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STATE OF NEW HAMPSHIRE ~~JAN~~ 21 '15 AM 9:33 DAS
 DEPARTMENT OF HEALTH AND HUMAN SERVICES
 OFFICE OF MEDICAID BUSINESS AND POLICY

Nicholas A. Toumpas
 Commissioner

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Kathleen A. Dunn
 Associate Commissioner
 Medicaid Director

January 05, 2015

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 Medicaid Business and Policy to amend an existing agreement (Purchase Order #1031055) with Myers and Stauffer LC (vendor number 230291), 400 Redland Court, Suite 300, Owings Mills, MD 21117, to provide additional funds for certain federally mandated auditing functions by increasing the price limitation by \$34,320 from \$1,143,242 to \$1,177,562, effective upon Governor and Executive Council approval. The original contract was approved by the Governor and Executive Council on September 9, 2009 (Item #75), and subsequent amendments were approved on December 14, 2011 (Amendment #1, Item #75A) and on November 6, 2013 (Amendment #2, Item #55). The source of funding for the State Fiscal Year 2015 increased amount is 50% Federal funds and 50% Other funds.

Funds are available in the following accounts in State Fiscal Year 2015, and anticipated to be available in State Fiscal Year 2016, with the ability to adjust encumbrances between State Fiscal Years through the Budget Office, if needed and justified, without further approval from the Governor and Executive Council.

05-95-47-470010-7937 HEALTH AND SOCIAL SERVICES, DEPARTMENT OF HEALTH AND HUMAN SVCS, DEPT OF, HHS: OFC OF MEDICAID & BUS POLICY, OFC. OF MEDICAID & BUS POLICY, MEDICAID ADMINISTRATION

SFY	Class / Account	Class Title	Current Modified	Increase (Decrease)	Revised Modified
2010	500731	Contracts for Program Services	\$228,520	\$0.00	\$228,520
2011	500731	Contracts for Program Services	\$111,140	\$0.00	\$111,140
2012	500731	Contracts for Program Services	\$111,140	\$0.00	\$111,140

2013	500731	Contracts for Program Services	\$191,862	\$0.00	\$191,862
2014	500731	Contracts for Program Services	\$195,699	\$0.00	\$195,699
2015	500731	Contracts for Program Services	\$186,120	\$0.00	\$186,120
2016	500731	Contracts for Program Services	\$118,761	\$0.00	\$118,761
		Total	\$1,143,242	\$0.00	\$1,143,242

05-95-47-470010-7943 HEALTH AND SOCIAL SERVICES, DEPARTMENT OF HEALTH AND HUMAN SVCS, DEPT OF, HHS: OFC OF MEDICAID & BUS POLICY, UNCOMPENSATED CARE FUND

SFY	Class / Account	Class Title	Current Modified	Increase (Decrease)	Revised Modified
2015	500731	Contracts for Program Services	\$0.00	\$34,320	\$34,320
				Grand Total	\$1,177,562

EXPLANATION

The purpose of this request is to fund an additional 260 hours of billable work, to be performed by the vendor during State Fiscal Year 2015, to ensure the proper completion of the 2011 Disproportionate Share Hospitals audit. This additional work is needed due to a change that was made in 2010 to the manner in which radiology and therapy reimbursements were calculated. This resulted in credits being created that were inadvertently excluded from the Medicaid Management Information System data that was sent to the vendor. The 2011 audit now must be reworked to include the credits in the Medicaid Management Information System data.

The current agreement allows the Department to comply with Federal Regulations at 42 CFR Parts 447 and 455 Medicaid Program; Disproportionate Share Hospitals Payments; Final Rule, published in the Federal Register on December 19, 2008. This rule requires all State Medicaid Programs that make payments to disproportionate share hospitals for uncompensated care to obtain an independent audit and submit a report on those payments to the Centers for Medicare and Medicaid Services according to the requirements of Section 1923(j) of the Social Security Act. The Federal share of funding for disproportionate share hospitals payments is contingent on compliance with this rule.

Title XIX of the Social Security Act authorizes federal grants to states for Medicaid programs that provide medical assistance to low-income families, the elderly, and persons with disabilities. Section 1902(1)(13)(A)(iv) of the Act requires that states make Medicaid payment adjustments for hospitals that serve a disproportionate share of low-income patients with special needs. Section 1923 of the Act contains more specific requirements related to such disproportionate share hospitals payments, including aggregate annual state-specific limits on federal financial participation under Section 1923(f), and hospital-specific limits on disproportionate share hospitals payments under Section 1923(g). Under those hospital-specific limits, a hospital's disproportionate share payments may not exceed the costs incurred by that hospital in furnishing services during the given year to Medicaid patients and the uninsured. Other Medicaid payments made to the hospital, and payments made by uninsured patients are reflected as a reduction in the hospital's uncompensated care costs.

In addition, Section 1923(a)(2)(D) of the Act requires states to provide an annual report to the U.S. Department of Health and Human Services Secretary describing the payment adjustments made to each disproportionate share hospital. Section 1923(j)(2) of the Act requires states to have their disproportionate share hospitals payment programs independently audited and to submit the independent certified audit annually to the U.S. Department of Health and Human Services Secretary, and Section 1923(j) of the Act also makes Federal matching payments contingent upon a state's submission of the annual disproportionate share hospitals report and independent certified audit. The New Hampshire Department of Health and Human Services is the single state agency designated to administer Medical Assistance under Title XIX of the Federal Social Security Act.

Myers & Stauffer LC will provide a complete, certified, independent audit and report for each of the two (2) Medicaid State Plan Rate Years covered by this Amendment. The audits and reports will be submitted to the Department of Health and Human Services as follows:

- a. Medicaid Plan Year 2011 must be submitted no later than March 31, 2015; and;
- b. Medicaid Plan Year 2012 must be submitted no later than September 30, 2015.

The original Contract award was competitively bid. A Request for Proposals entitled "Disproportionate Share Hospitals Audit 10-0MBP-DSH-03" was published on the Department of Health and Human Services' website and a legal notice was published on June 7, 8, and 9, 2009, in the *New Hampshire Union Leader*. Additionally, notice of the Request was sent to 19 potentially interested certified public accounting firms throughout the United States. One proposal was received and evaluated by select staff. Based on the technical score and the proposed price, Clifton Gunderson LLP was the selected bidder scoring 98 points out of a potential 100 points. Clifton Gunderson LLP has solid experience in governmental audits in general and with disproportionate share hospitals programs in particular. Clifton Gunderson LLP sold the Regulatory Health Care Practice which performs the audits to Myers and Stauffer LC, an equally qualified and experienced Vendor currently providing required audit services in an exceptional manner with an attention to detail and quality.

Area served: Statewide.

Source of funds: The source of funding for the State Fiscal Year 2015 increased amount is 50% Federal funds and 50% Other funds. The source of funding for all State Fiscal Year current amounts is 50% Federal funds and 50% General funds.

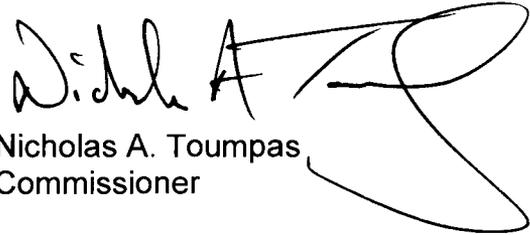
In the event that Federal Funds became no longer available, no further General Funds will be requested to support this program.

