State shall pay Magellan the agreed upon price, if separately stated in this Contract, for Deliverables for which Acceptance has been given by the State. Amounts for Services or Deliverables provided prior to the date of termination for which no separate price is stated under the Contract shall be paid, in whole or in part, generally in accordance with Contract Exhibit B, *Price and Payment Schedule*, of the Contract.

13.2.2 During the thirty (30) day period, Magellan shall wind down and cease Services as quickly and efficiently as reasonably possible, without performing unnecessary Services or activities and by minimizing negative effects on the State from such winding down and cessation of Services.

**13.3 Termination for Conflict of Interest**

13.3.1 The State may terminate the Contract by written notice if it determines that a conflict of interest exists, including but not limited to, a violation by any of the parties hereto

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of applicable laws regarding ethics in public acquisitions and procurement and performance of Contracts.

In such case, the State shall be entitled to a pro-rated refund of any current development, support, and maintenance costs. The State shall pay all other contracted payments that would have become due and payable if Magellan did not know, or reasonably did not know, of the conflict of interest.

13.3.2 In the event the Contract is terminated as provided above pursuant to a violation by Magellan, the State shall be entitled to pursue the same remedies against Magellan as it could pursue in the event of a default of the Contract by Magellan.

#### 13.4 Termination Procedure

13.4.1 Upon termination of the Contract, the State, in addition to any other rights provided in the Contract, may require Magellan to deliver to the State any property, including without limitation, Software and Written Deliverables, for such part of the Contract as has been terminated.

13.4.2 After receipt of a notice of termination, and except as otherwise directed by the State, Magellan shall:

- a. Stop work under the Contract on the date, and to the extent specified, in the notice;
- b. Promptly, but in no event longer than thirty (30) days after termination, terminate its orders and subcontracts related to the work which has been terminated and settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the State to the extent required, which approval or ratification shall be final for the purpose of this Section;
- c. Take such action as the State directs, or as necessary to preserve and protect the property related to the Contract which is in the possession of Magellan and in which the State has an interest;
- d. Transfer title to the State and deliver in the manner, at the times, and to the extent directed by the State, any property which is required to be furnished to the State and which has been accepted or requested by the State; and
- e. Provide written Certification to the State that Magellan has surrendered to the State all said property.
- f. Assist in Transition Services, as reasonably requested by the State at no additional cost.

#### 13.5 CHANGE OF OWNERSHIP

In the event that Magellan should change ownership for any reason whatsoever, the State shall have the option of continuing under the Contract with Magellan, its successors or assigns for the full

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remaining Term of the Contract; continuing under the Contract with Magellan, its successors or assigns for such period of time as determined necessary by the State; or immediately terminate the Contract without liability to Magellan, its successors or assigns.

**14 ASSIGNMENT, DELEGATION AND SUBCONTRACTS**

**14.1** Magellan shall not assign, delegate, subcontract, or otherwise transfer any of its interest, rights, or duties under the Contract without the prior written consent of the State. Such consent shall not be unreasonably withheld. Any attempted transfer, assignment, delegation, or other transfer made without the State's prior written consent shall be null and void, and may constitute an event of default at the sole discretion of the State.

**14.2** Magellan shall remain wholly responsible for performance of the entire Contract even if assignees, delegates, Subcontractors, or other transferees ("Assigns") are used, unless otherwise agreed to in writing by the State, and the Assigns fully assumes in writing any and all obligations and liabilities under the Contract from the Effective Date. In the absence of a written assumption of full obligations and liabilities of the Contract, any permitted assignment, delegation, subcontract, or other transfer shall neither relieve Magellan of any of its obligations under the Contract nor affect any remedies available to the State against Magellan that may arise from any event of default of the provisions of the Contract. The State shall consider Magellan to be the sole point of contact with regard to all contractual matters, including payment of any and all charges resulting from the Contract.

**14.3** Notwithstanding the foregoing, nothing herein shall prohibit Magellan from assigning the Contract to the successor of all or substantially all of the assets or business of Magellan provided that the successor fully assumes in writing all obligations and responsibilities under the Contract. In the event that Magellan should change ownership, as permitted under this Contract Agreement Part 2, Section 14: *Change of Ownership*, the State shall have the option to continue under the Contract with Magellan, its successors or assigns for the full remaining Term of the Contract; continue under the Contract with Magellan, its successors or assigns for such period of time as determined necessary by the State; or immediately terminating the Contract without liability to Magellan, its successors or assigns.

**15. DISPUTE RESOLUTION**

Prior to the filing of any formal proceedings with respect to a dispute (other than an action seeking injunctive relief with respect to intellectual property rights or Confidential Information), the party believing itself aggrieved (the "Invoking Party") shall call for progressive management involvement in the dispute negotiation by written notice to the other party. Such notice shall be without prejudice to the Invoking Party's right to any other remedy permitted under the Contract.

The parties shall use reasonable efforts to arrange personal meetings and/or telephone conferences as needed, at mutually convenient times and places, between negotiators for the parties at the following successive management levels, each of which shall have a period of allotted time as specified below in which to attempt to resolve the dispute:

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**Dispute Resolution Responsibility and Schedule Table**

LEVEL	MAGELLAN	STATE	NEGOTIATIVE ATTACHMENT
Primary	Magellan Team Project Manager	State Project Manager (PM)	5 Business Days
First	Magellan Project Management Team	State Project Management Team (PMT)	10 Business Days
Second	Magellan Team Project Executive	Commissioner	15 Business Days

The allotted time for the first level negotiations shall begin on the date the Invoking Party's notice is received by the other party. Subsequent allotted time is days from the date that the original Invoking Party's notice is received by the other party.

**16. ESCROW OF CODE**

Not applicable.

**17. GENERAL PROVISIONS**

**17.1 Travel Expenses**

The State will not be responsible for any travel or out of pocket expenses incurred in the performance of the Services.

Magellan must assume all travel and related expenses by "fully loading" the proposed labor rates to include, but not limited to: meals, hotel/housing, airfare, car rentals, car mileage, and out of pocket expenses.

**17.2 Shipping and Delivery Fee Exemption**

The State will not pay for any shipping or delivery fees unless specifically itemized in the Contract.

**17.3 Project Workspace and Office Equipment**

The State agency will work with Magellan to determine the requirements for providing all necessary workspace and office equipment, including desktop computers for Magellan's staff.

**17.4 Access/Cooperation**

As applicable, and reasonably necessary, and subject to the applicable State and federal laws and regulations and restrictions imposed by third parties upon the State, the State shall provide Magellan with access to all program files, libraries, personal computer-based systems, Software packages, network systems, security systems, and hardware as required to complete contracted services.

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The State shall use reasonable efforts to provide approvals, authorizations, and decisions reasonably necessary to allow Magellan to perform its obligations under the Contract.

### 17.5 Required Work Procedures

All work done must conform to standards and procedures established by the Department of Information Technology and the State.

### 17.6 Computer Use

In consideration for receiving access to and use of the computer facilities, network, licensed or developed Software, Software maintained or operated by any of the State entities, systems, equipment, Documentation, information, reports, or data of any kind (hereinafter "Information"), Magellan understands and agrees to the following rules:

- a. Every Authorized User has the responsibility to assure the protection of information from unauthorized access, misuse, theft, damage, destruction, modification, or disclosure.
- b. That information shall be used solely for conducting official State business, and all other use or access is strictly forbidden including, but not limited to, personal, or other private and non-State use and that at no time shall Magellan access or attempt to access any information without having the express authority to do so.
- c. That at no time shall Magellan access or attempt to access any information in a manner inconsistent with the approved policies, procedures, and /or Agreements relating to system entry/access.
- d. That all Software licensed, developed, or being evaluated by the State cannot be copied, shared, distributed, sub-licensed, modified, reverse engineered, rented, or sold, and that at all times Magellan must use utmost care to protect and keep such Software strictly confidential in accordance with the license or any other Agreement executed by the State. Only equipment or Software owned, licensed, or being evaluated by the State, can be used by Magellan. Personal Software (including but not limited to palmtop sync Software) shall not be installed on any equipment.
- e. That if Magellan is found to be in violation of any of the above-stated rules, the User may face removal from the State Contract, and/or criminal or civil prosecution, if the act constitutes a violation of law.

### 17.7 Email Use

Mail and other electronic communication messaging systems are State of New Hampshire property and are to be used for business purposes only. Email is defined as "internal Email systems" or "State-funded Email systems." Magellan understands and agrees that use of email shall follow State standard policy (available upon request).

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**17.8 Internet/Intranet Use**

The Internet/Intranet is to be used for access to and distribution of information in direct support of the business of the State of New Hampshire according to State standard policy (available upon request).

**17.9 Regulatory Government Approvals**

Magellan shall obtain all necessary and applicable regulatory or other governmental approvals necessary to perform its obligations under the Contract.

**17.10 Force Majeure**

Neither Magellan nor the State shall be responsible for delays or failures in performance resulting from events beyond the control of such party and without fault or negligence of such party. Such events shall include, but not be limited to, acts of God, strikes, lock outs, riots, and acts of War, epidemics, acts of Government, fire, power failures, nuclear accidents, earthquakes, and unusually severe weather.

Except in the event of the foregoing, Force Majeure events shall not include Magellan's inability to hire or provide personnel needed for Magellan's performance under the Contract.

**17.11 Insurance**

**17.11.1 Magellan Insurance Requirement**

See Contract Agreement Part 1-Form P-37 Section 14.

**17.11.2** The ACORD Insurance Certificate should note the Certificate Holder in the lower left hand block including State of New Hampshire, Department Name, name of the individual responsible for the funding of the contracts and his/her address.

**17.12 Exhibits**

The Exhibits referred to, in and attached to the Contract are incorporated by reference as if fully included in the text.

**17.13 Venue and Jurisdiction**

Any action on the Contract may only be brought in the State of New Hampshire Merrimack County Superior Court.

**17.14 Survival**

The Terms, conditions and warranties contained in the Contract that by their context are intended to survive the completion of the performance, cancellation or termination of the Contract shall so survive, including, but not limited to, the Terms of the *Contract Agreement Exhibit D Section 3: Records Retention and Access Requirements*, *Contract Agreement Exhibit D Section 4: Accounting Requirements*, and Contract Agreement Part 2-Section 11: *Use of State's Information, Confidentiality*, and Contract Agreement Part 1- Section 13: *Indemnification* which shall all survive the termination of the Contract.

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EXHIBIT A  
CONTRACT DELIVERABLES

**1. DELIVERABLES, MILESTONES AND ACTIVITIES**

Magellan shall provide the State with Pharmacy Benefits Management System services that shall meet and perform in accordance with the Specifications and Deliverables that are in accordance with the periods in the Work Plan.

Before the commencement of work on Non-Software and Written Deliverables, Magellan shall provide to the State a template, table of contents, or agenda for Review and prior approval by the State.

The Deliverables are set forth in the Schedule described below in Section 2. By unconditionally accepting a Deliverable, the State reserves the right to reject any and all Deliverables in the event the State detects any Deficiency in the System, in whole or in part, through completion of all Acceptance Testing, including but not limited to, Software/System Acceptance Testing, and any extensions thereof.

Pricing for Deliverables set forth in Exhibit B: *Price and Payment Schedule*. Pricing shall be effective for the Term of this Contract, and any extensions thereof.

