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

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

Jeffrey A. Meyers  
 Commissioner

Donna M. O'Leary  
 Chief Information  
 Officer

November 18, 2016

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

**REQUESTED ACTION**

Authorize the Department of Health and Human Services, Office of Information Services, to enter into a **sole source**, amendment (Amendment 12) to an existing contract (Purchase Order #1049339) with Cognosante Consulting, LLC (Vendor #272035) at 8200 Greensboro Drive, Suite 1200, McLean, Virginia, 22102 for continuation of quality assurance services in compliance with the requirements of the Centers for Medicare and Medicaid Services (CMS) by increasing the price limitation by \$1,694,582 from \$23,145,719 to a new amount not to exceed \$24,840,301. This amendment will be effective upon the approval of the Governor and Executive Council through June 30, 2017. The source of funds for the increase is 90% Federal Funds and 10% General Funds.

The Governor and Executive Council approved the original contract on December 1, 2004 (Late Item #E), Amendment 1 on December 12, 2006 (Item#119A), Amendment 2 on December 11, 2007 (Item#60), Amendment 3 on December 18, 2008 (Item#57), Amendment 4 on June 23, 2010 (Item#95), Amendment 5 on April 18, 2012 (Item#57), Amendment 6 on January 16, 2013 (Item#17), Amendment 7 on August 14, 2013 (Item#32), Amendment 8 on March 26, 2014 (Item#25-A), Amendment 9 on July 16, 2014 (Item#3), Amendment 10 on December 23, 2014 (Item#7) and Amendment 11 on December 2, 2015 (Item#12).

/ Funds are available in the following accounts in SFY 2017:

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

State Fiscal Year	Class/Object	Class Title	Current Budget	Increase/ (Decrease)	Revised Budget
2005	102/500731	Contracts for Program Services	\$426,819	\$0	\$426,819
2006	102/500731	Contracts for Program Services	\$818,733	\$0	\$818,733
2007	102/500731	Contracts for Program Services	\$527,267	\$0	\$527,267
2008	102/500731	Contracts for Program Services	\$759,163	\$0	\$759,163
2009	102/500731	Contracts for Program Services	\$605,802	\$0	\$605,802
2010	102/500731	Contracts for Program Services	\$470,260	\$0	\$470,260

State			Current	Increase/	Revised
<u>Fiscal Year</u>	<u>Class/Object</u>	<u>Class Title</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>Budget</u>
2011	102/500731	Contracts for Program Services	\$638,313	\$0	\$638,313
2012	102/500731	Contracts for Program Services	\$1,727,698	\$0	\$1,727,698
2013	102/500731	Contracts for Program Services	\$3,483,219	\$0	\$3,483,219
2014	102/500731	Contracts for Program Services	\$3,068,080	\$0	\$3,068,080
2015	102/500731	Contracts for Program Services	\$3,731,117	\$0	\$3,731,117
2016	102/500731	Contracts for Program Services	\$3,794,528	\$0	\$3,794,528
2017	102/500731	Contracts for Program Services	\$2,108,320	\$1,531,000	\$3,639,320
<b>Sub Total</b>			<b>\$22,159,319</b>	<b>\$1,531,000</b>	<b>\$23,690,319</b>

**05-95-45-450030-2924 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS: TRANSITIONAL ASSISTANCE, DIVISION OF FAMILY ASSISTANCE, NEW HEIGHTS INCREMENTAL MODERNIZATION**

State			Current	Increase/	Revised
<u>Fiscal Year</u>	<u>Class/Object</u>	<u>Class Title</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>Budget</u>
2014	34/500099	Major IT Systems	\$374,720	\$0	\$374,720
2015	34/500099	Major IT Systems	\$358,080	\$0	\$358,080
2016	34/500099	Major IT Systems	\$253,600		\$253,600
2017	34/500099	Major IT Systems	\$0	\$163,582	\$163,582
<b>Sub Total</b>			<b>\$986,400</b>	<b>\$163,582</b>	<b>\$1,149,982</b>

**Total** **\$23,145,719** **\$1,694,582** **\$24,840,301**

**EXPLANATION**

This amendment is identified as **sole source** given the importance of continuing the Quality Assurance Services provided by the present contractor, Cognosante Consulting, LLC, without interruption. The contract originally was bid in May 2004 and Cognosante was selected. Amendment 12 extends the end date for the services, which were competitively bid under the original contract, to June 30, 2017. Cognosante Consulting, LLC and its predecessors have provided Quality Assurance Services as required by CMS for the Medicaid Management Information System since the original contract was approved in 2004. Several of the projects on which the contractor has been working are in process and are anticipated to continue through this contract period. These projects affect both the New HEIGHTS Integrated Eligibility System and the Medicaid Management Information System. The contractor has developed detailed knowledge of both of these systems that are critical to the Department. With this knowledge, the contractor is able to execute its oversight, testing, and quality assurance role effectively and efficiently, thereby facilitating the Department's ability to implement quality system solutions as expeditiously as possible.

Amendment 12 will extend the contractor's services for an additional six (6) months through June 30, 2017, and will encompass the following services:

- Extension of quality assurance staff supporting the New HEIGHTS eligibility system enhancements in compliance with federal requirements.

- Extension of quality assurance staff to test Medicaid Management Information System enhancements that are funded by the Centers for Medicare and Medicaid Services at a 90 percent match rate, and therefore require independent quality assurance oversight to comply with federal requirements.

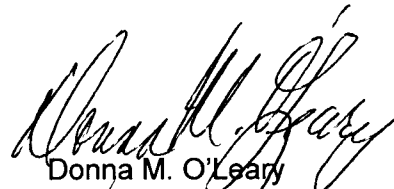
This will be the last sole source extension of the contract. A Request for Proposals (RFP) will be issued for work required after July 1, 2017.

Should the Governor and Executive Council determine to not approve this Request, the Department of Health and Human Services would experience a gap in quality assurance services and increased risk to critical enhancements to the Medicaid Management Information System. Because the Centers for Medicare and Medicaid Services requires a quality assurance vendor, a determination to not approve this Request may result in the loss of federal funding.

Source of Funds: 90% federal funds, 10% general funds.  
Area served: Statewide.

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

Respectfully submitted,

  
Donna M. O'Leary  
Chief Information Officer

Approved by:

  
Jeffrey A. Meyers  
Commissioner



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

**Denis Goulet**  
*Commissioner*

November 21, 2016

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

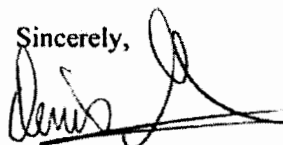
Dear Commissioner Meyers:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to amend a contract with Cognosante Consulting, LLC as described below and referenced as DoIT No. 2005-002L.

The purpose of this sole source amendment is to extend the Cognosante Consulting services for an additional six (6) months to provide quality assurance staff to support the New HEIGHTS eligibility system enhancements in compliance with federal requirements and to test the Medicaid Management Information System enhancements that are funded by the Centers for Medicare and Medicaid Services at a 90 percent match rate, and therefore require independent quality assurance oversight to comply with federal requirements.

The total funding amount is not to exceed \$24,840,301 and is effective upon the date of Governor and Executive Council approval through June 30, 2017.

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

Sincerely,  
  
Denis Goulet

DG/ik  
2005-002L

cc: Bruce Smith, IT Manager



which are exercisable at the sole discretion of the Commissioner of the Department of Health and Human Services at any time after June 30, 2014 after giving the Contractor thirty (30) days written notice.

4. The provisions of Exhibit A: Scope of Services, Section 4.1 Period of Performance, are hereby modified as of the Effective Date as follows: The Contract shall only take effect after full execution of the parties and Governor and Executive Council approval. This Amendment 12 is effective upon the date of Governor and Executive Council approval or December 21, 2016, whichever is later. It shall remain in effect through June 30, 2017 unless otherwise amended or terminated in accordance with the terms of the Contract.
5. Exhibit B is amended to increase the Contract price by an amount not to exceed \$1,694,582 to a total Contract price not to exceed \$24,840,301.
6. Exhibit A Scope of Services Amendment 11 Table 7.2.1: Project Staff, is deleted and replaced with the following Amendment 12 Table 7.2.1: Project Staff:

**Amendment 12 Table 7.2-1: Project Staff**

Name	Title
Ken Dybevik	Program Director/Client Executive
Laura Hall	Project Manager
Tamera Damon	Deputy PM/Business Analyst/QA Lead
Michele Listug	Senior Business Analyst
Margaret Patterson	Senior Testing Analyst
Sara Kondur	Senior Testing Analyst
Jacob Thomas	Senior Testing Analyst
Arun Ealias	Senior Business Analyst
Pradyumna Kalita	Senior Testing Analyst
Vickie Gavin	Senior Business Analyst
Robin Anderson	Senior Business Analyst
Loyd Kintz	Senior Business Analyst- IES IVV
Stephen Gantz	Executive Security Consultant- IES Security
James Joyce	Technical Advisory Group (TAG)

7. The provisions relative to Exhibit A, Scope of Services, Section 12 Amendment 11 Table 12-1 *QA Services Deliverables and Schedule* is amended by deleting and replacing only the specific rows as set forth in the following Amendment 12 Table 12-1:QA Services Deliverables and Schedule:

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

1. Project Monitoring - Produce and distribute deliverables including, but not limited to:		
1.1	Overall Finalized QA Plan	Completed
1.1.1	Review Sessions and Meetings: <ul style="list-style-type: none"> <li>• Kickoff</li> </ul>	Five (5) business days after meeting. Weekly Status

<b>1. Project Monitoring – Produce and distribute deliverables including, but not limited to:</b>		
	<ul style="list-style-type: none"> <li>Weekly Status Meetings</li> <li>Other Meetings</li> </ul>	meeting
1.1.3	Produce monthly Project Status Reports	Fifth business day of the month.
1.1.4	Produce Monthly Project Risk Management Reports	Fifth business day of the month, beginning January 2, 2005
<b>3. DDI QA – Produce and distribute the deliverables</b>		
3.20	Quality Assurance, SIT and UAT – MMIS Enhancements. Enhancements include but are not limited to: <ul style="list-style-type: none"> <li>Enhanced Provider Screening</li> <li>T-MSIS – Transformed Medicaid Statistical Information System</li> <li>ICD-10</li> <li>Premium Assistance Program (PAP) and Medicaid Care Management (MCM)</li> <li>Provider Revalidation (PR)</li> <li>Other post DDI MMIS Enhancements as directed by the State.</li> </ul>	Supplemental Testing support during MMIS UAT Phase and during post implementation Enhancements Phase
3.21	Testing Support for MMIS Enhancements	Additional testing support during MMIS UAT Phase and during post implementation Enhancements Phase
<b>6. IES IVV Produce and distribute the deliverables</b>		
6.2	Third Party IES Security Assessment Review and Report	Completed
6.3	Optional Testing	Removed

8. The provisions relative to Exhibit B, Funding of Contract, paragraph C as amended under Amendment 11 8.1 are replaced with the following:

8.1. Amendment 12 Funding of Contract Section C: The total amount of all payments made to the Contractor for costs and expenses incurred in the performance of the Medicaid Management Information System Quality Assurance services during the period September 1, 2004 through June 30, 2017, shall not exceed \$24,840,301 in accordance with the project budget identified in this Amendment 12 Exhibit B-1, Budget as set forth in paragraph 11 of this Amendment 12.

9. The provisions relative to Amendment 11 Exhibit B, Budget by Phase Table B-1b are amended by replacing them with the following Amendment 12 Table B-1b: *Budget by Phase*:

**Amendment 12 Table B-1b: Budget by Phase**

<b>Project Phase</b>	<b>Budget</b>
Project Monitoring	\$4,485,319
Pre-DDI QA	\$407,036
DDI Phase through 3/31/13	\$5,029,930
DDI Phase Post Go-Live	\$10,868,518
DDI Contingency	\$327,840
Post DDI	\$2,036,991
DDI 5010 QA	\$239,776

Project Phase	Budget
IES IV&V	\$1,444,892
<b>TOTAL:</b>	<b>\$24,840,302</b>

10. The provisions relative to Amendment 11 Table B-1c: *QA Services Staffing Levels* are amended by replacing them with the following Amendment 12 Table B-1c.: *QA Services Staffing Levels*. The Department may change the level of staffing support for QA Services 3.20 and 3.21, after giving thirty (30) days written notice to the Contractor.

**Amendment 12 Table B-1c: QA Services Staffing Levels**

Task	Staffing	Monthly Budget					
		SFY 2013	SFY 2014	SFY 2015	SFY 2016	SFY 2017 7/1- 12/31	SFY 2017 1/1-6/30
3.20 SIT and UAT - MMIS and Enhancements (Sr. Business Analysts)	6	n/a	\$0	\$170,352	\$175,392	\$180,654	n/a
	5	\$134,400	\$137,760	\$141,960	\$146,160	\$150,545	\$150,545
	4	\$107,520	\$110,208	\$113,568	\$116,928	\$120,436	\$120,436
	3	\$80,640	\$82,656	\$85,176	\$87,696	\$90,327	\$90,327
	2	\$53,760	\$55,104	\$56,784	\$58,464	\$60,218	\$60,218
	1	\$26,880	\$27,552	\$28,392	\$29,232	\$30,109	\$30,109
	0	\$0	\$0	\$0	\$0	\$0	\$0
3.21 Testing Optional Support (Sr. Business Analyst thru Dec 2016. Sr. Testing Analyst from Jan 2017.)	4	n/a	n/a	n/a	n/a	n/a	\$117,667
	3	n/a	n/a	n/a	\$87,696	\$90,327	\$88,250
	2	\$53,760	\$55,104	\$56,784	\$58,464	\$60,218	\$58,834
	1	\$26,880	\$27,552	\$28,392	\$29,232	\$30,109	\$29,417
	0	\$0	\$0	\$0	\$0	\$0	\$0
6.3 IES Testing Optional Support	2	\$0	\$49,920	\$54,096	\$55,776	\$57,449	n/a
	1	\$0	\$24,960	\$27,048	\$27,888	\$28,725	n/a
	0	\$0	\$0	\$0	\$0	\$0	n/a

11. The provisions relative to Amendment 11 Exhibit B-1: *Budget* are amended by replacing them with the following Amendment 12 Exhibit B-1: *Budget*:

**Amendment 12 Exhibit B-1 Budget**

Phase Ref	Contract Task	Amend 11 Value	Amend 12 Value Change	Amend 12 Value
<b>Project Monitoring</b>				
1.1	Overall Finalized QA Plan	\$19,705	\$0	\$19,705
1.1.1	Review sessions and meetings, Kickoff, Weekly Status Meetings, Other Meetings	\$2,515,562	\$114,792	\$2,630,355



**Amendment 12 Exhibit B-1 Budget**

Phase Ref	Contract Task	Amend 11 Value	Amend 12 Value Change	Amend 12 Value
1.1.2	Publish session and meeting minutes and revised Project Plans	\$730,849	\$33,342	\$764,191
1.1.3	Produce Monthly Project Status Reports	\$239,330	\$18,010	\$257,340
1.1.4	Produce Monthly Project Risk Management Reports	\$230,071	\$20,738	\$250,809
1.2	Publish QA Work Plan and Schedule	\$223,099	\$0	\$223,099
1.3	Integrate QA Work Plan and Implementation Project Work Plan	\$142,089	\$0	\$142,089
1.4	Create Project Communication Plan	\$28,000	\$0	\$28,000
1.5	Create a Documentation plan for the Project	\$19,705	\$0	\$19,705
1.6	Create Paper Work and Electronic Media Control Procedures	\$14,705	\$0	\$14,705
1.7	DDI Deliverable Review and Approval Process	\$34,705	\$0	\$34,705
1.8	Establish process for review and approval of software development results	\$26,205	\$0	\$26,205
1.9	Create Expenditure Control Plan	\$14,705	\$0	\$14,705
1.1	Create cost benefit methodology Plan	\$ -	\$0	\$ -
1.11	Implement Control Guidelines Plan	\$14,705	\$0	\$14,705
1.13	Establish a Project Scope Management and Change Control Plan	\$45,000	\$0	\$45,000
<b>Subtotal</b>		<b>\$4,298,436</b>	<b>\$186,883</b>	<b>\$4,485,319</b>
<b>Pre-DDI QA</b>				
<b>Subtotal</b>		<b>\$407,036</b>	<b>\$0</b>	<b>\$407,036</b>
<b>DDI QA</b>				
3.1	Report on Implementation Vendor Deliverables (see Exhibit B-1a)	\$1,324,789	\$0	\$1,324,789
3.2	Requirements Traceability Matrix Report	\$88,921	\$0	\$88,921
3.3	JAD session Report	\$72,222	\$0	\$72,222
3.4	Technical Review Report	\$92,052	\$0	\$92,052
3.5	QA Test Plan	\$68,839	\$0	\$68,839
3.6	Integration and System Testing Report	\$1,333,978	\$0	\$1,333,978
3.7	User Acceptance Test Cases and Scripts	\$387,521	\$0	\$387,521
3.8	User Acceptance Testing	\$545,981	\$0	\$545,981
3.9	Issues Tracking Report	\$ -	\$0	\$ -
3.1	User Acceptance Testing Report	\$109,289	\$0	\$109,289
3.13	Provider Readiness Report	\$46,458	\$0	\$46,458
3.14	Operational Readiness Report	\$40,678	\$0	\$40,678
3.15	Implementation Readiness Report	\$44,894	\$0	\$44,894
3.17	Implementation Close Out Report	\$85,830	\$0	\$85,830
3.18	Certification Traceability Matrix	\$102,816	\$0	\$102,816
3.19	Contingent Testing Support	\$314,496	\$0	\$314,496
3.2	SIT and UAT - MMIS and Enhancements	\$7,608,035	\$903,269	\$8,511,303
3.21	Testing Optional Support	\$2,022,377	\$706,003	\$2,728,380
<b>Subtotal</b>		<b>\$14,289,176</b>	<b>\$1,609,272</b>	<b>\$15,898,448</b>
<b>DDI QA - Contingency Option</b>				
<b>Subtotal</b>	Amendment 6 Monthly Fixed Price Value (Supplements Tasks 1.x, 3.20, 3.21, 4.2, 4.6, 5.x)	<b>\$327,840</b>	<b>\$0</b>	<b>\$327,840</b>
<b>Post-DDI QA</b>				

**Amendment 12 Exhibit B-1 Budget**

Phase Ref	Contract Task	Amend 11 Value	Amend 12 Value Change	Amend 12 Value
<b>Subtotal</b>		<b>\$2,036,991</b>	<b>\$0</b>	<b>\$2,036,991</b>
<b>Amend 5 - 5010 QA</b>				
<b>Subtotal</b>		<b>\$239,776</b>	<b>\$0</b>	<b>\$239,776</b>
<b>IES IV&amp;V</b>				
6.1	Produce Monthly Project Status Reports	\$1,204,398	\$180,654	\$1,385,052
6.2	IES Security Plan Review	\$59,840	\$0	\$59,840
6.3	IES Tester( Optional)	\$282,227	(\$282,227)	\$0
<b>Subtotal</b>		<b>\$1,546,464</b>	<b>(\$101,573)</b>	<b>\$1,444,891</b>
<b>Project Total</b>		<b>\$23,145,719</b>	<b>\$1,694,582</b>	<b>\$24,840,301</b>

12. The provisions relative to Amendment 11 Exhibit B-2 *Holdback* table are amended by replacing the table with “Amendment 12, Exhibit B-2: *Holdback*,” table as follows:

**Amendment 12 Exhibit B-2: Holdback**

Amendment 12 Exhibit B-2 Holdback Task	Budget	Holdback Amount	Holdback %
Project Monitoring Phase 1 – Project inception through 12/31/08	\$1,344,931	\$201,740	15%
Project Monitoring Phase 2 – 1/1/09 through 12/31/09	\$298,459	\$44,769	15%
Project Monitoring Phase 3 – 01/01/2010 through 06/30/2011	\$463,344	\$69,502	15%
Project Monitoring Phase 4 – 7/1/11 through 3/31/12	\$237,393	\$35,609	15%
Project Monitoring Phase 5 – 4/1/12 through 6/30/13	\$566,820	\$85,023	15%
Project Monitoring Phase 6 – 7/1/13 through 12/31/13	\$232,080	\$34,812	15%
Project Monitoring Phase 7 – 1/1/14 through 6/30/14	\$232,080	\$34,812	15%
Project Monitoring Phase 8 – 7/1/14 through 6/30/15	\$373,565	\$56,035	15%
Project Monitoring Phase 9 – 7/1/15 through 12/31/15	\$181,440	\$27,216	15%
Project Monitoring Phase 10 – 1/1/16 through 12/31/16	\$368,324	\$0	0%
Project Monitoring Phase 11 – 1/1/17 through 06/30/17	\$186,883	\$0	0%
Pre-DDI QA	\$407,036	\$61,055	15%
DDI Phase through 3/31/13	\$5,029,930	\$754,489	15%
DDI Post Go-Live 4/1/13 - 12/31/15	\$6,054,835	\$908,225	15%
DDI Post Go-Live 1/1/16 - 12/31/16	\$3,204,412	\$0	0%
DDI Post Go-Live 1/1/17 - 06/30/17	\$1,609,272	\$0	0%
DDI Contingency	\$327,840	\$49,176	15%
Post DDI 4/1/13 - 11/23/2015	\$2,036,991	\$305,549	15%
DDI 5010 QA	\$239,776	\$35,966	15%
IES IV&V - FY14	\$374,720	\$56,208	15%

<b>Amendment 12 Exhibit B-2 Holdback Task</b>	<b>Budget</b>	<b>Holdback Amount</b>	<b>Holdback %</b>
IES IV&V - FY15	\$358,080	\$53,712	15%
IES IV&V - 7/1/15 - 12/31/15	\$175,392	\$26,309	15%
IES IV&V - 1/1/16 - 12/31/16	\$638,272	\$0	0%
IES IV&V - 1/1/17 - 6/30/17	-\$101,573	\$0	0%
<b>Project Total:</b>	<b>\$24,840,302</b>	<b>\$2,840,207</b>	

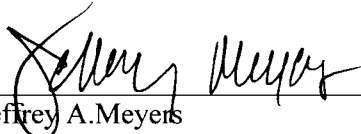
13. The provisions relative to Amendment 11 Exhibit B Table B-4 *Future IT Services* are amended by replacing it with Amendment 12 Exhibit B Table B-4 *Future IT Services* as follows:

**Amendment 12 Exhibit B Table B-4 *Future IT Services***

<b>Service Position Title</b>	<b>SFY 2016</b>	<b>SFY 2017</b>	<b>SFY 2018</b>
Client Executive	\$212	\$218	\$225
Project Manager	\$180	\$185	\$191
Medicaid Policy Expert	\$169	\$174	\$179
Quality Assurance Lead	\$171	\$176	\$181
JAD Facilitator	\$182	\$187	\$193
Business Analyst	\$174	\$179	\$185
Test Analyst	\$166	\$171	\$176
Code Analyst	\$136	\$140	\$144
Senior Business Analyst	\$174	\$179	\$185
Senior Testing Analyst	\$170	\$175	\$180
Certification Specialist	\$179	\$184	\$190
TAG Member	\$199	\$205	\$211


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

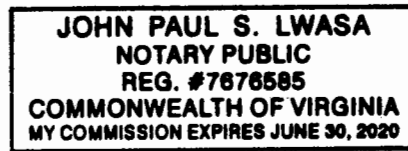
  
\_\_\_\_\_  
Jeffrey A. Meyers  
Commissioner

11/30/16  
Date

Cognosante Consulting, LLC

  
\_\_\_\_\_  
Thomas C. Hohman  
Chief Financial Officer  
Cognosante Consulting, LLC

11/28/2016  
Date




STATE OF VIRGINIA

COUNTY OF FAIRFAX

On this, the 28th day of November 2016, before me, the undersigned officer, personally appeared Thomas C. Hohman, who acknowledged himself to be the Chief Financial Officer of Cognosante Consulting, LLC and that he, as such Chief Financial Officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as Chief Financial Officer.

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

  
\_\_\_\_\_  
Notary Public

My commission expires: 6/30/2020

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

OFFICE OF THE ATTORNEY GENERAL

By:   
\_\_\_\_\_

Date: Nov. 30, 2016

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

OFFICE OF THE SECRETARY OF STATE

By: \_\_\_\_\_

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

Date: \_\_\_\_\_

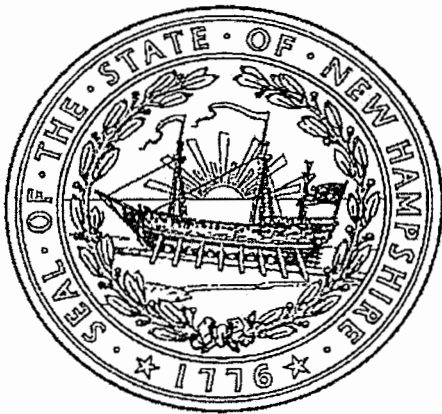
# State of New Hampshire

## Department of State

### CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that COGNOSANTE CONSULTING, LLC is a Delaware Limited Liability Company registered to transact business in New Hampshire on March 03, 2016. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 739971



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 9th day of November A.D. 2016.

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

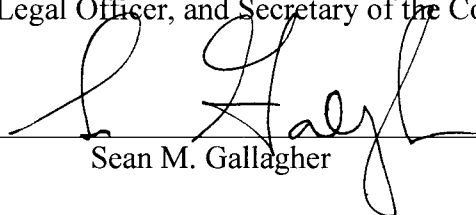
William M. Gardner  
Secretary of State

**Officer's Certificate**

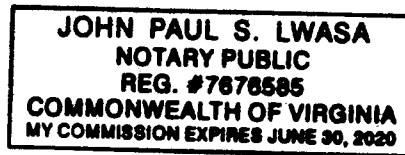
I, Sean M. Gallagher, Executive Vice President, Chief Legal Officer, and Secretary of Cognosante Consulting, LLC, do hereby certify that:

1. I am the duly elected and acting Executive Vice President, Chief Legal Officer, and Secretary of Cognosante Consulting, LLC, a Delaware limited liability company (the "Company") pursuant to official action taken by the Board of Directors of Cognosante Holdings, LLC, the manager of the Company, on February 9, 2016.
2. In my role as Executive Vice President, Chief Legal Officer, and Secretary of the Company, I am familiar with the minute books and actions of the Company.
3. Pursuant to the provisions of the Operating Agreement of Cognosante Consulting, LLC, in my role as Executive Vice President, Chief Legal Officer, and Secretary, I am duly authorized to provide a certificate naming the persons who are authorized to execute and deliver any instrument or document for or on behalf of the Company.
4. Pursuant to official action taken by the Board of Directors of the Cognosante Holdings, LLC, the manager of the Company, on October 21, 2016, Thomas Hohman is the duly elected and acting Senior Vice President, Chief Financial Officer, and Treasurer of the Company.
5. As Senior Vice President, Chief Financial Officer, and Treasurer of the Company, Thomas Hohman is duly authorized to execute and deliver any instrument or document for or on behalf of the Company, including, but not limited to, the entering into of an amendment to the Company's contract with the State of New Hampshire, acting by and through the Division of Medicaid Business and Planning of the Department of Health and Human Services.
6. As of the date hereof, the official actions taken by the Company on October 21, 2016, have not been modified, amended and revoked in any way.

IN WITNESS WHEREOF, I have hereunto set my hand as Executive Vice President, Chief Legal Officer, and Secretary of the Company this 28th day of November, 2016.

  
\_\_\_\_\_  
Sean M. Gallagher

COMMONWEALTH OF VIRGINIA     )  
                                                          ) ss.  
COUNTY OF FAIRFAX                 )



The foregoing instrument was acknowledged before me this 28th day of November, 2016, by Sean M. Gallagher, who acknowledged himself to be the Executive Vice President, Chief Legal Officer, and Secretary of Cognosante Consulting, LLC, a Delaware limited liability company.