Respectfully submitted,



Kathleen A. Dunn, MPH
Associate Commissioner
Medicaid Director

Approved by:



Nicholas A. Toumpas
Commissioner



**State of New Hampshire
Department of Health and Human Services
Amendment #3 to the Disproportionate Share Hospital Audit Contract**

This 3rd Amendment to the Disproportionate Share Hospital Audit contract (hereinafter referred to as "Amendment #3") dated this 21st day of November, 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 Myers and Stauffer, LC (hereinafter referred to as "the Contractor"), a limited liability company with a place of business at 400 Redland Court, Suite 300, Owings Mills MD 21117.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on September 9, 2009 (Item #75), and amended by an agreement (Amendment #1 to the Contract) approved on December 14, 2011 (Item #75A), and amended by an agreement (Amendment #2 to the Contract) approved on November 6, 2013 (Item #55), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

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

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 18, the State may amend the contract by written agreement of the parties upon approval of the Governor and Executive Council; and

WHEREAS the parties have agreed to increase the price limitation with no change to the contract completion date; and

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

To amend as follows:

1. Form P-37, General Provisions , Block 1.8, Price Limitation, to read:
\$1,177,562
2. Delete Exhibit B, Methods and Conditions of Payment, Paragraph 1, and replace with:
This contract is funded with general funds, other and federal funds as follows:
CFDA # 93.778
Federal Agency: Centers for Medicare and Medicaid Services
Program Title: Medical Assistance Program
NH General Fund: \$571,621
Other 17,160
Federal Funds: \$588,781
Total Amount: \$1,177,562
3. Delete Exhibit B, Methods and Conditions of Payment, Item 1, Payment, and replace with:
The State will pay the Contractor for each completed audit of qualifying hospitals per audit year as follows:
 - 1.1 Medicaid Plan Year 2005 must be submitted no later than September 30, 2010;
 - 1.2 Medicaid Plan Year 2006 must be submitted no later than September 30, 2010;
 - 1.3 Medicaid Plan Year 2007 must be submitted no later than September 30, 2010;



- 1.4 Medicaid Plan Year 2008 must be submitted no later than September 30, 2011;
- 1.5 Medicaid Plan Year 2009 must be submitted no later than September 30, 2012;
- 1.6 Medicaid Plan Year 2010 must be submitted no later than September 30, 2013;
- 1.7 Medicaid Plan Year 2011 must be submitted no later than September 30, 2014;
- 1.8 Medicaid Plan Year 2012 must be submitted no later than September 30, 2015.

State Fiscal Year	Item	State Level Procedures	Hospital Level Procedures	Training	Subtotal
SFY 2010	Hours	256	1,512		
"	Cost	\$33,280	\$189,000	\$6,240	\$228,520
SFY 2011	Hours	128	756		
"	Cost	\$16,640	\$94,500	\$0	\$111,140
SFY 2012	Hours	128	756		
"	Cost	\$16,640	\$94,500	\$0	\$111,140
SFY 2013	Hours	120	1,380		
"	Cost	\$15,912	\$175,950	\$0	\$191,862
SFY 2014	Hours	120	1,380		
"	Cost	\$16,230	\$179,469	\$0	\$195,699
SFY 2015	Hours	120	1,545		
"	Cost	\$16,473	\$203,967	\$0	\$220,440
SFY 2016	Hours	120	762		
"	Cost	\$16,721	\$102,040	\$0	\$118,761
TOTAL					\$1,177,562

- 4. Standard Exhibit C, Special Provisions, is replaced with Exhibit C Amendment #1 Special Provisions.
- 5. Standard Exhibit G, Certification Regarding the Americans with Disabilities Act Compliance, is replaced with Exhibit G, Certification of Compliance with Requirements Pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower Protections.

New Hampshire Department of Health & Human Services
Myers and Stauffer, LC



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

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

State of New Hampshire
Department of Health and Human Services

1/6/15
Date

Kathleen A. Dunn
Kathleen A. Dunn, MPH
Associate Commissioner and
Medicaid Director

Myers and Stauffer LC

12/9/14
Date

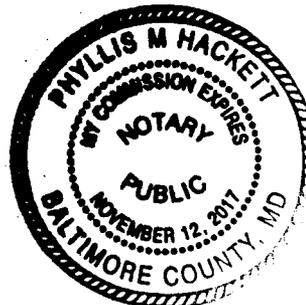
John D. Kraft
NAME John D. Kraft, Member
TITLE

Acknowledgement:

State of MARYLAND, County of BALTIMORE on 12/9/14, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

Phyllis M. Hackett
Name and Title of Notary or Justice of the Peace



**New Hampshire Department of Health & Human Services
Myers and Stauffer, LC**



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

OFFICE OF THE ATTORNEY GENERAL

1/14/15
Date

[Signature]
Name: Megan A. York
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:



SPECIAL PROVISIONS

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

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



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

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

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



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

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



more employees, it will maintain a current EEO on file and submit an EEO Certification Form to the OCR, certifying that its EEO is on file. For recipients receiving less than \$25,000, or public grantees with fewer than 50 employees, regardless of the amount of the award, the recipient will provide an EEO Certification Form to the OCR certifying it is not required to submit or maintain an EEO. Non-profit organizations, Indian Tribes, and medical and educational institutions are exempt from the EEO requirement, but are required to submit a certification form to the OCR to claim the exemption. EEO Certification Forms are available at: <http://www.ojp.usdoj/about/ocr/pdfs/cert.pdf>.

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

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

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

19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:

- 19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- 19.3. Monitor the subcontractor's performance on an ongoing basis



- 19.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 19.5. DHHS shall, at its discretion, review and approve all subcontracts.

If the Contractor identifies deficiencies or areas for improvement are identified, the Contractor shall take corrective action.

DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

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

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



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

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

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

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

The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment.

Exhibit G

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

Contractor Initials

New Hampshire Department of Health and Human Services
Exhibit G



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

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

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

Contractor Name: Myers and Stauffer, LC

12/9/2014

Date

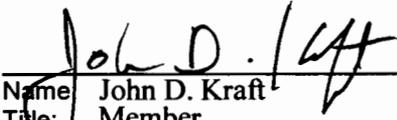

Name: John D. Kraft
Title: Member

Exhibit G

Contractor Initials _____

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

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 MYERS AND STAUFFER LC doing business in New Hampshire as MYERS AND STAUFFER LLC, a(n) Kansas limited liability company, registered to do business in New Hampshire on December 18, 1997. 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 15th day of April, A.D. 2014

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

William M. Gardner
Secretary of State



MYERS AND STAUFFER LC
Certificate of Authority

I, Kevin C. Londeen, hereby certify that I am a member of the Executive Committee of Myers and Stauffer LC, a Kansas limited liability company also doing business in other states. I hereby certify the following is a true copy of an action taken by the Executive Committee at a meeting held on June 1, 2014.

We hereby authorize the following individuals to enter into contracts and agreements with state agencies on behalf of Myers and Stauffer LC. We further authorize said individuals to execute any documents with state agencies, which may in their judgment be desirable or necessary to properly discharge our contractual obligations. The authority to sign the amendment documents remains in full force and effect and has not been revoked as of the date the amendment document was signed.

- | | | |
|-----------------------|-------------------------|-------------------------|
| Tamara B. Bensky (M) | T. Allan Hansen (P) | Tammy M. Martin (M) |
| Robert M. Bullen (M) | Robert J. Hicks (M) | Sheryl M. Pannell (M) |
| Keenan S. Buoy (M) | Mark K. Hilton (M) | Amy C. Perry (M) |
| John B. Dresslar (M) | Michael D. Johnson (M) | Andrew R. Ranck (M) |
| Jared B. Duzan (P) | Beverly L. Kelly (M) | Connie L. Reinhardt (M) |
| James D. Erickson (M) | Kristopher J. Knerr (M) | Charles T. Smith (M) |
| Ryan M. Farrell (P) | John D. Kraft (M) | Keith R. Sorensen (M) |
| Ronald E. Franke (P) | Kevin C. Londeen (M) | Frank N. Vito (M) |

(M) = Member, (P) = Principal


Kevin C. Londeen, Member

State of Kansas
County of Johnson

On this 9th day of December, 2014, before me

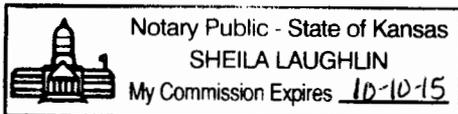
appeared Kevin C. Londeen, to me known, to be the person(s) described in and who, being by me duly sworn, did say that he/she/they is/are a

member of Myers and Stauffer LC, the Firm named in the foregoing instrument and that he/she/they is/are authorized to sign said instrument on behalf of the Firm and acknowledges that he/she/they executed said instrument as the free act and deed of the Firm.