**2. DELIVERABLES, MILESTONES, AND ACTIVITIES SCHEDULE**

**2.1 Implementation Schedule – Activities / Deliverables / Milestones**

Reference Number	Activity, Deliverable, or Milestone	Deliverable Type	Projected Delivery Date
<b>Planning and System Development</b>			
1	Implementation period begins (G&C approval)	Non-Software	7/1/2013
2	Final work Plan	Written	7/31/2013
3	Detailed Testing Plan and Testing Results	Written	7/31/2013
4	Deployment Plan	Written	7/31/2013
5	Comprehensive Training Plan and Curriculum	Written	7/31/2013
6	Configure Provider data maintenance and updates	Software	8/30/2013
7	Configure eligibility verification	Software	8/30/2013
8	Configure PA tracking, support, and management	Software	8/30/2013
9	Configure claims and financial requirements	Software	8/30/2013
10	Configure third party coverage and cost avoidance management	Software	8/30/2013
11	Create reports	Software	8/30/2013
<b>Testing and Deployment</b>			
12	Conduct User Acceptance Testing	Non-Software	9/30/2013
13	Perform Production Tests	Non-Software	9/30/2013
14	Conduct Training	Non-Software	9/30/2013
15	Cutover to New Software	Non-Software	10/01/2013
16	Documentation	Written	10/01/2013

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CONTRACT DELIVERABLES

17	Warranty Period 10/01/13 - 12/31/13		Written	10/01/13
Ongoing Services				
18	FY 2014 System Support and Maintenance		Non-Software	
19	FY 2014 PBM Services		Non-Software	
20	FY 2015 System Support and Maintenance		Non-Software	
21	FY 2015 PBM Services		Non-Software	
22	FY 2016 System Support and Maintenance		Non-Software	
23	FY 2016 PBM Services		Non-Software	

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PRICE AND PAYMENT SCHEDULE

**1. DELIVERABLE PAYMENT SCHEDULE**

**1.1 Firm Fixed Price**

This is a Firm Fixed Price (FFP) Contract totaling \$1,623,162 for the period between 7/1/2013 and 6/30/16. The source of funds shall be Other Funds, primarily drug manufacturers' rebates collected under the 340B Drug Pricing Program for drugs purchased by NH ADAP. Magellan shall be responsible for performing its obligations in accordance with the Contract. This Contract shall allow Magellan to invoice the State for the following activities, Deliverables, or milestones at fixed pricing/rates appearing in the price and payment tables below:

**Table 1: Activities/Deliverables/Milestones Pricing Worksheet**

Reference Number	Activity, Deliverable, or Milestone	Deliverable Type	Price
<b>Planning and System Development</b>			
1	Implementation period begins (G&C approval)	Non-Software	
2	Final work Plan	Written	
3	Detailed Testing Plan and Testing Results	Written	
4	Deployment Plan	Written	
5	Comprehensive Training Plan and Curriculum	Written	
6	Configure Provider data maintenance and updates	Software	
7	Configure eligibility verification	Software	
8	Configure PA tracking, support, and management	Software	
9	Configure claims and financial requirements	Software	
10	Configure third party coverage and cost avoidance management	Software	
11	Create reports	Software	
<b>Testing and Deployment</b>			
12	Conduct User Acceptance Testing	Non-Software	
13	Perform Production Tests	Non-Software	
14	Conduct Training	Non-Software	
15	Cutover to New Software (10/01/2013)	Non-Software	\$414,678
16	Documentation	Written	
17	Warranty Period 10/01/13 – 12/31/2013	Written	
<b>Ongoing Services</b>			
18	FY 2014 System Support and Maintenance	Non-Software	Included

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19	FY 2014 PBM Services	Non-Software	\$32,421 / mo.x12= \$389,052
20	FY 2015 System Support and Maintenance	Non-Software	Included
21	FY 2015 PBM Services	Non-Software	\$33,556 / mo.x12= \$402,672
22	FY 2016 System Support and Maintenance	Non-Software	Included
23	FY 2016 PBM Services	Non-Software	\$34,730 / mo.x12= \$416,760

Funding Amounts by State Fiscal Year

State Fiscal Year	SFY14	SFY15	SFY16	Total
Dates	7/1/13-6/30/14	7/1/14-6/30/15	7/1/15-6/30/16	
Implementation	\$414,678.00			\$414,678.00
Annual Fee	\$389,052.00	\$402,672.00	\$416,760.00	\$1,208,484.00
	\$803,730.00	\$402,672.00	\$416,760.00	\$1,623,162.00

**D) Terms of Payment**

The Implementation costs shall be paid when all deliverables up to the scheduled deployment date of 10/01/2013 have been approved by DHHS. Following full Implementation, DHHS shall pay Magellan on a monthly basis for PBM services and support, as shown above.

**II) Liquidated Damages**

1. The Department and Magellan agree that it shall be impracticable and difficult to determine actual damages that the Department shall sustain in the event Magellan fails to maintain the required performance standards identified below throughout the life of the contract. Any breach by Magellan shall delay and disrupt the Department's operations and obligations and lead to significant damages. Therefore, the parties agree that the liquidated damages as specified in all the sections below are reasonable.
2. Assessment of liquidated damages shall be in addition to, and not in lieu of, such other remedies as may be available to the Department. Except and to the extent expressly provided herein, the Department shall be entitled to recover liquidated damages under each section applicable to any given incident.
3. The Department shall make all assessments of liquidated damages. Should the Department determine that liquidated damages may, or shall be assessed, the Department shall notify Magellan of the potential assessment in writing.

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4. Magellan agrees that as determined by the DHHS, failure to provide Services meeting the performance standards described below shall result in liquidated damages as specified in the following table. Magellan agrees to abide by the Performance Standards and Liquidated Damages specified in the Table 6.

**Table 6: Liquidated Damages**

Service Category	Minimum Standard	Potential Liquidated Damages
1. Retail Point-of-Sale Claims Adjudication Accuracy	Magellan shall agree to a financial accuracy rate of at least 99% for all prescription claims electronically processed at point-of-sale, measured monthly.	For failure to meet the standard, Magellan shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.
2. Point-of-Sale Network System Downtime	Magellan shall agree that unscheduled system downtime shall be no greater than eight (8) hours per incident; not to exceed two times per Contract year. Contractor shall provide notice to the State as to its regularly, scheduled maintenance windows which shall not be part of this guarantee.	For failure to meet the standard, the Vendor shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.
3. Reporting Requirements	Magellan shall provide all scheduled reports, ad hoc reports, and paid claims transactional history files where the Scope of Work specifies a timeframe within the stated time periods, and to provide the on-line query capability described in Magellan's response.	For failure to meet the standard, Magellan shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.
4. Average Speed to Answer	Beneficiary and pharmacy calls received shall be answered within an average of thirty (30) seconds. Reporting shall be provided monthly by the 7 <sup>th</sup> day of the month.	For failure to meet the standard, Magellan shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.
5. Call Abandonment and Call Blocking Rate	No more than 2% of all beneficiary and pharmacy calls shall be abandoned or blocked. Reporting shall be provided monthly by the 7 <sup>th</sup> day of the month.	For failure to meet the standard, Magellan shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.
6. Customer Service Resolution Rate	All customer service interactions shall be logged in Magellan's	For failure to meet the standard, Magellan shall be assessed

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	information systems with 95% of all issues resolved the same day. 99% of issues resolved within 30 days. Reporting shall be provided monthly by the 7 <sup>th</sup> day of the month.	Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.
7. Prior Authorizations	100% of requests for PA shall be completed within twenty-four (24) hours.	For failure to meet the standard, Magellan shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.
8. Legislative Ad Hoc Report Requests	All requests for legislative ad hoc reports shall be completed within two (2) weeks of request unless otherwise negotiated at the time of the request from the State.	For failure to meet the standard, Magellan shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.

**IV. Schedule of Payment**

Magellan shall bill the Department on a monthly basis for the Services in The Contract provided during the previous month. Invoices shall calculate the service payment in detail including the units, volume and price by service for each group under the contract as well as report the transactions volumes by month and year to date. Magellan shall provide invoices and detailed documentation demonstrating monthly activity measurements that are subject to approval by the Department. On a monthly basis, within 30 calendar days after the final day of the month, Magellan shall submit reports that include numbers of users, number of prescriptions and cost per user and prescription as well as total cost both per month and year to date by State Fiscal Year. The invoice shall be sent to the New Hampshire Department of Health and Human Services at the address below in order to receive payment. All invoices shall be sent to the Department no later than 12 months of the date of service.

Name: Christopher Cullinan  
Mailing Address: NH CARE Program / NH ADAP  
New Hampshire DHHS  
29 Hazen Drive  
Concord, NH 03301  
Telephone: 603-271-4480  
Fax: 603-271-4934  
Email : ccullinan@dhhs.state.nh.us

**4. PAYMENT ADDRESS**

All payments shall be sent to the following address:  
Magellan Medicaid Administration, Inc. 11013 West Broad St. Suite 500, Glen Allen VA

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**5. OVERPAYMENTS TO MAGELLAN**

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

**6. CREDITS**

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

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EXHIBIT C  
SPECIAL PROVISIONS

**1. Special Provisions**

Please see Exhibit P on page 42.

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EXHIBIT D  
ADMINISTRATIVE SERVICES

**1. STATE MEETINGS AND REPORTS**

The State believes that effective communication and reporting are essential to Project success.

Magellan Key Project Staff shall participate in meetings as requested by the State, in accordance with the requirements and terms of this Contract.

- a. **Introductory Meeting:** Participants shall include Magellan Key Project Staff and State Project Leaders from both DHHS and the Department of Information Technology. This meeting shall enable leaders to become acquainted and establish any preliminary Project procedures.
- b. **Kickoff Meeting:** Participants shall include the State and Magellan Project Teams and major stakeholders. This meeting is to establish a sound foundation for activities that shall follow.
- c. **Status Meetings:** Participants shall include, at the minimum, the Magellan Project Manager and the State Project Manager. These meetings shall be conducted at least bi-weekly to address overall Project status and any additional topics needed to remain on schedule and within budget. A status and error report from Magellan shall serve as the basis for discussion.
- d. **The Work Plan:** must be reviewed at each Status Meeting and updated, at minimum, on a bi-weekly basis, in accordance with the Contract.
- e. **Special Meetings:** Need may arise for a special meeting with State leaders or Project stakeholders to address specific issues.
- f. **Exit Meeting:** Participants shall include Project leaders from Magellan and the State. Discussion shall focus on lessons learned from the Project and on follow up options that the State may wish to consider.

The State expects Magellan to prepare agendas and background for and minutes of meetings. Background for each status meeting must include an updated Work Plan. Drafting of formal presentations, such as a presentation for the kickoff meeting, shall also be Magellan's responsibility.

The Magellan Project Manager or Magellan Key Project Staff shall submit weekly status reports in accordance with the Schedule and terms of this Contract. All status reports shall be prepared in formats approved by the State. Magellan's Project Manager shall assist the State's Project Manager, or itself produce reports related to Project Management as reasonably requested by the State, all at no additional cost to the State. Magellan shall produce Project status reports, which shall contain, at a minimum, the following:

1. Project status related to the Work Plan;
2. Deliverable status;
3. Accomplishments during weeks being reported;
4. Planned activities for the upcoming two (2) week period;
5. Future activities; and
6. Issues and concerns requiring resolution.
7. Report and remedies in case of falling behind Schedule

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ADMINISTRATIVE SERVICES

As reasonably requested by the State, Magellan shall provide the State with information or reports regarding the Project. Magellan shall prepare special reports and presentations relating to Project Management, and shall assist the State in preparing reports and presentations, as reasonably requested by the State, all at no additional cost to the State.

## 2. STATE-OWNED DOCUMENTS AND DATA

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

## 3. RECORDS RETENTION AND ACCESS REQUIREMENTS

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

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

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

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

## 4. ACCOUNTING REQUIREMENTS

Magellan shall maintain an accounting system in accordance with generally accepted accounting principles. The costs applicable to the Contract shall be ascertainable from the accounting system and Magellan shall maintain records pertaining to the Services and all other costs and expenditures.

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EXHIBIT E  
IMPLEMENTATION SERVICES

Magellan shall provide the State with the following Services set forth in Contract Exhibit A.

## 1. IMPLEMENTATION STRATEGY

### 1.1 Key Components

- A. Magellan shall employ an Implementation strategy with a timeline set forth in accordance with the Work Plan:
- B. Magellan and the State shall adopt a change management approach to identify and plan key strategies and communication initiatives.
- C. The Magellan team shall provide training templates as defined in the Training Plan, which shall be customized to address the State's specific requirements.
- D. Decisions regarding format, content, style, and presentation shall be made early on in the process, by the State, providing sufficient time for development of material as functionality is defined and configured.
- E. Magellan shall utilize an approach that fosters and requires the participation of State resources, uses their business expertise to assist with the configuration of the applications, and prepares the State to assume responsibility for and ownership of the new system. A focus on technology transition shall be deemed a priority.
- F. Magellan shall manage Project execution and provide the tools needed to create and manage the Project's Work Plan and tasks, manage and schedule Project staff, track and manage issues, manage changing requirements, maintain communication within the Project Team, and report status.
- G. Magellan shall adopt an Implementation time-line aligned with the State's required time-line.

### 1.2 Timeline

The timeline is set forth in the Work Plan. During the initial planning period Project task and resource plans shall be established for: the preliminary training plan, the change management plan, communication approaches, Project standards and procedures finalized, and team training initiated.

#### 1.2.1 Project Infrastructure (Not Applicable)

#### 1.2.2 Implementation

Timing shall be structured to recognize interdependencies between applications and structure a cost effective and timely execution.

Processes shall be documented, training established, and the application shall be ready for Implementation in accordance with the State's schedule.

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Implementation shall be piloted in one area/office to refine the training and Implementation approach, or the State shall choose a one-time statewide Implementation.

**1.2.1 Change Management and Training**

Magellan's change management and training Services shall be focused on developing change management and training strategies and plans. Its approach relies on State resources for the execution of the change management and end user training.

**1. IMPLEMENTATION METHODOLOGY**

The Magellan team shall provide the Consulting Services for the Contract. Its approach includes but is not limited to the following:

The Implementation Phase shall be for a period of four months starting at the date the approved contracts are initiated and shall include the Design, Development and Implementation (DDI) of the PBM system requirements and to deliver the Services covered under Exhibit I: Work Plan. Magellan shall work cooperatively with the State to develop and deliver an updated detailed Project Work Plan following the execution of this contract. Magellan shall identify all tasks necessary for the successful implementation of the PBM system so that the required functionality shall be ready for the start of operations four months after the start of implementation. The implementation phase shall include the implementation of all required web-based functionality and Prior Authorization processing, and the implementation of all other system modifications to support the functions and Services required under the Work Plan. Once agreed upon by the NH ADAP and Magellan, the Detailed Project Work Plan shall be incorporated as part of this contract. The Work Plan may be amended or adjusted subject to the approval of the NH ADAP.