  
\_\_\_\_\_  
Notary Public

My Commission Expires:



# CERTIFICATE OF LIABILITY INSURANCE

4/30/2017

DATE (MM/DD/YYYY)

10/24/2016

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

PRODUCER Lockton Companies 1801 K Street NW, Suite 200 Washington DC 20006 (202) 414-2400	CONTACT NAME:	
	PHONE (A/C, No, Ext):	FAX (A/C, No):
	E-MAIL ADDRESS:	
INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A : Atlantic Specialty Insurance Company		27154
INSURER B : National Union Fire Ins Co Pitts. PA		19445
INSURER C :		
INSURER D :		
INSURER E :		
INSURER F :		

INSURED  
1420368 Cognosante Consulting, LLC  
8200 Greensboro Drive, Suite 1200  
McLean VA 22102

**COVERAGES**                      **CERTIFICATE NUMBER:** 13916457                      **REVISION NUMBER:** XXXXXXX

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 INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR	N	N	711-01-48-49-001	7/1/2016	7/1/2017	EACH OCCURRENCE	\$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:						DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 1,000,000
							MED EXP (Any one person)	\$ 10,000
							PERSONAL & ADV INJURY	\$ 1,000,000
							GENERAL AGGREGATE	\$ 2,000,000
							PRODUCTS - COMP/OP AGG	\$ 2,000,000
								\$
A	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY	N	N	711-01-48-49-001	7/1/2016	7/1/2017	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
							BODILY INJURY (Per person)	\$ XXXXXXX
							BODILY INJURY (Per accident)	\$ XXXXXXX
							PROPERTY DAMAGE (Per accident)	\$ XXXXXXX
								\$ XXXXXXX
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE	N	N	711-01-48-49-001	7/1/2016	7/1/2017	EACH OCCURRENCE	\$ 10,000,000
	DED <input type="checkbox"/> RETENTION \$						AGGREGATE	\$ 10,000,000
								\$ XXXXXXX
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	406-04-32-33-0001	7/1/2016	7/1/2017	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER	
							E.L. EACH ACCIDENT	\$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	\$ 1,000,000
B	Errors & Omissions	N	N	02-288-35-79	10/31/2016	4/30/2017	Limit: \$5,000,000 Ret: \$250,000	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
RE: 971134

**CERTIFICATE HOLDER****CANCELLATION****13916457**

New Hampshire Department of Health  
and Human Services, Office of Medicaid  
Business and Policy  
129 Pleasant St., Brown Building  
Concord NH 3301

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



5

4N 12



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

Nicholas A. Toumpas  
Commissioner

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

Steven J. Kelleher  
Acting Chief Information  
Officer/Director

November 18, 2015

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

Sole Source

**REQUESTED ACTION**

Authorize the Department of Health and Human Services, Office of Information Services, to enter into a **sole source** amendment (Amendment 11) to an existing contract (Purchase Order #1018352) with Cognosante, LLC (Vendor #223062) at 6263 North Scottsdale Road, Suite 200, Scottsdale, AZ 85250, for continuation of quality assurance services in compliance with the requirements of the Centers for Medicare and Medicaid Services (CMS) by increasing the price limitation by \$3,957,408 from \$19,188,311 to a new amount not to exceed \$23,145,719. This amendment will be effective upon the approval of the Governor and Executive Council through December 31, 2016.

The Governor and Executive Council approved the original contract on December 1, 2004 (Late Item #E), Amendment 1 on December 12, 2006 (Item #119A), Amendment 2 on December 11, 2007 (Item #60), Amendment 3 on December 18, 2008 (Item#57), Amendment 4 on June 23, 2010 (Item#95), Amendment 5 on April 18, 2012 (Item#57), Amendment 6 on January 16, 2013 (Item#17), Amendment 7 on August 14, 2013 (Item#32), Amendment 8 on March 26, 2014 (Item#25-A), Amendment 9 on July 16, 2014 (Item#3), and Amendment 10 on December 23, 2014 (Item#7).

Funds are available in SFY 2016 and SFY 2017, with authority to adjust amounts between State Fiscal Years, if needed and justified.

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

<u>State Fiscal Year</u>	<u>Class/Object</u>	<u>Class Title</u>	<u>Current Modified Budget</u>	<u>Increase/ (Decrease)</u>	<u>Revised Budget</u>
2005	102/500731	Contracts for Program Services	\$426,820	\$0	\$426,820
2006	102/500731	Contracts for Program Services	\$818,733	\$0	\$818,733
2007	102/500731	Contracts for Program Services	\$527,267	\$0	\$527,267
2008	102/500731	Contracts for Program Services	\$759,163	\$0	\$759,163

<u>State</u> <u>Fiscal</u> <u>Year</u>	<u>Class/Object</u>	<u>Class Title</u>	<u>Current</u> <u>Modified</u> <u>Budget</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Revised</u> <u>Budget</u>
2009	102/500731	Contracts for Program Services	\$605,802	\$0	\$605,802
2010	102/500731	Contracts for Program Services	\$470,260	\$0	\$470,260
2011	102/500731	Contracts for Program Services	\$638,313	\$0	\$638,313
2012	102/500731	Contracts for Program Services	\$1,727,698	\$0	\$1,727,698
2013	102/500731	Contracts for Program Services	\$3,536,979	(\$53,760)	\$3,483,219
2014	102/500731	Contracts for Program Services	\$3,179,166	(\$111,086)	\$3,068,080
2015	102/500731	Contracts for Program Services	\$3,566,270	\$164,847	\$3,731,117
2016	102/500731	Contracts for Program Services	\$1,945,440	\$1,849,088	\$3,794,528
2017	102/500731	Contracts for Program Services	\$0	\$2,108,320	\$2,108,320
<b>Sub Total</b>			<b>\$18,201,911</b>	<b>\$3,957,408</b>	<b>\$22,159,319</b>

**05-95-45-450030-2924 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS: TRANSITIONAL ASSISTANCE, DIVISION OF FAMILY ASSISTANCE, NEW HEIGHTS INCREMENTAL MODERNIZATION**

<u>State</u> <u>Fiscal</u> <u>Year</u>	<u>Class/Object</u>	<u>Class Title</u>	<u>Current</u> <u>Modified</u> <u>Budget</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Revised</u> <u>Budget</u>
2014	34/500099	Major IT Systems	\$499,520	(\$124,800)	\$374,720
2015	34/500099	Major IT Systems	\$486,880	(\$128,800)	\$358,080
2016	34/500099	Major IT Systems	\$0	\$253,600	\$253,600
<b>Sub-Total</b>			<b>\$986,400</b>	<b>\$0</b>	<b>\$986,400</b>
<b>Total</b>			<b>\$19,188,311</b>	<b>\$3,957,408</b>	<b>\$23,145,719</b>

**EXPLANATION**

This amendment is identified as **sole source** due to importance of continuing the services obtained under this contract, which is scheduled to expire on December 31, 2015. Several of the projects on which the Contractor has been working continue through Calendar Year 2016, with deliverables for both the New HEIGHTS Integrated Eligibility System and the Medicaid Management Information System (MMIS). Given the rapid pace of program and system changes over the past year, there has been no time to initiate a competitive procurement. However, the quality assurance services included in this amendment are a continuation of the services procured under the original contract that was competitively bid. Cognosante, LLC has been providing ongoing Quality Assurance Services for the Medicaid Management Information System starting in State Fiscal Year 2005 as required by the Centers for Medicare and Medicaid Services (CMS).

This Amendment 11 will extend the contract by one year, through December 31, 2016, and will provide for the following services:

- Extension of quality assurance staff supporting the New HEIGHTS eligibility system enhancements in compliance with federal requirements.
- Extension of quality assurance staff to test Medicaid Management Information System enhancements that are being funded by CMS at a 90 percent match rate and therefore require independent quality assurance oversight to comply with federal requirements.

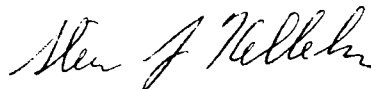
Should the Governor and Executive Council determine to not approve this Request, the Department of Health and Human Services would experience a gap in quality assurance services and increased risk to critical enhancements to the Medicaid Management Information System. Because CMS requires a quality assurance vendor, a determination to not approve this Request may result in the loss of federal funding.

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

Geographic area to be served: Statewide.

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

Respectfully submitted,



Steven J. Kelleher  
Acting Chief Information Officer/Director

Approved by:   
Nicholas A. Toumpas  
Commissioner

Medicaid Management Information System Re-Procurement Project  
Quality Assurance Bid Issued May 13, 2004

Bidder	Letter of Intent *	Submitted Bid	Total Score	Proposed Price	Final Price
BDMP	Yes				
Compass	Yes				
Deloitte	Yes	Yes	52.75	\$4,184,661	
Fox Systems, Inc.		Yes	81.25	\$3,530,240	\$2,977,995
Maxiums	Yes	Yes	69.75	\$1,989,597	
S3 Technology	Yes				

\* Letter of Intent not a requirement of the Request for Proposal



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

**Denis Goulet**  
*Commissioner*

October 22, 2015

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

Dear Commissioner Toumpas:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to enter into an amendment with Cognosante, LLC, Inc. for continuation of quality assurance services, as described below and referenced as DoIT No. 2005-002.

The purpose of this amendment is to have quality assurance services in compliance with the requirement of the Centers for Medicare and Medicaid Services. This amendment expands the existing scope of services. The total funding amount is not to exceed \$23,145,719 and is effective upon the date of Governor and Executive Council approval through December 31, 2016.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Denis Goulet".

Denis Goulet

DG/mh  
Contract # 2005-002

CC: Leslie Mason, DoIT

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

This 11<sup>th</sup> Amendment to the Cognosante, LLC (formerly FOX Systems, LLC and FOX Systems, Inc.) contract (hereinafter referred to as "Amendment 11") dated this 21<sup>st</sup> day of October 2015, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Cognosante, LLC, (hereinafter referred to as "Cognosante" or "the Contractor"), a limited liability company with a place of business at 6263 North Scottsdale Road – Suite 200, Scottsdale, Arizona.

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

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on December 1, 2004, and amended by an agreement (Amendment 1 to the Contract) approved on December 12, 2006, an agreement (Amendment 2 to the Contract) approved on December 11, 2007, an agreement (Amendment 3 to the Contract) approved on December 12, 2008, an agreement (Amendment 4 to the Contract) approved on June 23, 2010, an agreement (Amendment 5 to the Contract) approved on March 21, 2012, an agreement (Amendment 6 to the Contract) approved on January 16, 2013, an agreement (Amendment 7 to the Contract) approved on August 14, 2013, an agreement (Amendment 8 to the Contract) approved on March 26, 2014, an agreement (Amendment 9 to the Contract) approved on July 16, 2014, and an agreement (Amendment 10 to the Contract) approved on December 23, 2014, the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract and in consideration of certain sums specified; and

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

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

1. Except as specifically amended and modified by the terms and conditions in this Amendment, the obligations of the parties shall remain in full force and effect in accordance with the terms and conditions set forth in the Contract and its Amendments, Amendment 1, Amendment 2, Amendment 3, Amendment 4, Amendment 5, Amendment 6, Amendment 7, Amendment 8, Amendment 9, and Amendment 10 as referenced above.
2. The General Provisions Form P-37 are hereby amended as follows:
  - 2.1. Block 1.8, Price Limitation, is increased by \$3,957,408 from "\$19,188,311" to "\$23,145,719 "
  - 2.2. Block 3.1, Effective Date, is amended by the addition of the following sentence:

Amendment 1 is effective on December 12, 2006, Amendment 2 is effective on December 11, 2007, Amendment 3 is effective on December 18, 2008, Amendment 4 is effective on June 23, 2010, Amendment 5 is effective on March 28, 2012, Amendment 6 is effective on January 16, 2013, Amendment 7 is effective on August 14, 2013, Amendment 8 is effective

on March 26, 2014, Amendment 9 is effective on July 16, 2014, Amendment 10 is effective on December 23, 2014, and Amendment 11 is effective on November 18, 2015 or date of Governor and Executive Council approval, whichever date is later.

3. The provisions of Exhibit A, Scope of Services are hereby amended as follows: The Contract Period September 1, 2004 through December 31, 2016, includes the option for early termination and reduction in Cognosante staff, exercisable at the sole discretion of the Commissioner of the Department of Health and Human Services any time after June 30, 2014 with 30 calendar days advance written notice to the Contractor.
4. The provisions of Exhibit A: Scope of Services, Section 4.1 Period of Performance, are hereby modified as of the Effective Date as follows: The Contract shall take effect after full execution of the parties including, but not limited to, Governor and Executive Council approval. This Amendment 11 is effective upon the date of Governor and Executive Council approval or November 18, 2015, whichever date is later. It shall remain in effect through December 31, 2016 unless otherwise amended or terminated in accordance with this Contract.
5. Exhibit B is amended to increase the Contract price by an amount not to exceed \$3,957,408 to a total Contract price of \$23,145,719.
6. The provisions relative to Exhibit A Scope of Services Project Staff Table are amended by replacing them with the following:

Amendment 11 Table 7.2-1: Project Staff

Name	Title
Ken Dybevik	Program Director/Client Executive
Laura Hall	* Project Manager
Tamera Damon	* Business Analyst/QA Lead/Deputy PM
Michele Listug	* Senior Testing Analyst
Margaret Patterson	Business/Testing Analyst
Sara Kondur	Business/Testing Analyst
Jacob Thomas	Testing Analyst
Ronda Harris	Senior Business Analyst
Pradyumna Kalita	Senior Business Analyst
Vickie Gavin	Senior Business Analyst
Niraj Patel	Senior Business Analyst
Loyd Kintz	Senior Business Analyst- IES IVV
Stephen Gantz	Executive Security Consultant- IES Security
TBN	IES Testing Analyst
Susan Fox	Technical Advisory Group (TAG)
James Joyce	Technical Advisory Group (TAG)

7. The provisions relative to Exhibit A, Scope of Services, Section 12 Table 12-1 QA Services Deliverables and Schedule are amended by replacing the table with Amendment 11 Table 12-1:QA Services Deliverables and Schedule below:

Amendment 11 Table 12-1: QA Services Deliverables and Schedule

1.1	Overall Finalized QA Plan	Within five (5) business
-----	---------------------------	--------------------------

		days after contract approved and notice to proceed issued
1.1.1	Review Sessions and Meetings: <ul style="list-style-type: none"> <li>• Kickoff</li> <li>• Weekly Status Meetings</li> <li>• Other Meetings</li> </ul>	Kickoff-five (5) business days after project start. Weekly Status meeting
1.1.2	Publish session and meeting minutes and revised Project Plans	Must be done within two (2) business days after each meeting
1.1.3	Produce monthly Project Status Reports	First business day of the month, beginning January 2, 2005
1.1.4	Produce Monthly Project Risk Management Reports	First business day of the month, beginning January 2, 2005
1.2	Publish QA Work Plan and Schedule	Updated weekly, as required
1.3	Integrate QA Work Plan and Implementation Project Work Plan	Complete monthly starting February 1, 2006
1.4	Create Project Communication Plan	Within 30 days of project start
1.5	Create a Documentation plan for the Project	Within 30 days of project start
1.6	Create Paper Work and Electronic Media Control Procedures	Within 30 days of project start
1.7	DDI Deliverable Review and Approval Process	February 15, 2005
1.8	Establish process for review and approval of software development results	February 15, 2005
1.9	Create Expenditure Control Plan	Within 30 days of project start
1.11	Implementation Control Guidelines Plan	Done in conjunction with the MMIS Vendor
1.13	Establish a Project Scope Management and Change Control Plan	February 1, 2005
2.1	Business Rules Gap Analysis and Recommendations for new and/or modified Medicaid policy/rules	August 15, 2005
2.2	Create Business Rules Matrix	August 15, 2005
2.3 p.1	Report detailing provider billing manuals, bulletins, and claims resolution manuals	Removed from initial contract
2.3 p.2	Comprehensive analysis report of provider reimbursement methods, benefit levels, eligibility levels and program integrity requirements.	September 15, 2005
2.4	Embedded MMIS Code and Business Logic Analysis Logic	July 20, 2005
2.5	MMIS Eligibility Conversion Strategy Analysis	June 30, 2005
2.6	Business Processing Reengineering Recommendation Report	October 3, 2005
2.7	Report Specifications Analysis	August 3, 2005



<p>3.1</p>	<p>Report on the following Implementation Vendor Deliverables, deliverables can be moved between project phases based on the Implementation Vendor's work plan:</p> <ul style="list-style-type: none"> <li>• Project Management Plan</li> <li>• Detailed Project Work Plan</li> <li>• Problem Control and Change Management Plan</li> <li>• Project Communication Plan</li> <li>• Quality Assurance Plan</li> <li>• Issues Tracking and Resolution</li> <li>• Requirements Validation Specification</li> <li>• Requirements Traceability Matrix</li> <li>• General System Design</li> <li>• Revised General System Design</li> <li>• Attend/Participate in DSD sessions for four months per State approved DSD calendar.</li> <li>• Detailed System Design (23 Chapters)</li> <li>• Test Environment Preparation</li> <li>• Integration and System Test Scripts (as requested by the State)</li> <li>• MMIS Implementation Plan</li> <li>• Finalized System Test Plan</li> <li>• Finalized Contingency Plan</li> <li>• Finalized Conversion Plan</li> <li>• X12N EDI Companion Guides</li> <li>• Revised Detailed System Design (3 Groups)</li> <li>• Finalized Training Plan</li> <li>• Preliminary Operations Plan</li> <li>• Finalized Operations Plan</li> <li>• Training Materials/Manuals</li> <li>• Preliminary Provider Reenrollment Plan</li> <li>• Preliminary Training Materials and Manuals – Provider</li> <li>• Provider Re-Enroll UAT</li> <li>• Final Training Materials &amp; Manuals Provider Re-Enrollment</li> <li>• Provider Re-Enrollment Operational Readiness Test Plan</li> <li>• Acceptance Test Plan</li> <li>• Acceptance Test Resolutions Document</li> <li>• Acceptance Test Tracking System</li> <li>• Operational Readiness Report</li> <li>• MMIS Systems Documentation</li> <li>• Corrective Action Plan (full MMIS)</li> <li>• Finalized CMS Certification Process Plan</li> <li>• Certification Manuals including 1st run reports</li> </ul>	<p>Analysis reports of Implementation Vendor final deliverables due five (5) business days after receipt from the Implementation Vendor.</p> <p>The State expects Cognosante to conduct iterative reviews prior to receipt of the final Implementation Vendor deliverable Cognosante must document all iterative review steps and activities leading up to the final deliverable document.</p>
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3.2	Requirements Traceability Matrix Report	Initial RTM report due January 15, 2006, thereafter updates at specific intervals to include but not limited to: Requirements Validation, General System Design, Detail System Design, UAT, and Operational Plan.
3.3	JAD session Reports	Five (5) business days after both General System Design, and Detail System Design.
3.4	Technical Review Report	Five (5) business days after both General System Design, and Detail System Design
3.5	QA Test Plan	September 30, 2009
3.6	Integration and System Testing and Reporting	Five (5) business days after completion of the SIT for PE and MMIS
3.7	User Acceptance Test Cases and Scripts	Twenty (20) business days prior to the start of PE and MMIS UAT testing.
3.8	User Acceptance Testing	Testing along with a monthly UAT Summary Report monthly during the PE UAT and six (6) months of MMIS UAT.
3.9	Issues Tracking Report	Weekly during State PE and MMIS UAT.
3.10	User Acceptance Testing Report	Monthly UAT Status reports during UAT Phase.
3.11	User and Provider Training Readiness Reports	Removed
3.12	Provider Readiness Assessment – Documentation and Communication	Removed
3.13	Provider Readiness Report	Two reports: First is 14 days prior to scheduled PE Implementation and the Second is 14 days prior to MMIS Implementation.
3.14	Operational Readiness Report	Two reports: First is 14 days prior to scheduled PE Implementation and the Second is 14 days prior to MMIS Implementation.
3.15	Implementation Readiness Report	Two reports: First is 14 days prior to scheduled PE

		Implementation and the Second is 14 days prior to MMIS Implementation.
3.16	Security Plan Report	Removed from original contract
3.17	Implementation Close Out Report	30 days after implementation
3.18	Certification Traceability Matrix	3 months after the start of UAT
3.19	Contingent Testing Support	During MMIS UAT Phase
3.20	SIT and UAT - MMIS and Enhancements	Supplemental Testing support during MMIS UAT Phase and during post implementation Enhancements Phase
3.21	Testing Optional Support	Optional testing support during MMIS UAT Phase and during post implementation Enhancements Phase
<b>4. Post-DDI QA</b>		
4.1	MMIS Federal Certification Plan	1 month prior to MMIS implementation
4.2	Certification Readiness Report	12 to 27 months after MMIS implementation
4.3	Certification Plan Review Report	12 to 27 months after MMIS implementation
4.4	Certification Letter	1 month after Certification Readiness Report
4.5	Project Close Out Report	1 month after MMIS Certification Review
4.6	Certification Support	During the 33 months after MMIS implementation
<b>5010 QA</b>		
5.1	5010 Status Report	During the 9 months prior to MMIS implementation
5.2	Review 5010 Deliverables	During the 9 months prior to MMIS implementation
5.3	5010 Testing Support	During the 9 months prior to MMIS implementation
<b>IES IVV</b>		
6.1	Provide DHHS Project Management with monthly status reports clearly describing the state of the IV&V effort, and a monthly management report.	Monthly – starting within 1 month of IV&V work starting
6.1.1	Risk Assessment and Identification: Review existing Risk Management Plan and Risk Report. Evaluate the identified risks and mitigation strategies, identify other risks and create a Risk Assessment Report to include any new recommendations for risk	Monthly - include in Monthly Project Status report

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

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

8. The provisions relative to Exhibit B, Funding of Contract are amended by replacing them with the following:
- 8.1. Funding of Contract Section C: The total amount of all payments made to the Contractor for costs and expenses incurred in the performance of the Medicaid Management Information System Quality Assurance services during the period September 1, 2004 through December 31, 2016, shall not exceed \$23,145,719 in accordance with the project budget identified in Amendment 11 Exhibit B-1, Budget attached hereto.
9. The provisions relative to Exhibit B, Budget by Phase Table B-1b are amended by replacing them with the following:

Amendment 11 Table B-1b: Budget by Phase

Project Phase	Budget
Project Monitoring	\$4,298,436
Pre-DDI QA	\$407,036
DDI QA through 3/31/13	\$5,029,930
DDI QA Post Go-Live	\$9,259,246
DDI Contingency	\$327,840
Post DDI	\$2,036,991
DDI 5010 QA	\$239,776
IES IVV	\$1,546,464
<b>TOTAL</b>	<b>\$23,145,719</b>

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

Amendment 11 Table B-1c: QA Services Staffing Levels

Task	Staffing	SFY 2013	SFY 2014	SFY 2015	SFY 2016	SFY 2017
		Monthly Budget	Monthly Budget	Monthly Budget	Monthly Budget	Monthly Budget
3.20 SIT and UAT - MMIS and Enhancements	6	n/a	\$0	\$170,352	\$175,392	\$180,654
	5	\$134,400	\$137,760	\$141,960	\$146,160	\$150,545
	4	\$107,520	\$110,208	\$113,568	\$116,928	\$120,436
	3	\$80,640	\$82,656	\$85,176	\$87,696	\$90,327
	2	\$53,760	\$55,104	\$56,784	\$58,464	\$60,218
	1	\$26,880	\$27,552	\$28,392	\$29,232	\$30,109
	0	\$0	\$0	\$0	\$0	\$0
3.21 Testing Optional Support	3	n/a	n/a	n/a	\$87,696	\$90,327
	2	\$53,760	\$55,104	\$56,784	\$58,464	\$60,218
	1	\$26,880	\$27,552	\$28,392	\$29,232	\$30,109
	0	\$0	\$0	\$0	\$0	\$0
4.6 Certification Support	2	\$55,440	\$56,784	\$58,464	\$60,144	n/a
	1	\$27,720	\$28,392	\$29,232	\$30,072	n/a
	0	\$0	\$0	\$0	\$0	n/a
6.3 IES Testing Optional Support	2	\$0	\$49,920	\$54,096	\$55,776	\$57,449
	1	\$0	\$24,960	\$27,048	\$27,888	\$28,725
	0	\$0	\$0	\$0	\$0	\$0

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

1.1	Overall Finalized QA Plan	\$ 19,705	\$ -	\$ 19,705	\$ 19,705										\$ -	\$ -
1.1.1	Review sessions and meetings, Kickoff, Weekly Status Meetings, Other Meetings	\$ 2,289,321	\$ 228,242	\$ 2,515,562	\$97,834	\$ 167,715	\$ 170,230	\$ 175,337	\$ 180,596	\$ 186,012	\$ 191,592	\$ 191,592	\$ 210,741	\$ 283,24		
1.1.2	Publish session and meeting minutes and revised Project Plans	\$ 665,135	\$ 65,714	\$ 730,849	\$28,439	\$ 48,750	\$ 49,479	\$ 50,963	\$ 52,492	\$ 54,048	\$ 55,650	\$ 61,212	\$ 82,27			
1.1.3	Produce Monthly Project Status Reports	\$ 217,686	\$ 21,644	\$ 239,330	\$8,024	\$ 16,047	\$ 16,287	\$ 16,776	\$ 17,278	\$ 17,796	\$ 18,330	\$ 20,161	\$ 27,09			
1.1.4	Produce Monthly Project Risk Management Reports	\$ 209,265	\$ 20,806	\$ 230,071	\$7,712	\$ 15,425	\$ 15,656	\$ 16,126	\$ 16,612	\$ 17,112	\$ 17,622	\$ 19,381	\$ 26,04			
1.2	Publish QA Work Plan and Schedule	\$ 203,033	\$ 20,068	\$ 223,099	\$8,676	\$ 14,874	\$ 15,097	\$ 15,550	\$ 16,014	\$ 16,494	\$ 16,992	\$ 18,691	\$ 25,12			
1.3	Integrate QA Work Plan and Implementation Project Work Plan	\$ 128,237	\$ 13,853	\$ 142,089		\$ 4,284	\$ 10,435	\$ 10,749	\$ 11,070	\$ 11,394	\$ 11,730	\$ 12,903	\$ 17,34			
1.4	Create Project Communication Plan	\$ 28,000	\$ -	\$ 28,000	\$28,000											
1.5	Create a Documentation plan for the Project	\$ 19,705	\$ -	\$ 19,705	\$19,705											
1.6	Create Paper Work and Electronic Media Control Procedures	\$ 14,705	\$ -	\$ 14,705	\$14,705											
1.7	DDI Deliverable Review and Approval Process	\$ 34,705	\$ -	\$ 34,705	\$34,705											
1.8	Establish process for review and approval of software development results	\$ 26,205	\$ -	\$ 26,205	\$26,205											
1.9	Create Expenditure Control Plan	\$ 14,705	\$ -	\$ 14,705	\$14,705											
1.10	Create cost benefit methodology Plan	\$ -	\$ -	\$ -												
1.11	Implement Control Guidelines Plan	\$ 14,705	\$ -	\$ 14,705		\$ 29,410	\$ (14,705)									
1.13	Establish a Project Scope Management and Change Control Plan	\$ 45,000	\$ -	\$ 45,000	\$45,000											
Subtotal		\$ 3,930,112	\$ 368,324	\$ 4,298,436	\$ 353,415	\$ 296,505	\$ 262,479	\$ 285,501	\$ 294,062	\$ 302,856	\$ 311,916	\$ 343,089	\$ 461,12			
2.1	Business Rule Gap Analysis and Recommendations for new and/or modified Medicaid policy/rules	\$ 53,060	\$ -	\$ 53,060	\$ 53,060											
2.2	Create Business Rule Matrix	\$ 37,955	\$ -	\$ 37,955	\$ 37,955											
2.3	Comprehensive analysis report of provider reimbursement methods, benefit levels, eligibility levels and program integrity requirements	\$ 37,894	\$ -	\$ 37,894	\$ 37,894											
2.4	Embedded MMIS Code and Business Logic Analysis Logic	\$ 48,342	\$ -	\$ 48,342	\$ 48,342											
2.5	MMIS Eligibility Conversion Strategy	\$ 73,405	\$ -	\$ 73,405	\$ 73,405											
2.6	Business Process Reengineering Recommendations Report	\$ 44,180	\$ -	\$ 44,180	\$ 44,180											
2.7	Report Specifications Analysis	\$ 112,200	\$ -	\$ 112,200	\$ 112,200											
Subtotal		\$ 407,036	\$ -	\$ 407,036	\$ 73,405	\$ 333,631	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			