Signature

Sheila Laughlin
Print Name

Notary Public of Kansas
My commission expires 10-10-15



Client#: 52154

MYERSTA

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 8/26/2014

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: CBIZ Insurance Services, 9755 Patuxent Woods Drive, Suite 200, Columbia, MD 21046. CONTACT NAME: [blank], PHONE (A/C, No, Ext): 610-862-2249, FAX (A/C, No): [blank], E-MAIL ADDRESS: [blank]. INSURER(S) AFFORDING COVERAGE: INSURER A: Hartford Casualty Insurance Co, NAIC #: 29424. INSURED: Myers and Stauffer, LC, 11440 Tomahawk Creek Parkway, Leawood, KS 66211.

COVERAGES CERTIFICATE NUMBER: 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.

Table with columns: INSR LTR, TYPE OF INSURANCE, ADDL SUBR INSR, POLICY NUMBER, POLICY EFF (MM/DD/YYYY), POLICY EXP (MM/DD/YYYY), LIMITS. Rows include General Liability, Automobile Liability, Umbrella Liability, and Workers Compensation and Employers' Liability.

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

CERTIFICATE HOLDER

CANCELLATION

State of New Hampshire Dept of Health and Human Services Office of Medicaid Business and Policy 129 Pleasant St CONCORD, NH 03301

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

AUTHORIZED REPRESENTATIVE

CBIZ Insurance Services, Inc.

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

129 PLEASANT STREET, CONCORD, NH 03301-3857
 603-271-9422 1-800-852-3345 Ext.9422
 Fax: 603-271-8431 TDD Access: 1-800-735-2964

Nicholas A. Toumpas
 Commissioner

Kathleen A. Dunn
 Associate Commissioner

September 23, 2013

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

Approved by 11/6/13
 Date _____
 Page _____
 Item # 55
 Contract # _____

REQUESTED ACTION

Authorize the Department of Health and Human Services, Office of Medicaid Business and Policy to enter into an Amendment to an Agreement (Purchase Order #1031055) with Myers and Stauffer, LC, (previously Clifton Gunderson LLP) 400 Redland Court, Suite 300, Owings Mills MD 21117 (Vendor Code #230291), to provide additional funds for certain federally mandated auditing functions by increasing the price limitation by \$304,881.00 from \$838,361.00 to \$1,143,242.00 and extending the completion date from December 31, 2013 to December 31, 2015. This Agreement was originally approved by Governor and Executive Council on September 9, 2009, Item #75. Funds are available in the following account in State Fiscal year 2015 and anticipated to be available in State Fiscal year 2016, upon the availability and continued appropriation of funds in the future operating budgets with authority to adjust amounts if needed and justified between State Fiscal Years.

**05-00095-47-470010-7937 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS
 DEPT OF, HHS: OFC OF MEDICAID & BUS PLCY, OFF. OF MEDICAID & BUS. POLICY, MEDICAID
 ADMINISTRATION**

State Fiscal Year	Class Object	Class Title	Current Modified Budget	Increase/(Decrease) Amount	Revised Modified Budget
SFY 2010	102/500/731	Contracts for Program Services	\$228,520.00	\$0.00	\$228,520.00
SFY 2011	102/500/731	Contracts for Program Services	\$111,140.00	\$0.00	\$111,140.00
SFY 2012	102/500/731	Contracts for Program Services	\$111,140.00	\$0.00	\$111,140.00
SFY 2013	102/500/731	Contracts for Program Services	\$191,862.00	\$0.00	\$191,862.00
SFY 2014	102/500/731	Contracts for Program Services	\$195,699.00	\$0.00	\$195,699.00
SFY 2015	102/500/731	Contracts for Program Services	\$0.00	\$186,120.00	\$186,120.00
SFY 2016	102/500/731	Contracts for Program Services	\$0.00	\$118,761.00	\$118,761.00
Total			\$838,361.00	\$304,881.00	\$1,143,242.00

EXPLANATION

The purpose of this request is to extend the current Agreement that will allow the New Hampshire Department of Health and Human Services to comply with Federal Regulations at 42 CFR Parts 447 and 455 Medicaid Program; Disproportionate Share Hospital Payments; Final Rule, published in the Federal Register on December 19, 2008. This rule requires all State Medicaid Programs that make payments to disproportionate share hospitals for uncompensated care to obtain an independent audit and submit a report on those payments to the Centers for Medicare and Medicaid Services according to the requirements of Section 1923(j) of the Social

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Executive Council
November 13, 2013
Page 2 of 3

Security Act. The Federal share of funding for disproportionate share hospitals payments is contingent on compliance with this rule.

Title XIX of the Social Security Act authorizes Federal grants to States for Medicaid programs that provide medical assistance to low-income families, the elderly, and persons with disabilities. Section 1902(1)(13)(A)(iv) of the Act requires that States make Medicaid payment adjustments for hospitals that serve a disproportionate share of low-income patients with special needs. Section 1923 of the Act contains more specific requirements related to such disproportionate share hospitals payments, including aggregate annual state-specific limits on Federal financial participation under Section 1923(f), and hospital-specific limits on disproportionate share hospitals payments under Section 1923(g). Under those hospital specific limits, a hospital's disproportionate share hospitals payments may not exceed the costs incurred by that hospital in furnishing services during the given year to Medicaid patients and the uninsured, less other Medicaid payments made to the hospital, and payments made by uninsured patients ("uncompensated care costs").

In addition, Section 1923(a)(2)(D) of the Act requires States to provide an annual report to the U.S. Department of Health and Human Services' Secretary describing the payment adjustments made to each disproportionate share hospitals. Section 1923(j)(2) of the Act requires States to have their disproportionate share hospitals payment programs independently audited and to submit the independent certified audit annually to the U.S. Department of Health and Human Services Secretary and Section 1923(j) of the Act also makes Federal matching payments contingent upon a State's submission of the annual disproportionate share hospitals report and independent certified audit. The New Hampshire Department of Health and Human Services is the single state agency designated to administer Medical Assistance under Title XIX of the Federal Social Security Act.

This extension is allowed in accordance with the Agreement Specifications defined in Exhibit A, which incorporate by reference the Request for Proposals issued to procure these services. The Request For Proposals states in part "Any contract developed from this RFP may be extended for two two-year terms with the approval of the Governor and Executive Council." The extension provision was inadvertently omitted from the initial Governor and Executive Council request letter dated August 24, 2009 and approved by Governor and Executive Council on September 9, 2009, Item #75.

This extension allows for an increase of \$186,120.00 for completion of the annual audit in State Fiscal Year 2015 and \$118,761.00 in State Fiscal Year 2016. The increases in cost are based on the two year extension. Despite the slight increase in the rate the overall dollar amount is less for each of the next two years due to fewer hospitals receiving disproportionate share payments than SFYs 2013 and 2014.

Myers & Stauffer LC (previously Clifton Gunderson LLP) will provide a complete, certified, independent audit and report for each of the two (2) Medicaid State Plan Rate Years covered by this Amendment. The audits and reports will be submitted to the Department of Health and Human Services as follows:

- a. Medicaid Plan Year 2011 must be submitted no later than September 30, 2014; and;
- b. Medicaid Plan Year 2012 must be submitted no later than September 30, 2015.

The original Contract award was competitively bid. A Request for Proposals entitled "Disproportionate Share Hospital (DSH) Audit 10-OMBP-DSH-03" was published on the Department of Health and Human Services' website and a legal notice was published on June 7, 8, and 9, 2009, in the *New Hampshire Union Leader*. Additionally, notice of the Request was sent to 19 potentially interested certified public accounting firms throughout the United States. One proposal was received and evaluated by select staff. Based on the technical score and the proposed price, Clifton Gunderson LLP was the selected bidder scoring 98 points out of a potential 100 points. Clifton Gunderson LLP's proposal documented a complete, well articulated, and comprehensive understanding of this project and the cost proposal was within the estimated fee parameters. Clifton Gunderson LLP has solid experience in governmental audits in general and with disproportionate share hospitals programs in

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Executive Council
November 13, 2013
Page 3 of 3

particular. Clifton Gunderson LLP's qualifications relating to this complex funding process are extensive. They were the first firm in the nation to be engaged by a state to audit pursuant to the new Centers of Medicare and Medicaid Services audit ruling. Clifton Gunderson LLP was the only certified public accounting firm to engage the Centers of Medicare and Medicaid Services throughout the development of the final rule and to submit comments and clarifying questions during the draft rule comment period. Clifton Gunderson LLP sold the Regulatory Health Care Practice which performs the audits to Myers and Stauffer LC.