The Implementation Phase shall consist of four sub-phases and the Work Plan shall include identified tasks and deliverables that are subject to NH ADAP approval for each of the sub-phases:

- Project Initiation, Planning, and Analysis
- Design
- Construction
- Testing/Deployment (includes State User Acceptance Testing and Operational Readiness Testing)

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EXHIBIT E-1  
SECURITY AND INFRASTRUCTURE

1. SECURITY

Magellan shall ensure that appropriate levels of security are implemented and maintained in order to protect the integrity and reliability of the State's Information Technology resources, information, and Services. Security requirements are defined in Exhibit F, 1.6 Security Review and Testing. Magellan shall provide the State resources, information, and Services on an ongoing basis, with the appropriate infrastructure and security controls to ensure business continuity and to safeguard the confidentiality and integrity of State networks, Systems and Data.

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EXHIBIT F  
TESTING SERVICES

Magellan shall provide the following Products and Services described in this Exhibit F, including but not limited to:

**1. TESTING AND ACCEPTANCE**

Magellan shall bear all responsibilities for the full suite of Test Planning and preparation throughout the Project. Magellan shall also provide training as necessary to the State staff responsible for test activities. Magellan shall be responsible for all aspects of testing contained in the Acceptance Test Plan including support, at no additional cost, during User Acceptance Test conducted by the State and the testing of the training materials.

The Test Plan methodology shall reflect the needs of the Project and be included in the finalized Work Plan. A separate Test Plan and set of test materials shall be prepared for each Software function or module.

All Testing and Acceptance (both business and technically oriented testing) shall apply to testing the System as a whole, (e.g., Software modules or functions, and Implementation(s)). This shall include planning, test scenario and script development, Data and System preparation for testing, and execution of System Integration Tests, Regression tests, Security Review and tests, and support of the State during User Acceptance Test and Implementation.

In addition, Magellan shall provide a mechanism for reporting actual test results vs. expected results and for the resolution and tracking of all errors and problems identified during test execution. Magellan shall also correct Deficiencies and support required re-testing.

**1.1 Test Planning and Preparation**

Magellan shall provide the State with an overall Test Plan that shall guide all testing. The Magellan provided, State approved, Test Plan shall include, at a minimum, identification, preparation, and Documentation of planned testing, a requirements traceability matrix, test variants, test scenarios, test cases, test scripts, test Data, test phases, expected results, and a tracking method for reporting actual versus expected results as well as all errors and problems identified during test execution.

As identified in the Acceptance Test Plan, and documented in accordance with the Work Plan and the Contract, State testing shall commence upon Magellan's Project Manager's Certification, in writing, that Magellan's own staff has successfully executed all prerequisite Magellan testing, along with reporting the actual testing results, prior to the start of any testing executed by State staff. The State shall be presented with a State approved Acceptance Test Plan, test scenarios, test cases, test scripts, test data, and expected results.

The State shall commence its testing within five (5) business days of receiving Certification from Magellan that the State's personnel have been trained and the System is installed, configured, complete, and ready for State testing. The testing shall be conducted by the State in an environment independent from Magellan's development environment. Magellan must assist the State with testing in accordance with the Test Plan and the Work Plan, utilizing test and live Data to validate reports.

Testing begins upon completion of the Software configuration as required and user training according to the Work Plan. Testing ends upon issuance of a letter of UAT Acceptance by the State.

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 TESTING SERVICES

Vendor must demonstrate that their testing methodology can be integrated with the State standard methodology.

**1.2 System Integration Testing**

The new System is tested in integration with other application systems (legacy and service Providers) in a production-like environment. System Integration Testing validates the integration between the individual unit application modules and verifies that the new System meets defined requirements and supports execution of interfaces and business processes. The System Integration Test is performed in a test environment.

Thorough end-to-end testing shall be performed by the Magellan team(s) to confirm that the Application integrates with any interfaces. The test emphasizes end-to-end business processes, and the flow of information across applications. It includes all key business processes and interfaces being implemented, confirms data transfers with external parties, and includes the transmission or printing of electronic and paper documents.

<p><b>Activity Description</b></p>	<p>Systems Integration Testing validates the integration between the target application modules and other systems, and verifies that the new System meets defined interface requirements and supports execution of business processes. This test emphasizes end-to-end business processes and the flow of information across the application. It includes all key business processes and interfaces being implemented, confirms data transfers with external parties, and includes the transmission or printing of electronic and paper documents.</p>
<p><b>Magellan Team Responsibilities</b></p>	<ul style="list-style-type: none"> <li>• Take the lead in developing the Systems Integration Test Specifications.</li> <li>• Work jointly with the State to develop and load the data profiles to support the test Specifications.</li> <li>• Work jointly with the State to validate components of the test scripts.</li> </ul>
<p><b>State Responsibilities</b></p>	<ul style="list-style-type: none"> <li>• Work jointly with Magellan to develop the Systems Integration Test Specifications.</li> <li>• Work jointly with Magellan to develop and load the data profiles to support the test Specifications.</li> <li>• Work jointly with Magellan to validate components of the test scripts, modifications, fixes and other System interactions with the Magellan supplied Software Solution.</li> </ul>
<p><b>What Product Description</b></p>	<ul style="list-style-type: none"> <li>• The Integration Tested System indicates that all interfaces between the application and the legacy and third-party systems, interfaces, and applications are functioning properly.</li> </ul>

**1.3 User Acceptance Testing (UAT)**

UAT begins upon completion of the Software configuration as required and user training according to the Work Plan. Testing ends upon issuance of a letter of UAT Acceptance by the State.

The Vendor's Project Manager must certify in writing, that the Vendor's own staff has successfully executed all prerequisite Vendor testing, along with reporting the actual testing results prior to the start of any testing executed by State staff.

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 TESTING SERVICES

The State shall be presented with all testing results, as well as written Certification that Magellan has successfully completed the prerequisite tests, meeting the defined Acceptance Criteria, and performance standards. The State shall commence testing within five (5) business days of receiving Certification, in writing, from Magellan that the system is installed, configured, complete and ready for State testing. The State shall conduct the UAT utilizing scripts developed as identified in the Acceptance Test Plan to validate the functionality of the System and the interfaces, and verify Implementation readiness. UAT is performed in a copy of the production environment and can serve as a performance and stress test of the System. The User Acceptance Test may cover any aspect of the new System, including administrative procedures (such as backup and recovery).

The User Acceptance Test (UAT) is a verification process performed in a copy of the production environment. The User Acceptance Test verifies System functionality against predefined Acceptance criteria that support the successful execution of approved business processes.

UAT shall also serve as a performance and stress test of the System. It may cover any aspect of the new System, including administrative procedures such as backup and recovery. The results of the UAT provide evidence that the new System meets the User Acceptance criteria as defined in the Work Plan. The results of the User Acceptance Test provide evidence that the new System meets the User Acceptance criteria as defined in the Work Plan.

Upon successful conclusion of UAT and successful System deployment, the State shall issue a letter of UAT Acceptance and the respective Warranty Period shall commence

Work Description	The System User Acceptance Tests verify System functionality against predefined Acceptance criteria that support the successful execution of approved processes.
Magellan Test Responsibilities	<ul style="list-style-type: none"> <li>• Provide the State an Acceptance Test Plan and selection of test scripts for the Acceptance Test.</li> <li>• Monitor the execution of the test scripts and assist as needed during the User Acceptance Test activities.</li> <li>• Work jointly with the State in determining the required actions for problem resolution.</li> </ul>
State Responsibilities	<ul style="list-style-type: none"> <li>• Approve the development of the User Acceptance Test Plan and the set of data for use during the User Acceptance Test.</li> <li>• Validate the Acceptance Test environment.</li> <li>• Execute the test scripts and conduct User Acceptance Test activities.</li> <li>• Document and summarize Acceptance Test results.</li> <li>• Work jointly with Magellan in determining the required actions for problem resolution.</li> <li>• Provide Acceptance of the validated Systems.</li> </ul>
Work Item Description	The Deliverable for User Acceptance Tests is the User Acceptance Test Results. These results provide evidence that the new System meets the User Acceptance criteria defined in the Work Plan.

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#### 1.4 Performance Tuning and Stress Testing

NH ADAP program shall be implemented on existing software currently installed and operational for the State of NH. Magellan shall monitor production systems constantly to maintain uptime and performance. System capacity shall be forecasted regularly to ensure adequate system resources are available to support current and future business. Metrics shall be systematically collected and evaluated to ensure that all service level agreements and key performance indicators are met or exceeded. Testing and monitoring results shall be made available to the State upon request.

#### 1.5 Regression Testing

As a result, of the user testing activities, problems shall be identified that require correction. The State shall notify the Vendor of the nature of the testing failure in writing. The Vendor shall be required to perform additional testing activities in response to State and/or user problems identified from the testing results. Regression testing means selective re-testing to detect faults introduced during the modification effort, both to verify that the modifications have not caused unintended adverse effects, and to verify that the modified and related (possibly affected) System components still meet their specified requirements:

- a.) For each minor failure of an Acceptance Test, the Acceptance Period shall be extended by corresponding time defined in the Test Plan.
- b.) Magellan shall notify the State no later than five (5) business days from the Magellan's receipt of written notice of the test failure when Magellan expects the corrections to be completed and ready for retesting by the State. Magellan shall have up to five (5) business days to make corrections to the problem unless specifically extended in writing by the State.
- c.) When a programming change is made in response to a problem identified during user testing, a Regression Test Plan should be developed by Magellan based on the understanding of the program and the change being made to the program. The Test Plan has two objectives:
  1. Validate that the change/update has been properly incorporated into the program; and
  2. Validate that there has been no unintended change to the other portions of the program.
- d.) Magellan shall be expected to:
  1. Create a set of test conditions, test cases, and test data that shall validate that the change has been incorporated correctly;
  2. Create a set of test conditions, test cases, and test data that shall validate that the unchanged portions of the program still operate correctly; and
  3. Manage the entire cyclic process.
- e.) Magellan shall be expected to execute the regression test, provide actual testing results, and certify its completion in writing to the State prior to passing the modified Software application to the users for retesting.

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In designing and conducting such regression testing, Magellan shall be required to assess the risks inherent to the modification being implemented and weigh those risks against the time and effort required for conducting the regression tests. In other words, Magellan shall be expected to design and conduct regression tests that shall identify any unintended consequences of the modification while taking into account Schedule and economic considerations.

**1.6 Security Review and Testing**

IT Security involves all functions pertaining to the securing of State Data and Systems through the creation and definition of security policies, procedures and controls covering such areas as identification, authentication and non-repudiation.

All components of the Software shall be reviewed and tested to ensure they protect the State's hardware and software and its related Data assets. MMA shall conduct an internal review to support the review and testing.

Tests shall focus on the technical, administrative and physical security controls that have been designed into the System architecture in order to provide the necessary confidentiality, integrity and availability. Tests shall, at a minimum, cover each of the service components. Test procedures may include Penetration Tests (pen test) or code analysis and Review.

Service Component	Defines the set of capabilities that:
Identification and Authentication	Supports obtaining information about those parties attempting to log onto a system or application for security purposes and the validation of users
Access Control	Supports the management of permissions for logging onto a computer or network
Encryption	Supports the encoding of data for security purposes
Intrusion Detection	Supports the detection of illegal entrance into a computer system
Verification	Supports the confirmation of authority to enter a computer system, application or network
User Management	Supports the administration of computer, application and network accounts within an organization.
Audit Trail Capture and Analysis	Supports the identification and monitoring of activities within an application or system
Input Validation	Ensures the application is protected from buffer overflow, cross-site scripting, SQL injection, and unauthorized access of files and/or directories on the server.

MMA shall conduct an internal review to support the review and testing. Prior to the System being moved into production Magellan shall provide results of all security testing to the Department of Information Technology for review and Acceptance. All Software and hardware shall be free of malicious code (malware).

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**1.7 Successful UAT Completion**

Upon successful completion of UAT, the State shall issue a Letter of UAT Acceptance. Upon issuance of the Letter of UAT Acceptance by the State, the respective Warranty Period shall commence as set forth in Contract Exhibit K, *Warranty and Warranty Services*.

**1.8 System Acceptance**

Upon completion of the Warranty Period, the State shall issue a Letter of Final System Acceptance.

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**1. SYSTEM MAINTENANCE**

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

**1.1 Magellan's Responsibility**

Magellan shall maintain the Application System in accordance with the Contract. Magellan shall not be responsible for maintenance or support for Software developed or modified by the State.