3.1	Report on Implementation Vendor Deliverables (see Exhibit B-1a)	\$ 1,324,789	\$ -	\$ 1,324,789		\$ 83,741	\$ 201,956	\$ 427,636	\$ 214,015	\$ 17,142		\$ 41,366	\$ 338,93
3.2	Requirements Traceability Matrix Report	\$ 88,921	\$ -	\$ 88,921		\$ 32,634	\$ 16,807		\$ 39,480			\$ -	\$ -
3.3	JAD session Report	\$ 72,222	\$ -	\$ 72,222		\$ 72,222						\$ -	\$ -
3.4	Technical Review Report	\$ 92,052	\$ -	\$ 92,052			\$ 46,026	\$ 46,026				\$ -	\$ -
3.5	QA Test Plan	\$ 68,839	\$ -	\$ 68,839					\$ 13,445	\$ 55,394		\$ -	\$ -
3.6	Integration and System Testing Report	\$ 1,333,978	\$ -	\$ 1,333,978					\$ 94,868	\$ 261,810		\$ 977,300	\$ -
3.7	User Acceptance Test Cases and Scripts	\$ 387,521	\$ -	\$ 387,521					\$ 44,800	\$ 64,587		\$ 136,067	\$ 139,06
3.8	User Acceptance Testing	\$ 545,981	\$ -	\$ 545,981								\$ 97,780	\$ 448,20
3.9	Issues Tracking Report	\$ -	\$ -	\$ -								\$ -	\$ -
3.10	User Acceptance Testing Report	\$ 109,289	\$ -	\$ 109,289								\$ -	\$ 109,28
												\$ -	\$ -
												\$ -	\$ -
3.13	Provider Readiness Report	\$ 46,458	\$ -	\$ 46,458								\$ 18,255	\$ 28,20
3.14	Operational Readiness Report	\$ 40,678	\$ -	\$ 40,678								\$ 15,984	\$ 24,69
3.15	Implementation Readiness Report	\$ 44,894	\$ -	\$ 44,894								\$ 17,640	\$ 27,25
												\$ -	\$ -
3.17	Implementation Close Out Report	\$ 85,830	\$ -	\$ 85,830								\$ -	\$ 85,83
3.18	Certification Traceability Matrix	\$ 102,816	\$ -	\$ 102,816								\$ -	\$ 102,81
3.19	Contingent Testing Support	\$ 314,496	\$ -	\$ 314,496								\$ -	\$ 314,49
3.20	SIT and UAT - MMIS and Enhancements	\$ 5,471,760	\$ 2,136,275	\$ 7,608,035								\$ -	\$ 806,40
3.21	Testing Optional Support	\$ 954,240	\$ 1,068,137	\$ 2,022,377								\$ -	\$ 107,52
<b>Subtotal</b>		<b>\$ 11,064,764</b>	<b>\$ 3,204,412</b>	<b>\$ 14,269,176</b>	<b>\$ -</b>	<b>\$ 188,597</b>	<b>\$ 264,789</b>	<b>\$ 473,662</b>	<b>\$ 311,740</b>	<b>\$ 167,404</b>	<b>\$ 326,397</b>	<b>\$ 1,307,392</b>	<b>\$ 2,532,70</b>
	<b>Amendment 6 Monthly Fixed Price Value (Supplements Tasks 1.x, 3.20, 3.21, 4.2, 4.6, 5.x)</b>	<b>\$ 327,640</b>		<b>\$ 327,640</b>								<b>\$ -</b>	<b>\$ -</b>
4.1	MMIS Federal Certification Plan	\$ 100,114	\$ -	\$ 100,114								\$ -	\$ 100,11
4.2	Certification Readiness Report	\$ 85,961	\$ -	\$ 85,961								\$ -	\$ 85,96
4.3	Certification Plan Review Report	\$ 57,597	\$ -	\$ 57,597								\$ -	\$ 57,59
4.4	Certification Letter	\$ 35,979	\$ -	\$ 35,979								\$ -	\$ -
4.5	Project Close Out Report	\$ 15,517	\$ -	\$ 15,517								\$ -	\$ -
4.6	Certification Support	\$ 1,741,824	\$ -	\$ 1,741,824								\$ -	\$ 83,16
<b>Subtotal</b>		<b>\$ 2,036,991</b>	<b>\$ -</b>	<b>\$ 2,036,991</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 326,83</b>
5.1	Status Report	\$ 16,520	\$ -	\$ 16,520								\$ 5,320	\$ 11,20
5.2	Review 5010 Deliverables	\$ 21,240	\$ -	\$ 21,240								\$ 6,840	\$ 14,40
5.3	5010 Testing Support	\$ 202,016	\$ -	\$ 202,016								\$ 65,056	\$ 136,96
<b>Subtotal</b>		<b>\$ 239,776</b>	<b>\$ -</b>	<b>\$ 239,776</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 77,216</b>	<b>\$ 162,56</b>
6.1	Produce Monthly Project Status Reports	\$ 848,352	\$ 358,046	\$ 1,204,398								\$ -	\$ -
6.2	IES Security Plan Review	\$ 59,840	\$ -	\$ 59,840								\$ -	\$ -
6.3	IES Tester (Optional)	\$ 253,800	\$ 28,627	\$ 282,227								\$ -	\$ -
<b>Subtotal</b>		<b>\$ 1,161,792</b>	<b>\$ 384,672</b>	<b>\$ 1,546,464</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Project Total</b>		<b>\$ 19,188,311</b>	<b>\$ 3,967,408</b>	<b>\$ 23,145,719</b>	<b>\$ 426,820</b>	<b>\$ 818,733</b>	<b>\$ 527,268</b>	<b>\$ 759,163</b>	<b>\$ 605,802</b>	<b>\$ 470,260</b>	<b>\$ 638,313</b>	<b>\$ 1,727,697</b>	<b>\$ 3,483,21</b>



12. The provisions relative to Exhibit B-2 Holdback are amended by replacing it with “Amendment 11, Exhibit B-2: Holdback,” as follows:

Amendment 11 Exhibit B-2: Holdback

	Holdback Amount	Holdback Percentage
Project Monitoring Phase 1 – Project inception through 12/31/08	\$201,740	15%
Project Monitoring Phase 2 – 1/1/09 through 12/31/09	\$44,769	15%
Project Monitoring Phase 3 – 01/01/2010 through 06/30/2011	\$69,502	15%
Project Monitoring Phase 4 – 7/1/11 through 3/31/12	\$35,609	15%
Project Monitoring Phase 5 – 4/1/12 through 6/30/13	\$85,023	15%
Project Monitoring Phase 6 – 7/1/13 through 12/31/13	\$34,812	15%
Project Monitoring Phase 7 – 1/1/14 through 6/30/14	\$34,812	15%
Project Monitoring Phase 8 – 7/1/14 through 6/30/15	\$56,035	15%
Project Monitoring Phase 9 – 7/1/15 through 12/31/15	\$27,216	15%
Project Monitoring Phase 10 – 1/1/16 through 12/31/16	\$0	0%
Pre-DDI QA	\$61,055	15%
DDI Phase through 3/31/13	\$754,489	15%
DDI Post Go-Live 4/1/13 - 12/31/15	\$908,225	15%
DDI Post Go-Live 1/1/16 - 12/31/16	\$0	0%
DDI Contingency	\$49,176	15%
Post DDI	\$305,549	15%
DDI 5010 QA	\$35,966	15%
IES IV&V - FY14	\$56,208	15%
IES IV&V - FY15	\$53,712	15%
IES IV&V – 7/1/15 - 12/31/15	\$26,309	15%
IES IV&V – 1/1/16 - 12/31/16	\$0	0%
<b>Project Total</b>	<b>\$2,840,207</b>	

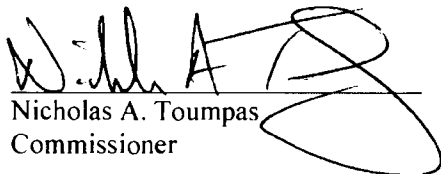
13. The provisions relative to Exhibit B Table B-4 *Future IT Services* are amended by replacing it with Amendment 11 Exhibit B Table B-4 *Future IT Services* as follows:

Amendment 11 Exhibit B Table B-4 Future IT Services

Service Position Title	SFY 2006	SFY 2007	SFY 2008	SFY 2009	SFY 2010	SFY 2011	SFY 2012	SFY 2013	SFY 2014	SFY 2015	SFY 2016	SFY 2017
Client Executive	\$154	\$158	\$162	\$166	\$170	\$175	\$175	\$195	\$200	\$206	\$212	\$218
Project Manager	\$139	\$142	\$146	\$150	\$154	\$158	\$158	\$170	\$170	\$175	\$180	\$185
Medicaid Policy Expert	\$134	\$137	\$141	\$144	\$148	\$152	\$152	\$155	\$159	\$164	\$169	\$174
Quality Assurance Lead	\$134	\$137	\$141	\$144	\$148	\$152	\$152	\$157	\$161	\$166	\$171	\$176
JAD Facilitator	\$144	\$148	\$151	\$155	\$159	\$163	\$163	\$168	\$172	\$177	\$182	\$187
Business Analyst	\$134	\$137	\$141	\$144	\$148	\$152	\$152	\$160	\$164	\$169	\$174	\$179
Test Analyst	\$129	\$132	\$136	\$139	\$143	\$147	\$147	\$152	\$156	\$161	\$166	\$171
Code Analyst	\$101	\$104	\$106	\$109	\$112	\$115	\$115	\$125	\$128	\$132	\$136	\$140
Senior Business Analyst	\$134	\$137	\$141	\$144	\$148	\$152	\$152	\$160	\$164	\$169	\$174	\$179
Senior Testing Analyst	\$134	\$137	\$141	\$144	\$148	\$152	\$152	\$156	\$160	\$165	\$170	\$175
Certification Specialist	\$139	\$142	\$146	\$150	\$154	\$158	\$158	\$165	\$169	\$174	\$179	\$184
TAG Member / Executive Security Consultant	\$154	\$158	\$162	\$166	\$170	\$175	\$175	\$182	\$187	\$193	\$199	\$205

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

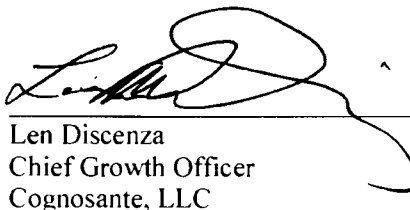
State of New Hampshire  
Department of Health and Human Services

  
Nicholas A. Toumpas  
Commissioner

10/23/15  
Date



Cognosante LLC

  
Len Discenza  
Chief Growth Officer  
Cognosante, LLC

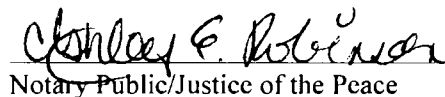
10-21-15  
Date

STATE OF Virginia

COUNTY OF Fairfax

On this the 21st day of October, 2015, before me, Len Discenza the undersigned officer, personally appeared Len Discenza, who acknowledged himself/herself to be the Chief Growth Officer of Cognosante, LLC and that he/she, as such Chief Growth Officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself/herself as Chief Growth Officer.

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

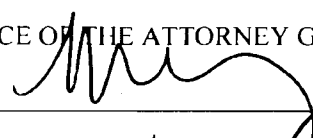
  
Notary Public/Justice of the Peace

My commission expires: 5/31/16

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

OFFICE OF THE ATTORNEY GENERAL

By:

  
Megan A. York Attorney

Date:

11/15/15

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

OFFICE OF THE SECRETARY OF STATE

By: \_\_\_\_\_

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

Date: \_\_\_\_\_

# State of New Hampshire

## Department of State

### CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that Cognosante, LLC a(n) Delaware limited liability company registered to do business in New Hampshire on May 11, 2010. I further certify that it is in good standing as far as this office is concerned, having paid the fees required by law.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 15<sup>th</sup> day of October, A.D. 2015

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

William M. Gardner  
Secretary of State





**CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY)  
7/1/2015

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

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

<b>PRODUCER</b> Brown & Brown Insurance of AZ, Inc 2800 North Central Avenue, Suite 1600 Phoenix AZ 85004	<b>CONTACT NAME:</b> Sharon Bowman <b>PHONE</b> (A/C, No, Ext): 602-664-7056 <b>FAX</b> (A/C, No): 602-287-6756 <b>E-MAIL ADDRESS:</b> sbowman@bbphoenix.com
<b>INSURED</b> Cognosante Holdings, LLC 6263 N Scottsdale Rd, Ste 200 Scottsdale AZ 85250	<b>INSURER(S) AFFORDING COVERAGE</b> <b>INSURER A:</b> Atlantic Specialty Ins Company <b>NAIC #</b> 27154 <b>INSURER B:</b> <b>INSURER C:</b> <b>INSURER D:</b> <b>INSURER E:</b> <b>INSURER F:</b>

**COVERAGES**      **CERTIFICATE NUMBER: 1708955391**      **REVISION NUMBER:**

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

INSTR	LTR	TYPE OF INSURANCE	ADDL SUBR		POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
			INSR	WVD					
A	X	<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Cross Liability <input checked="" type="checkbox"/> \$0 Deductible GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC OTHER:	Y	Y	711-01-48-49-0000	7/1/2015	7/1/2016	EACH OCCURRENCE	\$1,000,000
								DAMAGE TO RENTED PREMISES (Ea occurrance)	\$1,000,000
								MED EXP (Any one person)	\$5,000
								PERSONAL & ADV INJURY	\$1,000,000
								GENERAL AGGREGATE	\$2,000,000
								PRODUCTS - COMP/OP AGG	\$2,000,000
									\$
A		<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	Y	Y	711-01-48-49-0000	7/1/2015	7/1/2016	COMBINED SINGLE LIMIT (Ea accident)	\$1,000,000
								BODILY INJURY (Per person)	\$
								BODILY INJURY (Per accident)	\$
								PROPERTY DAMAGE (Per accident)	\$
									\$
A	X	<b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$5,000	Y	Y	711-01-48-49-0000	7/1/2015	7/1/2016	EACH OCCURRENCE	\$10,000,000
								AGGREGATE	\$
								Follows Form	\$
A		<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> <input type="checkbox"/> Y/N <input type="checkbox"/> N/A <input type="checkbox"/> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory In NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y		406-04-32-33-0000	7/1/2015	7/1/2016	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER    All States	\$
								E L EACH ACCIDENT	\$1,000,000
								E L DISEASE - EA EMPLOYEE	\$1,000,000
								E L DISEASE - POLICY LIMIT	\$1,000,000

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

All forms apply per written contract requiring insurance.  
 Blanket additional insured, Blanket Primary and Non-Contributory and Blanket waivers of subrogation to general liability per attached VCG2071113 Blanket additional insured and waiver of subrogation apply to auto liability per VCA2010109. Blanket waiver of subrogation on workers compensation form WC0003130484.  
 Workers Compensation Insurance is provided that meets New Hampshire's statutory requirements.

<b>CERTIFICATE HOLDER</b>  State of New Hampshire Office of Medicaid Business & Policy Department of Health & Human Services 129 Pleasant St. Concord NH 03301	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE <i>Sharon Bowman</i>
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EV 7



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

Nicholas A. Toumpas  
Commissioner

William L. Baggeroer  
Chief Information  
Officer/Director

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

12/23/14  
#7

December 2, 2014

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

Sole Source

**REQUESTED ACTION**

Authorize the Department of Health and Human Services, Office of Information Services, to enter into a **sole source** amendment (Amendment 10) to an existing contract (Purchase Order # 1018352) with Cognosante, LLC (Vendor #223062) 6263 North Scottsdale Road, Suite 200, Scottsdale, AZ 85250, for continuation of quality assurance services in compliance with the Centers for Medicare and Medicaid Services by increasing the price limitation by \$3,213,420 from \$15,974,891 to \$19,188,311 effective upon the approval of the Governor and Executive Council through December 31, 2015. 10% General, 90% Federal.

The Governor and Executive Council approved the original contract on December 1, 2004 (Late Item #E), Amendment 1 on December 12, 2006 (Item #119A), Amendment 2 on December 11, 2007 (Item #60, Amendment 3 on December 18, 2008 (Item#57, Amendment 4 on June 23, 2010 (Item#95), Amendment 5 on April 18, 2012 (Item#57), Amendment 6 on January 16, 2013 (Item#17), Amendment 7 on August 14, 2013 (Item#32), Amendment 8 on March 26, 2014 (Item#25-A) and Amendment 9 on July 16, 2014 (Item#3).

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

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

State Fiscal Year	Class/Object	Class Title	Current Modified Budget	Increase/ (Decrease)	Revised Budget
2005	102/500731	Contracts for Program Services	\$426,820	\$0	\$426,820
2006	102/500731	Contracts for Program Services	\$818,733	\$0	\$818,733
2007	102/500731	Contracts for Program Services	\$527,267	\$0	\$527,267
2008	102/500731	Contracts for Program Services	\$759,163	\$0	\$759,163



State Fiscal Year	Class/Object	Class Title	Current Modified Budget	Increase/ (Decrease)	Revised Budget
2009	102/500731	Contracts for Program Services	\$605,802	\$0	\$605,802
2010	102/500731	Contracts for Program Services	\$470,260	\$0	\$470,260
2011	102/500731	Contracts for Program Services	\$638,313	\$0	\$638,313
2012	102/500731	Contracts for Program Services	\$1,727,698	\$0	\$1,727,698
2013	102/500731	Contracts for Program Services	\$3,536,979	\$0	\$3,536,979
2014	102/500731	Contracts for Program Services	\$3,179,166	\$0	\$3,179,166
2015	102/500731	Contracts for Program Services	\$2,298,290	\$1,267,980	\$3,566,270
2016	102/500731	Contracts for Program Services	\$0	\$1,945,440	\$1,945,440
<b>Sub-Total</b>			<b>\$14,988,491</b>	<b>\$3,213,420</b>	<b>\$18,201,911</b>

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

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

**Total** **\$15,974,891** **\$3,213,420** **\$19,188,311**

**EXPLANATION**

This sole source amendment provides for the continuation of quality assurance services procured under the original contract. The original contract was competitively bid. Cognosante, LLC has been providing ongoing Quality Assurance Services to the Medicaid Management Information System as required by the Centers for Medicare and Medicaid Services since 2005.

This amendment will provide for the following services in support of the Medicaid Management Information System:

- Extension of quality assurance staff supporting the effort to certify the Medicaid Management Information System in accordance with Centers for Medicare and Medicaid Services (CMS) requirements, which is a prerequisite to obtaining enhanced federal funding for maintenance and operation of the system
- Extension of quality assurance staff supporting the New HEIGHTS eligibility system interfaces necessary to determine Medicaid eligibility in compliance with federal requirements
- Extension of quality assurance staff to test Medicaid Management Information System enhancements that are required to meet State and federal mandates with 2015 deadlines.

Her Excellency, Governor Margaret Wood Hassan  
and the Honorable Council  
December 2, 2014  
Page 3

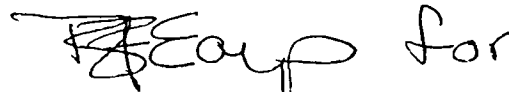
Should the Governor and Executive Council determine to not approve this Request, the Department of Health and Human Services would experience a gap in quality assurance services and increase risk to the Medicaid Management Information System Re-Procurement Project. Because the Centers for Medicare and Medicaid Services require a quality assurance vendor, a determination to not approve this Request would result in loss of federal funding.

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

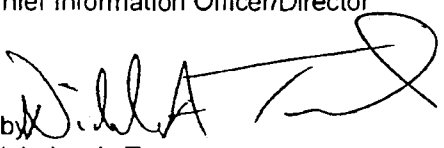
Geographic area to be served: Statewide.

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


Respectfully submitted,



William L. Baggeroer  
Chief Information Officer/Director



Approved by  
Nicholas A. Toumpas  
Commissioner



Medicaid Management Information System Re-Procurement Project  
Quality Assurance Bid Issued May 13, 2004

Bidder	Letter of Intent *	Submitted Bid	Total Score	Proposed Price	Final Price
BDMP	Yes				
Compass	Yes				
Deloitte	Yes	Yes	52.75	\$4,184,661	
Fox Systems, Inc.		Yes	81.25	\$3,530,240	\$2,977,995
Maxiums	Yes	Yes	69.75	\$1,989,597	
S3 Technology	Yes				

\* Letter of Intent not a requirement of the Request for Proposal



STATE OF NEW HAMPSHIRE  
DEPARTMENT OF INFORMATION TECHNOLOGY  
27 Hazen Dr., Concord, NH 03301  
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Steven J. Kelleher  
Acting Commissioner

December 5, 2014

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

Dear Commissioner Toumpas:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to amend a contract with Cognosante, LLC (formerly FOX Systems, Inc.) as described below and referenced as DoIT No. 2005-002J.

This contract amendment is for the continuation of quality assurance services to test health protection program system changes to the Medicaid Management Information System (MMIS) in compliance with the Centers for Medicare and Medicaid Services. The price limitation increases by \$3,213,420 from \$15,974,891 to a new amount not to exceed \$19,188,311, and the contract expiration date remains December 31, 2015. The MMIS Quality Assurance Services project is set forth in the New Hampshire Information Technology Plan 2005-2009 dated October 21, 2005, as Appendix VI: *Key Projects to be Undertaken in Fiscal Years 2006/07 by State Agency*, Project 75: OMPB/MMIS, MMIS Reprocurement.

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

Sincerely,

Steven J. Kelleher

SJK/ltn  
RFP 2005-002

cc: Leslie Mason, DoIT  
William Baggeroer, DHHS

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

This 10<sup>th</sup> Amendment to the Cognosante, LLC (formerly FOX Systems, LLC and FOX Systems, Inc.) contract (hereinafter referred to as "Amendment 10") dated this 1<sup>st</sup> day of December 2014, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Cognosante, LLC, (hereinafter referred to as "Cognosante" or "the Contractor"), a limited liability company with a place of business at 6263 North Scottsdale Road – Suite 200, Scottsdale, Arizona.

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

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on December 1, 2004, and amended by an agreement (Amendment 1 to the Contract) approved on December 12, 2006, an agreement (Amendment 2 to the Contract) approved on December 11, 2007, an agreement (Amendment 3 to the Contract) approved on December 12, 2008, an agreement (Amendment 4 to the Contract) approved on June 23, 2010, an agreement (Amendment 5 to the Contract) approved on April 18, 2012, an agreement (Amendment 6 to the Contract) approved on January 16, 2013, an agreement (Amendment 7 to the Contract) approved on August 14, 2013, an agreement (Amendment 8 to the Contract) approved on March 26, 2014, and an agreement (Amendment 9 to the Contract) approved on July 16, 2014, the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract and in consideration of certain sums specified; and

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

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

1. Except as specifically amended and modified by the terms and conditions in this Amendment, the obligations of the parties shall remain in full force and effect in accordance with the terms and conditions set forth in the Contract and its Amendments, Amendment 1, Amendment 2, Amendment 3, Amendment 4, Amendment 5, Amendment 6, Amendment 7, Amendment 8, and Amendment 9 as referenced above.
2. The General Provisions Form P-37 are hereby amended as follows:
  - 2.1. Block 1.8, Price Limitation, is increased by \$3,213,420 from "\$15,974,891" to "\$19,188,311"
  - 2.2. Block 3.1, Effective Date, is amended by the addition of the following sentence:  
Amendment 1 is effective on December 12, 2006, Amendment 2 is effective on December 11, 2007, Amendment 3 is effective on December 18, 2008, Amendment 4 is effective on June 23, 2010, Amendment 5 is effective on April 18-, 2012, Amendment 6 is effective on January 16, 2013, Amendment 7 is effective on August 14, 2013, Amendment 8 is effective on March 26, 2014, Amendment 9 is effective on July, 16 2014, and Amendment 10 is

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Contractor Initials:   JR  

Date:   12-1-14

effective on December 23, 2014 or date of Governor and Executive Council approval, whichever date is later.

3. The provisions of Exhibit A, Scope of Services are hereby amended as follows: The Contract Period September 1, 2004 through December 31, 2015, includes the option for early termination and reduction in Cognosante staff, exercisable at the sole discretion of the Commissioner of the Department of Health and Human Services any time after June 30, 2014 with 30 calendar days advance written notice to the Contractor.
4. The provisions of Exhibit A: Scope of Services, Section 4.1 Period of Performance, are hereby modified as of the Effective Date as follows: The Contract shall take effect after full execution of the parties including, but not limited to, Governor and Executive Council approval. This Amendment 10 is effective upon the date of Governor and Executive Council approval or December 23, 2014, whichever date is later. It shall remain in effect through December 31, 2015 unless otherwise amended or terminated in accordance with this Contract.
5. Exhibit B is amended to increase the Contract price by an amount not to exceed \$3,213,420 to a total Contract price of \$19,188,311.
6. The provisions relative to Exhibit A Scope of Services Project Staff Table are amended by replacing them with the following:

Amendment 10 Table 7.2-1: Project Staff

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

7. The provisions relative to Exhibit A, Scope of Services, Section 12 Table 12-1 QA Services Deliverables and Schedule are amended by replacing the table with Amendment 10 Table 12-1:QA Services Deliverables and Schedule below:

Amendment 10 Table 12-1: QA Services Deliverables and Schedule

Item	Description	Due Date
1.1	Overall Finalized QA Plan	Within five (5) business days after contract

Contractor Initials: JW

Date: 12-1-14

		approved and notice to proceed issued
1.1.1	Review Sessions and Meetings: <ul style="list-style-type: none"> <li>• Kickoff</li> <li>• Weekly Status Meetings</li> <li>• Other Meetings</li> </ul>	Kickoff-five (5) business days after project start. Weekly Status meeting
1.1.2	Publish session and meeting minutes and revised Project Plans	Must be done within two (2) business days after each meeting
1.1.3	Produce monthly Project Status Reports	First business day of the month, beginning January 2, 2005
1.1.4	Produce Monthly Project Risk Management Reports	First business day of the month, beginning January 2, 2005
1.2	Publish QA Work Plan and Schedule	Updated weekly, as required
1.3	Integrate QA Work Plan and Implementation Project Work Plan	Complete monthly starting February 1, 2006
1.4	Create Project Communication Plan	Within 30 days of project start
1.5	Create a Documentation plan for the Project	Within 30 days of project start
1.6	Create Paper Work and Electronic Media Control Procedures	Within 30 days of project start
1.7	DDI Deliverable Review and Approval Process	February 15, 2005
1.8	Establish process for review and approval of software development results	February 15, 2005
1.9	Create Expenditure Control Plan	Within 30 days of project start
1.11	Implementation Control Guidelines Plan	Done in conjunction with the MMIS Vendor
1.13	Establish a Project Scope Management and Change Control Plan	February 1, 2005
<b>DDI QA - Produce and distribute the deliverables</b>		
2.1	Business Rules Gap Analysis and Recommendations for new and/or modified Medicaid policy/rules	August 15, 2005
2.2	Create Business Rules Matrix	August 15, 2005
2.3 p.1	Report detailing provider billing manuals, bulletins, and claims resolution manuals	Removed from initial contract
2.3 p.2	Comprehensive analysis report of provider reimbursement methods, benefit levels, eligibility levels and program integrity requirements.	September 15, 2005
2.4	Embedded MMIS Code and Business Logic Analysis Logic	July 20, 2005
2.5	MMIS Eligibility Conversion Strategy Analysis	June 30, 2005
2.6	Business Processing Reengineering Recommendation Report	October 3, 2005
2.7	Report Specifications Analysis	August 3, 2005
<b>DDI QA - Implement Vendor Deliverables</b>		
3.1	Report on the following Implementation Vendor Deliverables,	Analysis reports of

Contractor Initials:   JR    
 Date:   12-1-14

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

Contractor Initials:   JR  

Date:   12-1-14



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

Contractor Initials:   ZR  

Date:   12-1-14

		Second is 14 days prior to MMIS Implementation.
3.16	Security Plan Report	Removed from original contract
3.17	Implementation Close Out Report	30 days after implementation
3.18	Certification Traceability Matrix	3 months after the start of UAT
3.19	Contingent Testing Support	During MMIS UAT Phase
3.20	SIT and UAT - MMIS and Enhancements	Supplemental Testing support during MMIS UAT Phase and during post implementation Enhancements Phase including: ICD-10, T-MSIS, HIPAA Operating Rules, the NH Health Protection Program, and Care Management.
3.21	Testing Optional Support	Optional testing support during MMIS UAT Phase and during post implementation Enhancements Phase including: ICD-10, T-MSIS, HIPAA Operating Rules, the NH Health Protection Program, and Care Management.
<b>4. Post PDI QA</b>		
4.1	MMIS Federal Certification Plan	1 month prior to MMIS implementation
4.2	Certification Readiness Report	12 to 27 months after MMIS implementation
4.3	Certification Plan Review Report	12 to 27 months after MMIS implementation
4.4	Certification Letter	1 month after Certification Readiness Report
4.5	Project Close Out Report	1 month after MMIS Certification Review
4.6	Certification Support	During the 33 months after MMIS implementation
<b>5.010 QA</b>		
5.1	5010 Status Report	During the 9 months prior to MMIS implementation
5.2	Review 5010 Deliverables	During the 9 months prior to MMIS implementation
5.3	5010 Testing Support	During the 9 months prior

Contractor Initials: *JR*

Date: 12-1-14

		to MMIS implementation
<b>IES IVV</b>		
6.1	Provide DHHS Project Management with monthly status reports clearly describing the state of the IV&V effort, and a monthly management report.	Monthly – starting within 1 month of IV&V work starting
6.1.1	Risk Assessment and Identification: Review existing Risk Management Plan and Risk Report. Evaluate the identified risks and mitigation strategies, identify other risks and create a Risk Assessment Report to include any new recommendations for risk mitigation strategies.	Monthly - include in Monthly Project Status report
6.1.2	IV&V Work Plan: Develop and maintain a work plan and schedule for all IV&V efforts.	Within 1 month after the start-up phase of the IV&V services and updated as necessary
6.1.3	Test Validation: Review and validate test results for mutually agreed-upon sub-projects within the DDI Contract to include at a minimum the FDSH Wave Testing with CMS.	As agreed after start-up of the IV&V service
6.1.4	CMS Gate Review Preparation and Response: Assist in the preparation for the various CMS Gate Reviews and participate in the Gate Review Meetings. This will consist of assistance with updating of the various artifacts already on file such as the Project Management Plan, Risk Management Plan, etc.	Periodic as needed
6.1.5	Quarterly Project Review: Schedule and participate in quarterly IV&V review meetings for the project. These are new meetings with the IV&V vendor and New HEIGHTS management.	Quarterly as requested
6.1.6	Other Project Support: Due to the nature of the verification and validation services to be provided, other specific responsibilities and attendant deliverables may be required within the scope of these services and time availability of the 1 FTE to be provided.	As mutually agreed as time permits
6.2	<p>Third Party IES Security Assessment Review and Report</p> <ul style="list-style-type: none"> <li>• Validate and verify that the New HEIGHTS system security plan (SSP) as documented, has been implemented, by performing a basic internal System Test and Evaluation (ST&amp;E)</li> <li>• Perform basic testing for the operational and management controls through:               <ul style="list-style-type: none"> <li>○ Documentation and procedural reviews</li> <li>○ Walk-throughs and inspections and</li> <li>○ Interviews with key personnel</li> </ul> </li> <li>• Perform comprehensive testing for the physical and technical controls through:               <ul style="list-style-type: none"> <li>○ Site assessment of the facilities (building and rooms) to evaluate the security safeguards and physical controls</li> <li>○ Observe and validate technical testing</li> </ul> </li> </ul>	September 30, 2013

Contractor Initials:   JCL  

Date:   12-1-14

	<p>(software/hardware) exercised by the State and or their contractor against applicable security requirements (e.g. using tools such as Nessus, Nmap, AppDetective, WebInspect, Core Impact, etc.)</p> <ul style="list-style-type: none"> <li>o Technical automated tools (scripting)</li> <li>o Perform New HEIGHTS system scans for vulnerabilities and unnecessary services running</li> <li>• Document 3rd Party Security Assessment Report (SAR) for:           <ul style="list-style-type: none"> <li>o Observations</li> <li>o Identification of risks</li> <li>o Recommendations</li> </ul> </li> </ul>	
6.3	Optional – Test Scenario Development and Execution: For mutually agreed-upon sub-projects within the DDI contract, prepare and execute test scenarios that address the business requirements	Optional Testing Support

8. The provisions relative to Exhibit B, Funding of Contract are amended by replacing them with the following:

8.1. Funding of Contract Section C: The total amount of all payments made to the Contractor for costs and expenses incurred in the performance of the Medicaid Management Information System Quality Assurance services during the period September 1, 2004 through December 31, 2015, shall not exceed \$19,188,311 in accordance with the project budget identified in Amendment 10 Exhibit B-1, Budget attached hereto.