Area served: Statewide.

Source of Funds: 50% federal and 50% general funds.

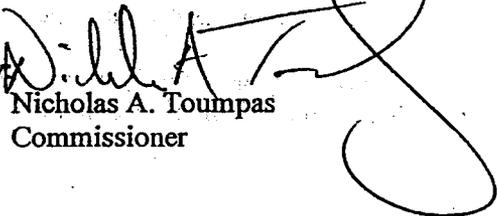
In the event that the federal funds become no longer available, general funds will not be requested to support this program.

Respectfully submitted,



Kathleen A. Dunn, MPH
Associate Commissioner
Medicaid Director

Approved by



Nicholas A. Toumpas
Commissioner

**State of New Hampshire
Department of Health and Human Services
Amendment 2 to the
Clifton Gunderson, LLP (now performed by Myers and Stauffer LC) Contract**

This 2nd Amendment to the Clifton Gunderson, LLP (now performed by Myers and Stauffer LC). Contract (hereinafter referred to as "Amendment 2") dated this 27th day of September, 2013 is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Myers and Stauffer LC (hereinafter referred to as "the Contractor") with a place of business at 400 Redland Court, Suite 300, Owings Mills MD 21117.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on September 9, 2009, Item 75, vendor code #168967, the Contractor agrees to perform certain services based upon the terms and conditions specified in the Contract, and in consideration of certain sums specified; and

WHEREAS, pursuant to paragraph 18 of the General Provisions, Form P-37, the Contract may be modified or amended only by a written instrument executed by the parties thereto, and only after approval of such modification by the Governor and Executive Council; and

WHEREAS, the Office of Medicaid Business and Policy and the Contractor have agreed to amend the Contract in certain respects; and

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

Scope of Amendment

1. Except as specifically amended and modified by the terms and conditions in this Amendment 2, the obligations of the parties shall remain in full force and effect in accordance with the terms and conditions set forth in the Contract referenced above.

General Provisions, Form P-37

2. In Box 1.3 Contractor name is changed from Clifton Gunderson LLP to Myers and Stauffer LC
3. In Box 1.4 Contractor Address is changed from 9515 Deercro Road Suite 500, Timonium, MD 21093-2184 to 400 Redland Court, Suite 300, Owings Mills MD 21117
4. In Box 1.5 Contractor Phone Number is changed from (888) 778-9588 to (410) 581-4543
5. In Box 1.7 Completion Date is changed from December 31, 2011 to December 31, 2015
6. In Box 1.8 Price Limitation: The Price Limitation in paragraph 1.8 is increased by \$304,881 from 838,361.00 to \$1,143,242.00

NH DHHS, Office of Medicaid Business and Policy
Amendment 2
Clifton Gunderson LLP (now performed by Myers and Stauffer LC)

Exhibits A through J

Where applicable, change as follows:

7. **Effective Date:** All exhibits and attachments to the original Contract remain in effective unless otherwise specified; Amendment two (2) and exhibits and attachments to Amendment two (2) are effective as of the date of Governor and Executive Council approval, January 1, 2014 whichever is later, unless otherwise specified herein.
8. **Contract Period:** Changed to January 1, 2014 to December 31, 2015
9. **Contractor Name, Address and Telephone are changed from;**

Clifton Gunderson LLP
9515 Deereco Road, Suite 500
Timonium, MD 21093-2184
Phone 888-778-9588
FAX 410-453-0914

To

Myers and Stauffer LC
400 Redland Court, Suite 300
Owings Mills MD 21117
Phone 410-581-4543
FAX 410-356-0188

Exhibit A Scope of Services

10. **Exhibit A I. Scope of Services Paragraph 2.1 Contract Deliverables Item B,** is hereby amended by inserting the following paragraph:

B. Provide a complete, certified, independent Audit and a Report for each of the eight (8) Medicaid State Plan Rate Years. Must be submitted to the Department including a face-to-face presentation of the audit findings to DHHS staff and other attendees as designated by the DHHS Project Manager as follows:

- a. Medicaid Plan Years 2005 and 2006 must be submitted no later than January 31, 2010;
- b. Medicaid Plan Year 2007 must be submitted no later than September 30, 2010;
- c. Medicaid Plan Year 2008 must be submitted no later than September 30, 2011;
- d. Medicaid Plan Year 2009 must be submitted no later than September 30, 2012;
- e. Medicaid Plan Year 2010 must be submitted no later than September 30, 2013.

Contractor Initials: JK

Date: 9/24/2013

NH DHHS, Office of Medicaid Business and Policy
Amendment 2
Clifton Gunderson LLP (now performed by Myers and Stauffer LC)

- f. Medicaid Plan Year 2011 must be submitted no later than September 30, 2014;
- g. Medicaid Plan Year 2012 must be submitted no later than September 30, 2015;

Contractor submission dates are based upon assumptions that all necessary documentation will be received timely from providers and DHHS based upon the schedule established between the Contractor and DHHS, and that hospitals will be cooperative and timely in providing any additional documentation that may need to be required during the performance of the engagement. DHHS will work with the Contractor to establish acceptable timeframes that will meet the needs of CMS and DHHS.

Exhibit B, Methods and Conditions of Payment

- 11. Paragraph 1 of Exhibit B, Methods and Conditions of Payment, is hereby amended by replacing that paragraph with the following:

This contract is funded by the New Hampshire General Fund and/or by Federal Funds made available under the Catalog of Federal Domestic Assistance (CFDA), as follows:

NH General Fund: \$571,621

Federal Funds: \$571,621

CFDA #: 93.778

Federal Agency: Centers for Medicare and Medicaid Services

Program Title: Medical Assistance Program

Amount: \$1,143,242

- 12. Item 1 Payment of Exhibit B is hereby amended by replacing that paragraph with the following:

The State will pay the Contractor for each completed audit of qualifying hospitals per audit year as follows:

- 1.1 Medicaid Plan Year 2005 must be submitted no later than September 30, 2010;
- 1.2 Medicaid Plan Year 2006 must be submitted no later than September 30, 2010;
- 1.3 Medicaid Plan Year 2007 must be submitted no later than September 30, 2010;
- 1.4 Medicaid Plan Year 2008 must be submitted no later than September 30, 2011;
- 1.5 Medicaid Plan Year 2009 must be submitted no later than September 30, 2012;
- 1.6 Medicaid Plan Year 2010 must be submitted no later than September 30, 2013;
- 1.7 Medicaid Plan Year 2011 must be submitted no later than September 30, 2014;
- 1.8 Medicaid Plan Year 2012 must be submitted no later than September 30, 2015.

Contractor Initials: *JK*

Date: 9/24/2013 ³

NH DHHS, Office of Medicaid Business and Policy
Amendment 2
Clifton Gunderson LLP (now performed by Myers and Stauffer LC)

Approved by the New Hampshire Attorney General's Office by

Jeanette Hervey
Name: *Jeanette Hervey*
Title: *Attorney*

10/3/13

I hereby certify that the foregoing instrument was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: _____

OFFICE OF THE SECRETARY OF STATE

By: _____

Title: _____

Contractor Initials: *JK*

Date: *9/24/2013*⁶



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

129 PLEASANT STREET, CONCORD, NH 03301-3857
603-271-9384 1-800-852-3345 Ext.9384
Fax: 603-271-8431 TDD Access: 1-800-735-2964

Nicholas A. Toumpas
Commissioner

Kathleen A. Dunn
Director

December 6, 2011

Approved by GTC
Date 12-14-11
Page _____
Item # 75A
Contract # _____

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

REQUESTED ACTION

Authorize the Department of Health and Human Services, Office of Medicaid Business and Policy to enter into an Amendment to an Agreement (Purchase Order #1002824) with Clifton Gunderson, LLP, 9515 Deereco, Timonium, Maryland 21093-2184 (Vendor Code #168967), to provide additional funds for certain federally mandated auditing functions by increasing the price limitation by \$387,561.00 from \$450,800.00 to \$838,361.00 and extending the completion date from December 31, 2011 to December 31, 2013. This Agreement was originally approved by Governor and Executive Council on September 9, 2009, Item #75. Funds are available in the following account in State Fiscal year 2013 and anticipated to be available in State Fiscal year 2014, upon the availability and continued appropriation of funds in the future operating budgets with authority to adjust amounts if needed and justified between State Fiscal Years.