**1.1.1 Maintenance Releases**

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

**2. SYSTEM SUPPORT**

**2.1 Contractor's Responsibility**

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

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

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

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

**3. SUPPORT OBLIGATIONS AND TERM**

**3.1** Magellan shall repair or replace Software, and provide maintenance of the Software in accordance with the Specifications and terms and requirements of the Contract;

**3.2** Magellan shall maintain a record of the activities related to warranty repair or maintenance activities performed for the State;

**3.3** Magellan must work with the State to identify and troubleshoot potentially large-scale System failures or Deficiencies by collecting the following information: 1) mean time between reported Deficiencies with the Software; 2) diagnosis of the root cause of the problem; and 3) identification of repeat calls or repeat Software problems.

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- 3.4 If Magellan fails to correct a Deficiency within the allotted period of time stated above, Magellan shall be deemed to have committed an Event of Default, and the State shall have the right, at its option, to pursue the remedies in Part 2 Section 13.1.1.2, as well as to return Magellan's product and receive a refund for all amounts paid to Magellan, including but not limited to, applicable license fees, within ninety (90) days of notification to Magellan of the State's refund request
- 3.5 If Magellan fails to correct a Deficiency within the allotted period of time Stated above, Magellan shall be deemed to have committed an Event of Default, and the State shall have the right, at its option, to pursue the remedies in Part 2 Section 13.1.1.2.

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Magellan shall provide all of the system's functional components and requirements, including Services and deliverables, outlined within this contract. Magellan shall implement the NH AIDS Drug Assistance Program (ADAP) on its existing, Pharmacy Benefits Management (PBM) system and shall act as the State's Fiscal Agent for these Services. The implementation shall be performed on the current Magellan Pharmacy Benefits Management System running the NH State Medicaid Pharmacy program. Magellan shall be responsible for the design and implementation of the NH AIDS Drug Assistance Program (ADAP) Pharmacy Benefits Management (PBM) system and shall act as the State's Fiscal Agent for these Services.

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

**Minimum Required Services**

A full description of the system requirements are included in Attachment 1 – Business and Program Requirements, which is attached and hereby incorporated into this Contract.

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

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

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Magellan shall maintain compliance with all applicable Health Insurance Portability and Accountability Act (HIPAA) regulations.

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

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

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

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

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

**Table C-2 General System Requirements -Vendor Response Checklist**

RFP#	REQUIREMENT/ADDITIVA B.E. BUSINESS REQUIREMENTS	
B-1	Business and program requirements for the Pharmacy Benefit's Management System are described more fully in Attachment 1.	
<b>SYSTEMS/TOOLS</b>		
F-1	Point of Sale (POS) Pharmacy Claims Adjudication (Paid, Denied, Reversed, Adjusted, Voids);	
F-2	Provider Management;	
F-3	Recipient Management;	
F-4	Prior Authorization Management;	
F-5	Third Party Coverage and Cost Avoidance Management;	
F-6	Financial Management (Financial Transactions, Fund Codes, Fiscal Pend);	
F-7	Payment Management (Checks, EFT, Remittance Advices, Banking	
F-8	Reference Data Management (Drug Codes, Rates, Edits, Audits);	
F-9	Reporting (Ad hoc and Pre-Defined/Scheduled and On-Demand	
F-10	Call Center Management	
F-11	Access Management	
<b>GENERAL REQUIREMENTS</b>		
G-1	Vendor shall participate in an initial kick-off meeting to initiate the Project.	
G-2	Vendor shall provide Project Staff as specified in the RFP.	

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G-3	Vendor shall submit a finalized Work Plan within ten (10) days after Contract award and approval by Governor and Council. The Work Plan shall include, without limitation, a detailed description of the Schedule, tasks, Deliverables, critical events, task dependencies, and payment Schedule. The plan shall be updated no less than bi-weekly.
G-4	Vendor shall provide detailed bi-weekly status reports on the progress of the Project, which shall include expenses incurred year to date.
G-5	All user, technical, and System Documentation as well as Project Schedules, plans, status reports, and correspondence must be maintained as Project Documentation. (Define how- WORD format- on-Line, in a common library or on paper)
G-6	Vendor shall complete training to ensure the State users are sufficiently knowledgeable of the new System to employ it to good effect.

**TECHNICAL REQUIREMENTS**

**Information Technology (IT) Systems Requirements**

Magellan shall be responsible for the design, development, and implementation of the State's Pharmacy Benefits Management system, providing for all of the system functional components and requirements, including but not limited to:

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

Magellan shall provide the State with secure, on-line access to any and all components that comprise the NH PBM system solution. Additionally, Magellan shall provide access to NH Medicaid Providers and Recipients to selected information as described in the RFP and such other information as Magellan and the State mutually agree in writing.

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

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

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

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

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

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

Magellan's Project Manager and the State Project Manager shall finalize the Work Plan within five (5) days of the Effective Date and further refine the tasks required to implement the Project. The elements of the preliminary Work Plan are documented in accordance with Magellan's plan to implement the Application Software. Continued development and management of the Work Plan is a joint effort on the part of Magellan and State Project Managers.

The preliminary Work Plan created by Magellan and the State is set forth at the end of this Exhibit.

In conjunction with Magellan's Project Management methodology, which shall be used to manage the Project's life cycle, the Magellan team and the State shall finalize the Work Plan at the onset of the Project. This plan shall identify the tasks, Deliverables, major milestones, task dependencies, and a payment Schedule required to implement the Project. It shall also address intra-task dependencies, resource allocations (both State and Magellan team members), refine the Project's scope, and establish the Project's Schedule. The Plan is documented in accordance with Magellan's Work Plan.

## 1. ASSUMPTIONS

### A. General

- The State shall provide team members with decision-making authority to support the Implementation efforts, at the level outlined in the Request for Proposal Document State Staffing Matrix.
- All State tasks must be performed in accordance with the revised Work Plan.
- All key decisions shall be resolved within five (5) business days. Issues not resolved within this initial period shall be escalated to the State Project Manager for resolution.
- Any activities, decisions or issues taken on by the State that affect the mutually agreed upon Work Plan timeline, scope, resources, and costs shall be subject to the identified Change Control process.
- Magellan shall maintain an accounting system in accordance with Generally Accepted Accounting Principles (GAAP).

### B. Logistics

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

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**C. Project Management**

- The State shall approve the Project Management Methodology used for the Project.
- The State shall provide the Project Team with reasonable access to the State personnel as needed to complete Project tasks.
- A Project folder created within the State system shall be used for centralized storage and retrieval of Project documents, work products, and other material and information relevant to the success of the Project and required by Project Team members. This central repository is secured by determining which team members have access to the Project folder and granting either view or read/write privileges. Magellan's Project Manager shall establish and maintain this folder. The State Project Manager shall approve access for the State team. Documentation can be stored locally for Magellan and State team on a "shared" network drive to facilitate ease and speed of access. Final versions of all Documentation shall be loaded to the State System.
- Magellan assumes that an Alternate Project Manager may be appointed from time to time to handle reasonable and ordinary absences of the Project Manager.

**D. Project Schedule**

- Implementation is planned to begin on July 1, 2013 with a planned go-live date of October 1, 2013.

**E. Reporting**

- Magellan shall conduct biweekly status meetings, and provide reports that include, but are not limited to, minutes, action items, test results and Documentation.

**F. User Training and Change Management**

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

**G. Performance and Security Testing**

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

**1. ROLES AND RESPONSIBILITIES**

**A. Magellan Team Roles and Responsibilities**

**1) Magellan Team Project Executive**

The Magellan Team's Project Executives (Magellan and Subcontractor Project Executives) shall be responsible for advising on and monitoring the quality of the Implementation throughout the Project life cycle. The Project Executive shall advise the Magellan Team Project Manager and the State's Project leadership on the best practices for implementing the Magellan Software

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Solution within the State. The Project Executive shall participate in the definition of the Project Plan and provide guidance to the State's Team.

**2) Magellan Team Project Manager**

The Magellan Team Project Manager shall have overall responsibility for the day-to-day management of the Project and shall plan, track, and manage the activities of the Magellan Implementation Team. The Magellan Team Project Manager shall have the following responsibilities:

- Maintain communications with the State's Project Manager;
- Work with the State in planning and conducting a kick-off meeting;
- Create and maintain the Work Plan;
- Assign Magellan Team consultants to tasks in the Implementation Project according to the scheduled staffing requirements;
- Define roles and responsibilities of all Magellan Team members;
- Provide bi-weekly and monthly progress reports to the State Project Manager;
- Notify the State Project Manager of requirements for State resources in order to provide sufficient lead time for resources to be made available;
- Review task progress for time, quality, and accuracy in order to achieve progress;
- Review requirements and scheduling changes and identify the impact on the Project in order to identify whether the changes may require a change of scope;
- Implement scope and Schedule changes as authorized by the State Project Manager and with appropriate Change Control approvals as identified in the Implementation Plan;
- Inform the State Project Manager and staff of any urgent issues if and when they arise;
- Provide the State completed Project Deliverables and obtain sign-off from the State's Project Manager.

**3) Magellan Team Analysis**

The Magellan Team shall conduct analysis of requirements, validate the Magellan Team's understanding of the State business requirements by application, and perform business requirements mapping:

- Construct and confirm application test case scenarios;
- Produce application configuration definitions and configure the applications;
- Conduct testing of the configured application;
- Produce functional Specifications for extensions, conversions, and interfaces;
- Assist the State in the testing of extensions, conversions, and interfaces;
- Assist the State in execution of the State's Acceptance Test;
- Conduct follow-up meetings to obtain feedback, results, and concurrence/approval from the State;
- Assist with the correction of configuration problems identified during system, integration and Acceptance Testing; and
- Assist with the transition to production.

**4) Magellan Team Tasks**

The Magellan team shall assume the following tasks:

- Development and review of functional and technical Specification to determine that they are at an appropriate level of detail and quality;

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- Development and Documentation of conversion and interface programs in accordance with functional and technical Specifications;
- Development and Documentation of installation procedures; and
- Development and execution of Unit Test scripts;
- Unit testing of conversions and interfaces developed; and
- System Integration Testing.

**B. State Roles and Responsibilities**

The following State resources have been identified for the Project. The time demands on the individual State team members shall vary depending on the phase and specific tasks of the Implementation. The demands on the subject matter experts' time shall vary based on the need determined by the State Leads and the phase of the Implementation.

**1) State Project Manager**

The State Project Manager shall work side-by-side with the Magellan Project Manager. The role of the State Project Manager is to manage State resources, facilitate completion of all tasks assigned to State staff, and communicate Project status on a regular basis to Division of Public Health Services Leadership. The State Project Manager represents the State in all decisions on Implementation Project matters, provides all necessary support in the conduct of the Implementation Project, and provides necessary State resources, as defined by the Work Plan and as otherwise identified throughout the course of the Project. The State Project Manager has the following responsibilities:

- Plan and conduct a kick-off meeting with assistance from the Magellan team;
- Assist the Magellan Project Manager in the development of a detailed Work Plan;
- Identify and secure the State Project Team members in accordance with the Work Plan;
- Define roles and responsibilities of all State Project Team members assigned to the Project;
- Identify and secure access to additional State end-user staff as needed to support specific areas of knowledge if and when required to perform certain Implementation tasks;
- Communicate issues to State management as necessary to secure resolution of any matter that cannot be addressed at the Project level;
- Inform the Magellan Project Manager of any urgent issues if and when they arise; and
- Assist the Magellan team staff to obtain requested information if and when required to perform certain Project tasks.
- Assist in validating and documenting user requirements, as needed;
- Assist in mapping business requirements;
- Assist in constructing test scripts and data;
- Assist in system, integration, and Acceptance Testing;
- Assist in performing conversion and integration testing and Data Verification;
- Assist in training end users in the use of the Magellan Software Solution and the business processes the application supports.

**2) State Technical Lead and Architect**

The State's Technical Lead and Architect reports to the State's Project Manager and is responsible for leading and managing the State's technical tasks. Responsibilities include:

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- Attend technical training as necessary to support the Project;
- Assist the State and Magellan Team Project Managers to establish the detailed Work Plan;
- Manage the day-to-day activities of the State's technical resources assigned to the Project;
- Work with State IT management to obtain State technical resources in accordance with the Work Plan;
- Work with the Magellan Technical Lead and the State's selected hardware vendor to architect and establish an appropriate hardware platform for the State's Project development and production environments;
- Work in partnership with Magellan and lead the State technical staff's efforts in documenting the technical operational procedures and processes for the Project. This is a Contractor Deliverable and it shall be expected that Magellan shall lead the overall effort with support and assistance from the State; and
- Represent the technical efforts of the State at biweekly Project meetings.

**3) State Network Administrator (DoIT)**

The State Network Administrator shall provide technical support regarding networking requirements' administration. The responsibilities shall include:

- Assess the ability of the State's overall network architecture and capacity to adequately support implemented applications;
- Establish connections among the database and application servers; and
- Establish connections among the desktop devices and the Application and database servers.