9. The provisions relative to Exhibit B, Budget by Phase Table B-1b are amended by replacing them with the following:

Amendment 10 Table B-1b: Budget by Phase

Project Phase	Budget
Project Monitoring	\$3,930,112
Pre-DDI QA	\$407,035
DDI QA through 3/31/13	\$5,029,930
DDI QA Post Go-Live	\$6,054,835
DDI Contingency	\$327,840
Post DDI	\$2,036,991
DDI 5010 QA	\$239,776
IES IVV	\$1,161,792
<b>TOTAL</b>	<b>\$19,188,311</b>

Contractor Initials:   702  

Date:   12-1-14

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

Amendment 10 Table B-1c: QA Services Staffing Levels

Task	Staffing	SFY 2013	SFY 2014	SFY 2015	SFY 2016
		Monthly Budget	Monthly Budget	Monthly Budget	Monthly Budget
3.20 SIT and UAT - MMIS and Enhancements	6	n/a	\$0	\$170,352	\$175,392
	5	\$134,400	\$137,760	\$141,960	\$146,160
	4	\$107,520	\$110,208	\$113,568	\$116,928
	3	\$80,640	\$82,656	\$85,176	\$87,696
	2	\$53,760	\$55,104	\$56,784	\$58,464
	1	\$26,880	\$27,552	\$28,392	\$29,232
	0	\$0	\$0	\$0	\$0
3.21 Testing Optional Support	2	\$53,760	\$55,104	\$56,784	\$58,464
	1	\$26,880	\$27,552	\$28,392	\$29,232
	0	\$0	\$0	\$0	\$0
4.6 Certification Support	2	\$55,440	\$56,784	\$58,464	\$60,144
	1	\$27,720	\$28,392	\$29,232	\$30,072
	0	\$0	\$0	\$0	\$0
6.3 IES Testing Optional Support	2	\$0	\$49,920	\$51,520	\$58,464
	1	\$0	\$24,960	\$25,760	\$29,232
	0	\$0	\$0	\$0	\$0

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

Contractor Initials:   JUL  

Date:   12-1-14





12. The provisions relative to Exhibit B-2 Holdback are amended by replacing it with "Amendment 10, Exhibit B-2: Holdback," as follows:

Amendment 10 Exhibit B-2: Holdback

Task	Holdback Amount	Holdback Percentage
Project Monitoring Phase 1 – Project inception through 12/31/08	\$201,740	15%
Project Monitoring Phase 2 – 1/1/09 through 12/31/09	\$44,769	15%
Project Monitoring Phase 3 – 01/01/2010 through 06/30/2011	\$69,502	15%
Project Monitoring Phase 4 – 7/1/11 through 3/31/12	\$35,609	15%
Project Monitoring Phase 5 – 4/1/12 through 6/30/13	\$85,023	15%
Project Monitoring Phase 6 – 7/1/13 through 12/31/13	\$34,812	15%
Project Monitoring Phase 7 – 1/1/14 through 6/30/14	\$34,812	15%
Project Monitoring Phase 8 – 7/1/14 through 6/30/15	\$56,035	15%
Project Monitoring Phase 9 – 7/1/15 through 12/31/15	\$27,216	15%
Pre-DDI QA	\$61,055	15%
DDI Phase through 3/31/13	\$754,489	15%
DDI Post Go-Live 4/1/13 - 12/31/15	\$908,225	15%
DDI Contingency	\$49,176	15%
Post DDI	305,549	15%
DDI 5010 QA	\$35,966	15%
IES IV&V - FY14	\$74,928	15%
IES IV&V - FY15	\$73,032	15%
IES IV&V - FY16	\$26,309	15%
<b>Project Total</b>	<b>\$2,878,247</b>	<b>15%</b>



13. The provisions relative to Exhibit B Table B-4 *Future IT Services* are amended by replacing it with Amendment 10 Exhibit B Table B-4 *Future IT Services* as follows:

Amendment 10 Exhibit B Table B-4 Future IT Services

Service Position Title	SFY 2006	SFY 2007	SFY 2008	SFY 2009	SFY 2010	SFY 2011	SFY 2012	SFY 2013	SFY 2014	SFY 2015	SFY 2016
Client Executive	\$154	\$158	\$162	\$166	\$170	\$175	\$175	\$195	\$200	\$206	\$212
Project Manager	\$139	\$142	\$146	\$150	\$154	\$158	\$158	\$170	\$170	\$175	\$180
Medicaid Policy Expert	\$134	\$137	\$141	\$144	\$148	\$152	\$152	\$155	\$159	\$164	\$169
Quality Assurance Lead	\$134	\$137	\$141	\$144	\$148	\$152	\$152	\$157	\$161	\$166	\$171
JAD Facilitator	\$144	\$148	\$151	\$155	\$159	\$163	\$163	\$168	\$172	\$177	\$182
Business Analyst	\$134	\$137	\$141	\$144	\$148	\$152	\$152	\$160	\$164	\$169	\$174
Test Analyst	\$129	\$132	\$136	\$139	\$143	\$147	\$147	\$152	\$156	\$161	\$166
Code Analyst	\$101	\$104	\$106	\$109	\$112	\$115	\$115	\$125	\$128	\$132	\$136
Senior Business Analyst	\$134	\$137	\$141	\$144	\$148	\$152	\$152	\$160	\$164	\$169	\$174
Senior Testing Analyst	\$134	\$137	\$141	\$144	\$148	\$152	\$152	\$156	\$160	\$165	\$170
Certification Specialist	\$139	\$142	\$146	\$150	\$154	\$158	\$158	\$165	\$169	\$174	\$179
TAG Member / Executive Security Consultant	\$154	\$158	\$162	\$166	\$170	\$175	\$175	\$182	\$187	\$193	\$199

Contractor Initials: JR

Date: 12-1-14

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

*Nicholas A. Toumpas*  
Nicholas A. Toumpas  
Commissioner  
Date 12-9-14

Cognosante LLC

*Thomas Rabung*  
Thomas Rabung, Vice President of Contracts  
Date 12-1-2014

Cognosante, LLC

STATE OF Virginia  
COUNTY OF Fairfax

On this the 1 day of December 2014, before me, *Ashley E. Robinson* the undersigned officer, personally appeared Thomas Rabung who acknowledged himself/herself to be the Vice President of Contracts of Cognosante, LLC and that he/she, as such Vice President of Contracts being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself/herself as Vice President of Contracts.

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

*Ashley E. Robinson*  
Notary Public/Justice of the Peace

My commission expires: 5/31/16



Contractor Initials: TR

Date: 12-1-14

State of New Hampshire  
Department of State

CERTIFICATE

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



In TESTIMONY WHEREOF, I hereto  
set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 26<sup>th</sup> day of November, A.D. 2014

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

William M. Gardner  
Secretary of State

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

OFFICE OF THE ATTORNEY GENERAL

By:  \_\_\_\_\_ Megan A. Apple

Date: 12/10/14 \_\_\_\_\_

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

OFFICE OF THE SECRETARY OF STATE

By: \_\_\_\_\_

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

Date: \_\_\_\_\_

---

Contractor Initials: RL

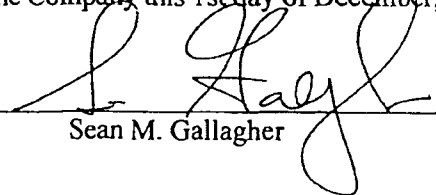
Date: 12-1-14

Secretary's Certificate

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

1. I am the duly elected and acting Secretary and Chief Legal Officer of Cognosante, LLC, a Delaware limited liability company (the "Company") pursuant to official action taken by the Board of Directors of the Company on July 29, 2014.
2. In my role as Secretary and Chief Legal Officer of the Company, I maintain, have custody of and am familiar with the minute books and actions of the Company.
3. I am duly authorized to provide a certificate naming the persons who are authorized to execute and deliver any instrument or document for or on behalf of the Company.
4. Pursuant to official action taken by the Company on March 29, 2014, Thomas Rabung is the Vice President of Contracts of the Company.
5. Pursuant to delegation granted under the Company's Authority Matrix on December 1, 2014, Thomas Rabung is duly authorized to execute and deliver Amendment #10 to the Company's contract with the State of New Hampshire, acting by and through the Division of Medicaid Business and Planning of the Department of Health and Human Services.
6. As of the date hereof, the official actions taken by the Company as referenced herein have not been modified, amended and revoked in any way.

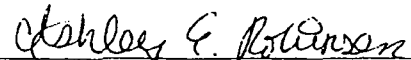
IN WITNESS WHEREOF, I have hereunto set my hand as Secretary and Chief Legal Officer of the Company this 1st day of December, 2014.

  
 \_\_\_\_\_  
 Sean M. Gallagher



COMMONWEALTH OF VIRGINIA                     )  
                                                                                            ) ss.  
 City/County of Fairfax                             )

The foregoing instrument was acknowledged before me this 1 day of December, 2014, by Sean M. Gallagher, who acknowledged herself to be the Secretary and Chief Legal Officer of Cognosante, LLC, a Delaware limited liability company.

  
 \_\_\_\_\_  
 Notary Public

My Commission Expires:



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

6/27/2014

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

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

PRODUCER Brown & Brown Insurance of AZ, Inc 2800 North Central Avenue, Suite 1600 Phoenix AZ 85004	CONTACT NAME: Sharon Bowman
	PHONE (A/C No, Ext): 602-664-7056 FAX (A/C No): 602-287-6756 E-MAIL ADDRESS: sbowman@bbphoenix.com
INSURED Cognosante Holdings, LLC 6263 N Scottsdale Rd, Ste 200 Scottsdale AZ 85250	INSURER(S) AFFORDING COVERAGE NAIC #
	INSURER A: The Travelers Ind Co of Am 25666
	INSURER B: Travelers Indemnity Company 25658
	INSURER C: Travelers Indemnity Co of CT 25682
	INSURER D:
	INSURER E:

COVERAGES CERTIFICATE NUMBER: 2034254207 REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR	Y	Y	68097K16415	7/1/2014	7/1/2015	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$5,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMPIOP AGG \$2,000,000
	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS	Y	Y	BA97K14907	7/1/2014	7/1/2015	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB			CUP4189Y047	7/1/2014	7/1/2015	EACH OCCURRENCE \$10,000,000 AGGREGATE \$10,000,000
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/A	UB97K32753	7/1/2014	7/1/2015	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER All States E L EACH ACCIDENT \$1,000,000 E L DISEASE - EA EMPLOYEE \$1,000,000 E L DISEASE - POLICY LIMIT \$1,000,000

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

All forms apply per written contract requiring insurance. Blanket additional insured form CGD2520805. Blanket Primary and Non-Contributory CGD0370405. Blanket waivers of subrogation to general liability per CGD1861103. Blanket additional insured to auto liability per CAT4200706. Blanket waiver of subrogation on workers compensation form WCO003130001. Workers Compensation Insurance is provided that meets New Hampshire's statutory requirements.

CERTIFICATE HOLDER State of New Hampshire Office of Medicaid Business & Policy Department of Health & Human Services 129 Pleasant St. Brown Building Concord NH 03301	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Sharon Bowman</i>
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**STATE OF NEW HAMPSHIRE**  
**DEPARTMENT OF HEALTH AND HUMAN SERVICES**  
**OFFICE OF INFORMATION SERVICES**

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

Nicholas A. Toumpas  
 Commissioner

William L. Baggeroer  
 Chief Information  
 Officer/Director

June 12, 2014 **G&C Approved**

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

Date 7-16-14  
 Item # 3

**REQUESTED ACTION**

Authorize the Department of Health and Human Services, Office of Information Services, to enter into a **sole source**, amendment (Amendment 9) to an existing contract (Purchase Order #1018352) with Cognosante LLC (Vendor#223062) at 6263 North Scottsdale Road, Suite 200, Scottsdale, AZ 85250 for continuation of quality assurance services in compliance with the Centers for Medicare and Medicaid Services by increasing the price limitation by \$170,352 from \$15,804,539 to a new amount not to exceed \$15,974,891. The amendment will be effective upon the approval of the Governor and Executive Council through June 30, 2015.

The Governor and Executive Council approved the original contract on December 1, 2004 (Late Item #E), Amendment 1 on December 12, 2006 (Item #119A), Amendment 2 on December 11, 2007 (Item #60), Amendment 3 on December 18, 2008 (Item #57), Amendment 4 on June 23, 2010 (Item #95), Amendment 5 on April 18, 2012 (Item #57), Amendment 6 on January 16, 2013 (Item #17), Amendment 7 on August 14, 2013 (Item #32) and Amendment 8 on March 26, 2014 (Item#25-A).

Funds are available in State Fiscal Years 2014 and 2015 with authority to adjust amounts between State Fiscal Years if needed and justified.

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

State Fiscal Year	Class Object	Class Title	Current Budget	Increase/ (Decrease)	Revised Budget
2005	102/500731	Contracts for Program Services	\$426,820	\$0	\$426,820
2006	102/500731	Contracts for Program Services	\$818,733	\$0	\$818,733
2007	102/500731	Contracts for Program Services	\$527,267	\$0	\$527,267
2008	102/500731	Contracts for Program Services	\$759,163	\$0	\$759,163
2009	102/500731	Contracts for Program Services	\$605,802	\$0	\$605,802

*Continued*

State			Current	Increase/	Revised
<u>Fiscal Year</u>	<u>Class Object</u>	<u>Class Title</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>Budget</u>
2010	102/500731	Contracts for Program Services	\$470,260	\$0	\$470,260
2011	102/500731	Contracts for Program Services	\$638,313	\$0	\$638,313
2012	102/500731	Contracts for Program Services	\$1,727,698	\$0	\$1,727,698
2013	102/500731	Contracts for Program Services	\$3,536,979	\$0	\$3,536,979
2014	102/500731	Contracts for Program Services	\$3,008,814	\$0	\$3,179,166
2015	102/500731	Contracts for Program Services	\$2,298,290	\$170,352	\$2,298,290
<b>Sub-Total</b>			<b>\$14,818,139</b>	<b>\$170,352</b>	<b>\$14,988,491</b>

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

State			Current	Increase/	Revised
<u>Fiscal Year</u>	<u>Class Object</u>	<u>Class Title</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>Budget</u>
2014	34/5000099	Major IT Systems	\$499,520	\$0	\$499,520
2015	34/5000099	Major IT Systems	\$486,880	\$0	\$486,880
<b>Sub-Total</b>			<b>\$986,400</b>	<b>\$0</b>	<b>\$986,400</b>
<b>Grand Total</b>			<b>\$15,804,539</b>	<b>\$170,352</b>	<b>\$15,974,891</b>

**EXPLANATION**

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

Cognosante, LLC's quality assurance services in Amendment 9 are required for the Medicaid Management Information System Reprocurement Project to implement the New Hampshire Health Protection Program. The Centers for Medicaid and Medicaid Services requires these services as a condition of the enhanced 90% federal funding.



Her Excellency, Governor Margaret Wood Hassan  
and the Honorable Council  
June 12, 2014  
Page 3

The purpose of the Amendment 9 is to provide one additional full-time resource for a period of 6 months in support of the implementation of the New Hampshire Protection Program functionality within New Hampshire's Medicaid Management Information System.

A scanned copy of this item, including the G&C letters and accompanying documentation from the original agreement and subsequent amendments will be available online once posted to the meeting agenda for the Governor and Executive Council.

Should the Governor and Executive Council determine not to approve this Request, the New Hampshire Health Protection Program could be delayed.

Ninety percent (90%) federal funding for the Design, Development and Implementation effort in this Amendment 9 is pending approval by the Centers for Medicare and Medicaid Services. Approval is expected.

Source of Funds: Design, Development and Implementation effort is: 90% federal funds and 10% General Funds.

Area served: Statewide.

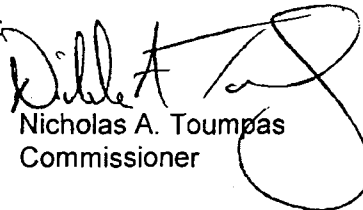
In the event that the Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



William L. Baggerger  
Chief Information  
Officer/Director

Approved by:



Nicholas A. Toumpas  
Commissioner

Attachment 1: Bidders List:

Bidder	Requirement 1	Requirement 2	Requirement 3	Requirement 4	Requirement 5	Requirement 6	Requirement 7
BDMF	Yes						
Compass	Yes						
Deleitt	Yes	Yes					
FOX Systems Inc.			Yes		52.75 \$	4,184,661	
Maximus	Yes		Yes		81.25 \$	3,530,240	\$ 2,977,995
S3 Technologies	Yes		Yes		69.75 \$	1,989,597	

\* Not a requirement of the RFP



STATE OF NEW HAMPSHIRE  
DEPARTMENT OF INFORMATION TECHNOLOGY

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

Peter C. Hastings  
Commissioner

June 12, 2014

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

Dear Commissioner Toumpas:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to amend a contract with Cognosante, LLC (formerly FOX Systems, Inc.) as described below and referenced as DoIT No. 2005-002I.

This contract amendment adds another testing resource/person to the current team of six persons for six months, in order to test health protection Program system changes to MMIS. The expiration date of the current contract remains through December 31, 2015. Funding for this contract is increased by \$170,352, from \$15,804,539 to a new amount not to exceed \$15,974,891.

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

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

Sincerely,

Peter C. Hastings

PCH/ltn  
RFP 2005-002

cc: Leslie Mason, DoIT  
Brian Earp, DHHS

**State of New Hampshire**  
**Department of Health and Human Services**  
**Amendment 9 to the Cognosante, LLC Contract**

This 9th<sup>h</sup> Amendment to the Cognosante, LLC (formerly FOX Systems, LLC and FOX Systems, Inc.) contract (hereinafter referred to as "Amendment 9") dated this \_\_\_\_\_ day of \_\_\_\_\_ 2014, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Cognosante, LLC, (hereinafter referred to as "Cognosante" or "the Contractor"), a limited liability company with a place of business at 6263 North Scottsdale Road – Suite 200, Scottsdale, Arizona.

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

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on December 1, 2004, and amended by an agreement (Amendment 1 to the Contract) approved on December 12, 2006, an agreement (Amendment 2 to the Contract) approved on December 11, 2007, an agreement (Amendment 3 to the Contract) approved on December 12, 2008, an agreement (Amendment 4 to the Contract) approved on June 23, 2010, an agreement (Amendment 5 to the Contract) approved on March 21, 2012, an agreement (Amendment 6 to the Contract) approved on January 16, 2013, an agreement (Amendment 7 to the Contract) approved on August 14, 2013, and an agreement (Amendment 8 to the Contract) approved on March 26, 2014, the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract and in consideration of certain sums specified; and

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

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

1. Except as specifically amended and modified by the terms and conditions in this Amendment, the obligations of the parties shall remain in full force and effect in accordance with the terms and conditions set forth in the Contract and its Amendments, Amendment 1, Amendment 2, Amendment 3, Amendment 4, Amendment 5, Amendment 6, Amendment 7, and Amendment 8 as referenced above.
2. The General Provisions Form P-37 are hereby amended as follows:
  - 2.1. Block 1.8, Price Limitation, is increased by \$170,352 from "\$15,804,539" to "\$15,974,891"
  - 2.2. Block 3.1, Effective Date, is amended by the addition of the following sentence:  
Amendment 1 is effective on December 12, 2006, Amendment 2 is effective on December 11, 2007, Amendment 3 is effective on December 18, 2008, Amendment 4 is effective on June 23, 2010, Amendment 5 is effective on March 28, 2012, Amendment 6 is effective on January 16, 2013, Amendment 7 is effective on August 14, 2013, Amendment 8 is effective



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

Nicholas A. Toumpas  
 Commissioner

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

William L. Baggeroer  
 Chief Information  
 Officer/Director

March 14, 2014

G&C Approved

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

Date 3/20/14  
 Item # 2517

**REQUESTED ACTION**

Authorize the Department of Health and Human Services, Office of Information Services, to enter into a **sole source** amendment (Amendment 8) to an existing contract (Purchase Order # 1018352) with Cognosante, LLC (Vendor #223062) (formerly FOX Systems, LLC) at 6263 North Scottsdale Road, Suite 200, Scottsdale, AZ 85250, for continuation of quality assurance services in compliance with the Centers for Medicare and Medicaid Services by increasing the price limitation by \$2,547,664 from \$13,256,875 to a new amount not to exceed \$15,804,539. The Governor and the Honorable Council approved the original contract on December 7, 2005 (Late Item #C), Amendment 1 on December 11, 2007 (Item #59), Amendment 2 on June 17, 2009 (Item #92), Amendment 3 on June 23, 2010 (Item#97), Amendment 4 on June 23, 2010 (Item #94), Amendment 5 on April 18, 2012 (Item#57), Amendment 6 on January 16, 2013 (Item#17) and Amendment 7 on August 14, 2013 (Item#32).

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

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

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

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

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

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

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

**EXPLANATION**

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

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

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

This Amendment 8 will extend the following contract services:

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

Her Excellency, Governor Margaret Wood Hassan  
and the Honorable Council  
March 14, 2014  
Page 3

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

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

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

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



Geographic area to be served: Statewide.

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

Respectfully submitted,



William L. Baggeroer  
Chief Information Officer/Director

Approved by:   
 Nicholas A. Toumpas  
Commissioner



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

**Peter C. Hastings**  
Commissioner

March 7, 2014

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

Dear Commissioner Toumpas:

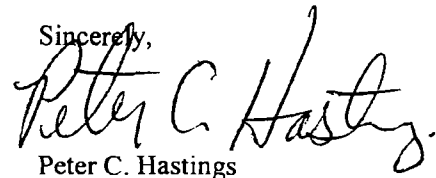
This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to amend a contract with Cognosante, LLC (formerly FOX Systems, Inc.) as described below and referenced as DoIT No. 2005-002H.

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

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

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

Sincerely,



Peter C. Hastings

PCH/ltn  
RFP 2005-002

cc: Leslie Mason, DoIT  
Brian Earp, DHHS





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

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

Nicholas A. Toumpas  
Commissioner

William L. Baggeroer  
Chief Information  
Officer/Director

July 12, 2013

8/14/13  
# 32

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

**REQUESTED ACTION**

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

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

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

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

Her Excellency, Governor Margaret Wood Hassan  
 and the Honorable Council  
 July 12, 2013  
 Page 2

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

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

**EXPLANATION**

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

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

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

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

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

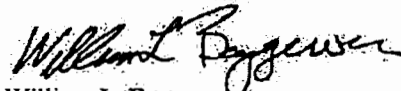
Funding for the New Heights Incremental Modernization project is provided through the Patient Protection and Affordable Care Act: Public Law 111-1148. The Centers for Medicare and Medicaid Services has approved funding of \$500,000 for Quality Assurance Services and the remaining federal approval is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

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

Geographic area to be served: Statewide.

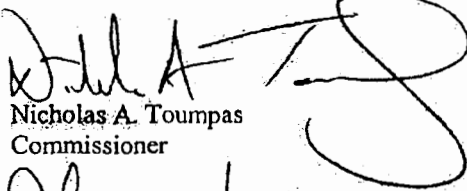
In the event that the Federal funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,

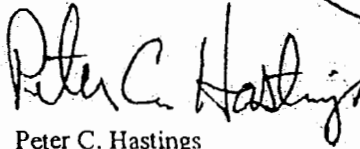


William L. Baggeroch  
Chief Information Officer/Director

Approved by:



Nicholas A. Toumpas  
Commissioner



Peter C. Hastings  
Commissioner  
Department of Information Technology



STATE OF NEW HAMPSHIRE  
DEPARTMENT OF INFORMATION TECHNOLOGY  
27 Hazen Dr., Concord, NH 03301  
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Peter C. Hastings  
Commissioner

July 16, 2013

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

Dear Commissioner Toumpas:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to amend a contract with Cognosante, LLC (formerly FOX Systems, Inc.) as described below and referenced as DoIT No. 2005-002G.

This contract amendment extends the services of Cognosante, LLC for the continuation of quality assurance services related to the new NH Medicaid Management Information System. The scope of services is expanded to include additional resources for end-to-end and user acceptance testing, dedicated support for preparation and review of the post-implementation certification requirements, and for independent project monitoring and reporting.

The expiration date of the current contract is extended from December 31, 2014 through June 30, 2015. Funding for this contract is increased by \$986,400 from \$12,270,475 to a new amount not to exceed \$13,256,879. The MMIS Quality Assurance Services project is set forth in the New Hampshire Information Technology Plan 2005-2009 dated October 21, 2005, as Appendix VI: *Key Projects to be Undertaken in Fiscal Years 2006/07 by State Agency*, Project 75: OMPB/MMIS, MMIS Reprocurement.

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

Sincerely,

Peter C. Hastings  
Commissioner

PCH/ltn  
RFP 2005-002

cc: Leslie Mason, DoIT  
Grant Beckman, DHHS

2A0

DEC 11 12 PM 04:15:55

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

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Nicholas A. Toumpas  
Commissioner

William L. Baggeroer  
Chief Information  
Officer/Director

1/16/13  
# 17

December 14, 2012

SOLE SOURCE

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

REQUESTED ACTION

90% FED 10% GEN

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

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

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

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

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

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

**EXPLANATION**

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

Her Excellency, Governor Margaret Wood Hassan  
and the Honorable Council  
December 14, 2012  
Page 3

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

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

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

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

This amendment (Amendment 6):

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

Her Excellency, Governor Margaret Wood Hassan  
and the Honorable Council  
December 14, 2012  
Page 4

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

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

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

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

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

Area served: Statewide.

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

Respectfully submitted,

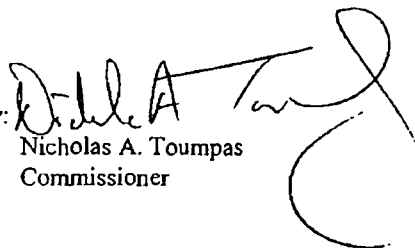


William L. Baggeroer  
Chief Information Officer/  
Director



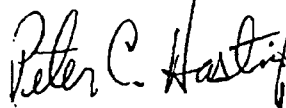
Her Excellency, Governor Margaret Wood Hassan  
and the Honorable Council  
December 14, 2012  
Page 5

Approved by:



Nicholas A. Toumpas  
Commissioner

Peter Hastings  
Acting Commissioner  
Department of Information Technology



**Attachment A: Bidder's List1**

Company	Letter of Intent *	Submitted Bid	Total Score	Proposed Price	Final Price
BDMP	Yes				
Compass	Yes				
Deloitte	Yes	Yes	52.75	\$4,184,661	
FOX Systems, Inc.		Yes	81.25	\$3,530,240	\$2,977,995
Maximus	Yes	Yes	69.75	\$1,989,597	
S3 Technologies	Yes				



STATE OF NEW HAMPSHIRE  
DEPARTMENT OF INFORMATION TECHNOLOGY

27 Hazen Dr., Concord, NH 03301  
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www.nh.gov/doit

Peter C. Hastings  
Acting Commissioner

December 13, 2012

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

Dear Commissioner Toumpas:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to amend a contract with Cognosante, LLC (formerly FOX Systems, Inc.) as described below and referenced as DoIT No. 2005-002F.

This contract amendment extends the services of Cognosante, LLC to allow them to continue to perform a variety of quality assurance services during the implementation and deployment of the new NH Medicaid Management Information System. The expiration date of the current contract is extended from December 31, 2012 through December 31, 2014. Funding for this contract is increased by \$2,663,799, from \$9,606,676 to a new amount not to exceed \$12,270,475.

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

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

Sincerely,

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

Peter C. Hastings

PCH/ltm  
RFP 2005-002

cc: Leslie Mason, DoIT  
Brian Earp, DHHS



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

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

Nicholas A. Toumpas  
 Commissioner

William L. Baggeroer  
 Chief Information Officer

March 21, 2012

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

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

**REQUESTED ACTION**

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

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

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

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

### EXPLANATION

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

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

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

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

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

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

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

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

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

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

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

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

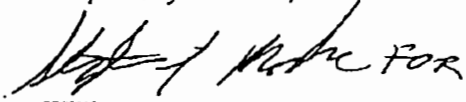
Source of Funds: Design, Development and Implementation phase: 90% federal funds,  
10% general funds.

Geographic area to be served: Statewide.