**05-95-95-956010-6126 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS,
HHS: COMMISSIONER, OFF MEDICAID & BUSINESS POLICY, MEDICAID ADMINISTRATION**

State Fiscal Year	Class Object	Class Title	Current Modified Budget	Increase/(Decrease) Amount	Revised Modified Budget
SFY 2010	102/500/731	Contracts for Program Services	\$228,520.00	\$0.00	\$228,520.00
SFY 2011	102/500/731	Contracts for Program Services	\$111,140.00	\$0.00	\$111,140.00
SFY 2012	102/500/731	Contracts for Program Services	\$111,140.00	\$0.00	\$111,140.00
SFY 2013	102/500/731	Contracts for Program Services	\$0.00	\$191,862.00	\$191,862.00
SFY 2014	102/500/731	Contracts for Program Services	\$0.00	\$195,699.00	\$195,699.00
Total			\$450,800.00	\$387,561.00	\$838,361.00

EXPLANATION

The purpose of this request is to extend the current Agreement that will allow the New Hampshire Department of Health and Human Services to comply with Federal Regulations at 42 CFR Parts 447 and 455 Medicaid Program; Disproportionate Share Hospital Payments; Final Rule, published in the Federal Register on December 19, 2008. This rule requires all State Medicaid Programs that make payments to disproportionate share hospitals for uncompensated care to obtain an independent audit and submit a report on those payments to the Centers for Medicare and Medicaid Services according to the requirements of Section 1923(j) of the Social

Security Act. The Federal share of funding for disproportionate share hospitals payments is contingent on compliance with this rule.

Title XIX of the Social Security Act authorizes Federal grants to States for Medicaid programs that provide medical assistance to low-income families, the elderly, and persons with disabilities. Section 1902(1)(13)(A)(iv) of the Act requires that States make Medicaid payment adjustments for hospitals that serve a disproportionate share of low-income patients with special needs. Section 1923 of the Act contains more specific requirements related to such disproportionate share hospitals payments, including aggregate annual state-specific limits on Federal financial participation under Section 1923(f), and hospital-specific limits on disproportionate share hospitals payments under Section 1923(g). Under those hospital specific limits, a hospital's disproportionate share hospitals payments may not exceed the costs incurred by that hospital in furnishing services during the given year to Medicaid patients and the uninsured, less other Medicaid payments made to the hospital, and payments made by uninsured patients ("uncompensated care costs").

In addition, Section 1923(a)(2)(D) of the Act requires States to provide an annual report to the U.S. Department of Health and Human Services' Secretary describing the payment adjustments made to each disproportionate share hospitals. Section 1923(j)(2) of the Act requires States to have their disproportionate share hospitals payment programs independently audited and to submit the independent certified audit annually to the U.S. Department of Health and Human Services Secretary and Section 1923(j) of the Act also makes Federal matching payments contingent upon a State's submission of the annual disproportionate share hospitals report and independent certified audit. The New Hampshire Department of Health and Human Services is the single state agency designated to administer Medical Assistance under Title XIX of the Federal Social Security Act.

This extension is allowed in accordance with the Agreement Specifications defined in Exhibit A, which incorporate by reference the Request for Proposals issued to procure these services. The Request For Proposals states in part "Any contract developed from this RFP may be extended for two two-year terms with the approval of the Governor and Executive Council." The extension provision was inadvertently omitted from the initial Governor and Executive Council request letter dated August 24, 2009 and approved by Governor and Executive Council on September 9, 2009, Item #75.

This extension allows for an increase of \$191,862.00 for completion of the annual audit in State Fiscal Year 2013 and \$195,699.00 in State Fiscal Year 2014. The increases in cost are based on the increase in time and effort required to properly complete these audits, derived from the vendor's experience with the completion of the initial set of required audits.

Clifton Gunderson LLP will provide a complete, certified, independent audit and report for each of the two (2) Medicaid State Plan Rate Years covered by this Amendment. The audits and reports will be submitted to the Department of Health and Human Services as follows:

- a. Medicaid Plan Year 2009 must be submitted no later than September 30, 2012; and;
- b. Medicaid Plan Year 2010 must be submitted no later than September 30, 2013.

The original Contract award was competitively bid. A Request for Proposals entitled "Disproportionate Share Hospital (DSH) Audit 10-OMB-DSH-03" was published on the Department of Health and Human Services' website and a legal notice was published on June 7, 8, and 9, 2009, in the *New Hampshire Union Leader*. Additionally, notice of the Request was sent to 19 potentially interested certified public accounting firms throughout the United States. One proposal was received and evaluated by select staff. Based on the technical score and the proposed price, Clifton Gunderson LLP was the selected bidder scoring 98 points out of a potential 100 points. Clifton Gunderson LLP's proposal documented a complete, well articulated, and comprehensive understanding of this project and the cost proposal was within the estimated fee parameters. Clifton Gunderson LLP has solid experience in governmental audits in general and with disproportionate share hospitals programs in particular. Clifton Gunderson LLP's qualifications relating to this complex funding process are extensive. They

were the first firm in the nation to be engaged by a state to audit pursuant to the new Centers of Medicare and Medicaid Services audit ruling. Clifton Gunderson LLP was the only certified public accounting firm to engage the Centers of Medicare and Medicaid Services throughout the development of the final rule and to submit comments and clarifying questions during the draft rule comment period.

Area served: Statewide.

Source of Funds: 50% federal and 50% general funds.

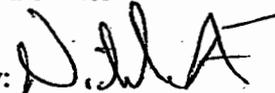
In the event that the federal funds become no longer available, general funds will not be requested to support this program.

Respectfully submitted,



Kathleen A. Dunn
Director

Approved by:



Nicholas A. Toumpas
Commissioner

**State of New Hampshire
Department of Health and Human Services
Amendment to the
Clifton Gunderson, LLP Contract**

This Amendment to the Clifton Gunderson, LLP Contract (hereinafter called "Amendment") dated this 1st day of December, 2011, is by and between the State of New Hampshire acting by and through the Department of Health and Human Services, Office of Medicaid Business and Policy and Clifton Gunderson, LLP, 9515 Deereco, Timonium, Maryland 21093-2184 (hereinafter referred to as the "Contractor").

WHEREAS, pursuant to an agreement approved by Governor and Executive Council on September 9, 2009, the Contractor has agreed to provide certain services upon the terms and conditions specified in the Agreement, in consideration of payment by the Office of Medicaid Business and Policy of certain sums as specified therein; and

WHEREAS, pursuant to the provisions of paragraph 17 of the General Provisions of the Agreement, form P-37, the Agreement may be amended, waived, or discharged only by an instrument in writing signed by the parties thereto and only after the approval of such amendment, waiver, or discharge by the Governor and Executive Council of the State of New Hampshire;

WHEREAS, the Office of Medicaid Business and Policy and the Contractor have agreed to amend the Agreement in certain respects;

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

1. Continuation of Agreement: Except as specifically amended and modified by the terms and conditions of this Amendment, the Contract, and the obligations of the parties hereunder, shall remain in full force and effect in accordance with the terms and conditions set forth therein.