**4) State Testing Administrator**

The State's Testing Administrator shall coordinate the State's testing efforts. Responsibilities include:

- Coordinating the development of system, integration, performance, and Acceptance Test Plans;
- Coordinating system, integration, performance, and Acceptance Tests;
- Chairing test review meetings;
- Coordinating the State's team and external third parties involvement in testing;
- Ensuring that proposed process changes are considered by process owners;
- Establish priorities of Deficiencies requiring resolution; and
- Tracking Deficiencies through resolution.

**2. INTERFACES**

Interfaces shall be implemented in cooperation with the State. The following Table 5.1 identifies the interfaces within the scope of this Contract and their relative assignment.

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Table 5.1: In-Scope Interfaces

Interface	Components, if applicable	Responsible Party	Description
Eligibility Upload	Data file	State Project Manager	The file shall provide Magellan with client level detail on eligibility at a point in time.
Report download	Data file	Magellan Project Manager	The file shall provide CAREWare with all drug reimbursement activity for a period of time.

**A. Interface Responsibilities**

- The Magellan Team shall provide the State Magellan Application Data requirements and examples, of data mappings and interfaces implemented on other Projects. The Magellan Team shall identify the APIs the State should use in the design and development of the interface.
- The Magellan Team shall lead the State with the mapping of legacy data to the Magellan Applications.
- The Magellan Team shall lead the review of functional and technical interface Specifications.
- The Magellan Team shall assist the State with the resolution of problems and issues associated with the development and Implementation of the interfaces.
- The Magellan Team shall document the functional and technical Specifications for the interfaces.
- The Magellan Team shall create the initial Test Plan and related scripts to Unit Test the interface. The State shall validate and accept.
- The Magellan Team shall develop and Unit Test the interface.
- The State and the Magellan Team shall jointly verify and validate the accuracy and completeness of the interface.
- The State shall document the technical changes needed to legacy systems to accommodate the interface.
- The State shall develop and test all legacy application changes needed to accommodate the interface.
- The State and the Magellan Teams shall jointly construct test scripts and create any data needed to support testing the interfaces.
- The State is responsible for all data extracts and related formatting needed from legacy systems to support the interfaces.
- The State is responsible for documenting the procedures required to run the interfaces in production.
- The State is responsible for the scheduling of interface operation in production.

**3. PRELIMINARY WORK PLAN**

The following Table 7.1 provides the preliminary agreed upon Work Plan for the Contract.

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Table 7.1: High Level Preliminary NH Project Plan

#	Activity, Deliverable, or Milestone	Duration	Start	Finish
<b>Planning and System Development</b>				
1	Implementation period begins (G&C approval)	3 months	7/1/2013	9/30/2013
2	Detailed Testing Plan and Testing Results	1 month	7/1/2013	7/31/2013
3	Deployment Plan	1 month	7/1/2013	7/31/2013
4	Comprehensive Training Plan and Curriculum	1 month	7/1/2013	7/31/2013
5	Configure Provider data maintenance and updates	2 months	7/1/2013	8/30/2013
6	Configure eligibility verification	2 months	7/1/2013	8/30/2013
7	Configure PA tracking, support, and management	2 months	7/1/2013	8/30/2013
8	Configure claims and financial requirements	2 months	7/1/2013	8/30/2013
9	Configure third party coverage and cost avoidance management	2 months	7/01/2013	8/30/2013
10.	Configure reports	2 months	7/01/2013	8/30/2013
<b>Testing and Deployment</b>				
	System Configured	2 months	7/01/2013	8/30/2013
	Conduct User Acceptance Testing	1 month	9/01/2013	9/30/2013
	Perform Production Tests	1 month	9/01/2013	9/30/2013
	Conduct Training	1 month	9/01/2013	9/30/2013
	Cutover to New Software	N/A	10/01/13	10/01/13
	Write Documentation	3 months	7/01/13	9/30/2013
	Warranty Period: 10/01/13 – 12/31/13	3 months	10/01/13	12/31/13
<b>Ongoing Services</b>				
	FY 2014 System Support and Maintenance	1 year	7/1/2013	6/30/2014
	FY 2014 PBM Services	1 year	7/1/2013	6/30/2014
	FY 2015 System Support and Maintenance	1 year	7/1/2014	6/30/2015
	FY 2015 PBM Services	1 year	7/1/2014	6/30/2015
	FY 2016 System Support and Maintenance	1 year	7/1/2015	6/30/2016
	FY 2016 PBM Services	1 year	7/1/2015	6/30/2016

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SOFTWARE

**1. LICENSE GRANT**

Not applicable.

**2. DOCUMENTATION COPIES**

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

**3. RESTRICTIONS**

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

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

**4. TITLE**

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

**5. VIRUSES**

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

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

**6. AUDIT**

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

**7. SOFTWARE NON-INFRINGEMENT**

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

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

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

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

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

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WARRANTY AND WARRANTY SERVICES

**1. WARRANTIES**

**1.1 Services**

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

**1.2 Software**

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

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

**1.3 Non-Infringement**

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

**1.4 Viruses; Destructive Programming**

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

**1.5 Compatibility**

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

**1.6 Services**

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

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**1.7 Personnel**

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

**1.8 Breach of Data**

The Vendor shall be solely liable for costs associated with any breach of State Data housed at their location(s) including but not limited to notification and any damages assessed by the courts.

**2. WARRANTY SERVICES**

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

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 TRAINING SERVICES

Magellan shall provide the following Training Services.

**A. TRAINING**

All courses are to be offered on-site in New Hampshire and shall be available for up to 10 students. Following the provision of classes, access to on-line course materials shall be provided for thirty (30) days through the online training library to the extent that it is available.

**1. Delivery Method -Instructor-Led Class Training**

This method helps build the in-depth knowledge and hands-on experience the State's employees shall need to succeed in their job role with Magellan. From in-class demonstrations led by experienced Magellan instructors, to realistic hands-on labs, Instructor-Led in Class courses provide a dynamic learning environment.

This instruction is targeted to train the group of Users defined as Project Team, Users from Departments and selected subject matter experts (SMEs).

**2. Project Team Developed Training**

a. Magellan and the State agree to an end user training approach to meet training objectives, including:

- 1) developing "in house" experts and end-user support channels that involve and leverage internal resources and subject matter experts (SMEs); and
- 2) leveraging statewide access to computers and the Web by accessing On-line courses whenever possible to lessen time away from the job and reduce travel costs for those who are spread across the State.

b. Key activities of the approach are highlighted below:

User Training Approach	Role and Responsibility	
	Magellan Team	State of NH
Develop Training Plan	Lead the development and Implementation of the Training Plan.  Provide guidance, coaching, materials, and tools.	Assist in the development and Implementation of the Training Plan.
Develop Curriculum	Analyze skill requirements.	Assist to analyze skill requirements.
	Detail roles, course content, and estimated course length.	Assist to detail roles, course content, and estimated length.
Produce Training Materials and End-User Documentation	Lead the development of materials and Documentation to include: Magellan providing baseline Documentation in electronic format that can be modified and reproduced.	Assist in the development of training materials.

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User Training Approach	Role and Responsibility	
	Magellan Team	State of NH
	Magellan and the State shall together Conduct Train-the-Trainers for the State's Central Support Group through Implementation. Magellan shall assist in the first train the trainer class for each topic.	Attend Train-the-Trainers training. Train additional State End Users.
Conduct Training	Assist to identify an approach and a plan to conduct training needs assessment for Implementation.	Conduct training needs assessment for post go-live.
Evaluate Training Effectiveness		

**c. Key User Training Approach Activities**

**1) Identify State End Users**

The Magellan Team shall lead the State in identifying and categorizing its end users:  
**User Category 1—Power User Training:** Power Users are those employees who frequently use the system. Training shall consist of a series of courses based on job functions, on business processes specific to job roles, and associated transactions. The training strategy shall be organized around the State's business processes and detailed transactions that support these processes.

**User Category 2—Casual User Training:** Casual Users shall access the system for inquiries or report viewing on an occasional basis. Their courses shall focus on the end-to-end business process instruction and structured inquiry exercises.

**User Category 3—Specialty Users:** Specialty Users include functional and technical analysts. They shall be trained on the software based on assignments, and may include navigation training and module overview/orientation courseware, functional (modules/business process) training, and configuration.

**2) Develop Training Plan** The Magellan Team shall act as the training lead and shall provide guidance, coaching, materials, and tools to assist the State Team to structure and implement a Training Plan—including a strategy for outlining the scope, roles, audiences, and deployment timeline throughout the Project lifecycle. The Plan is intended to 1) reinforce knowledge comprehension across the State by employing a train-the-trainer approach, 2) train employees on what they need to know and do to perform their jobs effectively, 3) establish an ongoing skills development process, 4) offer training Solutions that address the immediate and ongoing needs of the State to train new hires and transfers, and 5) implement a blended training delivery Solution that utilizes instructor-led (ILT) and On-line training to support learner interaction, and promotes effective, timely, and cost-efficient learning.

The Training Plan shall address the specific curriculum for each user category and provide support for the design, development, and deployment of training for each user

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TRAINING SERVICES

category. It shall also provide a blueprint for the State's Team to manage its resources, activities, and timeline throughout the course of the initiative.

- 3) **Develop Training Curriculum** Magellan shall develop a recommended training curriculum for the State of New Hampshire End Users.
- 4) **Produce Training Materials and End-User Documentation** The Magellan team shall lead the efforts to produce the training materials and end-user Documentation.

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EXHIBIT M – NOT APPLICABLE TO THIS CONTRACT

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VENDOR PROPOSAL BY REFERENCE

Magellan Proposal dated December 13, 2012 to DHHS Division of Public Health Services is incorporated herein by reference.

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CERTIFICATES AND ATTACHMENTS

Attached are:

- A. Contractor's Certificate of Vote/Authority
- B. Contractor's Certificate of Good Standing
- C. Contractor's Certificate of Insurance
- D. DHHS Exhibits
- E. Attachment 1 – Business and Program Requirements

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NH DHHS STANDARD EXHIBIT C – SPECIAL PROVISIONS

SPECIAL PROVISIONS

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

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the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:

- 8.1 Renegotiate the rates for payment hereunder, in which event new rates shall be established;
- 8.2 Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;
- 8.3 Demand repayment of the excess payment by the Contractor in which event failure to make such repayment shall constitute an Event of Default hereunder. When the Contractor is permitted to determine the eligibility of individuals for services, the Contractor agrees to reimburse the Department for all funds paid by the Department to the Contractor for services provided to any individual who is found by the Department to be ineligible for such services at any time during the period of retention of records established herein.

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

9. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
  - 9.1 **Fiscal Records:** Books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
  - 9.2 **Statistical Records:** Statistical, enrollment, attendance, or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
  - 9.3 **Medical Records:** Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.

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10. **Audit and Review:** During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
11. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directed connected to the administration of the services and the Contract, and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

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

12. **Reports: Fiscal and Statistical:** The Contractor agrees to submit the following reports at the following times if requested by the Department:

**12.1 Interim Financial Reports:** Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.

**12.2 Final Report:** A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.

13. **Completion of Services: Disallowance of Costs:** Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.
14. **Credits:** All documents, notices, press releases, research reports, and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:

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ATTACHMENT 1 - BUSINESS AND PROGRAM REQUIREMENTS

14.1 The preparation of this (report, document, etc.), was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, Division of Public Health Services, with funds provided in part or in whole by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.

2. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the Contractor with respect to the operation of the facility or the provision of the services at such facility. If any government license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor shall procure said license or permit, and shall at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.

3. **Insurance:** Select either (1) or (2) below:

As referenced in the Request for Proposal, Comprehensive General Liability Insurance Acknowledgement Form, the Insurance requirement checked under this section is applicable to this contract:

**Insurance Requirement for (1)** - 501(c) (3) contractors whose annual gross amount of contract work with the State does not exceed \$500,000, per RSA 21-I:13, XIV, (Supp. 2006): The general liability insurance requirements of standard state contracts for contractors that qualify for nonprofit status under section 501(c)(3) of the Internal Revenue Code and whose annual gross amount of contract work with the state does not exceed \$500,000, is comprehensive general liability insurance in amounts of not less than \$1,000,000 per claim or occurrence and \$2,000,000 in the aggregate. *These amounts may NOT be modified.*

(1) The contractor certifies that it **IS** a 501(c) (3) contractor whose annual total amount of contract work with the State of New Hampshire does **not** exceed \$500,000.

**Insurance Requirement for (2)** - All other contractors who do not qualify for RSA 21-I:13, XIV, (Supp. 2006), Agreement P-37 General Provisions, 14.1 and 14.1.1. Insurance and Bond, shall apply: The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, both for the benefits of the State, the following insurance: comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per incident or occurrence. *These amounts MAY be modified if the State of NH determines contract activities are a risk of lower liability.*

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X (2) The contractor certifies it does NOT qualify for insurance requirements under RSA 21-I:13, XIV (Supp. 2006).