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

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

Respectfully submitted,



William L. Baggeroer  
Chief Information Officer

Approved by:



Nicholas A. Toumpas  
Commissioner



S. Williams Rogers  
Commissioner  
Department of Information Technology

**Attachment A: Bidder's List**

Company	Letter of Intent *	Submitted Bid	Total Score	Proposed Price	Final Price
BDMP	Yes				
Compass	Yes				
Deloitte	Yes	Yes	52.75	\$4,184,661	
FOX Systems, Inc.		Yes	81.25	\$3,530,240	\$2,977,995
Maximus	Yes	Yes	69.75	\$1,989,597	
S3 Technologies	Yes				

\*Not a requirement of the RFP





STATE OF NEW HAMPSHIRE  
DEPARTMENT OF INFORMATION TECHNOLOGY  
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www.nh.gov/doi

S. William Rogers  
Commissioner

March 21, 2012

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

Dear Commissioner Toumpas:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to amend a contract with Cognosante, LLC (formerly FOX Systems, Inc.) as described below and referenced as DoIT No. 2005-002E. This project is a result of RFP# DHHS 2005-002.

This contract amendment extends the services of Cognosante, LCC to allow them to continue to perform a variety of quality assurance services during the implementation and deployment of the new NH Medicaid Management Information System. The expiration date of the current contract is extended from June 30, 2012 through December 31, 2012. Funding for this contract is increased by \$2,535,902 from \$7,070,774 to a new amount not to exceed \$9,606,676.

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

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

Sincerely,

A handwritten signature in black ink, appearing to read "S. Rogers".

S. William Rogers

SWR/ltn  
RFP 2005-002

cc: Leslie Mason, DoIT  
MaryGaye Grizwin, DHHS

AK

To DAS 6-1-10



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

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

Nicholas A. Toumpas  
Commissioner

Kathleen A. Dunn  
Director

May 18, 2010

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

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

DATE 6/23/10

PAGE 13

ITEM # 95

**REQUESTED ACTION**

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

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

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

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

## EXPLANATION

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

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

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

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

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

His Excellency, Governor John H. Lynch  
and the Honorable Executive Council  
May 18, 2010  
Page 3 of 6

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

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

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

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

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

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

## BACKGROUND

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

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

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

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

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

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

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

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

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

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

Geographic area to be served: Statewide



STATE OF NEW HAMPSHIRE  
DEPARTMENT OF INFORMATION TECHNOLOGY  
27 Hazen Dr., Concord, NH 03301  
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www.nh.gov/doit

Peter C. Hastings  
Interim Commissioner

May 25, 2010

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

Dear Commissioner Toumpas:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to amend a contract amendment with FOX Systems, Inc. as described below and referenced as OIT No. 2005-002D. This project is a result of RFP# DHHS 2005-002.

This contract amendment extends the services of FOX Systems, Inc. to allow them to continue to perform a variety of quality assurance services during the implementation and deployment of the new NH Medicaid Management Information System. The original contract was effective upon G&C approval on December 1, 2004 and extended through December 31, 2008. This contract amendment extends the current contract from June 30, 2010 through June 30, 2012. Funding for this contract is increased by \$1,811,579 from \$5,259,195 to a contract total of \$7,070,774.

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

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

Sincerely,

Peter C. Hastings

PCH/ltn  
RID# 10017  
RFP 2005-002

cc: Leslie Mason, DoIT Logistics

ADM. SVS.  
12-2-2008



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

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

Kathleen A. Dunn  
Director

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

November 25, 2008

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

DATE 12/18/08

PAGE 8

ITEM # 57

**REQUESTED ACTION**

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

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

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



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and the Honorable Executive Council  
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## EXPLANATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## BACKGROUND

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

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

His Excellency, Governor John H. Lynch  
and the Honorable Executive Council  
November 25, 2008  
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and the evaluation team concluded that the FOX proposal best met the objectives set forth in the RFP. The Governor and Executive Council approved the original contract with FOX Systems on December 1, 2004.

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

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

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

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

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

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

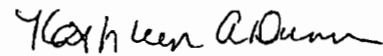
Geographic area to be served: Statewide

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

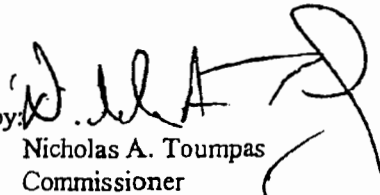
In the event that the Federal Funds are not approved for the costs of this Amendment,  
General Funds will not be requested to support this program.

Respectfully submitted,

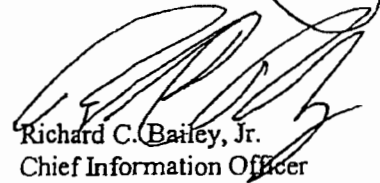


Kathleen A. Dunn, MPH  
Medicaid Director

Approved by:



Nicholas A. Toumpas  
Commissioner



Richard C. Bailey, Jr.  
Chief Information Officer

Document 1: Bidders List

Company	BDMP	Compass	Deloitte	FOX Systems Inc.	Maximus	S3 Technologies
	Yes	Yes	Yes	Yes	Yes	Yes
			52.75 \$	4,184,661		
			81.25 \$	3,530,240	\$	2,977,995
			69.75 \$	1,989,597		

\* Not a requirement of the RFP



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DEPARTMENT OF INFORMATION TECHNOLOGY  
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Richard C. Bailey, Jr.  
Chief Information Officer

November 26, 2008

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

Dear Commissioner Toumpas:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to amend a contract amendment with FOX Systems, Inc. as described below and referenced as OIT No. 2005-002C. This project is a result of RFP# DHHS 2005-002.

This contract amendment extends the services of FOX Systems, Inc. to allow them to continue to perform a variety of quality assurance services during the design, development and implementation of the new NH Medicaid Management Information System. The original contract was effective upon G&C approval on December 1, 2004 and extended through December 31, 2008. This contract amendment extends the current contract through June 30, 2010. Funding for this contract is increased by \$787,725 from \$4,471,470 to a contract total of \$5,259,195.

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

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

Sincerely,

Richard C. Bailey, Jr.

RCB/mee  
RID# 8107

cc: Leslie Mason, DoIT BFA



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

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

Kathleen A. Dunn  
 Acting Director

November 6, 2007

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

DATE 12/11/07

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ITEM # 60

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

**REQUESTED ACTION**

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

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

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



## EXPLANATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## BACKGROUND

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

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

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

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

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

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

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

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

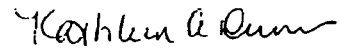
Source of Funds: 90% Federal Funds, 10% General Funds

Geographic area to be served: Statewide

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

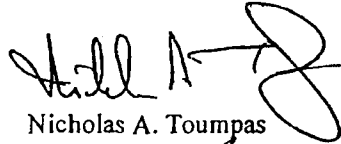
His Excellency, Governor John H. Lynch  
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Respectfully submitted,

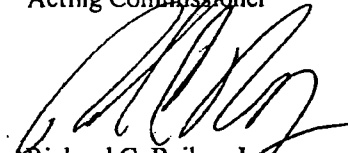


Kathleen A. Dunn  
Acting Medicaid Director

Approved by:



Nicholas A. Toumpas  
Acting Commissioner



Richard C. Bailey, Jr.  
Chief Information Officer



STATE OF NEW HAMPSHIRE  
OFFICE OF INFORMATION TECHNOLOGY

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Richard C. Bailey, Jr.  
Chief Information Officer

November 27, 2007

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

Dear Acting Commissioner Toumpas:

This letter represents formal notification that the Office of Information Technology (OIT) has approved your agency's request to amend a contract amendment with FOX Systems, Inc. as described below and referenced as OIT No. 2005-002C. This project is a result of RFP# DHHS 2005-002.

This contract amendment extends the services of FOX Systems, Inc. to allow them to continue to perform a variety of quality assurance services during the design, development and implementation of the new NH Medicaid Management Information System. The original contract was effective upon G&C approval on December 1, 2004 and extended through December 31, 2007. This contract amendment extends the current contract through December 31, 2008. Funding for this contract is increased by \$1,493,475 from \$2,977,995 to a contract total of \$4,471,470.

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

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

Sincerely,

Richard C. Bailey, Jr.

RB/ltn  
RID# 5690

cc: Leslie Mason, OIT Logistics



John A. Stephen  
Commissioner

Norman W. Cordell  
Director

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

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

DATE

12/12/06

PAGE

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

#119A

November 30, 2006

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

**REQUESTED ACTION**

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

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

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

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

## EXPLANATION

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

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

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

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

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



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

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

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

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

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

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

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

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

#### **BACKGROUND**

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

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

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

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

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

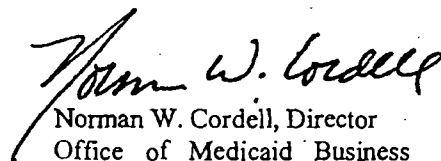
Given the complex and comprehensive nature of the MMIS implementation, the aggressive project implementation timeline, and the considerable cost investment of over \$26 million in the overall implementation effort, this extension of Quality Assurance contractor services to assist the State in ensuring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

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

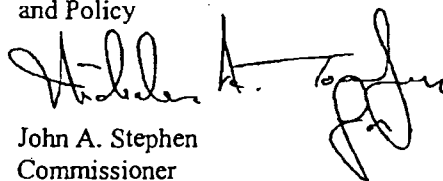
Geographic area to be served: Statewide

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

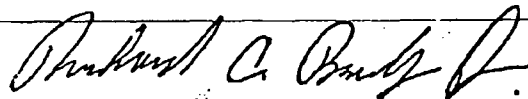
Respectfully submitted,

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

Approved by:

  
John A. Stephen  
Commissioner

---



Richard C. Bailey, Jr.  
Chief Information Officer



STATE OF NEW HAMPSHIRE  
OFFICE OF INFORMATION TECHNOLOGY

Office of the Governor  
27 Hazen Dr., Concord, NH 03301  
603-271-4208 1-800-852-3345 x4208  
Fax: 603-271-1516 TDD Access: 1-800-735-2964

Richard C. Bailey, Jr.  
Chief Information Officer

December 5, 2006

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

Dear Commissioner Stephen:

This letter represents formal notification that the Office of Information Technology (OIT) has approved your agency's request to enter into a contract amendment with FOX Systems, Inc. as described below and referenced as OIT No. 2005-002B. This project is a result of RFP# DHHS 2005-002.

This contract amendment extends the services of FOX Systems, Inc. to allow them to continue to perform a variety of quality assurance services during the design, development and implementation of the new NH Medicaid Management Information System. The original contract was effective upon G & C approval on December 1, 2004 and extended through December 31, 2006. This contract amendment extends the current contract through December 31, 2007. There will be no increase in contract funding.

The MMIS Quality Assurance Services project is set forth in the New Hampshire Information Technology Plan 2005-2009 dated October 21, 2005, as Appendix VI: *Key Projects to be Undertaken in Fiscal Years 2005/06 by State Agency*, Project 75: OMPB/MMIS, MMIS Reprourement.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Richard C. Bailey, Jr.", written in a cursive style.

Richard C. Bailey, Jr.

RB/dcp  
OIT 2005-002B.doc

cc: Leslie Mason, OIT Logistics



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

129 PLEASANT STREET, CONCORD, NH 03301-3857  
603-271-4344 1-800-852-3345 Ext. 4796  
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John A. Stephen  
Commissioner

Norman W. Cordell  
Director

November 28, 2006

Richard C. Bailey, Jr.  
Chief Information Officer  
Office of Information Technology  
27 Hazen Drive  
Concord, NH 03301-6506

#### REQUESTED ACTION

Approval of an Amendment (Amendment 1) to the contract resulting from RFP-DHHS-2005-002, for the Medicaid Management Information System Quality Assurance Services Project, between the New Hampshire Department of Health and Human Services, Office of Medicaid Business and Policy (OMBP) and FOX Systems, Inc. (FOX), Scottsdale, AZ 85250 (Vendor Number 122726) to provide quality assurance services for the Medicaid Management Information System (MMIS), retaining the original contract amount of \$2,977,995, but extending the contract which expires on December 31, 2006 for an additional year through to December 31, 2007. The Medicaid Management Information System Quality Assurance Services Project is identified in the updated Strategic Information Technology Plan dated June 3, 2003, as "Section 7: IT Initiatives, Table 7.2: Current and Planned Information Technology Initiatives, Project Number 13.1a". The Capital Budget Overview Committee approved this Plan in October 2003.

#### EXPLANATION

This contract amendment extends the services of FOX Systems, Inc. to continue to perform a variety of quality assurance services during the design, development and implementation (DDI) of the new NH Medicaid Management Information System (MMIS).

There are two primary purposes for this action. The first and foremost is to extend the quality assurance services of FOX Systems for an additional year, through to December 31, 2007 to retain the expertise of those FOX Systems' staff who have developed to-date an in-depth understanding of the NH MMIS design, development, and implementation effort, and who will continue to monitor, verify, and validate deliverables and execute tests, to help ensure that the new replacement MMIS meets the requirements of the NH Medicaid program and processes payment with integrity.

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

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

The complexity of and risks inherent to the MMIS implementation effort underscore the criticality of reinforcing the efforts of dedicated staff from the Department and OIT with the services provided by the Quality Assurance contractor through this amended agreement. The primary role of the Quality Assurance contractor is to help ensure the integrity of the system design and processing, and to ensure that it meets the State's requirements. Quality Assurance contractor services during the Design, Development and Implementation phase of the MMIS project include services to monitor, verify, and validate the deliverables produced by the implementation contractor, to conduct all aspects of system testing, and to verify and validate operational readiness.

These Quality Assurance services to be provided throughout the systems development effort through to implementation include at a high level:

- Understanding the State's requirements for the MMIS and ensuring that the new MMIS addresses and meets the functional, technical, and operational requirements specified by the State,
- Participating in Joint Application Design Sessions (JAD) and deliverables review,
- Providing project monitoring, identifying risks and proposing risk mitigation strategies,
- Planning, preparing, and conducting requisite auditing and testing of the systems functionality and operations environment, and
- Providing Independent Validation and Verification (IV&V) for the project

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

- This amendment allows the State to retain the services of the contractor that, since 12/01/2004 has developed a strong knowledge base of NH Medicaid Business rules, as well as a detailed understanding of the State's MMIS requirements as documented in the NH MMIS RFP, and has been engaged effectively with State staff in the requirements validation and general system design phases of the NH MMIS Project over the past year.
- This extension builds on the effort of the contractor to date, and is the most efficient and cost-effective approach since the information that has been gained over the course of the past two years can be applied directly, without disruption of service, to future development phases, without the lost time and effort that would be necessary to assist a new vendor with overcoming a significant learning curve.
- Each of the lifecycle phases of MMIS design, development, and implementation effort builds on the last, placing significant value on resources who have had prior exposure and understanding of the new MMIS requirements to date, thereby enhancing efforts to maintain project progress and sustain productive momentum.
- The original quality assurance contract was approved prior to the approval of the contract for the MMIS implementation contractor. Quality assurance deliverables, deliverable due dates, and project timelines were estimated based on the projected MMIS implementation timeline. This amendment correctly aligns the DDI services of the Quality Assurance vendor with the iterative development methodology of the implementation contractor's approach, as well as with the deliverables and project timeline of the implementation effort.
- The Federal Centers for Medicare and Medicaid Services (CMS) Regional Office has approved the State's MMIS Reprocurement Project's Implementation Advanced Planning Document (IAPD), which includes the procurement of Quality Assurance contractor services to support the MMIS implementation initiative.
- CMS approval will result in 90% Federal Financial Participation (FFP) and the remaining 10% using State General Funds to cover the costs of the Quality Assurance contractor.

#### **BACKGROUND**

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

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

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

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

#### **PRIOR RELATED ACTIONS**

The MMIS is the primary automated system that supports the Department's administration and management of the NH Medicaid Program. Prior related actions in support of the overall MMIS Reprourement Project include approval acquired for Amendment 11 to the EDS contract for the continued maintenance and operations support of the existing MMIS, approval to release RFP-DHHS-2005-002 to procure this Quality Assurance Vendor, approval of the original Quality Assurance vendor contract, approval to release RFP DHHS-2005-004 for the procurement of the MMIS Implementation vendor, and approval of the NH MMIS Implementation vendor contract with ACS State Healthcare, LLC.

#### **SUPPORT OF ARCHITECTURE PRINCIPLES**

This request supports principles: A1: *The Business Users are Leaders and Owners for All Business Application System Initiatives and Major System Modifications. Information Technology Personnel Must be included to Provide Technical Direction and Support from the Start;* A2: *The State Develops and Implements Information Systems Which Support the Business Goals and Significantly Improve the Effectiveness and Efficiency of All System Users;* A3: *Good Project Management Techniques are Integral to the Successful Development of Application Systems. A Systems Development Methodology is Followed When Analyzing, Designing, Implementing and Maintaining Application systems;* A6: *The State Plans for System maintenance Starting From Initial Systems Development. Planning Continues Throughout the System's Life.*

#### **SUPPORTING DOCUMENTATION**

Attachment 1 – Contract Documents (P-37, Exhibit A, and Exhibit B)



## ALTERNATIVES

Given the challenges and complexity inherent in the implementation of a new MMIS, having a team of Quality Assurance contractor staff effectively augmenting the efforts of State staff to monitor and assure the quality of the implementation contractor's system development effort, has proven to be beneficial over the past year. The State has invested a significant amount of time and effort in informing both the Quality Assurance and MMIS implementation contractor staff about NH Medicaid business rules, operations processes, and system processing requirements for the new NH MMIS. FOX Systems Quality Assurance staff has participated in the NH MMIS requirements validation phase and the general systems design phase thus far in the project life cycle. Both of these phases lay the foundation for the development of the new MMIS.

FOX will leverage NH-specific knowledge gained during the earlier phases of the MMIS project and will apply that information directly, without interruption of service, in the review and validation of deliverables produced during the detailed system design phase and other upcoming phases of the system development. Given the complexity of the MMIS implementation, the aggressive project timeline, the investment of time and effort expended, and FOX' satisfactory performance to date, the most prudent alternative for the Department to pursue is to amend the FOX Systems Quality Assurance contract to retain the most informed resources and to build on progress made to date.

The Department will utilize the services of the Quality Assurance contractor to ensure that the replacement MMIS is delivered with the depth of functionality and processing integrity necessary to meet the requirements of the RFP and MMIS federal certification. Failure to attain Federal MMIS Certification would result in a loss of Federal Financial Participation (FFP). A prolonged effort to achieve certification after the implementation would result in a prolonged period of reduced FFP, until the eventual certification retroactively reinstated full FFP.

## BENEFITS

Benefits from the services of the Quality Assurance contract amendment include:

1. Ensuring the consistency, completeness, quality and accuracy of all deliverables, including the operationalized MMIS;
2. Providing guidance in the development and enforcement of processes to ensure integrity, efficiency, adequate review, tracking of issues and issue resolution;
3. Appraising the project management of potential risks or compromises to quality, project timeline, or costs and to recommend risk mitigation strategies;
4. Employing static and dynamic analyses to verify and validate the state of the MMIS throughout each phase of the project lifecycle, including software development and conversion review and testing, communications technology, Contractor site system environment, security, disaster recovery, processing capacity and accessibility;
5. Alignment of Quality Assurance deliverables, deliverable reviews and payment schedules with the implementation contractor deliverable production schedule.

Richard C. Bailey  
November 30, 2006  
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### CONTACT PERSON

David C. Perry, Jr.  
Contracts Manager  
Office of Information Technology  
49 Donovan Street  
Concord, NH 03301  
Telephone: (603) 271-4030  
Fax: (603) 271-3007  
Email: [dperry@oit.nh.gov](mailto:dperry@oit.nh.gov)

Agency: DHHS

Date: October 8, 2004

Date of most recently approved SITP: <u>June 3, 2003</u>
SITP Initiative / Project Name: <u>Medicaid Decision Support System</u>
SITP Initiative / Project Number: <u>13.4 of Table 7.2 Current and Planned Information</u>
Project Beginning Date: <u>October 2004</u> Project Ending Date: <u>December 2007</u>

**Requisition Information:**

Vendor Name	Requisition Number	State contract (Y) or (N)

**Funding Sources and Amounts:**

	*Object Code(s)	FY2005	FY2006	FY2007	FY 2008	TOTAL
STATE	0465	\$ 42,682	\$ 81,873	\$ 92,178	\$ 81,066	\$ 297,780
FEDERAL	0465	384,138	736,860	829,598	729,600	\$2,680,195
OTHER (specify)**						
<b>TOTAL</b>		\$426,820	\$818,733	\$921,776	\$810,666	\$2,977,995

**\*\*Sources of OTHER Funding**

Source	Amount

- Information Technology consultants 465: Minor Software (<= \$500/unit) 220; Contract Equipment Repairs 225;
- Software maintenance 230; Maintenance/mini- computer maintenance 231; PC Maintenance 243; Computer lease 256;
- Major Software (>\$500/unit) 312; New PC Hardware 310; New mainframe/mini hardware 315; Replacement mainframe/mini hardware 329;
- PC Hardware replacement 330; Information Technology training and development 805.

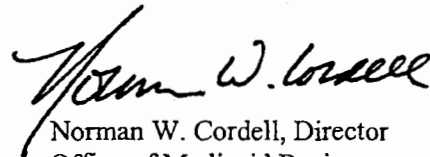
Richard C. Bailey  
November 30, 2006  
Page 8


**ATTACHMENT 1: AMENDMENT 1 TO THE CONTRACT**

**CERTIFICATION**

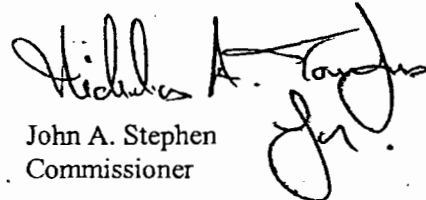
The undersigned hereby certify that the information provided in this document and any attachments is complete and accurate and that alternatives to the solution defined in this document have been appropriately considered.

Respectfully submitted,

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

  
Peter D. Croteau, Director  
Agency Software Division

Approved by:

  
John A. Stephen  
Commissioner



OF

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

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

John A. Stephen  
 Commissioner

Stephen A. Norton  
 Director

November 1, 2004

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

12/1/04  
 Late Item E

**REQUESTED ACTION**

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

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

**EXPLANATION**

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

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

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

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

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

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

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

## BACKGROUND

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

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

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

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

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



- Deliverables are produced at the cost outlined.

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

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

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

Geographic area to be served: Statewide

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

Attachment 1: Bidders List

Company	Offered Items	Submitted Bids	Total Score	Proposed Price	Amount
BDMP	Yes				
Compass	Yes				
Deloitte	Yes	Yes	52.75	\$ 4,184,661	
FOX Systems Inc.		Yes	81.25	\$ 3,530,240	\$ 2,977,995
Maximus	Yes	Yes	69.75	\$ 1,989,597	
S3 Technologies	Yes				

\* Not a requirement of the RFP



STATE OF NEW HAMPSHIRE  
OFFICE OF INFORMATION TECHNOLOGY

Office of the Governor  
27 Hazen Dr., Concord, NH 03301  
603-271-4208 1-800-852-3345 x4208  
Fax: 603-271-1516 TDD Access: 1-800-735-2964

Richard C. Bailey, Jr.  
Interim Chief Information Officer

October 8, 2004

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

Dear Commissioner Stephen:

This letter represents formal notification that the Office of Information Technology (OIT) has approved your agency's request to enter into a contract with FOX Systems, Inc. as described below and referenced as OIT No. 2005-002A. This project is a result of RFP# DHHS 2005-002.

This is a contract to procure experienced vendor resources for the Medicaid Management Information System (MMIS) Quality Assurance Services project to perform a diversified variety of quality assurance services relevant to the design, development, and implementation (DDI) of a new, reprocured MMIS, with additional service requirements for pre-DDI New Hampshire Medicaid business rules analysis, related services to support the implementation of the reprocured MMIS, and post-DDI MMIS operations acceptance quality assurance, including federal certification support. The contract will become effective upon Governor and Council approval through December 31, 2006. The amount of the contract is not to exceed \$2,977,995.00.

The MMIS Quality Assurance Services project is set forth in the Department of Health and Human Services Strategic Information Technology Plan dated June 3, 2003, as Section 7: *IT Initiatives*, Table 7.2: *Current and Planned Information Technology Initiatives*, Project 13.1a.

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

Sincerely,

Richard C. Bailey, Jr.

RB/cjw  
OIT 2005-002A.doc

cc: David Perry, Contracts Manager, OIT Logistics


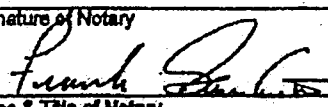
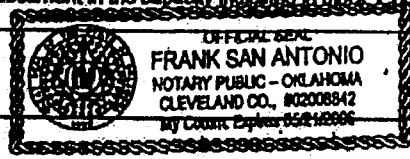
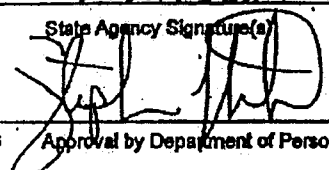
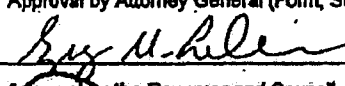
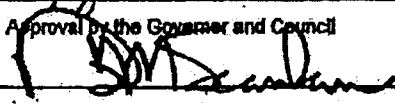
Subject: Medicaid Management Information System Quality Assurance Services

**AGREEMENT**

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

**GENERAL PROVISIONS**

Identification and Definitions.

1 State Agency Name Office of Medicaid Business and Policy Department of Health and Human Services		1.2 State Agency Address 129 Pleasant St., Brown Building Concord, NH 03301	
3 Contractor Name FOX Systems, Inc.		1.4 Contractor Address: 6263 North Scottsdale Road, Suite 200 Scottsdale, Arizona 85250	
5 Account No. 10-095-5691-031-0285	1.6 Completion Date December 31, 2008	1.7 Audit Date 12/31/2008	1.8 Price Limitation \$2,977,995.00
9 Contracting Officer for State Agency 1.10 Stephen A. Norton		State Agency Telephone Number 803 - 271 - 5254	
11 Contractor Signature 		1.12 Name & Title of Contractor Signor Mr. Dash Ahuja, Executive Vice President	
13 Acknowledgment: State of <u>NH</u> County of <u>Cleveland</u> 9-15-04 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			
13.1 Signature of Notary 			
13.2 Name & Title of Notary Frank San Antonio, Notary			
State Agency Signature(s) 		1.15 Name/Title of State Agency Signor(s) Stephen A. Norton Medicaid Director	
16 Approval by Department of Personnel (Rate of Compensation for Individual Consultants) Director, Or:			
7 Approval by Attorney General (Form, Substance and Execution)  Assistant Attorney General, Or: 10-4-04			
8 Approval by the Governor and Council  <b>DEPUTY SECRETARY OF STATE</b> Or:			
EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 (the State), engages contractor identified in block 1.3 (the Contractor) to perform, and the Contractor shall perform, that work or sale of goods, or identified and more particularly described in EXHIBIT A incorporated herein (the Services).			
EFFECTIVE DATE; COMPLETION OF SERVICES. This agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Council of the State of New Hampshire approve this agreement, (The Effective Date). If the date for commencement in Exhibit A precedes the Effective Date all services performed by Contractor between the commencement date and Effective Date shall be performed at the sole risk of the contractor and in the event that this Agreement does not become effective, the State shall be under no obligation to pay the contractor for any costs incurred or services performed; however that if this Agreement becomes effective all costs incurred prior to the effective date shall be paid under the terms of this Agreement. All services must be completed by the date specified in block 1.6.			
CONDITIONAL NATURE OF AGREEMENT. Notwithstanding anything in this agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of such funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the account identified in block 1.5 in the event funds in that account are reduced or unavailable.			

It is unlawful to make any alteration to the text of this document.  
A signature on this document signifies that no alterations have been made to the original text or format.

**CONTRACT PRICE: LIMITATION ON PRICE: PAYMENT.**

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

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

3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by RSA 84:7 through 7-C or any other provision of law.

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

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

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

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

If this agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 (Equal Employment Opportunity), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States is to implement these regulations. The Contractor further agrees to permit the State or United States, access to any of the Contractor's books, records and reports for the purpose of ascertaining compliance with all rules, regulations, orders, and the covenants and conditions of this Agreement.

**PERSONNEL.**

The performance of the Services shall be carried out by employees of the Contractor. The Contractor shall at its own expense, provide all personnel necessary to perform the Services. The Contractor warrants that all personnel

1. In the Services shall be qualified to perform the Services, and shall be licensed and otherwise authorized to do so under all applicable laws.

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

The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the performance of this Agreement, the Contracting Officer's decision shall be final.

**EVENT OF DEFAULT, REMEDIES.**

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

- 1 failure to perform the Services satisfactorily or on schedule; or
- 2 failure to submit any report required hereunder; or
- 3 failure to perform any other covenant or condition of this Agreement.

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

- 1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this agreement, effective two (2) days after giving the Contractor notice of termination; and
- 2 give the Contractor a written notice specifying the Event of Default and ordering all payments to be made under this Agreement and ordering that the amount of the Contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor; and
- 3 set off against any other obligations the State may owe to the Contractor the amount the State suffers by reason of any Event of Default; and
- 4 treat the agreement as breached and pursue any of its remedies at law or equity, or both.