General Provisions, Form P-37

2. The general provisions contained in the "General Provisions," form P-37 are hereby amended as follows: the completion date in paragraph 1.7 is extended from December 31, 2011, to December 31, 2013, in addition any completion date appearing elsewhere in the Contract, including but not limited to Exhibit A, standard Exhibit D's reference to the "Period Covered by this Certification", and standard Exhibit E's reference to the "Contract Period" is amended to enlarge the contract period through December 31, 2013.

3. The general provisions contained in the Form P-37 are hereby amended as follows: the Price Limitation in paragraph 1.8 is increased by \$387,561 from \$450,800 to \$838,361.

Exhibit A, Scope of Services

4. Exhibit A, Scope of Services, is hereby amended by inserting the following as paragraph 2.1 "Contract Deliverables":

The Contractor shall:

A. Conduct training for the DSH to acquaint them with the applicable DSH audit procedures and required documentation. Such training will occur as soon as possible after the commencement of this Contract. Training

Contractor Initials: MEK
Date: 12/1/2011

will be conducted at a site provided by the State. The Contractor upon completion of the training will bill one-time training costs of \$6,240.00.

B. Provide a complete, certified, independent Audit and a Report for each of the six (6) Medicaid State Plan Rate Years. Must be submitted to the Department including a face-to-face presentation of the audit findings to DHHS staff and other attendees as designated by the DHHS Project Manager as follows:

- a. Medicaid Plan Years 2005 and 2006 must be submitted no later than January 31, 2010;
- b. Medicaid Plan Year 2007 must be submitted no later than September 30, 2010;
- c. Medicaid Plan Year 2008 must be submitted no later than September 30, 2011;
- d. Medicaid Plan Year 2009 must be submitted no later than September 30, 2012;
- e. Medicaid Plan Year 2010 must be submitted no later than September 30, 2013.

Contractor submission dates are based upon assumptions that all necessary documentation will be received timely from providers and DHHS based upon the schedule established between the Contractor and DHHS, and that hospitals will be cooperative and timely in providing any additional documentation that may need to be required during the performance of the engagement. DHHS will work with the Contractor to establish acceptable timeframes that will meet the needs of CMS and DHHS.

C. Assist the Department with reporting and follow-up with CMS.

Exhibit B, Methods and Conditions of Payment

5. Paragraph 1 of Exhibit B, Methods and Conditions of Payment, is hereby amended by replacing that paragraph with the following:

This contract is funded by the New Hampshire General Fund and/or by Federal Funds made available under the Catalog of Federal Domestic Assistance (CFDA), as follows:

NH General Fund: \$419,180.50

Federal Funds: \$419,180.50

CFDA #: 93.778

Federal Agency: Centers for Medicare and Medicaid Services

Program Title: Medical Assistance Program

Amount: \$838,361

6. Item 1 Payment of Exhibit B is hereby amended by replacing that paragraph with the following:

The State will pay the Contractor for each completed audit on all twenty-nine (29) DSHs, per audit year, inclusive of costs associated with Training and State Procedures, as follows:

- 1.1 Medicaid Plan Year 2005 must be submitted no later than September 30, 2010;
- 1.2 Medicaid Plan Year 2006 must be submitted no later than September 30, 2010;
- 1.3 Medicaid Plan Year 2007 must be submitted no later than September 30, 2010;
- 1.4 Medicaid Plan Year 2008 must be submitted no later than September 30, 2011;
- 1.5 Medicaid Plan Year 2009 must be submitted no later than September 30, 2012;
- 1.6 Medicaid Plan Year 2010 must be submitted no later than September 30, 2013.

State Fiscal Year	Item	State Level Procedures	Hospital Level Procedures	Training	Subtotal
SFY 2010	Hourly Rate	\$130	\$125		
"	Hours	256	1,512		
"	Cost	\$33,280	\$189,000	\$6,240	\$228,520

Contractor Initials: MLN
Date: 12/1/2011

SFY 2011	Hourly Rate	\$130	\$125		
"	Hours	128	756		
"	Cost	\$16,640	\$94,500	\$0	\$111,140
SFY 2012	Hourly Rate	\$130	\$125		
"	Hours	128	756		
"	Cost	\$16,640	\$94,500	\$0	\$111,140
SFY 2013	Hourly Rate	\$133	\$128		
"	Hours	120	1380		
"	Cost	\$15,912	\$175,950	\$0	\$191,862
SFY 2014	Hourly Rate	\$135	\$130		
"	Hours	120	1380		
"	Cost	\$16,230	\$179,469	\$0	\$195,699
TOTAL					\$838,361

Thus, the total price limitation for this Contract is \$838,361.

7. Item 3 Contractor Billing of Exhibit B is hereby amended by replacing that paragraph with the following:

The Contractor shall:

3.1 Submit an invoice for deliverables outlined in Standard Exhibit A, Scope of Services. Invoices shall be submitted to the Department of Health and Human Services for work performed. Invoices for each applicable year will not exceed the yearly amount established in Paragraph 1, Payment included above.

3.2 The invoice shall be on the Contractor's letterhead and include the following information:

- o the Contractor's state vendor number;
- o the specific service that was provided;
- o the State Fiscal Year in which the deliverable audit is due;
- o the amount of payment requested; and;
- o the dated signature of the Chief Executive Officer or of an individual with the legal authority to sign on behalf of the Contractor.

3.3 Invoices must contain an original signature. Faxed and/or electronic copies of invoices cannot be accepted.

3.4 The Contractor fees from the Effective Date of this Contract through December 31, 2013, shall be all-inclusive and shall include, but not be limited to, the processing of the training, audit, review time, and final reporting.

Contractor Initials: MCW
 Date: 12/11/2011

AFFIDAVIT

State of Wisconsin)

ss.:

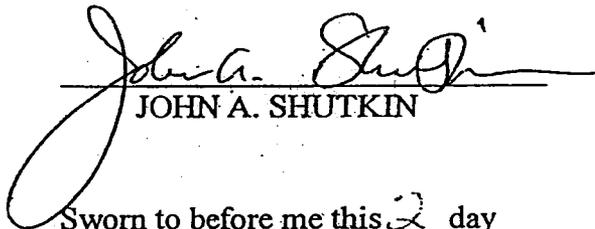
County of Milwaukee)

I, JOHN A. SHUTKIN, being duly sworn, depose and say:

That I am the General Counsel of Clifton Gunderson LLP ("CG"). In my role as General Counsel, I have overall responsibility for legal compliance for CG.

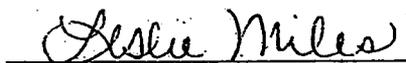
That CG is a duly formed limited liability partnership under the laws of the State of Delaware and has been since January 31, 2001. According to the Delaware Revised Uniform Partnership Act, any partner of a partnership is permitted to sign on behalf of and legally bind the partnership. As such, any partner of CG is authorized to sign on behalf of and legally bind CG.

That Mark Hilton is a General Partner of CG. By virtue of Mr. Hilton being a General Partner of CG, he has signing authority on behalf of and can legally bind CG.

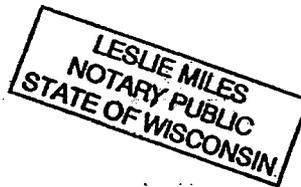


JOHN A. SHUTKIN

Sworn to before me this 2 day
of December 2011



Notary Public





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

Nicholas A. Toumpas
 Commissioner

Kathleen A. Dunn
 Director

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

Approved by Gtc
 Date 9-9-09
 Page _____
 Item No. 75

August 24, 2009

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

Requested Action

Authorize the Department of Health and Human Services, Office of Medicaid Business and Policy (OMBP) to enter into an agreement with Clifton Gunderson LLP, 9515 Deereco Road, Suite 500, Timonium, Maryland 21093-2184, vendor code 168967, to provide independent certified audits of Medicaid disproportionate share hospitals in the amount of \$450,800, effective September 9, 2009, or date of Governor and Executive Council approval, whichever is later, through December 31, 2011. Funds are available for SFY 2010 and SFY 2011 and are anticipated to be available in SFY 2012 upon the availability and continued appropriation of funds in the future operating budgets as identified below with the authority to adjust amounts if needed and justified between State Fiscal Years.