4. **Renewal:**

The Contractor shall have the option to renew this contract for a period of three years, beginning 7/1/2016.

18. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:

**4. CONDITIONAL NATURE OF AGREEMENT.**

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

19. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language;

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

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

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

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Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.

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

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

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NH DHHS STANDARD EXHIBIT C – SPECIAL PROVISIONS

SPECIAL PROVISIONS – DEFINITIONS

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

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

**DEPARTMENT:** *NH Department of Health and Human Services.*

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

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

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

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

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

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

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF PUBLIC HEALTH SERVICES  
CONTRACT 2013-073 PHARMACY BENEFITS MANAGEMENT SYSTEM  
EXHIBIT Q  
NH DHHS STANDARD EXHIBIT D – CERTIFICATION REGARDING DRUG-FREE WORKPLACE  
REQUIREMENTS

**STANDARD EXHIBIT D**  
**CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS**

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

**ALTERNATIVE I – FOR GRANTEES OTHER THAN INDIVIDUALS**

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

This certification is required by the regulations implementing Sections 5151-51-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). the January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they shall maintain a drug-free workplace. Section 3017.630 of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certification set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

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

1) The grantee certifies that it shall or shall continue to provide a drug-free workplace by:

- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that shall be taken against employees for violation of such prohibition;
- (b) Establishing an ongoing drug-free awareness program to inform employee's about:
  - (1) The dangers of drug abuse in the workplace;
  - (2) The grantee's policy of maintaining a drug-free workplace;

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NH DHHS STANDARD EXHIBIT D – CERTIFICATION REGARDING DRUG-FREE WORKPLACE  
REQUIREMENTS

- (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
  - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- (c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
- (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee shall:
- (1) Abide by the terms of the statement; and
  - (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
- (e) Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph (d) (2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- (f) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted
- (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
  - (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
- (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).
- 2) The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

STATE OF NEW HAMPSHIRE  
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NH DHHS STANDARD EXHIBIT D - CERTIFICATION REGARDING DRUG-FREE WORKPLACE  
REQUIREMENTS

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

(1) 11013 West Broad Street, Suite 500, Glen Allen, VA 23060

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

(2) 14100 Magellan Plaza, Maryland Heights, MO 63043

Magellan Medicaid Administration

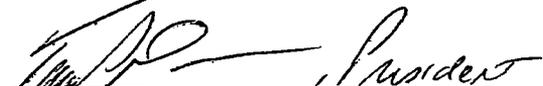
From: 7/01/13 or date of G&C Approval, whichever is later To: 6/30/16

(YPN)

Contractor Name

Period Covered by this Certification

Name and Title of Authorized Contractor Representative

  
Contractor Representative Signature

4/30/13  
Date

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF PUBLIC HEALTH SERVICES  
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EXHIBIT R  
NH DHHS STANDARD EXHIBIT E - CERTIFICATION REGARDING LOBBYING

*NH Department of Health and Human Services*

**Standard Exhibit E**

**CERTIFICATION REGARDING LOBBYING**

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

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

**Programs (indicate applicable program covered):**

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

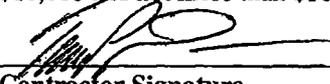
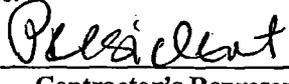
Contract Period: July 1, 2013 or date of G&C Approval, whichever is later, through June 30, 2016

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

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

STATE OF NEW HAMPSHIRE  
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NH DHHS STANDARD EXHIBIT E - CERTIFICATION REGARDING LOBBYING

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

 Contractor Signature	 Contractor's Representative Title
Magellan Medicaid Administration, N/A Contractor Name 	4/30/13 Date

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF PUBLIC HEALTH SERVICES  
CONTRACT 2013-073 PHARMACY BENEFITS MANAGEMENT SYSTEM  
EXHIBIT S  
NH DHHS STANDARD EXHIBIT F – CERTIFICATION REGARDING DEBARMENT, SUSPENSION,  
AND OTHER RESPONSIBILITY MATTERS

*NH Department of Health and Human Services*

**Standard Exhibit F**

**CERTIFICATION REGARDING DEBARMENT, SUSPENSION,  
AND OTHER RESPONSIBILITY MATTERS**

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office of the President, Executive Order 12549 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions, execute the following Certification:

Instructions for Certification

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below shall not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation shall be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transition. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transition," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntary excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rule implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.
6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF PUBLIC HEALTH SERVICES  
CONTRACT 2013-073 PHARMACY BENEFITS MANAGEMENT SYSTEM  
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NH DHHS STANDARD EXHIBIT F – CERTIFICATION REGARDING DEBARMENT, SUSPENSION,  
AND OTHER RESPONSIBILITY MATTERS

7. The prospective primary participant further agrees by submitting this proposal that it shall include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transaction", "provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.

**PRIMARY COVERED TRANSACTIONS**

1. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
  - a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
  - b. have not within a three-year period preceding this proposal (contract) been convicted or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or a contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
  - c. are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph 1 b of this certification; and
  - d. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

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 CONTRACT 2013-073 PHARMACY BENEFITS MANAGEMENT SYSTEM  
 EXHIBIT S

NH DHHS STANDARD EXHIBIT F – CERTIFICATION REGARDING DEBARMENT, SUSPENSION,  
 AND OTHER RESPONSIBILITY MATTERS

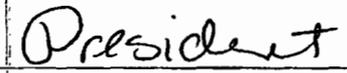
2. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

**Lower Tier Covered Transactions**

By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:

- (a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
- (b) where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

The prospective lower tier participant further agrees by submitting this proposal (contract) that it shall include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion – Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

 Contractor Signature	 Contractor's Representative Title
Magellan Medicaid Administration Contractor Name	4/30/13 Date

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF PUBLIC HEALTH SERVICES  
CONTRACT 2013-073 PHARMACY BENEFITS MANAGEMENT SYSTEM  
EXHIBIT T

NH DHHS STANDARD EXHIBIT G - CERTIFICATION REGARDING AMERICANS WITH  
DISABILITIES ACT COMPLIANCE

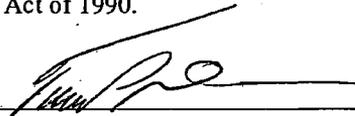
*NH Department of Health and Human Services*

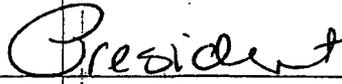
Standard Exhibit G

CERTIFICATION REGARDING THE AMERICANS WITH DISABILITIES ACT  
COMPLIANCE

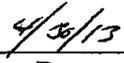
The contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Contractor agrees to make reasonable efforts to comply with all applicable provisions of the Americans with Disabilities Act of 1990.

  
\_\_\_\_\_  
Contractor Signature

  
\_\_\_\_\_  
Contractor's Representative Title

Magellan Medicaid Administration  
\_\_\_\_\_  
Contractor Name

  
\_\_\_\_\_  
Date

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF PUBLIC HEALTH SERVICES  
CONTRACT 2013-073 PHARMACY BENEFITS MANAGEMENT SYSTEM  
EXHIBIT U  
NH DHHS STANDARD EXHIBIT H - CERTIFICATION REGARDING ENVIRONMENTAL  
TOBACCO SMOKE

NH Department of Health and Human Services

STANDARD EXHIBIT H

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

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

1. By signing and submitting this contract, the Contractor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.



Contractor Signature

President

Contractor's Representative Title

Magellan Medicaid Administration

Contractor Name

4/30/13

Date

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF PUBLIC HEALTH SERVICES  
CONTRACT 2013-073 PHARMACY BENEFITS MANAGEMENT SYSTEM  
EXHIBIT V  
NH DHHS STANDARD EXHIBIT I – HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY  
ACT BUSINESS ASSOCIATE AGREEMENT

NH Department of Health and Human Services

**STANDARD EXHIBIT I**  
**HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT**  
**BUSINESS ASSOCIATE AGREEMENT**

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

**BUSINESS ASSOCIATE AGREEMENT**

(1) **Definitions.**

- a. "Breach" shall have the same meaning as the term "Breach" in Title XXX, Subtitle D, Sec. 13400.
- b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164.

STATE OF NEW HAMPSHIRE  
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CONTRACT 2013-073 PHARMACY BENEFITS MANAGEMENT SYSTEM  
EXHIBIT V

NH DHHS STANDARD EXHIBIT I - HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY  
ACT BUSINESS ASSOCIATE AGREEMENT

- i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.501.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreasonable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

(2) Use and Disclosure of Protected Health Information.

- a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, the Business Associate shall not, and shall ensure that its directors, officers, employees and agents, do not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
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EXHIBIT V

NH DHHS STANDARD EXHIBIT I – HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY  
ACT BUSINESS ASSOCIATE AGREEMENT

- b. Business Associate may use or disclose PHI:
  - I. For the proper management and administration of the Business Associate;
  - II. As required by law, pursuant to the terms set forth in paragraph d. below; or
  - III. For data aggregation purposes for the health care operations of Covered Entity.
- c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI shall be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402 of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
- d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.
- e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

**(3) Obligations and Activities of Business Associate.**

- a. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, including any security incident involving Covered Entity data, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402.
- b. The Business Associate shall comply with all sections of the Privacy and Security Rule as set forth in, the HITECH Act, Subtitle D, Part 1, Sec. 13401 and Sec. 13404.

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
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EXHIBIT V

NH DHHS STANDARD EXHIBIT I – HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY  
ACT BUSINESS ASSOCIATE 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 shall be receiving PHI pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard provision #13 of this Agreement for the purpose of use and disclosure of protected health information.
- e. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- f. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- g. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- h. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- i. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.

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ACT BUSINESS ASSOCIATE AGREEMENT

- j. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- k. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

**(4) Obligations of Covered Entity**

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

**(5) Termination for Cause**

In addition to standard provision #10 of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a

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timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) **Miscellaneous**

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, and the HITECH Act as amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule and the HITECH Act.
- e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section 3 k, the defense and indemnification provisions of section 3 d and standard contract provision #13, shall survive the termination of the Agreement.

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

DIVISION OF PUBLIC HEALTH SERVICES

MAGELLAN MEDICAID ADMINISTRATION

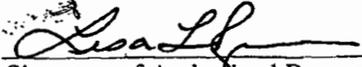
The State Agency Name

Name of Contractor

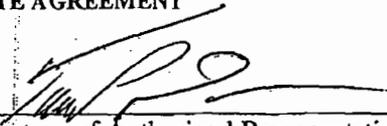
2013-073 Exhibit V – NH DHHS Standard Exhibit I – Health Insurance Portability And  
Accountability Act Business Associate Agreement  
Magellan's Initials YPN Date 9/30/13

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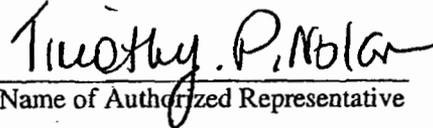
Signature of Authorized Representative



Signature of Authorized Representative

LISA L. BUINO, APRN

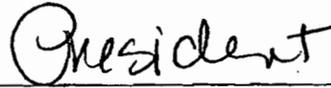
Name of Authorized Representative



Name of Authorized Representative

BUREAU CHIEF

Title of Authorized Representative



Title of Authorized Representative

6-5-13

Date

4/30/13

Date

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NH DHHS STANDARD EXHIBIT J – CERTIFICATION REGARDING THE FEDERAL FUNDING  
ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) COMPLIANCE

NH Department of Health and Human Services

STANDARD EXHIBIT J

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

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

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

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

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

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

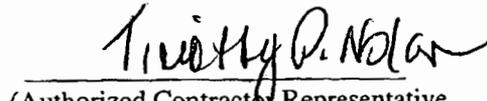
The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

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(Contractor Representative Signature)

Magellan Medicaid Administration.  
(Contractor Name)

  
(Authorized Contractor Representative  
Name & Title)

President

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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:

~~014-601-5611~~

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

NO

YES

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

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

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

NO

YES

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

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

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

Name:

Amount:

Name:

Amount:

Name:

Amount:

Name:

Amount:

Name:

Amount:

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ATTACHMENT 1 – BUSINESS AND PROGRAM REQUIREMENTS

I. OVERVIEW

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

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

II. DEFINITIONS

1. The term "Adjudicated Claim" means a transaction as defined by the then current NCPDP Transaction Code, that is received, processed, and responded to by Magellan. A transaction can be received in multiple media as: (1) Point of Service (POS) - a transaction received electronically via telephone lines from the Providers' Point of Service (2) Electronic Media - A batch of transactions received by Magellan in electronic media (tape, diskette or electronic bulletin board) and submitted to Magellan System for processing, and (3) Paper - a transaction received on paper and data entered by Magellan and submitted to Magellan System for processing, but does not include a rejected claim.
2. The term "Administrative Fees" means all fees and reimbursements paid or payable to Magellan for Services provided pursuant to this contract, except for the actual costs of the drugs prescribed and dispensing fees paid to network pharmacies.
3. The term "Magellan" means First Health Services of Glen Allen, Virginia, a wholly owned subsidiary of Magellan Health Services, Inc. of Avon, CT.
4. The terms "Department", "DHHS", "DPHS" or "State" means The State of New Hampshire, Department of Health and Human Services, Office of Medicaid Business and Policy and the Department of Information Technology (DOIT)
5. The term "Federal Upper Limit" means the maximum amount that Medicaid can reimburse for a drug product as established by CMS.
6. The term "Fiscal Pend" means adjudicated claims and financial transactions, based on user-defined parameters for exclusion from payment during selected future financial cycles.
7. The term "Lock In" means to identify clients who are restricted, when obtaining drugs, medical Services or supplies, to one or more specified Providers.
8. The term "Maximum Allowable Cost" means the maximum amount NH Medicaid shall reimburse for a drug product as established by First Health (FH) in accordance with Centers for Medicare and Medicaid Services (CMS) guidelines.