**DATA: ACCESS; CONFIDENTIALITY; PRESERVATION.**

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

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

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

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

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

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

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

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

**14. INSURANCE AND BOND.**

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

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

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

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

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

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

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

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

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

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

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

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

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

## CERTIFICATE OF AUTHORITY

(Corporation With Seal)

I Mark Shishida, Clerk/Secretary of the FOX Systems, Inc., do hereby certify that:

- (1) I am the duly elected and acting Secretary of the FOX Systems, Inc., a California corporation;
- (2) I maintain and have custody and am familiar with the Seal and minute books of the Corporation;
- (3) I am duly authorized to issue certificates with respect to the contents of such books;
- (4) the following are true, accurate and complete copies of the resolutions adopted by the Board of Directors of the Corporation at a meeting of the said Board of Directors held on the 10th day of September, 2004, which meeting was duly held in accordance with California law and the by-laws of the Corporation:

**RESOLVED:** That this Corporation enter into a contract with the State of New Hampshire, acting by and through the Division of Medicaid Business and Planning of the Department of Health and Human Services, providing for the performance by the Corporation of certain MMIS Quality Assurance services, and that the President (any Vice President) (and the Treasurer) (or any of them acting singly) be and hereby (is) (are) authorized and directed for and on behalf of this Corporation to enter into the said contract with the State and to take any and all such actions and to execute, seal, acknowledge and deliver for and on behalf of this Corporation any and all documents, agreements and other instruments (and any amendments, revisions or modifications thereto) and (she) (he) (any of them) may deem necessary, desirable or appropriate to accomplish the same;

**RESOLVED:** That the signature of any officer of this Corporation affixed to any instrument or document described in or contemplated by these resolutions shall be conclusive evidence of the authority of said officer to bind this Corporation thereby;

- (5) the foregoing resolutions have not been revoked, annulled, or amended in any manner whatsoever, and remain in full force and effect as of the date hereof; and
- (6) the following person(s) (has) (have) been duly elected to and now occupy the office(s) indicated below:

Susan Fox, Chairperson

Mark Shishida, Secretary

Desh Ahuja, Treasurer

IN WITNESS WHEREOF, I have hereunto set my hand as the Secretary of the Corporation this 15<sup>th</sup> day of September, 2004

Mark Shishida  
Secretary

STATE OF Arizona

COUNTY OF Maricopa

On this the 15<sup>th</sup> day of September, 2004, before me, Jane D. Maasz, the undersigned Officer, personally appeared Mark Shishida; who acknowledged her/himself to be the Secretary of Fox Systems, a corporation, and that she/he, as such Secretary being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by her/himself as Mark Shishida.

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

Jane D. Maasz  
Notary Public/Justice of the Peace  
My Commission Expires: 3-22-08

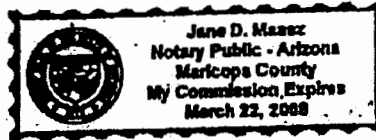


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NH Department of Health and Human Services  
Office of Medicaid Business and Policy  
FOX Systems, Inc. – MMIS Contract  
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## EXHIBIT A: SCOPE OF SERVICES

**Date:** August 27, 2004

**Contract Period:** September 1, 2004 or date of Governor and Council Approval which ever is later to December 31, 2006

**Contractor:**

**Name:** Fox Systems, Inc.  
**Address:** 6263 North Scottsdale Road - Suite 200  
 Scottsdale, Arizona 85250  
**Telephone:** 480-423-8184  
**Executive:** Mr. Desh Ahuja

**1. INTRODUCTION**

**3.1 DEFINITIONS**

Acceptance	A notice from the State that a deliverable has satisfied Acceptance Tests or Review.
Acceptance Period	The timeframe during which the Acceptance Test and/or Review is performed.
Agency	All departments, boards, commissions, other units of the State, and community colleges, unless specifically exempted herein by reference.
CCP	Change Control Procedures
CP	Change Proposal
COTS	Commercial Off-the-shelf Software applications
CM	Configuration Management
Contract	Contract means the binding legal agreement between the State of New Hampshire and Fox Systems, Inc. The Contract includes, without limitation, the Request for Proposal, the Offer submitted in response to the RFP, the Contract award, the Standard Purchase Terms and Conditions, Supplemental Terms and Conditions if any, Specifications, and any addenda and amendments thereto.
Contractor	Fox Systems, Inc.
Contract Documents	Contract Documents means the documents identified in Section 2 below that comprise this Contract.
Defects	A failure of a Deliverable or a defect in a Deliverable resulting in its not conforming to approved specification.
Deliverables	A deliverable is any service, software, good, document (letter, report, manual, book, etc.), design, model, or product, provided by Fox Systems, Inc. to the State or under the terms of a

NH Department of Health and Human Services  
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FOX Systems, Inc. – MMIS Contract  
Exhibit A: Scope of Services

	contract requirement.
EOM	End of Month
Firm Fixed Price Contract	A contract between Fox Systems, Inc. and the State of New Hampshire that defines the scope, features, planning, timing and maximum price of a project.
Fox Systems, Inc.	Fox Systems, Inc. is defined as:  Fox Systems, Inc. 6263 North Scottsdale Road Suite 200 Scottsdale, Arizona 85250  Phone: 480-423-8184
Fox Systems, Inc. Project Director	Fox Systems, Inc.'s Project Director who has overall project management responsibilities for the Project for Fox Systems, Inc.
Fox Systems, Inc. Project Manager	Fox Systems, Inc.'s project manager who functions as Fox Systems, Inc.'s representative for project management and technical matters, and has full authority to make binding decisions under the Contract.
Governor and Council	The New Hampshire Governor and Executive Council.
Implementation	The process for making the System fully operational for processing data.
Implementation Plan	Sets forth the transition from development of the System to full operation, and includes without limitation, training, business and technical procedures.
Invoking Party	The party to this contract believing itself to be aggrieved that initiates an issue requiring dispute negotiation and resolution.
Non Exclusive Contract	A contract executed by the State that does not restrict any State Agencies from seeking alternative sources for the product or service.
Non-Software Deliverables	Deliverables that are not Software Deliverables.
Notice to Proceed	The State Contract Manager's direction to the Fox Systems, Inc. to begin work on the Contract on a given date and time.
Operational	System is fully functional in accordance with the specifications, all data has been loaded into the System, and is available for use by the State in its daily operations.
Order of Precedence	The order in which Contract Documents pertaining to the RFP DHHS MMIS QA 2004-002 as amended preside in the event of a conflict or ambiguity.
Production Cut Over Date	The date that the State has successfully completed user Acceptance Testing and signoff, the software has been placed into production, and the Warranty Period commences.
Products	The Fox Systems, Inc. provided Services and Software Project Inputs.

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<b>Project</b>	The planned undertaking regarding the entire subject matter of this Contract and the activities of the parties related hereto.
<b>Project Team</b>	The group of State employees and consultants responsible for managing the processes and mechanisms required such that the Services are procured in accordance with the Project Plan on time, on budget and to the required specifications and quality.
<b>Product Vendor</b>	Third party vendors from whom Fox Systems, Inc. purchases products required to build the information technology system.
<b>Project Lifecycle Phases</b>	The Phases of a Project life cycle including but not limited to: written deliverables, requirements analysis and validation phase, design phase, construction and unit testing phase, Integration and System Testing Phase, Conversion Phase, Acceptance Test Phase, Implementation Phase, and Post-Implementation Evaluation Phase.
<b>Project Management Plan</b>	A document that describes the processes and methodology to be employed by Fox Systems, Inc. to ensure a successful project as described the DHHS MMIS QA RFP 2004-002 as amended and in Fox Systems, Inc.'s response, the DHHS MMIS QA RFP 2004-002.
<b>Proposal</b>	Fox Systems, Inc.'s written proposal in response to DHHS MMIS QA RFP 2004-002.
<b>Review</b>	The process of reviewing deliverables for acceptance.
<b>Review Period</b>	The period set for review contained in the Statement of Work for a deliverable. If none is specified then seven (7) business days will apply.
<b>RFP</b>	A Request For Proposal which solicits vendor proposals to satisfy State functional requirements by supplying data processing product and/or service resources according to specific terms and conditions.
<b>Services</b>	The all work or labor to be performed by Fox Systems, Inc. on the Project as described in the Contract.
<b>Schedule</b>	The dates described in the Work Plan for deadlines for performance of services and other project events and activities under this Contract.
<b>Software</b>	Software products licensed to the State under this Contract.
<b>Software License</b>	Licenses provided to the State under this Contract.
<b>Specifications</b>	Documents that describe the requirements of and the functions to be performed by the resulting deliverables.
<b>State</b>	STATE is defined as: State of New Hampshire. Department of Health and Human Services 129 Pleasant Street Concord, NH 03301  Reference to the term "State" shall include the Office of Information Technology and other State agencies as applicable.
<b>Statement of Work</b>	A Statement of Work clearly defines the basic requirements and

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(SOW)	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 Fox Systems, Inc. The SOW defines the results that Fox Systems, Inc. remains responsible and accountable for achieving.
System	The collection of all software functioning together with the data in accordance with applicable specifications.
TBD	To Be Determined
Technical Authorization	Direction to Fox Systems, Inc., which furnishes details, clarifies, interprets or specifies technical requirements. It must be: (1) consistent with Statement of Work within Scope of Services; (2) not constitute a new assignment; and (3) not change the terms, documents of specifications of the SOW.
Vendor	Any individual, firm or corporation that is invited to submit a proposal to supply data processing resources capable of satisfying State specified requirements.
Warranty Period	That period following Implementation during which Fox Systems, Inc. will provide Software and non-Software product support and/or maintenance to the State at no charge, subject to any extensions for defect correction.
Warranty Services	The services to be provided during the Warranty Period.
Warranty Releases	Contract holdback that is provided to the State as a remedy for defects documented during the warranty period.
Work Plan	The overall plan of activities for the Project created in accordance with the Contract, as updated in accordance with Section 6: <i>Statement of Work/Deliverables/Work plan</i> of the Contract. Each revision to the Work Plan accepted by the State shall be incorporated herein by reference upon its Acceptance by the State.
WWW	World Wide Web

*The Rest of This Page Left Intentionally Blank*

## 2. CONTRACT/ORDER OF PRECEDENCE

This Contract is comprised of the Contract Documents, which are incorporated herein by reference. In the event of conflict or ambiguity among any of the text of the Contract Documents, the following order of precedence shall govern:

- o New Hampshire Standard Contract Terms and Conditions, Form P-37;
- o Exhibits A, B, C, D, E, F, G, H, I hereto;
- o DHHS MMIS QA RFP 2005-002 released May 14, 2004 as amended; Attachment 1 hereto;
- o NH Questions and Answers to DHHS MMIS QA RFP 2005-002 released June 2, 2004, Attachment 2 hereto;
- o IT Project Required Work Procedures, Attachment 3 hereto;
- o FOX Systems, Inc. Proposal to DHHS MMIS QA RFP 2005-002 on June 21, 2004, included herein by this reference, Attachment 4 hereto;
- o Technical Authorization – per Agency Contract Manager direction during the Contract period.

## 3. SCOPE OF SERVICES

FOX Systems, Inc. shall provide the State of New Hampshire, herein referred to as the State, the Services, Software and Deliverables described in this Contract and the Contract Documents. In general, this Non-Exclusive Contract includes licenses, maintenance, training, and associated quality assurance consulting services, planning, and validation, and verification of design, installation, data conversion, implementation, documentation, testing, and integration.

### 3.1 PROJECT MONITORING

The Contractor shall provide a documented, comprehensive and independent Quality Assurance Plan. The documented planned approach and methodologies to be incorporated in QA activities for the project, shall include at a minimum:

- a. Defining the types of problems anticipated in the system and project, how they might be manifested and how the QA process will assist with early detection and strategizing for risk mitigation
- b. Defining analytical and testing strategies and techniques to be used to detect and track project, system and software problems
- c. Producing a plan for monitoring and verifying the project schedule and coordination effort
- d. Describing the approach and techniques to be employed to meet the services and deliverables in the QA RFP. Identify tracking software to be utilized
- e. Defining the methods for confirming that adequate system, interface, security, and financial controls are implemented

- f. Developing and implementing a documentation plan for the project history and decisions made to improve the clarity of communication and direction of the project
- g. Developing and implementing a process for paper work and electronic media control procedures
- h. Developing and implementing a DDI Deliverable Review and Approval Process
- i. Developing and implementing a process for review and approval of software development results
- j. Developing and implementing a plan for project expenditure controls to ensure that the project is conducted in a cost effective manner, this includes but is not limited to:
  - 1. Detailed Cost Allocation Data
  - 2. Personnel Costs
  - 3. Contractor Costs
  - 4. Software Lease Costs
  - 5. Training Costs
- k. Providing a plan and describing the methodology for implementation control guidelines including: thoroughness of workflow; job task analyses; plans for preparation of implementation including rollout, etc; effectiveness of user support tools; training; level and type of user involvement; and communication between the project and the user community
- l. Verifying, validating and reporting on the Security Plan

### **3.2 PROVIDE OVERALL QA PROJECT MANAGEMENT SUPPORT**

The Contractor shall provide QA Project Management Support which shall include but not be limited to:

- a. Preparing and maintaining an overall QA Project Work Plan (QA PWP), including all Pre-DDI, DDI, and Post-DDI major tasks, activities and milestones. (Pre-DDI, DDI, and Post-DDI Phases as described below)
- b. Preparing a schedule for integration activity with the consolidated MMIS Implementation Vendor's Project Plan
- c. Providing Project Communication Support to generate materials for monthly steering committee, quarterly user project update meetings, and other meetings as requested by the MMIS Project Manager or the QA Project Manager

- d. Participating in and documenting project review sessions and meetings including the kickoff meeting, weekly status meetings, and other meetings as required by the MMIS Project Manager or the QA Project Manager
- e. Preparing QA status updates as applicable to each project phase
- f. Preparing monthly Project Risk Management reports
- g. Providing a plan for Provider Readiness Monitoring including, but not limited to:
  - 1. Communicating pro-actively with Providers and Billing Agents about the MMIS provider interface
  - 2. Validating that Providers and Billing Agents have been informed of electronic billing mechanisms
  - 3. Verifying that Providers and Billing Agents receive advance instructions, including trading partner agreements, companion guides, and enrollment requirements to facilitate advance preparation for the timely successful transmission of transactions
  - 4. Tracking Provider and Billing Agent issues and propose resolutions
  - 5. Reporting on Provider Readiness Documentation and Communication
- h. Completing overall monthly QA project status reports including: QA risk management report, issue resolution strategies, and update of the QA project plan
- i. Providing a plan for project scope control and change management including, but not limited to:
  - 1. Project Schedule Control System
  - 2. Baseline Scope Determination
  - 3. Issue Tracking Process
  - 4. Change Management Procedures, including Change Control Board
- j. Creating and distributing project newsletters or other media to gradually inform users of change implications

### 3.3 MEDICAID PROGRAM EXPERTISE

The Contractor shall provide a full-time, on-site program and policy expert with broad experience in health and human services and/or health care, and preferably direct experience in federal and State Medicaid policy, Medicaid best practices, and Medicaid Management Information System processes/policies. The Medicaid policy expert cannot also hold the position of primary project manager.

### 3.4 PRE-DDI POLICY AND BUSINESS RULES ANALYSIS SUPPORT

The Contractor shall provide Pre-DDI Policy and Business Rules Analysis Support which shall include but not be limited to:

- a. Producing reports for the following activities, including, but not limited to:
  - 1. A review of the documented results of earlier analytical efforts to review NH Medicaid business rules



2. A complete and detailed review of existing NH Medicaid administrative rules, policies, and procedures with a gap analysis and recommendations for new or modified policies and rules
  3. An analysis of existing rules processing logic embedded in the code of the current Fee For Service MMIS application. This analysis will include business process logic spanning all functional areas of the MMIS
  4. A review of provider notices, provider billing manuals, quarterly provider bulletins, and claims resolution manuals, State Plan, and applicable change control requests
  5. A comparison and contrast of the NH business rules with Medicare and other payer practices
- b. Creating a matrix documenting NH business rules, and identifying gaps and discrepancies between administrative rules, the rules embedded in MMIS code, current DHHS NH Medicaid business practices, and rules and policies of Medicare and other applicable payers. Generating and documenting recommendations for rule and policy changes to incorporate new or modified rules in the NH Medicaid Program
  - c. Generating and documenting recommendations for business process reengineering to incorporate best practices. The results will be used to construct edits, audits, and provider reimbursement and claims processing rules for implementation in the new rules-based MMIS
  - d. Completing a comprehensive analysis of provider reimbursement methods, benefit levels, eligibility levels and program integrity requirements using existing documentation, data and staff discussions as necessary and proposing recommendations for change. Identifying business processes, policy changes, and impacts on State rules and statute and MMIS

### 3.5 PRE-DDI DATA CONVERSION ACTIVITY

The Contractor shall provide Pre-DDI Data Conversion Activity Support which shall include but not be limited to:

- a. Developing a data conversion strategy and defining requirements for converting historical eligibility data stored in the MMIS to the New HEIGHTS eligibility determination system's standard eligibility values to create consistency of eligibility data references between the two systems
- b. Reviewing and reporting on recommended strategy for storing eligibility data in MMIS that addresses the storage of historical eligibility values and the new standard values

### 3.6 CRITICAL REPORT SPECIFICATION DEVELOPMENT

The Contractor shall provide Pre-DDI Critical Report Specification Development which shall include but not be limited to analyzing business purpose, data requirements, and reporting periods, and generating detailed documented specifications of data and

requirements that can be easily adapted to the new MMIS for the following reports, including but not limited to:

- a. MAR 543-Incurred Expense Report
- b. MAR 544-Actual Incurred Expense Report
- c. MAR 544-by Aid Category Actual Incurred Expense report-Total Cost
- d. MAR 544-by COS with Drug Claims
- e. SURS Profile
- f. CMS 649-Expenditures by Type of Service
- g. MAR W482-Financial Summary
- h. MAR W483-Financial Summary
- i. MAR 101B-Claims Payment Statistics by Provider Type
- j. MAR 101C-Claims Payment Statistics by Category of Service
- k. MAR W487-Recipient Participation Summary
- l. W485-Medicare Participation
- m. SUR 155-Peer Group Profile-Billing
- n. SUR 155-Peer Group Profile-Performing
- o. FNDR-571-Weekly Warrants
- p. FNDR-572-Weekly Warrants
- q. CLCR-333-Age of Claims
- r. CLCR-336-Age of Claims Processed

### 3.7 DDI-QA.

The Contractor shall provide DDI Quality Assurance (QA) services which shall include using general quality assurance principles, including using a combination of static and dynamic analysis techniques that include, but are not limited to, procedural and document reviews, code inspection and walk-throughs, testing (including automated testing), verify and validate the design, development and implementation of the newly developed MMIS. DDI Quality Assurance Services shall include, but not be limited to:

#### a. General and Project Start-Up

1. Updating and integrating the QA Project Plan with the implementation Project Plan
2. Providing MMIS/Medicaid subject matter expertise support
3. Conducting iterative reviews of all Implementation Vendor deliverables and producing final analysis reports on the Implementation Vendor deliverables including but not limited to the list below. Deliverables can be moved between project lifecycle phases based on the approved Implementation work plan:

- Project Management Plan
- Detailed Project Work Plan
- Problem Control and Change Management Plan
- Project Communication Plan
- Quality Assurance Plan
- Issues Tracking and Resolution
- Requirements Validation Specification
- Requirements Traceability Matrix

- General System Design
  - Detailed System Design
  - Test Environment Preparation
  - Finalized Disaster Recovery Plan
  - Finalized Security Plan
  - Construction and Unit Test Summary
  - Integration and System Test Scripts
  - MMIS Implementation Plan
  - Finalized System Test Plan
  - Finalized Contingency Plan
  - Finalized Conversion Plan
  - Integration/System Test Summary
  - Integration/System Test Results
  - X12N EDI Companion Guides
  - Provider Status Evaluation
  - Revised Detailed System Design
  - Finalized Training Plan
  - Finalized Operations Plan
  - Training Materials/Manuals
  - Conversion Test Results
  - Acceptance Test Plan
  - Acceptance Test Resolutions Document
  - Acceptance Test Tracking System
  - Operational Readiness Report
  - Finalized MMIS User Manuals
  - Finalized MMIS Provider Handbooks
  - MMIS Systems Documentation
  - Results of Final Conversion
  - Evaluation plan
  - Evaluation report
  - Corrective action plan
  - Certification manuals for each required system function, including first-run reports for federally-required reports
4. Establishing DDI Deliverable Review and Approval Processes
  5. Establishing a process for tracking and reporting results of requirements against test scripts, detailing issues and resolutions
  6. Establishing a process for review and approval of software development results that includes, but is not limited to: periodic code inspections and walkthroughs, Information Architecture reviews, and monitoring unit test results
- b. Producing a requirements traceability matrix to ensure that all requirements are addressed.
1. Validating the requirement specification document against requirements in the RFP

2. Evaluating the requirement specifications for accuracy, completeness, consistency, testability, correctness, and clarity and establish a mechanism for addressing incomplete, ambiguous or conflicting requirements
  3. Reviewing and reporting on the validation of the requirements traceability matrix
  4. Linking results of the Pre-DDI Business Rules Analysis to requirements in the requirement specifications document
- c. Preparing the QA-IV & V Test Plan
- d. Conducting preliminary risk analyses to assess the adequacy of controls, mechanisms, methods, and procedures to ensure that they function according to objectives. Identifying potential hazards from software failure and identifying means for mitigating failures
  - e. Monitoring, participating in, and reporting on the Joint Application Design (JAD) sessions
  - f. Determining that the design accurately reflects and satisfies all business functional and technical requirements including a detailed design for system interfaces and reporting requirements. Confirming that the design is complete, feasible, and maintainable
  - g. Conducting periodic code inspections and participating in code walkthroughs to assist in the identification of construction defects
  - h. Evaluating and documenting construction and coding methodologies and compliance with coding standards for clarity, commenting, release management, and conformance to design requirements
  - i. Monitoring, supporting, and reporting on Integration and System Testing. This includes supporting the planning, coordination, and execution of test cases and scripts and documenting results. State staff will be actively participating in testing activities
  - j. Validating that the tests conducted are comprehensive, focused, thorough, and are conducted in an organized manner. FOX Systems, Inc. shall at a minimum, perform and report on Technical Reviews, including the following:
    1. Application Structure
    2. Design Standards
    3. Database Structure including Data Models and Database Management
    4. System Capacity
    5. Response Times and System Availability
    6. System Flexibility and Maintenance Features
    7. System Security and Disaster Recover Features
  - k. Reviewing and producing a report on the Conversion plan prepared by the Implementation Vendor

1. Validating conversion activities against schedule, dependencies, and conversion plan including testing of conversion processes, user validation of pre and post conversion data, and methods to determine that all necessary data has been addressed and converted, and for tracking of conversion issues and resolution
  2. Verifying conversion results and report issues
- l. User Acceptance Testing – Fully coordinating and supporting the development and execution of User Acceptance Testing Cases and Scripts to be performed with MMIS Project Team and Users to determine that the project is designed and constructed so that it:
    1. Performs in accordance with business functional and technical requirements
    2. Performs no unintended adverse functions
    3. Performs in accordance with system response requirements
    4. Provides information about the project's reliability and meets performance objectives
- m. FOX Systems, Inc. shall provide coordination and support for the following User Acceptance Testing activities:
    1. Preparing of test cases and scripts for User Acceptance Testing
    2. Reviewing and reporting on the technical environment in which the acceptance test will be conducted to determine that it is a controlled and stable environment, separate from other development and testing areas
    3. Assisting the NH MMIS project team with validation and reconciliation from the point of initial data entry, through processing cycles, up to final reporting, ensuring that relevant controls are created, tested, in place and utilized, and that all data is accounted for and reconcilable
    4. Assisting with validations and verifications that the system supports the capabilities included in the RFP; reviews and reports on the User Acceptance Test Plan and log of results
    5. Reviewing and reporting on the Implementation Vendor's Acceptance Test Resolution report to determine that it accurately describes the outcome of the acceptance test task and resolution of errors discovered during the acceptance test activities
    6. Documenting recommendations regarding system readiness for implementation
    7. Working with the State and the Implementation Vendor to define contingency options
    8. Reviewing the Implementation Schedule and recommending any adjustments that may be necessary as a result of issues or delays
    9. Monitoring provider readiness for electronic claims submission and ensuring provider access to trading partner agreements, companion guide documentation, and advanced instructions for various electronic claims submission media
- n. Training-The Contractor shall participate with the State MMIS Project Team and the Implementation Vendor in the development of the overall training strategy and documented training plan, including:

1. Completing an analysis of, and recommendation for, the populations to be trained, specific training needs, and training approaches
  2. Assisting with the selection of tools and methodologies to be used for training including classroom lecture, training manuals, on-line help overviews, and computer and Internet based training
  3. Reviewing and reporting on the plan to train State staff and providers, and validating user-training readiness to verify that at a minimum:
    - a. The training needs of all training groups are addressed
    - b. Appropriate tools are used
    - c. Training covers required processes and procedures
    - d. The schedule allows ample time for training to be conducted
    - e. A plan is included for remedial training needs
  4. Reviewing and reporting on all training materials
  5. Monitoring and reporting on the delivery of training to evaluate the need for improvement and to determine that the objectives of the training plan are met
  6. Reviewing evaluation results from trainees and making recommendations regarding remedial training needs and procedures for ongoing training (new workers, major release, etc)
- o. Operational Readiness –Operational readiness refers to the readiness of the State and its business partners to use the new MMIS. FOX Systems Inc. shall:
1. Monitor the completion of user training
  2. Review the updated MMIS user manual to determine that it has been revised based on changes identified during acceptance testing and training
  3. Review the updated MMIS provider handbooks to determine that they have been revised based on changes identified during acceptance testing and training
  4. Review provider billing instructions and other provider correspondence for accuracy, consistency with requirements, and completeness
  5. Monitor MMIS site readiness
  6. Monitor the implementation of policy and operational changes identified as necessary during the project to facilitate the implementation of the new MMIS
  7. Provide review comments and recommendations, in report format, to the MMIS Project Manager concerning the implementation and the training processes, including but not limited to:
    - a. FOX Systems, Inc. involvement in any proposed implementation plan or strategies that may have been defined
    - b. FOX Systems, Inc.'s comments
    - c. Defined issues and recommendations on implementation plans and associated training activities
    - d. Supporting detail that explains the issues and associated recommendations
    - e. Ultimate "Go - No Go" rationale based on identified risks

- p. **Implementation - Monitor Implementation Readiness:** Implementation readiness refers to the readiness of the system to move from acceptance testing to pilot, phased or full statewide implementation. Implementation readiness will be monitored to the plan agreed to for system implementation. To monitor readiness, FOX Systems, Inc. shall provide support including the following:
1. **Reviewing and reporting on the Implementation Plan to determine that it addresses all activities necessary to implement the new MMIS.** At a minimum the plan must address requirements listed in the MMIS RFP for the Implementation Plan and contingency plans in case implementation is delayed
  2. **Reviewing and reporting on the MMIS System documentation to determine that it fully documents the New Hampshire system and, at a minimum, includes all the requirements listed in the RFP for this deliverable and any critical requirements identified during the requirements phase**
  3. **Reviewing and reporting on the Implementation Vendor's readiness report that certifies that the system is ready for implementation**

### **3.8 POST-DDI STABILIZATION AND CERTIFICATION READINESS**

The Contractor shall provide Post-DDI Stabilization and Certification Readiness Support which shall include but not be limited to:

- a. **Providing support and reporting (to include the following activities):**
  1. **Providing guidelines to the MMIS Project Manager and the QA Project Manager in preparing for and completing federal certification of the new MMIS, beginning this support during the DDI phase of the project.** The NH MMIS Team has specifically mandated that the Implementation Contractor must implement a system that meets all federal MMIS certification requirements
  2. **Providing support and conducting operational acceptance testing to validate and verify that the system will meet federal MMIS certification requirements**
  3. **After implementation, working with the MMIS Project Manager and the QA Project Manager to prepare for the MMIS certification process including preparation of the certification letter, meeting with CMS, onsite observation of the process, and any necessary follow-up, to include:**
    - a. **Certification Plan Review**
    - b. **Preparing Certification Letter**
    - c. **Participation in Certification Meetings**
    - d. **Assisting in Reviewing Certification Documentation**
    - e. **Assisting in Certification Readiness Testing**
    - f. **Providing Guidance During Onsite Review**
- b. **At the completion of the Warranty period, the Contractor shall provide a project wrap-up report and other outstanding written deliverables as defined in the Section 12: Deliverables and Table 12.1: IT Services Deliverables and Schedule.**

#### 4 PERIOD OF PERFORMANCE/TERMINATION

##### 4.1 PERIOD OF PERFORMANCE

The Contract shall take effect after full execution by the parties, and the receipt of required governmental approvals, including but not limited to Governor and Council approval. It shall remain in effect through December 31, 2006 unless otherwise terminated in accordance with this Contract. The State may at its sole discretion extend the contract to June 30, 2008. *DAJ*

If the date for commencement in the Contract precedes the Effective Date, all service performed by the Contactor between the commencement date and the Effective Date shall be performed at the sole risk of the Contractor. In the event that the Contract does not become effective, the State shall be under no obligation to pay the Contractor for any costs incurred or services performed; however if the Contract becomes effective all costs incurred prior to the Effective Date shall be paid under the terms of the Contract.