05-95-95-956010-6126 HEALTH AND SOCIAL SERVICES, DEPARTMENT OF HEALTH AND HUMAN SERVICES, HHS: COMMISSIONER, OFFICE OF MEDICAID & BUSINESS POLICY, MEDICAID ADMINISTRATION

Fiscal Year	Class/Object	Class Title	Amount
SFY 2010	102-500731	Contracts for Program Services	\$228,520
SFY 2011	102-500731	Contracts for Program Services	111,140
SFY 2012	102-500731	Contracts for Program Services	<u>111,140</u>
Total			\$450,800

Explanation

This contract will allow the New Hampshire Department of Health and Human Services to comply with 42 CFR Parts 447 and 455 Medicaid Program; Disproportionate Share Hospital Payments; Final Rule, published in the Federal Register on December 19, 2008. This rule requires all State Medicaid Programs that make payments to disproportionate share hospitals (DSH) for uncompensated care to obtain an independent audit and submit a report on those payments to the Centers for Medicare and Medicaid Services (CMS) according to the requirements of Section 1923(j) of the Social Security Act. The Federal share of funding for DSH payments is contingent on compliance with this rule.

Title XIX of the Social Security Act (the Act) authorizes Federal grants to States for Medicaid programs that provide medical assistance to low-income families, the elderly, and persons with disabilities. Section 1902(1)(13)(A)(iv) of the Act requires that States make Medicaid payment adjustments for hospitals that serve a

His Excellency, Governor John H. Lynch
and the Honorable Executive Council
August 24, 2009
Page 2

disproportionate share of low-income patients with special needs. Section 1923 of the Act contains more specific requirements related to such DSH payments, including aggregate annual state-specific limits on Federal financial participation under Section 1923(f), and hospital-specific limits on DSH payments under Section 1923(g). Under those hospital specific limits, a hospital's DSH payments may not exceed the costs incurred by that hospital in furnishing services during the given year to Medicaid patients and the uninsured, less other Medicaid payments made to the hospital, and payments made by uninsured patients ("uncompensated care costs").

In addition, Section 1923(a)(2)(D) of the Act requires States to provide an annual report to the U.S. Department of Health and Human Services' Secretary describing the payment adjustments made to each DSH. Section 1923(j)(2) of the Act requires States to have their DSH payment programs independently audited and to submit the independent certified audit annually to the U.S. Department of Health and Human Services Secretary and Section 1923(j) of the Act also makes Federal matching payments contingent upon a State's submission of the annual DSH report and independent certified audit. The New Hampshire Department of Health and Human Services is the single state agency designated to administer Medical Assistance under Title XIX of the Federal Social Security Act.

Clifton Gunderson LLP will conduct training for the DSH to acquaint them with the applicable DSH audit procedures and required documentation. Such training will occur as soon as possible after approval of this contract. Clifton Gunderson LLP upon completion of the training will bill the Department of Health and Human Services one-time training costs of \$6,240.

Clifton Gunderson LLP will provide a complete, certified, independent audit and report for each of the four (4) Medicaid State Plan Rate Years covered by this contract. The audits and reports will be submitted to the Department of Health and Human Services as follows:

- a. Medicaid Plan Years 2005 and 2006 must be submitted no later than January 31, 2010;
- b. Medicaid Plan Year 2007 must be submitted no later than September 30, 2010; and
- c. Medicaid Plan Year 2008 must be submitted no later than September 30, 2011.

Competitive Bidding:

The award was a result of a formal, "Request for Proposal" entitled "Disproportionate Share Hospital (DSH) Audit 10-OMB-DSH-03" that was published on the Department of Health and Human Services' website and solicitation of bids for the above described services. A legal notice was published on June 7, 8, and 9, 2009, in the *New Hampshire Union Leader* newspaper. Additionally, notice of the request for proposals was sent to 19 potentially interested certified public accounting firms throughout the United States. One bid was received and evaluated by select staff (see attachment for a list of evaluation team members). Based on the technical score and the proposed price, Clifton Gunderson LLP was the selected bidder scoring 98 points out of a potential 100 points. Clifton Gunderson LLP's proposal documented a complete, well articulated, and comprehensive understanding of this project and the cost proposal was within the estimated fee parameters. Clifton Gunderson LLP has solid experience in governmental audits in general and with DSH programs in particular. Clifton Gunderson LLP's qualifications relating to this complex funding process are extensive. They were the first firm in the nation to be engaged by a state to audit pursuant to the new Centers of Medicare and Medicaid Services audit ruling. Clifton Gunderson LLP was the only certified public accounting firm to engage the Centers of Medicare and Medicaid Services throughout the development of the final rule and to submit comments and clarifying questions during the draft rule comment period.

Geographic Area to be Served: Statewide.

His Excellency, Governor John H. Lynch
and the Honorable Executive Council
August 24, 2009
Page 3

Source of Funds: 50% federal and 50% general funds.

In the event that the federal funds become no longer available, general funds will not be requested to support this program.

Respectfully submitted,

Kathleen A. Dunn

Kathleen A. Dunn, MPH
Medicaid Director

Approved by:

Nicholas A. Toumpas
Nicholas A. Toumpas
Commissioner

DISPROPORTIONATE SHARE HOSPITAL (DSH) AUDIT
Evaluation Team
Office of Medicaid Business and Policy

Paul W. Casey	Business Administrator, Office of Medicaid Business and Policy
James P. Fredyma	Controller, Department of Health and Human Services
Paula Minnehan	Vice President, New Hampshire Hospital Association
Marilee Nihan, M.B.A.	Medicaid Finance Director, Office of Medicaid Business and Policy

Subject: Disproportionate Share Hospital Audit

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name Department of Health and Human Services Office of Medicaid Business and Policy		1.2 State Agency Address 129 Pleasant Street Annex I Concord, New Hampshire 03301-3852	
1.3 Contractor Name Clifton Gunderson LLP		1.4 Contractor Address 9515 Deereco Road Suite 500 Timonium, Maryland 21093-2184	
1.5 Contractor Phone Number (888) 778-9588	1.6 Account Number 010-095-6126-102-500731	1.7 Completion Date December 31, 2011	1.8 Price Limitation \$450,800.00
1.9 Contracting Officer for State Agency Kathleen A. Dunn, MPH, Medicaid Director		1.10 State Agency Telephone Number (603) 271-5254	
1.11 Contractor Signature <i>Clifton Gunderson LLP by Mark K. Hilton, Partner</i>		1.12 Name and Title of Contractor Signatory Mark K. Hilton, Partner	
1.13 Acknowledgement: State of <u>MD</u> County of <u>Baltimore</u> On <u>8/17/09</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace [Seal] <i>Laura A. Novak</i>			
1.13.2 Name and Title of Notary or Justice of the Peace LAURA A NOVAK, Notary Public, SR. Mgr-Administrator			
1.14 State Agency Signature <i>Kathleen A. Dunn</i>		1.15 Name and Title of State Agency Signatory Kathleen A. Dunn, MPH Medicaid Director	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By: <i>[Signature]</i> On: <u>8/21/09</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

Contractor Initials: MKH

Date: 8/17/2009

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, (identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments 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 appropriated 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 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

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

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision 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.

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

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

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

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 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 issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

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

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any 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 is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

7.3 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 interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.

Contractor Initials: MKH

Date: 8/7/2009

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

- 8.1.1 failure to perform the Services satisfactorily or on schedule;
 - 8.1.2 failure to submit any report required hereunder; and/or
 - 8.1.3 failure to perform any other covenant, term or condition of this Agreement.
- 8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:
- 8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
 - 8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
 - 8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
 - 8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

9.2 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 N.H. RSA chapter 91-A or other existing law. Disclosure of data requires 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 ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached 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, workers' compensation or other emoluments provided by the State to its employees.

12. **ASSIGNMENT/DELEGATION/SUBCONTRACTS.** The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be 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 in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

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, 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 occurrence; and

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

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer

identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("Workers' Compensation").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. **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 of Default, or any subsequent Event of Default. No express failure to enforce 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 Event of Default on the part of the Contractor.