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9. "Paid Adjudicated claim" is claim for which a check or payment has actually been sent to the Provider or state approved payees.
10. The term "Preferred Drug List" or "PDL" means a list of covered drugs available without Prior Authorization.
11. The term "Prior Authorization" or "PA" means the pre-claim submission approval that shall be given to Providers by Magellan's clinical call center for a specified client for any drug that is subject to PA restrictions.
12. The term "Provider" means an enrolled NH Medicaid Provider.
13. The term "Payee" means a State authorized Medicaid Recipient (or designated agent) or Medicaid Provider that is issued a check paid through the NH Medicaid Drug Payment Custodial Bank Account.
14. The term "Prescriber" means the individual writing the prescription for the recipient and who is authorized to do so.
15. The term "Recipient" or "client" or "beneficiary" or "member" means a person or persons eligible for New Hampshire Medicaid.
16. The term "Third Party Liability" or "TPL" means any source of payment or potential source of payment for prescription drugs, other than Medicaid.

D. Claims Requirements

Magellan shall be responsible for meeting the following claims requirements:

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

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

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

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7. Management of other third party insurance data

E. Systems Capability and Performance Standards

1. System Availability and Access

Magellan shall ensure the following system availability and access:

- 24x7x365 availability, except for scheduled maintenance
- Provider Network Connectivity
- Documented scheduled down time and maintenance windows
- ADAP on-line access to all components of the system
- Documented instructions and user manuals for each component
- Secure Access

2. Systems Operations Support

- 24x7x365 operating support, except for scheduled maintenance
- User Acceptance Testing (UAT)
- On-Call procedures and contacts
- Job Scheduling and failure notification documentation
- Secure data transmission methodology
- Error reporting
- Technical Issue Escalation Procedures
- Business and Customer Notification
- Change Control Management
- Assistance with User Acceptance Testing and implementation coordination
- Documented interface specifications – data imported and extracts exported
- Disaster Recovery Plan

3. Automated Data Files and Interfaces

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

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

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

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

4. Pharmacy Web Access

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

The website and any associated electronic transmissions shall be secure and HIPAA compliant in order to protect ADAP client confidentiality and to protect against the exposure of protected health information. Magellan is responsible for ensuring that the website and any component of Magellan's solution meets the applicable privacy and security standards required by the Health Insurance Portability and Accountability Act (HIPAA) and any other applicable State or Federal required standard for data security.

All costs associated with the development and maintenance of these websites shall be borne by Magellan and must be incorporated in the transaction fee. Magellan shall have this website system available not later than October 1, 2013. Magellan shall also be responsible for all of the duties of program implementation and maintenance including any duties that may be the responsibility of any subcontractor.

F. Financial Processing and Provider Payment

Magellan shall meet the following requirements for:

1. Flexible maintenance capability in support of assigning claims and financial transactions to State fund codes and associated appropriation account numbers; being able to add new fund codes at no additional cost to the NH ADAP;
2. Flexible financial and check cycle processing to support a biweekly financial cycle initially, but at the State's discretion change to weekly processing, including warrant processing and fund code reporting.
3. Transactions assigned to appropriate fund codes at the claim and financial transaction level based on State business logic, provide the NH ADAP with manual invoice within two (2) business days after last adjudicated date for the biweekly check cycle; Non-claim specific financial transactions capability including recoupments, payouts, voids, refunds, returned checks
4. Complete funds transfer request based on invoice amount;
5. Reconciliation to assure data integrity claim and financial transaction levels;
6. Bank account management and provisions of monthly bank reconciliation statements;
7. Generation of HIPAA compliant electronic RA and also a paper RA for Providers

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8. Magellan shall use a designated custodial bank account. Magellan shall obtain approval from the NH ADAP prior to using any other bank or other financial institution for this purpose.
  - a. Magellan shall be responsible for producing checks, printing remittance advices and mailing these documents to State approved payees.
  - b. Magellan shall monitor the daily activities of the New Hampshire ADAP Drug Payment Custodial Account to ensure that transactions are completed accurately and in compliance with generally accepted accounting principles (GAAP).
  - c. Magellan shall monitor outstanding checks and contact payees to resolve issues regarding outstanding checks. At the direction of the NH ADAP, Magellan shall stop payments and re-issue checks to payees.
  - d. Magellan shall provide the NH ADAP with a manual invoice for the bi-weekly check cycle. Subject to NH ADAP review and approval of the manual invoice, the State shall make an Electronic Funds Transfer deposit into the New Hampshire ADAP Drug Payment Custodial Account or any subsequent accounts as approved by the NH ADAP.
  - e. Magellan shall provide monthly bank account management reports that meet GAAP. The reports shall include bank statements for the custodial account and a bank reconciliation statement and a comprehensive listing of outstanding checks to date. In addition, Magellan shall provide a monthly, stale dated check report that includes check number, check amount, amount invoiced, batch date, date issued, payee identification number, payee name and payee address.
9. Negative balance tracking and collection according to State policies
10. Support Electronic Funds Transfer (EFT), allowing Providers to elect EFT or check payment
11. The capability to fiscally pend both administrative fees and claim payment at the request of ADAP.

G. Fiscal Pend

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

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

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6. Provide the capability to report pended claims on a Provider RA and include the capability to suppress reporting of pended transactions at the discretion of the State;
7. Maintain a complete date-sensitive audit trail of fiscal pend activity, including the pend criteria identified, the authorized user identification for each combination, and all reports run in support of fiscal pend;
8. Provide the requisite support and capability to run iterative preview reports, in advance of a financial cycle; to inform the NH ADAP contract manager regarding the need to fiscal pend and to inform the NH ADAP of the final financial impact of the fiscal pend criteria on the financial cycle. These review reports mimic the financial cycle reports but are run during the pend process; and
9. Provide and maintain reporting and requisite operations support to validate the results of fiscal pend processing, to verify that pend and financial cycle processes have been completed with the integrity of the payment intact, and all inputs and outputs are accounted for and balance.

H. Custodial New Hampshire ADAP Bank Account and Check Processing

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

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

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

I. Financial Reconciliation

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

J. Monthly Invoicing

On a monthly basis, Magellan shall send documentation to the NH ADAP in support of their monthly invoice. Documentation shall include:

- Number of claims processed and number of claims paid with amount paid for that month;
- Number of PA's completed in that month; and
- Number of e-prescribing transactions.

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K. Pricing

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

Pharmaceuticals are reimbursed at the lesser of the following:

- The Estimated Acquisition Cost (EAC- currently AWP (Average Wholesale Price) less 16%) plus the dispensing fee;
- The usual and customary charge to the general public further define as what this pharmacy would charge to a cash paying patient for this exact prescription;
- The NH MAC (maximum allowable cost) plus the dispensing fee; or
- The FUL (Federal Upper Limit) plus the dispensing fee, defined by the Centers for Medicare & Medicaid Services (CMS)
- The WAC (Wholesale Acquisition Cost), plus 0.8%, plus the dispensing fee

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

L. Third Party Liability (TPL)

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

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

- Magellan shall process claims for NH ADAP as the payer of last resort. Magellan shall configure COB adjudication logic in the POS system and cost avoid in real time. The Magellan POS system shall require the pharmacy provider to bill the member's other insurance carrier(s) before billing a claim to the NH ADAP program. Magellan shall accept unverified TPL (TPL information is not on member's enrollment record at the time of adjudication) for cost avoidance in the POS system. When the member has other insurance coverage on file, and the incoming claim does not contain the COB segment; or, the data submitted on the incoming claim does not match the member's enrollment record; and/or, is not all inclusive of the information existing on the member's enrollment record, the POS system shall deny the claim and return the appropriate NCPDP Error Code and Message to the submitter. The POS system shall return third party carrier name, carrier code, BIN, and policy number information from the members' enrollment record in the standard message field to the submitter.
- The POS system shall require submission of the total amount paid from all valid carrier(s) in NCPDP Field # 431-DV OTHER PAYER AMOUNT when payment is received from multiple other payers. The POS system shall require submission of NCPDP Segment Coordination of Benefits/Other Payments Segment Identification (111-AM) = "05. The POS system shall be configured to accept the following NCPDP Other Coverage Codes on behalf of the NH ADAP

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program:

- OTHER COVERAGE CODE (NCPDP Field # 308-C8) = "1" No other coverage identified. The POS system shall deny claims submitted with an OCC = "1" and the member has an active TPL segment on file. If the member does not have other coverage on file, the claim shall continue the adjudication process.
- OTHER COVERAGE CODE (NCPDP Field # 308-C8) = "2" Other coverage exists. This value shall be required when payment from the primary insurance carrier(s) has been collected. The provider shall enter the payment amount received from the member's other primary/secondary etc., insurance carrier(s), in the Other Payer Amount Paid (NCPDP Field # 431-DV).
- OTHER COVERAGE CODE (NCPDP Field # 308-C8) = "3" Other coverage exists - claim not covered. This value shall be required when the member's primary insurance carrier returns a valid NCPDP denial code. The POS system shall require submission of the OTHER PAYER REJECT CODE (NCPDP Field # 472-6E) for the claim to adjudicate successfully. In addition, if the other payer requires a prior authorization for payment, the other payer's prior authorization procedures must be followed prior to submitting the claim to NH ADAP for payment.
- OTHER COVERAGE CODE (NCPDP Field # 308-C8) = "4" Other coverage exists - payment not collected. This value shall be required when the primary insurance

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

M. Auditing

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

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

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

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- c. The service auditor's opinion on whether such controls were suitably designed to provide reasonable assurance that the specified control objective would be achieved if those controls were complied with satisfactorily.
- d. A description of the service auditor's tests of controls and its opinion on whether the controls that were tested were operating with sufficient effectiveness to provide reasonable assurance that the related control objectives were achieved during the fiscal year.
- e. The service auditor's procedures shall include, but are not necessarily limited to the following:
  - i. Information on the description of controls for the report through discussions with appropriate service organization's personnel, through reference to various forms of documentation, such as system flow charts and narratives and through the performance of tests of controls;
  - ii. A determination of whether the description provides sufficient information for auditors to obtain an understanding of those aspects of the service organization's controls that may be relevant to DHHS internal control;
  - iii. The control environment, such as hiring practices, key areas of authority, etc;
  - iv. Risk assessment, such as those associated with processing specific transactions;
  - v. Control activities, such as procedures on modifications to software;
  - vi. Communications, such as the way user transactions are initiated;
  - vii. Control monitoring, such as involvement of internal auditors;
  - viii. Evidence of whether controls have been placed in operation;
  - ix. Inquiry of appropriate service organization management and staff;
  - x. Inspection of service organization documents and records;
  - xi. Observation of service organization activities and operations;
  - xii. Testing controls to determine that the service organization is operating with sufficient effectiveness to provide reasonable assurance that the related control objectives were achieved during the fiscal year
  - xiii. Determine that significant changes in the service organization's controls that may have occurred before the beginning of fieldwork are included in the service organization's description of the controls.

N. Utilization Management (UM)

- 1. The requirements for Magellan's UM program shall include the following, at a minimum:
  - a) Assure correct payment.
  - b) In a Third Party Liability situation, maintain a process for rectifying an incorrect payment.
  - c) Maintain documentation required for reversing or adjusting a claim.
  - d) Demonstrate the ability for a customer representative or help-desk staff person to correctly and fully answer questions and resolve problems of ADAP clients regarding their prescription fills and refills, by telephone, at a minimum: 8am to 4:30pm Eastern Standard Time.
  - e) Be able to give the specifics of their mail order program, including order turnaround and carrier(s) used for delivery, and how ADAP clients would use the service. Mail order pharmacies shall need to be registered with the NH Board of Pharmacy.
  - f) Additional Providers may be enrolled as necessary.
- 2. Magellan shall provide a dedicated Clinical Manager who shall be responsible for daily oversight of the PDL program and provide clinical review and analysis of beneficiaries,

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physicians and pharmacists, with guidance and recommendations to NH ADAP. The Clinical Manager shall maintain the clinical integrity of the PDL so that recommended therapeutic classes and preferred drugs accurately reflect evidence-based drug use.