##### 4.2 TERMINATION FOR CONVENIENCE

The State may terminate this Contract at its sole discretion for any reason upon thirty (30) days written notice. Upon termination for convenience, the State is liable only for payment of any undisputed and accepted deliverables in accordance with the Payment Schedule in Exhibit B-1.

During the thirty (30) day period, the Contractor shall close out and cease its Services as quickly and efficiently as reasonably possible, without performing unnecessary Services or activities and by minimizing negative effects on the State from such close out and cessation of Services. If this Agreement is so terminated, the Department shall be liable only for payment in accordance with the terms of the Contract for Services rendered prior to the effective date of termination.

In case of such termination for convenience, the State shall pay to the Contractor the agreed upon price, if separately stated, for deliverables for which acceptance has been given by the State.

##### 4.3 TERMINATION FOR CAUSE

Notwithstanding anything to the contrary, the State reserves the right to terminate this contract, at its reasonable discretion, if it is dissatisfied with FOX Systems, Inc.'s performance, project staff, project manager, without liability to FOX Systems, Inc. If the State terminates the Contract under this section, the State shall have the right to receive prompt reimbursement of all payments made to FOX Systems, Inc. under this Contract for any deliverables that are not usable by the State or another in completing the work hereunder, at the sole judgment of the State. Such termination shall be deemed due to FOX Systems, Inc.'s default, and be without any penalty or liability on part of the State.



## **5 CONTRACT ADMINISTRATION**

### **5.1 FOX SYSTEMS, INC. CONTRACT MANAGER**

FOX Systems, Inc. shall designate a Contract Manager who shall be responsible for all contractual authorization and administration of the Contract. These responsibilities shall include but not be limited to processing Contract documentation, obtaining executive approvals, tracking costs and payments, and representing the State in all Contract administration activities. This person is:

Mr. Desh Abuja, Executive Vice President  
6263 North Scottsdale Road – Suite 200  
Scottsdale, Arizona 85250  
480-423-8184  
480-423-8108  
[desh.abuja@foxsys.com](mailto:desh.abuja@foxsys.com)

or the designated successor.

The State reserves the right to approve or disapprove FOX Systems, Inc.'s Contract Manager, and to require removal and replacement of any Contract Manager, who in the sole judgment of the State is not performing to the State's satisfaction.

### **5.2 STATE QA PROJECT MANAGER**

The State shall designate a QA Project Manager who shall be responsible for all contractual authorization and administration of the Contract for the State. These responsibilities shall include but not be limited to processing Contract documentation, obtaining executive approvals, tracking costs and payments, and representing the State in all Contract administration activities. This person shall also function as the State's representative with regard to review and acceptance of Contract Deliverables, invoice sign off, review and approval of Change Proposals (CP) utilizing the Change Control Procedures (CCP), and development of amendments to the Contract. This person is:

Scott Kosowicz, Administrator  
129 Pleasant Street, SOPS – Thayer Building  
Concord NH 03301  
603-271-0559  
603-271-2679  
[skosowicz@dhhs.state.nh.us](mailto:skosowicz@dhhs.state.nh.us)

or the designated successor.

### **5.3 STATE MMIS PROJECT MANAGER**

The State shall designate a MMIS Project Manager who shall function as the State's representative with regard to overall MMIS Project Management. This person shall be responsible for the continuity of the entire MMIS Project and will ensure the collaboration of the MMIS QA Contractor and MMIS Implementation Vendor, and will review and have sign off with regard to Contract Deliverables and changes to the Project Work plan. This person is:

Diane Delisle, MMIS Director  
129 Pleasant Street, SOPS – Thayer Building  
Concord NH 03301  
603-271-7238  
603-271-2679  
[diane.delisle@oit.nh.gov](mailto:diane.delisle@oit.nh.gov)

or the designated successor.

## **6 STATEMENT OF WORK/DELIVERABLES/WORK PLAN**

FOX Systems, Inc. shall perform the Services and provide the Deliverables described in this Contract, *including but not limited to*, DHHS MMIS QA RFP 2005-002, Section 2.0: *Software, Services, Requirements, and Deliverables* and Appendix C: System Requirements.

### **6.1 WORK PLAN**

FOX Systems, Inc. shall provide the State with a detailed Work Plan in accordance with this Contract. The Work Plan shall include without limitation a detailed description of the Schedule, Tasks, Deliverables, Critical Events, Task Dependencies, Payment Schedule, and Project Management Plan in accordance with this Contract. The Work Plan shall be submitted to the State within two (2) weeks from the Notice To Proceed and shall be subject to the State's prior approval. If the State does not approve the Work Plan, the State may immediately terminate this contract at its discretion without liability to FOX Systems, Inc. however, FOX Systems, Inc. shall remain liable for its acts or omissions prior to such termination that are unrelated to the State's refusal of the Work Plan. The State will make reasonable efforts to work with FOX Systems, Inc. to have an approved work plan and will not unreasonably withhold approval.

FOX Systems, Inc. shall coordinate, update, and revise the Project Work Plan based on the Implementation Vendor's Work Plan.

In the event of a delay in the schedule, FOX Systems, Inc. shall immediately notify the State in writing. The State expects FOX Systems, Inc. to immediately report to the MMIS Project Manager and QA Project Manager any situation, from any area that needs immediate attention to prevent an adverse effect on the quality, schedule, or budget of the project. The written notification will identify the nature of the delay, i.e. specific actions or inactions of FOX Systems, Inc., the Implementation Vendor, 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. The schedule shall automatically extend insofar as the State's review of a deliverable is longer than what is set forth in the schedule.

### **6.2 WORK PLAN UPDATES**

FOX Systems, Inc. shall update the Work Plan as necessary, as agreed to by the State, or as agreed to in the work procedures. Any updates to the Work Plan shall require the prior approval of the State. Unless otherwise agreed to in writing by the State, changes to the

Work Plan shall not relieve FOX Systems, Inc. from liability to the State for any damages resulting from FOX Systems, Inc.'s failure to perform its obligation under this Contract.

### 6.3 SCHEDULE CHANGES

In the event additional time is required by FOX Systems, Inc. to correct deficiencies, the schedule shall not change unless previously agreed upon in writing by the parties. The schedule shall automatically extend insofar as the State's review of a deliverable, and corrections of deficiencies is longer than what is set forth in the schedule.

### 6.4 DELIVERABLES/ACCEPTANCE

#### 6.4.1 Deliverables.

FOX Systems, Inc. shall provide the State with the deliverables in accordance with the schedule. All deliverables shall be subject to the State's acceptance. Upon its submission of a deliverable, FOX Systems, Inc. represents that it has performed its obligations under this Contract associated with the deliverable. By unconditionally accepting a deliverable, the State reserves the right to reject any and all deliverables in the event the State detects any deficiency with the deliverables, in whole or in part, through completion of all reviews, as applicable, and any extensions thereof.

For each denial of acceptance, the Acceptance Period shall be extended by the corresponding time. If FOX Systems, Inc. is still unable to make the correction(s), the State may, at its option, terminate this Contract, in whole or in part, by providing written notice to FOX Systems, Inc. The State's option to terminate the Contract under this section shall remain in effect until the State's successful completion of the deliverable review. Notwithstanding anything to the contrary in this Contract, if the State terminates the Contract under this section, the State shall have the right to receive prompt reimbursement of all payments made to FOX Systems, Inc. under this Contract pertaining to any rejected deliverable(s) and any previously accepted deliverable(s) rendered unusable in the sole judgment of the State due to such rejected deliverable(s). Such termination shall be deemed due to FOX Systems, Inc.'s default, and the State may pursue its remedies at law and in equity.

#### 6.4.2 Acceptance Written Deliverables

The State will have the opportunity to review the written deliverables for an acceptance period of seven (7) business days after receiving written certification from FOX Systems, Inc. that the written deliverable is final and complete. The State reserves the right to reasonably extend the deliverable review period to complete a thorough review of extensive and complex deliverables or when multiple deliverables demand State review at the same time. Effort will be made to stay within the seven (7)-business day turnaround period. The State will notify FOX Systems, Inc. by the end of the 7-business day review period if the written deliverable is accepted in the form delivered by FOX Systems, Inc. or describing any defects that must be corrected prior to the State's acceptance of the written deliverable. FOX Systems, Inc. shall correct the defects within five (5) business days of receiving notice from the State at no charge to the State. Upon receipt, the State will have seven (7) business days to review the corrected written deliverable and notify FOX Systems, Inc. of its acceptance or rejection thereof.

**6.4.3 Acceptance Non-Software Deliverables**

The State shall review non-software deliverables to determine whether any defects exist. FOX Systems, Inc. shall correct defects within five (5) business days, or within the period identified in the Work Plan, as applicable. Following correction of the defects, the State shall notify FOX Systems, Inc. of its acceptance or rejection of the deliverable.

**6.4.4 Termination**

Notwithstanding anything to the contrary in this Contract, the State may terminate this Contract, at its sole discretion if any deliverables, non-software deliverables or written deliverables fail acceptance testing or review, as applicable. Upon such termination, the State shall receive prompt reimbursement of all payments made to FOX Systems, Inc. for such deliverables as specified by the State. Such termination shall be deemed due to FOX Systems, Inc.'s default, be without any penalty or liability on part of the State, and the State may pursue its remedies at law or in equity.

**7 PROJECT MANAGEMENT**

**7.1 FOX SYSTEMS, INC.'S PROJECT MANAGER**

FOX Systems, Inc. shall assign a Project Manager who shall meet all the requirements of DHHS MMIS QA RFP 2005-002. FOX Systems, Inc.'s selection of a Project Manager shall be subject to the prior approval of the State. The State's approval process may include, at the State's discretion, review of the proposed Project Manager's resume and qualification, and an interview. The Project Manager shall have full authority to make binding decisions under the Contract and shall function as FOX Systems, Inc.'s representative for all project management and technical matters. The Project Manager shall be available to promptly respond within two (2) hours to inquiries from the State and on-site as required, unless otherwise agreed to in writing by the parties. FOX Systems, Inc. shall use his or her best efforts on the Project.

FOX Systems, Inc. represents that its Project Manager shall be qualified to perform the obligations required of the position under the Contract. FOX Systems, Inc. shall immediately notify the State if they desire to remove or replace the Project Manager. Prior to any replacement of the Project Manager, FOX Systems, Inc. shall obtain the State's approval of the replacement Project Manager. The State may, at its reasonable discretion, approve or disapprove FOX Systems, Inc.'s Project Manager, and require removal and replacement of FOX Systems, Inc.'s Project Manager who in the sole reasonable judgment of the State's Project Manager is not performing to the State's satisfaction. Provisions in section 7.2 will also apply to the Project Manager.

**7.2 FOX SYSTEMS, INC.'S PROJECT STAFF**

FOX Systems, Inc. shall assign project staff that meet the qualifications required by the terms of this Contract, including but not limited to, DHHS MMIS QA RFP 2005-002.

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- a. The FOX Systems, Inc. key personnel shall be comprised of the following individuals as identified in table 7.2-1: *Project Staff*.

Table 7.2-1: Project Staff

John Thurman	Client Executive
Michael Sizemore	* Project Manager
Bruce Weydemeyer	* Medicaid Policy Expert
Nancy Shump	Quality Assurance Lead
Arlon Sturgis	* Pre-DDI Lead/Senior Business Analyst
Jim Cox	Project Planning Specialist
Ruth Bongiovanni	Eligibility Expert/Testing Analyst
Michael Koniszewski	Code Analyst
Joseph Miralles	Code Analyst
Tom Walsh	* JAD Facilitator/Senior Testing Analyst
Pat Schaffer	Testing Analyst/Certification Specialist
Laurie Sturgis	Business Analyst
Susan Fox	TAG/Certification Specialist
William Larkin	Technical Advisory Group (TAG)
Kathleen Connor	Technical Advisory Group (TAG)
Manny Mkrtichian	Technical Advisory Group (TAG)

- b. FOX Systems, Inc. shall not change Project Staff commitments unless such replacement is necessary due to sickness, death, termination of employment, or unpaid leave of absence. Any such changes to FOX Systems, Inc.'s Project Staff shall require the prior written approval of the State. Replacement Project Staff shall have comparable or greater skills with regard to performance of the project as the staff being replaced.
- c. If an individual named in table 7.2-1: *Project Staff* becomes unavailable for such reasons as mentioned in section 7.2 of this contract, FOX Systems, Inc. shall give the State QA Project Manager the resume of several proposed replacements, and offer the State an opportunity to interview the proposed candidates. The State must approve any change to staffing in writing prior to any change by FOX Systems, Inc., approval by the State will not be unreasonably withheld. FOX Systems, Inc. must replace the unavailable staff with a staff member approved in writing by the State within four (4) weeks of notification to the State.
- d. The State reserves the right to require removal or reassignment of FOX Systems, Inc.'s Project Staff found unacceptable to the State.

- e. The State may conduct reference checks on FOX Systems, Inc.'s Project Staff. The State reserves the right to reject FOX Systems, Inc.'s Project Staff as a result of such reference checks
- f. Personnel identified with an asterisk (\*) in table 7.2-1: *Project Staff* are considered to be key personnel. FOX Systems, Inc. should make no assignment changes unless emergency conditions arise. However, if the State is unsatisfied with any of the staff, the State can request a change of personnel to be completed within four (4) weeks. For all personnel changes the State should be notified at least two (2) weeks in advance
- g. Personnel identified in table 7.2-1: *Project Staff* must be co-located with the MMIS project team, in Concord, NH, on-site, unless otherwise approved in writing by the State. Identified personnel must be full time, on-site Monday through Friday 8:00 AM to 5:00 PM Eastern Time for the duration of the contract, unless otherwise agreed to by the State QA Project Manager in writing
- h. Additional team members can be added to this list during the project, with prior written approval, by the State QA Project Manager
- i. Notwithstanding anything to the contrary, the State reserves the right to terminate this Contract, at its reasonable discretion, if it is dissatisfied with FOX Systems, Inc.'s Project staff, and QA Project Manager, without liability to FOX Systems, Inc. If the State terminates the Contract under this section, the State shall have the right to receive prompt reimbursement of all payments made to FOX Systems, Inc. under this Contract for any deliverables that are not usable by the State or another Contractor in completing the work hereunder, at the sole judgment of the State. Such termination shall be deemed due to FOX Systems, Inc.'s default, and be without any penalty or liability on part of the State

### 7.3 REPORTS

FOX Systems, Inc. shall submit reports in accordance with the schedule and terms of this Contract. All reports shall be prepared in formats approved by the State, unless otherwise agreed by the parties in writing.

#### 7.3.1 Status Reports

FOX Systems, Inc. shall produce project weekly status reports, in a format agreed to in writing by both parties, for the entire life of the contract, including the implementation vendor activities, including but not limited to the following:

- a. Project status as it relates to Work Plan
- b. Deliverables status
- c. Accomplishments during weeks being reported
- d. Planned activities for the upcoming two week period
- e. Future activities
- f. Issues and concerns requiring resolution
- g. Financial Status to be updated once a month

## 8 PROCEDURES

FOX Systems, Inc. has read and agrees to all procedures contained in DHHS MMIS QA RFP 2005-002 as amended and Contract Attachment 3: *IT Project Required Work Procedures* which are incorporated here in by reference.

These procedures include, but are no limited to:

- a. FOX Systems, Inc. participation
- b. Change control procedures
- c. Testing
- d. Documentation development and updates

## 9 ASSUMPTIONS AND DEPENDENCIES

### 9.1 TECHNICAL

- a. FOX Systems, Inc. will provide to the State a written list of all FOX Systems, Inc. and FOX Systems, Inc. subcontracted team members who will be on-site during the course of the project within thirty (30) days of the date the last party has executed the contract
- b. Additional team members can be added to this list during the project, with prior approval, by the State QA Project Manager
- c. The State will provide network logons to FOX Systems, Inc. team members as required
- d. FOX Systems, Inc. assumes the LAN is completely operated and maintained by the State. Further, the State assumes FOX Systems, Inc. shall have no responsibilities regarding the LAN, or deployed communications capability
- e. The performance of the software tools and databases provided by FOX Systems, Inc. is dependent on various factors beyond the control of FOX Systems, Inc., e.g., network management, and volume of data to be retrieved/processed
- f. It is assumed that the State interfaces are functional, and that the State will be responsible for administrative and operational functions and activities needed to interface with these external systems
- g. FOX Systems, Inc. is assuming that the State will coordinate the acquisition of staff and information from the departments with which the State system must interface. FOX Systems, Inc. assumes that the State will be responsible for the administration of the system security and backup
- h. It is assumed that FOX Systems, Inc. will suggest server configuration, client configuration, and server installation/tuning to make the proposed software identified in FOX Systems, Inc.'s response to the DHHS MMIS QA RFP run as efficiently as possible

### 9.2 GENERAL

- a. The State will provide access to State information and managerial, technical, policy, and user personnel as reasonably required by the supplier to perform its obligations under the contract

- b. The State will provide, on time, any personnel resources as mutually agreed upon and as incorporated into the project work plan

### 9.3 WORK SCHEDULES

FOX Systems, Inc.'s team will be allowed access to the necessary facilities during off hours with prior approval from the State's QA Project Manager.

### 9.4 COPYRIGHT, INTELLECTUAL PROPERTY RIGHTS, AND CONFIDENTIALITY

- a. **WWW Copyright and Intellectual Property Rights.** All rights, title and interest to the State WWW site, including copyright to all data and information shall be and remain with the State. The State shall also have, to the fullest extent permitted by law all rights to any user interfaces and computer instructions embedded within the user interfaces or WWW pages. All WWW pages and any other data or information shall, where applicable, display the State's copyright. All rights, title and interest to FOX Systems, Inc.'s WWW site shall be and remain with FOX Systems, Inc. This section shall survive the termination or expiration of this Agreement
- b. FOX Systems, Inc. agrees to maintain the confidentiality of and to protect from unauthorized use, disclosure, publication, and reproduction, all confidential information of the State that becomes available to FOX Systems, Inc. in connection with its performance under the Contract. FOX Systems, Inc. shall not use any information developed or obtained during the performance of, or acquired or developed by reason of, the Contract, except as is directly connected to and necessary for performance by FOX Systems, Inc. under the Contract
- c. Any disclosure of the State's confidential information shall require prior written approval of the State. Information shall include, but not be limited to all data, record telecommunications content, studies, reports, written and software data files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, notes, letters, memoranda, papers, and documents, all whether finished or unfinished. The State's confidential information includes but is not limited to information of the State that is not predetermined to be subject to public disclosure under the laws of the State of New Hampshire
- d. FOX Systems, Inc. shall immediately notify the State if a subpoena or other legal process is served upon FOX Systems, Inc. regarding the State's confidential information, and FOX Systems, Inc. shall cooperate with the State in any effort it undertakes to contest the subpoena or other legal process. In the event of unauthorized use or disclosure of the State's confidential information, FOX Systems, Inc. shall immediately notify the State, and the State shall immediately be entitled to pursue any remedy at law or in equity, including, but not limited to injunctive relief
- e. FOX Systems, Inc. shall not disclose any information developed or obtained during the performance of, or acquired or developed by reason of, the Contract, except as



is directly connected to and necessary for performance by FOX Systems, Inc. under the Contract

- f. Insofar as FOX Systems, Inc. seeks to maintain the confidentiality of its confidential or proprietary information, FOX Systems, Inc. must clearly identify in writing the information it claims to be confidential or proprietary. FOX Systems, Inc. acknowledges that the State is subject to the Right to Know Law, RSA Chapter 91-A. The State shall maintain the confidentiality of the identified confidential or proprietary information insofar as it is consistent with applicable state and federal law, including but not limited to, RSA Chapter 91-A. In the event the State receives a request for the information identified by FOX Systems, Inc. as confidential or proprietary, the State shall notify FOX Systems, Inc. and specify the date the State will be releasing the requested information. Any effort to prohibit or enjoin the release of the information shall be the sole responsibility of FOX Systems, Inc. and at the sole expense of FOX Systems, Inc. If FOX Systems, Inc. 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 FOX Systems, Inc., without liability to FOX Systems, Inc.
- g. This Section 9.4: *Copyright, Intellectual Property Rights, and Confidentiality* shall survive the termination of the Contract

**10 FOX SYSTEMS, INC. PARTICIPATION**

FOX Systems, Inc. has read and agrees to all procedures as contained in DHHS MMIS QA RFP 2005-002 released May 14, 2004 and as amended.

**11 INTERNAL ESCALATION PROCEDURE FOR DISPUTES**

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), 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 by this Agreement.

The parties shall use all 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:

**Table 11-1: Dispute Resolution Responsibility and Schedule Table**

Level	FOX Systems, Inc.	The State	Alotted Time
Primary	Mike Sizemore Project Manager	Scott Kosowicz MMIS QA Manager	5 Business Days
First	John Thurman Consulting Services Director	Diane Delisle MMIS Director	10 Business Days
Second	Bill Larkin VP, Business Development	Stephen Norton Medicaid Director	15 Business Days
Third	Desh Ahuja Executive Vice President	John A. Stephen Commissioner	20 Business Days

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

## 12 DELIVERABLES

The Deliverables of this project for FOX Systems, Inc. are set forth in the table 12.1: *IT Services Deliverables and Schedule*.

The deliverable due date may be modified with prior written approval from the State QA Project Manager.

The schedule for the review of implementation vendor deliverables within the project lifecycle phases for the FOX Systems, Inc. deliverable 3.1 in Table 12.1 below may be modified with prior written approval from the State QA Project Manager to align with the MMIS Implementation Vendor's project deliverables schedule.

**Table 12-1 :IT Services Deliverables and Schedule (based upon a start date of September 1, 2004 or date of Governor and Council Approval which ever is later)**

1.1	Overall Finalized QA Plan	Within five (5) business days after contract approved and notice to proceed issued
1.1.1	Review Sessions and Meetings: <ul style="list-style-type: none"> <li>• Kickoff</li> <li>• Weekly Status Meetings</li> <li>• Other Meetings</li> </ul>	Kickoff-five (5) business days after project start. Weekly Status meeting
1.1.2	Publish session and meeting minutes and revised Project Plans	Must be done within two (2) business days after each meeting
1.1.3	Produce monthly Project Status Reports	First business day of the month, beginning October 1, 2004
1.1.4	Produce Monthly Project Risk Management Reports	First business day of the month, beginning October 1, 2004
1.2	Publish QA Work Plan and Schedule	Updated weekly, as required
1.3	Integrate QA Work Plan and Implementation Project Work Plan	February 1, 2005
1.4	Create Project Communication Plan	Within 30 days of project start
1.5	Create a Documentation plan for the Project	Within 30 days of project start
1.6	Create Paper Work and Electronic Media Control Procedures	Within 30 days of project start
1.7	DDI Deliverable Review and Approval Process	December 15, 2004
1.8	Establish process for review and approval of software development results	December 15, 2004
1.9	Create Expenditure Control Plan	Within 30 days of project start
1.10	REMOVED	REMOVED
1.11	Implementation Control Guidelines Plan	Done in conjunction with the MMIS Vendor
1.12	Create Project Newsletters for communication	Beginning November 1, 2004

	<ul style="list-style-type: none"> <li>• Bi-monthly until September 2005</li> <li>• Monthly thereafter</li> </ul>	
1.13	Establish a Project Scope Management and Change Control Plan	November 1, 2004
2.1	Business Rules Gap Analysis and Recommendations for new and/or modified Medicaid policy/rules	December 15, 2004
2.2	Create Business Rules Matrix	December 15, 2004
2.3	Report detailing provider billing manuals, bulletins, and claims resolution manuals	January 15, 2005
	Comprehensive analysis report of provider reimbursement methods, benefit levels, eligibility levels and program integrity requirements.	January 15, 2005
2.4	Embedded MMIS Code and Business Logic Analysis Logic	December 20, 2004
2.5	MMIS Eligibility Conversion Strategy Analysis	December 31, 2004
2.6	Business Processing Reengineering Recommendation Report	January 3, 2005
2.7	Report Specifications Analysis	January 3, 2005
3.1	<p>Report on the following Implementation Vendor Deliverables, deliverables can be moved between project phases based on the Implementation Vendor's work plan:</p> <ul style="list-style-type: none"> <li>• Project Management Plan</li> <li>• Detailed Project Work Plan</li> <li>• Problem Control and Change Management Plan</li> <li>• Project Communication Plan</li> <li>• Quality Assurance Plan</li> <li>• Issues Tracking and Resolution</li> <li>• Requirements Validation Specification</li> <li>• Requirements Traceability Matrix</li> <li>• General System Design</li> <li>• Detailed System Design</li> <li>• Test Environment Preparation</li> <li>• Finalized Disaster Recovery Plan</li> <li>• Finalized Security Plan</li> <li>• Construction and Unit Test Summary</li> <li>• Integration and System Test Scripts</li> <li>• MMIS Implementation Plan</li> </ul>	<p>Analysis reports of Implementation Vendor final deliverables due five (5) business days after receipt from the Implementation Vendor.</p> <p>The State expects FOX Systems, Inc. to conduct iterative reviews prior to receipt of the final Implementation Vendor deliverable. FOX Systems, Inc. must document all iterative review steps and activities leading up to the final deliverable document.</p>

	<ul style="list-style-type: none"> <li>• Finalized System Test Plan</li> <li>• Finalized Contingency Plan</li> <li>• Finalized Conversion Plan</li> <li>• Integration/System Test Summary</li> <li>• Integration/System Test Results</li> <li>• X12N EDI Companion Guides</li> <li>• Provider Status Evaluation</li> <li>• Revised Detailed System Design</li> <li>• Finalized Training Plan</li> <li>• Finalized Operations Plan</li> <li>• Training Materials/Manuals</li> <li>• Conversion Test Results</li> <li>• Acceptance Test Plan</li> <li>• Acceptance Test Resolutions Document</li> <li>• Acceptance Test Tracking System</li> <li>• Operational Readiness Report</li> <li>• Finalized MMIS User Manuals</li> <li>• Finalized MMIS Provider Handbooks</li> <li>• MMIS Systems Documentation</li> <li>• Results of Final Conversion</li> <li>• Evaluation plan</li> <li>• Evaluation report</li> <li>• Corrective action plan</li> <li>• Certification manuals for each required system function, including first-run reports for federally-required reports</li> </ul>	
3.2	Requirements Traceability Matrix Report	Initial RTM report due November 15, 2004, thereafter updates at specific intervals to include but not limited to: Requirements Validation, General System Design, Detail System Design, SIT, UAT
3.3	JAD session Reports	One (1) day after each JAD session is held by the Implementation Vendor
3.4	Technical Review Report	Five (5) business days after both General System Design, and Detail System Design
3.5	QA Test Plan	November 1, 2005
3.6	Integration and System Testing Report	January 2, 2006
3.7	User Acceptance Test Cases and Scripts	October 3, 2005
3.8	User Acceptance Testing	February 1, 2006
3.9	Issues Tracking Report	Weekly, during test phases
3.10	User Acceptance Testing Report Knowledge Transfer Plan	April 3, 2006
3.11	User and Provider Training Readiness	January 2, 2006

Reports		
3.12	Provider Readiness Assessment-Documentation and Communication	February 1, 2006
3.13	Provider Readiness Report	March 1, 2006
3.14	Operational Readiness Report	April 3, 2006
3.15	Implementation Readiness Report	April 3, 2006
3.16	Security Plan Report	March 1, 2006
3.17	Implementation Close Out Report	June 30, 2006
<b>4.0</b>		
4.1	MMIS Federal Certification Plan	August 1, 2006
4.2	Certification Readiness Report	September 2006
4.3	Certification plan review report	October 2006
4.4	Certification letter	October 2006
4.5	Project Close Out Report	December 2006

### 13 WARRANTIES

#### 13.1 SERVICES

Stability and responsiveness is essential. FOX Systems, Inc. must guarantee that all services to be provided under the Contract will be provided in a professional manner in accordance with industry standards; that services will comply with performance standards; and that time is of the essence in connection with the FOX Systems, Inc.'s performance of all its obligations under the Contract.

FOX Systems, Inc. must guarantee to deliver the project work plan, meeting notes and reports, and current system verification and validation results documentation, in written format and in electronic format compatible with Microsoft Office products, and in presentation format according to the approved project work plan submitted. Should FOX Systems, Inc. fail to do so, and the failure was not caused by the acts or omissions of the State, then FOX Systems, Inc. will be liable for all additional costs to the State to assure that the Verification and Validation of the MMIS System RFP is complete.

Notwithstanding any provision of the Contract, the State's option to terminate the Contract and pursue the remedies above will remain in effect until satisfactory completion of the full warranty period.

#### 13.2 WARRANTY PERIOD

The warranty shall extend for sixty (60) days after the completion of the tasks outlined in DHHS MMIS QA RFP 2004-002, *Appendix C: System Requirements*.

**14 ASSIGNMENT**

This Agreement and the services contemplated hereunder are personal to FOX Systems, Inc., and FOX Systems, Inc. shall not have the right or ability to assign, transfer, or subcontract any obligations under this Agreement without the written consent of the State.

**15 PERFORMANCE OF CONTRACT IN THE UNITED STATES**

FOX Systems, Inc. guarantees to the State of New Hampshire that all services provided for the life of this contract are performed in the United States.