1. Magellan's Clinical Manager shall present a UM plan to ADAP for consideration. Upon approval by ADAP these changes shall be ready for implementation by September 1, 2013. The criteria shall be recommended by Magellan and approved by ADAP.
2. The Clinical Manager shall conduct periodic utilization management visits as needed. All travel costs associated with Provider education shall be Magellan's responsibility.
3. Magellan's Clinical Manager shall coordinate with ADAP, which shall be responsible for approving all UM programs.
4. Magellan shall analyze claims and present recommendations for utilization management programs to NH ADAP on a monthly basis. The proposed UM program shall include review of both high risk and high cost/utilization therapies for integration with PA, POS edits, and DUR programs or other UM strategies.
5. Magellan shall make recommendations for additions or changes in drug coverage and PA, dispensing limitations, generic substitution protocols, and other relevant or innovative suggestions to improve the clinical use of medications.
6. On a quarterly basis, Magellan shall provide a written report profiling the top one hundred (100) utilizing beneficiaries, Prescribers and pharmacies for NH ADAP. The report shall highlight the percentage of cost (to total) attributed to the top utilizers, the actions taken (including DUR and detailing programs) and future action to be taken.
7. Magellan shall consider UM strategies that are the least administratively burdensome to Prescribers, in accordance with federal law 42USC1396a(a)(19).
8. UM shall include written, electronic (fax, e-mail, or web-based) reminders and other interventions containing information to improve UM and suggest changes in prescribing or dispensing practices, communicated in a manner designed to ensure the privacy of client-related information.
9. Magellan shall provide supportive evidence-based clinical research, documentation, financial impact analysis, and recommendations for newly approved therapies and indications to the MAB for consideration.
10. Contractor shall administer the drug coverage program with the approval of NH ADAP and in accordance with the statutes and administrative rules of the State of New Hampshire. The pharmaceutical Services rule includes provisions for covered and non-covered drugs, Prior Authorization requirements, certification of prescriptions and dispensing limitations.
11. Drug Utilization Review (DUR):
  - a) Magellan shall provide a clinical manager (RPh or PharmD to coordinate with the State DUR Board.
  - b) Magellan shall prepare an annual DUR report for NH ADAP, a summary of the interventions used, and an assessment of the impact of the interventions used, and an assessment of the impact of these interventions on the quality of care and an estimate of the cost savings generated as a result. The report shall also compare the current NH ADAP results to the industry benchmarks including other ADAP or private sector programs.
12. Magellan's clinical manager shall:
  - Recommend drugs for Prior Authorization and step therapy to NH ADAP's Medical Advisory Board (MAB) at regularly scheduled meetings.
  - Provide a quarterly written report to the MAB.

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

O. Prior Authorizations (PA)

Requirements for PA Program

- a. Magellan shall establish a Prior Authorization (PA) program, which shall be fully automated and an integral part of the UM system.
- b. Magellan shall ensure that all medications requiring PA shall be rejected, if rejection is appropriate, by an on-line adjudication process.
- c. All rejections shall include messaging describing the reason for the denial and Magellan's toll-free telephone number for the pharmacist or the Prescriber.
- d. Magellan shall, subject to the NH ADAP's approval, provide a process by which the Pharmacist may initiate a PA request, which process shall:
  - Allow the prescriber or his/her agent to call the Clinical Support Center to request the PA.
  - Allow the prescriber or his/her agent to first speak to a certified pharmacy technician who collects the information based on the criteria for that medication or class of medications.
  - Allow the technician to grant a PA, if the information furnished by the prescriber satisfies the criteria.
  - Provide that, the retail pharmacist can facilitate the process to call the prescriber and collect the information from him/her based on the PA criteria for that particular medication or class of medications.
  - Provide that, if the information furnished by the prescriber satisfies the criteria, the technician may grant an approval.
  - Provide that, if there is any doubt that the criteria have been met, the telephone call shall be referred to a licensed clinical pharmacist who shall discuss the patient specifics with the prescriber, and:
    1. Approve the request after verifying criteria has been met.
    2. Provide assistance to the prescriber in changing to a more appropriate therapy without denying the initial request.
    3. Provide that, if the prescriber is unshalling to switch the patient to an acceptable therapy, the pharmacist shall issue a denial.
- e. Magellan shall recommend drugs for PA to NH ADAP and to the MAB.
- f. Magellan shall develop clinical guidelines, subject to approval by the Department, prior to implementation.
- g. Magellan shall provide a PA tracking process so that Providers have the ability to submit claims without a PA number.

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- h. Magellan shall provide regular reporting to the Department to summarize PA activity on a monthly basis.
- i. Magellan shall provide a certified pharmacy technician and or a pharmacist to review medical necessity on all PA requests.
- j. Magellan must enable an administrative override for utilization management, for example, a hard edit for an early refill.
- k. Magellan must use a clinical review for utilization management, to include Prior Authorization review.
- l. Magellan must provide samples of standard operating procedures for PA, including any system capabilities such as step therapy protocols or automated Prior Authorization.

P. Client and Provider Telephone Support

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

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with ProDUR and other medical standards, as they apply to each Client’s unique needs and medical conditions.

10. Contractor shall produce reports on usage of the telephone service(s), including number of inquiries, types of inquiries, average speed to answer, abandonment rates, blocked call rates and timeliness of responses.
11. Magellan’s process shall allow beneficiaries to locate nearby pharmacies for special situations, such as twenty-four (24) hour pharmacies or those dispensing compounded drugs, etc. (phone only)
12. Contractor shall provide additional, secured web-based communications in accordance with the specifications set forth in Systems Capability and Performance Standards set forth above. Contractor shall provide toll-free telephone support for both Providers and recipients that include interpreter Services.

Q. Contractor Capacity

- Contractor must submit a copy of its organizational chart. Contractor must identify the Key Person(s) who shall be acting as customer service representative(s) and must state their levels of experience.
- Magellan’s network pharmacies shall include all those in the New Hampshire Medicaid network. These shall be pharmacies with whom Magellan is on line and from whom it can accept and process electronic claims. Magellan shall agree to maintain during the term of the contract association with any other pharmacies designated by NH ADAP.
- Magellan shall demonstrate the ability for a customer representative or a help-desk staff person to fully perform duties for ADAP staff and participating pharmacies, by telephone and fax machine, email at a minimum: 8am to 4:30 pm Eastern Standard Time. Duties to include adding and removing covered clients, answering any questions and problems that might arise from participating pharmacies and ADAP staff about specific or general electronic transmissions, error messages, overrides, invoices, pharmacy payments, Prior Authorizations, and other similar duties required by ADAP.
- NH ADAP reserves the right to change the timing of the delivery of the data. ADAP shall notify all parties at least thirty (30) days before any such change takes effect.

R. Analysis and Reporting:

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

Functional Area	Report Description
Prior Authorizat	Magellan PA Reports provide summarization metrics on the disposition of processed authorization requests in order to show the counts and quickly determine percentages of requests that involved changes to existing authorization or new

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

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

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

**Clinical and Utilization Reporting Package**

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

*Daily Reports*

*Daily Claims Summary*

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

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*Daily Claims Denial*

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

*Daily Denial Report*

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

**Monthly Reports**

*Twelve Month Summary*

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

*Gender Utilization (Male, Female, and Combined)*

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

*Generic Analysis*

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

*Therapeutic Class Analysis by Amount Paid or Claim Volume*

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

*Most Utilized Pharmacies by Amount Paid or Claim Volume*

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

*Top Members Ranking by Amount Paid or Claim Volume*

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

*Most Prescribed NDCs by Amount Paid or Claim Volume*

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

**On Request Reports**

*Claim Balancing for Payment Date or Service Date*

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

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*Cost and Utilization Analysis by Drug Type*

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

*Cost and Utilization Analysis by Claim Type*

This is a management report that provides summary of claims by selected service date period showing summary by retail or mail order status.

*Denied Claims Analysis*

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

*Therapeutic Class Summary*

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

*Top X Drug Ranking*

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

*Top X Pharmacy/Prescriber Ranking*

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

*Top X Recipient Ranking*

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

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

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

*Twelve Month Summary*

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

**Standard Prospective DUR Reporting Package**

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

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**Daily Reports**

*Daily ProDUR Denial Report*

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

*Daily ProDUR by HIC3 Denial Report*

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

**Monthly/Annual Reports**

*ProDUR Top Encounters by Problem Type*

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

*ProDUR Payment Report*

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

*ProDUR Message Report*

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

*ProDUR Encounters Report*

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

*ProDUR Denied Claims Savings Report*

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

*ProDUR Paid Claims Savings Report*

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

*ProDUR Encounter – Outcomes by Problem Type*

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

*ProDUR Encounter – Interventions by Problem Type*

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

*Active Pharmacy Provider Report*

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

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*Denied Claims Analysis*

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

*Cost Sharing Savings Report*

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

*Adjudication Demographics Report*

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

*Prescriber Ranking Report by Amount Paid or Claim Volume*

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

S. ADAP Client Eligibility

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

T. Performance Measures

NH DHHS shall strive to assure that all services are evidenced-based and cost efficient. To measure and improve the quality of public health Services, DHHS employs a performance management model. This model, comprised of four components, provides a common language and framework for DHHS and its community partners. These four components are:

- 1) Performance standards;
- 2) Performance measurement;

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- 3) Reporting of progress; and,
- 4) Quality improvement.

NH DHHS shall establish the following performance measures for the work to be carried out.

**Performance Measure #1**

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

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

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

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

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

**Performance Measure #2**

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

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

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

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

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

Performance Standards and Liquidated Damages:

Magellan agrees that as determined by DHHS, failure to provide Services meeting the performance standards described below shall result in penalties as specified in the following table. Magellan shall agree to abide by the Performance Standards and Liquidated Damages specified in the following table.

Service Category	Minimum Standard	Potential Liquidated Damages
Retail Point-of-Sale Claims Adjudication	Contractor shall agree to a financial accuracy rate of at	For failure to meet the standard, Magellan shall be assessed

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Service Category	Minimum Standard	Potential Liquidated Damages
Accuracy	least 99% for all prescription claims electronically processed at point-of-sale, measured monthly.	Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.
Point-of-Sale Network System Downtime	Contractor shall agree that unscheduled system downtime shall be no greater than eight (8) hours per incident; not to exceed two times per Contract year. Contractor shall provide notice to the State as to its regularly, scheduled maintenance windows which shall not be part of this guarantee.	For failure to meet the standard, Magellan shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.
Reporting Requirements	Contractor shall provide all scheduled reports, ad hoc reports, and paid claims transactional history files where the Scope of Work specifies a timeframe within the stated time periods, and to provide the on-line query capability described in Magellan's response.	For failure to meet the standard, Magellan shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.
Average Speed to Answer	Client and pharmacy' calls received shall be answered within an average of thirty (30) seconds. Reporting shall be provided monthly by the 7 <sup>th</sup> day of the month.	For failure to meet the standard, Magellan shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.
Call Abandonment and Call Blocking Rate	No more than 2% of all Client and pharmacy' calls shall be abandoned or blocked. Reporting shall be provided monthly by the 7 <sup>th</sup> day of the month.	For failure to meet the standard, Magellan shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.
Customer Service Resolution Rate	All customer service interactions shall be logged in Magellan's information systems with 95% of all issues resolved	For failure to meet the standard, Magellan shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.

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Service Category	Minimum Standard	Potential Liquidated Damages
	the same day. 99% of issues resolved within 30 days. Reporting shall be provided monthly by the 7 <sup>th</sup> day of the month.	
Prior Authorizations	100% of requests for PA shall be completed within twenty-four (24) hours.	For failure to meet the standard, Magellan shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.
Legislative Ad Hoc Report Requests	All requests for legislative ad hoc reports shall be completed within two (2) weeks of request unless otherwise negotiated at the time of the request from the State.	For failure to meet the standard, Magellan shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.
System Downtime	Less than 2 times per contract year each less than 24 hours. Contractor shall provide notice to the State as to its regularly, scheduled maintenance windows which shall not be part of this guarantee.	For failure to meet the standard, Magellan shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.
Response to Email Inquiries	E-mail inquiries responded to within two (2) business days	For failure to meet the standard, Magellan shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.
Website Maintenance	Routine website maintenance no less than once (1) per month to insure that all website content remains accurate.	For failure to meet the standard, Magellan shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.
Website Security & Confidentiality	The website shall be secure and HIPAA compliant in order to protect ADAP client confidentiality. Access should be limited to verified users via passwords and any other available industry standards.	For failure to meet the standard, Magellan shall be assessed Liquidated Damages equal to 10% of the administrative fee in the Contract month in which the incident occurred.

1. Magellan shall respond to Provider billing questions/problems received by telephone within twenty-four (24) hours and use reasonable efforts to resolve them within twenty (20) business days.

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