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*DA-  
9/15/2004*

## EXHIBIT B: METHODS AND CONDITIONS PRECEDENT TO PAYMENT

**Contractor:** FOX Systems, Inc.

**Contract Period:** September 1, 2004 or date of Governor and Council Approval which ever is later until December 31, 2006

### Funding of Contract

- A. This contract is funded with funds from the New Hampshire General Fund in the amount of \$335,897.85 and with federal funds made available under the Catalog of Federal Domestic Assistance, CFDA # 93.778, Federal Agency Health and Human Services, Centers for Medicare and Medicaid Services, Program Title XIX (Medicaid) in the amount of \$2,642,097.15.
- B. Subject to the contractor's compliance with the terms and conditions of this Contract, and for services provided to eligible individuals, the Office of Medicaid Business and Policy (OMBP) shall reimburse FOX Systems, Inc. up to a maximum total payment of \$2,977,995.
- C. The total amount of all payments made to the contractor for costs and expenses incurred in the performance of the Medicaid Management Information System Quality Assurance services during the period September 1, 2004, or date of Governor and Council approval which ever is later, through December 31, 2006, shall not exceed \$2,977,995, as specified in Section 1.8, Pricing Limitation of the General Provisions (P-37), and in accordance with the project budget attached herewith and identified as Exhibit B-1, Budget.
- D. Subject to the Contractor's compliance with the terms and conditions of the Contract and for services provided according to this Contract, the Office of Medicaid Business and Policy (OMBP) shall reimburse FOX Systems, Inc. in table B-1b: *Budget by Phase*.

**Table B -1b: Budget by Phase**

Project Monitoring	\$782,755
Pre-DDI QA	\$440,378
DDI QA	\$1,500,873
Post-DDI QA	\$253,989
<b>Total:</b>	<b>\$2,977,995</b>

- E. The contractor may amend the contract budget through line item increases, decreases or the creation of new line items provided these amendments do not exceed the contract price. Such amendments shall only be made upon written request to and written approval by the Office of Medicaid Business and Policy (OMBP).
- F. Invoices shall be submitted monthly in a form prescribed by OMBP. The billing invoice shall:

1. Identify charges on an individual and item basis;
  2. Aggregate to a total amount for the month;
  3. Accompanied by a written narrative addressed to the Contracting Officer or designee for OMBP detailing the work completed in the proceeding month and the work planned for the ensuing month.
- G. Invoices shall be submitted to Office of Medicaid Business and Policy (OMBP) within ten (10) working days following the end of the month during which the contract activities were completed. The final invoice shall be due to OMBP no later than sixty (60) days after the completion date of this Contract.
- H. Payment will be made by OMBP subsequent to approval of the submitted invoice and if sufficient funds are available in the budget line item submitted by the contractor to cover the costs and expenses incurred in the performances of the services.
- I. The Contractor agrees to use and apply all payments made by the State for direct and indirect costs and expenses associated with the execution of this Agreement. The Contractor's expenses for administration of any subcontractors shall not exceed the amounts identified in the project budget. Allowable costs and expenses shall be determined by the State in accordance with the project budget and applicable state and federal laws and regulations.
- J. The Contractor agrees to not use or apply such payments for capital additions or improvements, dues to societies and organizations, entertainment cost, or any costs not prior approved in writing by the State
- K. The Contractor agrees to the current IT Services Hourly Rate established in Table B-3: Current Hourly Rates,

**Table B-3: Current Hourly Rates**

Client Executive	1	\$ 150.00
Project Manager	1	\$ 135.00
Medicaid Policy Expert	1	\$ 130.00
Pre-DDI Team Lead	1	\$ 135.00
Quality Assurance Lead	1	\$ 130.00
Eligibility Expert	1	\$ 125.00
JAD Facilitator	1	\$ 140.00
Business Analyst	2	\$ 130.00
Test Analyst	2	\$ 125.00
Code Analyst	2	\$ 98.00
Project Planning Analyst	1	\$ 80.00
Senior Business Analyst	1	\$ 130.00



Senior Test Analyst	1	\$ 125.00
Certification Specialist	2	\$ 135.00
TAG Member	4	\$ 150.00

L. The Contractor agrees to the future IT Services Hourly Rates established in Table B-4: *Future IT Services*.

**Table B-4: Future IT Services**

Client Executive	\$ 154.00	\$ 158.00	\$ 162.00	\$ 166.00
Project Manager	\$ 139.00	\$ 142.00	\$ 146.00	\$ 150.00
Medicaid Policy Expert	\$ 134.00	\$ 137.00	\$ 141.00	\$ 144.00
Quality Assurance Lead	\$ 134.00	\$ 137.00	\$ 141.00	\$ 144.00
JAD Facilitator	\$ 144.00	\$ 148.00	\$ 151.00	\$ 155.00
Business Analyst	\$ 134.00	\$ 137.00	\$ 141.00	\$ 144.00
Test Analyst	\$ 129.00	\$ 132.00	\$ 136.00	\$ 139.00
Code Analyst	\$ 101.00	\$ 104.00	\$ 106.00	\$ 109.00
Senior Business Analyst	\$ 134.00	\$ 137.00	\$ 141.00	\$ 144.00
Certification Specialist	\$ 139.00	\$ 142.00	\$ 146.00	\$ 150.00
TAG Member	\$ 154.00	\$ 158.00	\$ 162.00	\$ 166.00

M. The Contractor agrees to the minimum staffing levels established in Table B-5: *Minimum Staffing*.

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N. The Holdback will be determined based on Exhibit B-2: *Holdback*. The holdback is based on 15% of the total amount for each task (Project Monitoring, Pre-DDI QA, DDI Phase I, DDI Phase II and Post-DDI QA). The holdback amount will only be released 60 days after the successful completion of each project task as determined solely by the State. Determination of the successful completion of each task and the release of the holdback will not be unreasonably withheld. FOX Systems Inc. must request the holdback release funds through an invoice.

O. Invoices shall be sent to:

MMIS QA Contract Manager  
Office of Medicaid Business and Policy  
NH Department of Health & Human Services  
129 Pleasant St., Thayer Building  
Concord, NH 03301

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DA  
9/15/2004

Overall Finalized QA Plan	\$ 18,706			\$ 18,706	\$ 18,706		
Review sessions and meetings, Kickoff, Weekly Status Meetings, Other Meetings	\$ 293,800			\$ 293,800	\$ 126,786	\$ 167,714	
Publish session and meeting minutes and revised Project Plans		\$ 4,063	28	113,780	\$ 113,750	\$ 40,626	\$ 48,750 \$ 24,376
Produce Monthly Project Status Reports		\$ 1,237	27	36,105	\$ 36,105	\$ 12,635	\$ 16,047 \$ 6,023
Produce Monthly Project Risk Management Reports		\$ 1,285	27	34,705	\$ 34,705	\$ 11,568	\$ 15,424 \$ 7,712
Publish QA Work Plan and Schedule		\$ 1,236	28	34,705	\$ 34,705	\$ 12,965	\$ 14,674 \$ 7,437
Integrate QA Work Plan and Implementation Project Work Plan		\$ 857	28	19,705	\$ 19,705	\$ 4,284	\$ 10,261 \$ 5,140
Create Project Communication Plan	\$ 28,000			\$ 28,000	\$ 28,000		
Create a Documentation plan for the Project	\$ 19,705			\$ 19,705	\$ 19,705		
Create Paper Work and Electronic Media Control Procedures	\$ 14,705			\$ 14,705	\$ 14,705		
DOI Deliverable Review and Approval Process	\$ 34,705			\$ 34,705	\$ 34,705		
Establish process for review and approval of software development results	\$ 28,205			\$ 28,205	\$ 28,205		
Create Expenditure Control Plan	\$ 14,705			\$ 14,705	\$ 14,705		
Create cost benefit methodology Plan	N/A			N/A	N/A		
Implement Control Guidelines Plan	\$ 14,705			\$ 14,705	\$ 14,705		
Create Project Newsletters for Communications BI-Monthly until September 2005, monthly thereafter		\$ 1,594	21	32,850	\$ 32,850	\$ 6,257	\$ 17,207 \$ 8,386
Establish a Project Scope Management and Change Control Plan	\$ 45,000			\$ 45,000	\$ 45,000		
<b>Total</b>	<b>\$ 810,939</b>			<b>\$ 773,680</b>	<b>\$ 782,765</b>	<b>\$ 430,388</b>	<b>\$ 290,197 \$ 62,673</b>

2.1 Business Rule Gap Analysis and Recommendations for new and/or modified Medicaid policies	\$ 63,000			\$ 63,000	\$ 63,000	\$ 63,000	
2.2 Create Business Rule Matrix	\$ 37,965			\$ 37,965	\$ 37,965	\$ 37,965	
2.3 Report detailing provider billing manuals, bulletins, and claims resolution manuals	\$ 33,342			\$ 33,342	\$ 33,342	\$ 33,342	
Comprehensive analysis report of provider reimbursement methods, benefit levels, eligibility levels and program integrity requirements	\$ 37,894			\$ 37,894	\$ 37,894	\$ 37,894	
1.4 Embedded MMS Code and Business Logic Analysis Logic	\$ 48,342			\$ 48,342	\$ 48,342	\$ 48,342	
1.5 MMS Eligibility Conversion Strategy	\$ 73,405			\$ 73,405	\$ 73,405	\$ 73,405	
1.6 Business Process Reengineering Recommendations Report	\$ 44,180			\$ 44,180	\$ 44,180	\$ 44,180	
1.7 Report Specifications Analysis	\$ 112,200			\$ 112,200	\$ 112,200	\$ 112,200	
<b>Total</b>	<b>\$ 440,378</b>			<b>\$ 440,378</b>	<b>\$ 440,378</b>	<b>\$ 440,378</b>	<b>\$ - \$ -</b>

1 Report on Implementation Vendor Deliverables (see Exhibit B-1a)	\$ 418,703			\$ 418,703	\$ 180,078	\$ 240,764	\$ 41,870
2 Requirements Traceability Matrix Report	\$ 97,900			\$ 97,900	\$ 48,950	\$ 48,950	
3 JAD session Report	\$ 72,222			\$ 72,222	\$ 72,222	\$ 72,222	
4 Technical Review Report	\$ 84,322			\$ 84,322	\$ 84,322	\$ 84,322	
5 QA Test Plan	\$ 63,420			\$ 63,420	\$ 63,420	\$ 63,420	
6 Integration and System Testing Report	\$ 68,000			\$ 68,000		\$ 68,000	
7 User Acceptance Test Cases and Scripts	\$ 71,222			\$ 71,222		\$ 71,222	
8 User Acceptance Testing	\$ 77,022			\$ 77,022		\$ 77,022	
9 Issues Tracking Report	\$ 54,322			\$ 54,322		\$ 54,322	
User Acceptance Testing Report Knowledge Transfer Plan	\$ 61,822			\$ 61,822		\$ 61,822	
10 User and Provider Training Readiness Reports	\$ 78,890			\$ 78,890		\$ 78,890	
Provider Readiness Assessment-Documentation and Communication	\$ 57,040			\$ 57,040		\$ 57,040	
2 Provider Readiness Report	\$ 40,000			\$ 40,000		\$ 40,000	
4 Operational Readiness Report	\$ 35,022			\$ 35,022		\$ 35,022	
5 Implementation Readiness Report	\$ 96,222			\$ 96,222		\$ 96,222	
3 Security Plan Report	\$ 58,722			\$ 58,722		\$ 58,722	
7 Implementation Close Out Report	\$ 70,022			\$ 70,022		\$ 70,022	
<b>Total</b>	<b>\$ 1,348,651</b>			<b>\$ 1,500,873</b>	<b>\$ 404,992</b>	<b>\$ 983,988</b>	<b>\$ 111,892</b>

MMS Federal Certification Plan	\$ 65,578			\$ 65,578		\$ 65,578	
Certification Readiness Report	\$ 74,336			\$ 74,336		\$ 74,336	
1 Certification Plan Review Report	\$ 49,807			\$ 49,807		\$ 49,807	
1 Certification Letter	\$ 30,232			\$ 30,232		\$ 30,232	
1 Project Close Out Report	\$ 13,039			\$ 13,039		\$ 13,039	
<b>Total</b>	<b>\$ 253,989</b>			<b>\$ 253,989</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 253,989</b>
<b>Total</b>				<b>\$ 2,977,995</b>	<b>\$ 1,276,765</b>	<b>\$ 1,274,285</b>	<b>\$ 427,965</b>

**A. Project Initiation and Planning**

1. Project Management Plan
2. Detailed Project Work Plan
3. Problem Control and Change Management Plan
4. Project Communication Plan
5. Quality Assurance Plan
6. Issues Tracking and Resolution

**B. Requirements Analysis and Validation**

1. Requirements Validation Specification
2. Requirements Traceability Matrix

**C. Design**

1. General System Design
2. Detailed System Design
3. Test Environment Preparation
4. Finalized Disaster Recovery Plan
5. Finalized Security Plan

**D. Construction and Unit Testing**

1. Construction and Unit Test Summary
2. Integration and System Test Scripts
3. MMIS Implementation Plan
4. Finalized System Test Plan
5. Finalized Contingency Plan
6. Finalized Conversion Plan

**E. Integration/System Testing**

1. Integration/System Test Summary
2. Integration/System Test Results
3. X12N EDI Companion Guides
4. Provider Status Evaluation
5. Revised Detailed System Design
6. Finalized Training Plan
7. Finalized Operations Plan
8. Finalized Training Materials/Manuals

**F. Conversion**

1. Conversion Test Results

**G. Acceptance Test**

1. Acceptance Test Plan
2. Acceptance Test Resolutions Document
3. Acceptance Test Tracking System
4. Operational Readiness Report
5. Finalized MMIS User Manuals
6. Finalized MMIS Provider Handbooks

**H. Implementation**

1. MMIS Systems Documentation
2. Results of Final Conversion

**I. Post Implementation Evaluation**

1. Evaluation Plan
2. Evaluation Report
3. Corrective action plan
4. Certification manuals for each required system function, including first-run reports for federally-required reports

<b>[REDACTED]</b>			
Project Monitoring	782,755.00	15%	117,413.25
Pre-DDI QA	440,378.00	15%	66,056.70
DDI phase I (see Exhibit B-2a)	699,891.25	15%	104,983.69
DDI phase II (see Exhibit B-2a) and Post DDI QA	1,054,970.75	15%	158,245.61
<b>Project Total</b>	<b>\$ 2,977,995</b>	<b>15.0%</b>	<b>\$ 446,699.25</b>

<b>Requirements Traceability Matrix Report</b>		<b>\$ 97,900</b>
1/8 of Report on the Implementation Vendor deliverables		\$ 52,338
<b>Total</b>		<b>\$ 150,238</b>
<b>1/8 of Report on the Implementation Vendor deliverables</b>		<b>\$ 52,338</b>
<b>Total</b>		<b>\$ 52,338</b>
<b>JAD Session Report</b>		<b>\$ 72,222</b>
<b>Technical Review Report</b>		<b>\$ 84,322</b>
1/8 of Report on the Implementation Vendor deliverables		\$ 52,338
<b>Total</b>		<b>\$ 208,882</b>
<b>QA Test Plan</b>		<b>\$ 53,420</b>
1/8 of Report on the Implementation Vendor deliverables		\$ 52,338
<b>Total</b>		<b>\$ 115,758</b>
<b>Integration and System Testing Report</b>		<b>\$ 88,000</b>
1/8 of Report on the Implementation Vendor deliverables		\$ 52,338
<b>Total</b>		<b>\$ 120,338</b>
<b>1/8 of Report on the Implementation Vendor deliverables</b>		<b>\$ 52,338</b>
<b>Total</b>		<b>\$ 52,338</b>
<b>DDI Phase I Total</b>		<b>\$ 699,891</b>
<b>User Acceptance Test Cases and Scripts</b>		<b>\$ 71,222</b>
<b>User Acceptance Testing</b>		<b>\$ 77,022</b>
<b>Issues Tracking Report</b>		<b>\$ 54,322</b>
<b>User Acceptance Testing Report Knowledge Transfer Plan</b>		<b>\$ 61,822</b>
1/8 of Report on the Implementation Vendor deliverables		\$ 52,338
<b>Total</b>		<b>\$ 316,728</b>
<b>User and Provider Training Readiness Reports</b>		<b>\$ 78,890</b>
<b>Provider Readiness Assessment-Documentation and Communication</b>		<b>\$ 57,040</b>
<b>Provider Readiness Report</b>		<b>\$ 40,000</b>
<b>Operational Readiness Report</b>		<b>\$ 35,022</b>
<b>Implementation Readiness Report</b>		<b>\$ 98,222</b>
<b>Security Plan Report</b>		<b>\$ 58,722</b>
<b>Implementation Close Out Report</b>		<b>\$ 70,022</b>
1/8 of Report on the Implementation Vendor deliverables		\$ 52,338
<b>Total</b>		<b>\$ 484,258</b>
<b>None</b>		
<b>DDI Phase II Total</b>		<b>\$ 800,982</b>

\* The schedule for the review of implementation vendor deliverables within the project lifecycle phases for the FOX Systems, Inc. deliverable 3.1 in Table 12.1 below may be modified with prior written approval from the State QA Project Manager to align with the MMIS Implementation Vendor's project deliverables schedule.

Client Executive	John Truman	200					200
Project Manager	Michael Szemore	4,200					4,200
Medical Policy Expert	Bruce Weydemeyer	140	360			1,672	2,844
Quality Assurance Lead	Nancy Shump					2,672	2,672
Pre-DJI Lead/Senior Business Analyst	Arlon Sturpis	40	400		180	1,600	2,560
Project Planning Specialist	Jim Cox	2,600					2,600
Eligibility Expert/Testing Analyst	Ruth Bongiovanni			480		1,980	2,460
Code Analyst	Michael Koriszewski		500		100		600
Code Analyst	Joseph Miralles		300		300		600
JAD Facilitator/Senior Testing Analyst	Tom Walsh		160			1,680	1,840
Testing Analyst/Certification Specialist	Pat Schaffner		160	314	140	1,860	2,284
Business Analyst	Leaule Sturpis		440		160		600
TAG/Certification Specialist	Susan Fox		8		8	48	388
Technical Advisory Group (TAG)	William Larkin		8		8	48	80
Technical Advisory Group (TAG)	Kathleen Connor		8		8	48	80
Technical Advisory Group (TAG)	Manny Mordichian		8		8	48	80
Totals		7,802	2,342	794	912	11,456	24,312

DA  
 02/15/2004

EXHIBIT C  
SPECIAL PROVISIONS

1. **Provider's Obligations:** The Provider covenants and agrees that all funds received by the Provider under the Agreement shall be used only as payment to the Provider for services provided to eligible individuals and in the furtherance of the aforesaid covenants the Provider 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 (Social Service Block Grant).

4. **Documentation:** In addition to the designation forms required by the Department, the Provider 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 Provider shall furnish the Department with all forms and documentation regarding eligibility determinations which 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 recipient shall be informed of his/her right to a fair hearing in accordance with Department regulations.

6. **Conditions of Purchase and Payment to Contractor:**

**Retrospective Payments:** Notwithstanding anything to the contrary contained in the Agreement or in any other document, agreement or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for any Services provided to any individual prior to the Agreement 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 Agreement, 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 Provider's 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 Agreement 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 Provider is permitted to determine the eligibility of individuals for Services, the Provider agrees to reimburse the Department for all funds paid by the Department to the Provider 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. (Social Services Block Grant).

**Records: Maintenance, Retention, Audit, Disclosure  
and Confidentiality:**

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Provider covenants and agrees to maintain the following records during the Program Period:

8.1 **Fiscal Records:** Books, records, documents and other data evidencing and reflecting all Costs and other expenses incurred by the Provider in the performance of the Agreement, and all income received or collected by the Provider during the Program 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 invoices, regulations and orders, vouchers, regulations for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records regulated or required by the Department.

8.2 **Statistical Records:** Program statistical and enrollment, attendance or visit records for each recipient of Services during the Program 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 claim payment for such services.

8.3 **Medical Records:** Where appropriate and as prescribed by the Department regulations, the Provider shall retain medical records on each patient/recipient of Services. (Social Services Block Grant).

9. **Audit and Review:** During the term of this Agreement and the period for retention hereunder, the Department, the United States Department of Health and Human Services and any of its designated representatives shall have access to all reports and records maintained pursuant to the Agreement for purposes of audit, examination, excerpts and transcripts.

10. **Audit Liabilities:** In addition to and not in any way in limitation of obligations of the Agreement, 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 Agreement to which exception has been taken or which have been disallowed because of an exception.

11. **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 provisions 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 Nonprofit Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.

12. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the Services and the Agreement shall be confidential and shall not be disclosed by the Provider, 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 of the Agreement, 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 program 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 Agreement for any reason whatsoever.

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

13.1 **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 stipulated by the Department or deemed satisfactory by the Department.

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

14. **Completion of Services: Disallowance of Costs:** Upon the purchase by the Department of the maximum number of Units provided for in the Agreement and upon payment of the price for such Units hereunder, the Agreement and all the obligations of the parties hereunder (except such obligations as, by the terms of the Agreement are to be performed after the end of the term of the Agreement and/or survive the termination of the Agreement) shall terminate; provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any amount 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 amount from the Contractor.

15. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the Services or the Agreement shall include the following statement:



15.1 The preparation of this (report, document etc.) was financed under an Agreement with the State of New Hampshire, Department of Human Services of the Department of Health and Human Services with funds provided in part by the United States Department of Health and Human Services.

16. 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 provider 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 Agreement 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.

#### SPECIAL PROVISIONS - DEFINITIONS

As used in the Agreement, 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.

**FINANCIAL MANAGEMENT GUIDELINES:** Shall mean that section of the Provider Manual which is entitled "Financial Management Guidelines" and which contains the regulations governing the financial activities of provider agencies which have contracted with the Department 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 Agreement and setting forth the total cost and sources of revenue for each service to be provided under the Agreement.

**UNIT:** For each Service which 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 Agreement.

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

**PROVIDER MANUAL:** Shall mean that document prepared by the Department 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 Department and federal regulations promulgated thereunder.

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

DA  
9/14/2004

NH Department of Health and Human Services

STANDARD EXHIBIT D

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 of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

**CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS  
ALTERNATIVE I - FOR GRANTEEES OTHER THAN INDIVIDUALS**

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

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

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

The grantee certifies that it will or will 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 will be taken against employees for violation of such prohibition;
- (b) Establishing an ongoing drug-free awareness program to inform employees about—
  - (1) The dangers of drug abuse in the workplace;
  - (2) The grantee's policy of maintaining a drug-free workplace;
  - (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 will—
  - (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;

**CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS  
ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS, cont'd**

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

- (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).

The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

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

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

FOX Systems, Inc.

From: September 1, 2004 or date of Governor and Council Approval which ever is later through December 31, 2006

Contractor Name

Period Covered by this Certification

DESH AHUJA

Name and Title of Authorized Contractor Representative

*[Signature]*

9/15/2004

Contractor Representative Signature

Date

## NH Department of Health and Human Services

### STANDARD EXHIBIT E

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:

#### CERTIFICATION REGARDING LOBBYING

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

Programs (Indicate applicable program covered):

Aid to Families with Dependent Children Program under Title IV-A  
Child Support Enforcement Program under Title IV-D  
Job Opportunities and Basic Skills (JOBS) Program under Title IV-F  
Medicaid Program under Title XIX  
Social Services Block Grant Program under Title XX  
The Food Stamp Program under Title VII

Contract Period: September 1, 2004 or date of Governor and Council Approval which ever is later through December 31, 2006

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

No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).

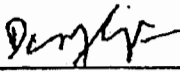
If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-1.

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.

CERTIFICATION REGARDING LOBBYING, cont'd

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

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



EXECUTIVE V.P.

Contractor Signature

Contractor's Representative Title

FOX Systems, Inc.  
Contractor Name.

2/15/2004  
Date

## NH Department of Health and Human Services

### STANDARD EXHIBIT F

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office Order 12529 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:

#### **CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS - PRIMARY COVERED TRANSACTIONS**

##### Instructions for Certification

By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.

The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.

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.

The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.

The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.

The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

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 Non-procurement List (of excluded parties).

**CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER  
RESPONSIBILITY MATTERS - PRIMARY COVERED TRANSACTIONS, cont'd**

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.

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.

**Certification Regarding Debarment, Suspension, and Other  
Responsibility Matters - Primary Covered Transactions**

The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:

- (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 of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or 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.

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).

**CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER  
RESPONSIBILITY MATTERS - PRIMARY COVERED TRANSACTIONS, cont'd**

**Certification Regarding Debarment, Suspension, Ineligibility and  
Voluntary Exclusion - Lower Tier Covered Transactions  
(To Be Supplied to Lower Tier Participants)**

By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR 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 will include this clause and "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 actions.

*Dingler*

EXECUTIVE V.P.

Contractor Signature

Contractor's Representative Title

Systems, Inc.

9/15/2004

Contractor's Name

Date



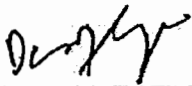
NH Department of Health and Human Services

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:

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.



EXECUTIVE V.P.

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Contractor Signature

Contractor's Representative Title

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FOX Systems, Inc.

Contractor Name

9/15/2004

Date

NH Department of Health and Human Services

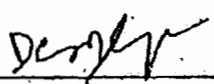
STANDARD EXHIBIT H

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 provide the following certification:

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

EXECUTIVE V.P.

Contractor's Representative Title

Systemis, Inc.

Contractor Name

9/15/2004

Date

## STANDARD EXHIBIT I

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 104-91 and with the Standards for Privacy of Individually Identifiable Health Information, 45 CFR Parts 160 and 164. As defined herein, "Business Associate" shall mean the Contractor and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

### *BUSINESS ASSOCIATE AGREEMENT*

(1) Definitions.

- a. "Designated Record Set" shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 CFR Section 164.501.
- b. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- c. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- d. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-91.
- e. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- f. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- g. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- h. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.501.
- i. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- j. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time.

**(2) Use and Disclosure of Protected Health Information.**

a. Business Associate shall not use or disclose PHI except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement, as amended to include this Exhibit H. Further, the Business Associate shall not, and shall ensure that its directors, officers, employees and agents, do not use or disclose PHI in any manner that would constitute a violation of the Privacy Rule if so used by Covered Entity.

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 c. below; or
- (iii) for data aggregation purposes for the health care operations of Covered Entity.

c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to immediately notify Business Associate of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.

d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, as amended to include this Exhibit H, 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.

If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions on the uses or disclosures of PHI pursuant to the Privacy Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions.

**(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, as amended to include this Exhibit H, of which it becomes aware, within two (2) business days of becoming aware of such unauthorized use or disclosure.

b. Business Associate shall use appropriate safeguards to prevent the use or disclosure of PHI other than as permitted by the Agreement, as amended to include this Exhibit H.

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 Rule.

d. Business Associate shall require all of its directors, officers, employees and agents, subcontractors, and third parties that receive, use or have access to PHI under the Agreement, as amended to include this Exhibit H, 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)k. herein. Business Associate shall also require its agents, subcontractors, and third parties to indemnify, defend and hold harmless Covered Entity from and against any claim, liability, or expense arising out of or relating to any non-permitted use or disclosure of PHI by the agents, subcontractors and third parties.

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, as amended to include this Exhibit H.

f. Within ten (10) 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) 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) days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.

j. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy 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, as amended to include this Exhibit H, 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, Business Associate shall continue to extend the protections of the Agreement, as amended by this Exhibit H, 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.

l. Business Associate shall only request, use and disclose the minimum amount of PHI necessary to accomplish the purpose of the request, use or disclosure.

#### **(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) Term and Termination**

a. Term. The Agreement, as amended to include this Exhibit H, shall become effective as of {insert effective date} and shall continue in effect until (i) termination of the Agreement, (ii) termination as provided herein, or (iii) termination by mutual agreement of the parties.

b. Termination for Cause.

Covered Entity may immediately terminate the Agreement, as amended to include this Exhibit H, if it determines that Business Associate has violated the Agreement. Upon Covered Entity's knowledge of a breach by Business Associate, Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy Rule, as amended from time to time. A reference in the Agreement, as amended to include this Exhibit H, to a Section in the Privacy 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, as amended to include this Exhibit H, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy Rule, and applicable federal and state law.
- c. No Third Party Beneficiaries. Nothing express or implied in the Agreement, as amended to include Exhibit H, is intended or shall be deemed to confer upon any person or entity other than the Covered Entity, the Business Associate, and their respective successors and assigns, any rights, obligations, remedies or liabilities whatsoever.
- d. 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.
- f. Interpretation. The parties agree that any ambiguity in the Agreement, as amended to include this Exhibit H, shall be resolved to permit Covered Entity to comply with HIPAA and the Privacy Rule.
- g. Indemnification. Business Associate shall indemnify, defend and hold harmless Covered Entity from and against any claim, liability, or expense arising out of or relating to any non-permitted use or disclosure of PHI by the Business Associate, including without limitation its directors, officers, and employees.
- h. Segregation. If any term or condition of this Exhibit H 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 H are declared severable.
- i. Survival. Provisions in this Exhibit H 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 section 6 g. shall survive the termination of the Agreement.

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

MA DHHS, OMBP

The State

[Signature]

Signature of Authorized Representative

Stephen A. Norton

Name of Authorized Representative

Director

Title of Authorized Representative

9/20/04

Date

FOX SYSTEMS, INC.

Name of the Contractor

[Signature]

Signature of Authorized Representative

DESK. ANUJA

Name of Authorized Representative

EXECUTIVE V-P.

Title of Authorized Representative

9/15/2004

Date