17. **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, herein.

18. **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 Executive Council of the State of New Hampshire.

19. **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. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. **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.

21. **HEADINGS.** The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. **SPECIAL PROVISIONS.** Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. **SEVERABILITY.** In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. **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 relating hereto.

NH Department of Health and Human Services

STANDARD EXHIBIT A

SCOPE OF SERVICES

DATE: August 6, 2009

CONTRACT PERIOD: September 9, 2009, or date of Governor and Executive Council approval,
 whichever is later to December 31, 2011

CONTRACTOR:

NAME: CLIFTON GUNDERSON LLP

ADDRESS: 9515 Deereco Road, Suite 500
Timonlum, Maryland 21093-2184

TELEPHONE: 888 778-9588

FAX: 410 453-0914

EMAIL: mark.hilton@cliftoncpa.com

EXECUTIVE DIRECTOR: Mark Hilton, Partner

Introduction

Title XIX of the Social Security Act (Act) authorizes Federal grants to States for Medicaid programs that provide medical assistance to low-income families, the elderly, and persons with disabilities. Section 1902(1)(13)(A)(iv) of the Act requires that States make Medicaid payment adjustments for hospitals that serve a disproportionate share of low-income patients with special needs. Section 1923 of the Act contains more specific requirements related to such disproportionate share hospital (DSH) payments, including aggregate annual state-specific limits on Federal financial participation under Section 1923 (f), and hospital-specific limits on DSH payments under Section 1923 (g). Under those hospital specific limits, a hospital's DSH payments may not exceed the costs incurred by that hospital in furnishing services during the year to Medicaid patients and the uninsured, less other Medicaid payments made to the hospital, and payments made by the uninsured patients ("uncompensated care costs").

In addition, Section 1923(a)(2)(D) of the Act requires States to provide an annual report to the U.S. Department of Health and Human Services Secretary describing the payment adjustments made to each DSH. Section 1923 (j) (2) of the Act requires States to have their DSH payment programs independently audited and to submit the independent certified audit annually to the U.S. Health and Human Services Secretary and Section

1923 (j) of the Act also makes Federal matching payments contingent upon a State's submission of the annual DSH report and independent certified audit. The New Hampshire Department of Health and Human Services is the single state agency designated to administer Medical Assistance under Title XIX of the Federal Social Security Act. Therefore in consideration of the mutual promises, covenants, and agreements contained herein, the Department and the Contractor hereby agree as follows.

1. Definition of Terms - The following terms and definitions apply to this Contract.

1.1 Agency - Refers to the State of New Hampshire, Department of Health and Human Services (DHHS), and any subdivisions thereof, including but not limited to the Office of Medicaid Business and Policy (OMBP).

1.2 Confidential Information - Information one or both parties assert is required to be kept Confidential from unauthorized disclosure for privacy, proprietary, commercial, financial, or other reasons. If and when the bidding process becomes public, "confidential information" may become "State confidential information." See definition of "State's Confidential Records."

1.3 Contract - A binding legal agreement between the State of New Hampshire and the Contractor. The Contract consists of the standard General Provisions, (Form P-37), all Exhibits A through I, all Appendices or Attachments, including the Certificate of Vote, Resume, Certificate of Good Standing from the New Hampshire Secretary of State's Office, Insurance Certificate, and Amendments, if any.

1.4 Contract Conclusion - Refers to the conclusion of Contracts, for any reason, including but not limited to, the successful Contract completion, termination for convenience, or termination for default.

1.5 Contract Managers - The persons identified by the State and the Contractor 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 or giving executive approvals, tracking costs and payments, and representing the State in all Contract administration activities.

1.6 Contractor - The Contracted Company that will perform the duties and Specifications of the Contract.

1.7 Deliverables - A deliverable is any Written or Service Deliverable (letter, report, meeting, other), provided by the Contractor to the State or under the terms of a Contract requirement.

1.8 Department - Refers to the New Hampshire Department of Health and Human Services.

1.9 DSH - Disproportionate Share Hospital

1.10 Effective Date - The date on which an agreement, such as a Contract, takes effect.

1.11 Governor and Executive Council - The New Hampshire Governor and Executive Council.

1.12 IP/OP - Inpatient/Outpatient

1.13 NH Medicaid Program - The Title XIX program administered by the DHHS, which makes medical assistance available to eligible Recipients.

1.14 NH Medicaid Provider - An entity that provides a service or product to New Hampshire Medicaid Recipients. New Hampshire Medicaid Providers must be enrolled with the State, must obtain a Medicaid

Provider identification number, and must be in good standing with the State in order to receive reimbursement from the State.

1.15 Normal Business Hours - Normal Business Hours are 8:00 AM to 4:30 PM EST, Monday through Friday excluding State of New Hampshire holidays. State holidays are: New Year's Day, Martin Luther King, Jr. Civil Rights Day, President's Day, Memorial Day, Fourth of July, Labor Day, Veteran's Day, Thanksgiving Day, Day after Thanksgiving, and Christmas Day.

1.16 Project - The planned undertaking regarding the entire subject matter of a Contract and the activities of the parties related hereto.

1.17 Project Team - The group of State employees and consultants responsible for managing the processes and mechanisms required such that the products and services are procured in accordance with the Contract. For example, on time, on budget, and to the required Specifications and quality, and consistent with the Project Work Plan.

1.18 Project Work Plan - The overall plan of activities for the Project created in accordance with the Contract. The plan and delineation of tasks, activities, and events to be performed and Deliverables to be produced under the Project. The Project Work Plan shall include a detailed description of the Schedule, tasks / activities, Deliverables, critical events, task dependencies, and the resources that would lead and / or participate on each task.

1.19 Provider Data Summary Schedule - Written deliverables fulfilling requirements contained in Scope of Service Exhibit A paragraph 2.4.

1.20 Schedule - The dates described in the Contract and the Project Work Plan for deadlines for performance of Products and Services, other Project events, and activities under the Contract.

1.21 Services - The work or labor to be performed by the Contractor on the Project as described in the Contract.

1.22 Specifications - The written Specifications that set forth the requirements which include, without limitation, the RFP, the Proposal, this Contract, any performance standards, Documentation, applicable State and federal policies, laws and regulations, State technical standards, subsequent State-approved Deliverables, and other Specifications and requirements described in the Contract Documents. The Specifications are, by this reference, made a part of the Contract as though completely set forth therein.

1.23 State - References to the term "State" shall include applicable state department and agencies.

1.24 State's Confidential Records - State's information regardless of its form that is not subject to public disclosure under applicable state and federal laws and regulations, including but not limited to NH RSA Chapter 91-A.

1.25 State Fiscal Year (SFY) - The New Hampshire State Fiscal Year extends from July 1st through June 30th of the following calendar year.

1.26 Subcontractor - A person, partnership, or company not in the employment of, or owned by, the Contractor, which is rendering Products and Services under this Contract under a separate Contract with or on behalf of the Contractor.

2. Independent Certified Audits: The Contractor shall conduct independent certified audits of the New Hampshire Medicaid DSH reimbursements according to the requirements of 42 CFR Parts 447 and 445, Final Rule, 73 FR 77904, December 19, 2008. The Centers for Medicare and Medicaid Services (CMS) has developed a General DSH Audit and Reporting Protocol that the Contractor shall use in order to comply with this rule.

2.1 Contract Deliverables:

The Contractor shall:

A. Conduct training for the DSH to acquaint them with the applicable DSH audit procedures and required documentation. Such training will occur as soon as possible after the commencement of this Contract. Training will be conducted at a site provided by the State. The Contractor upon completion of the training will bill one-time training costs of \$6,240.00.

B. Provide a complete, certified, independent Audit and a Report for each of the four (4) Medicaid State Plan Rate Years. Must be submitted to the Department including a face-to-face presentation of the audit findings to DHHS staff and other attendees as designated by the DHHS Project Manager as follows:

- a. Medicaid Plan Years 2005 and 2006 must be submitted no later than January 31, 2010;
- b. Medicaid Plan Year 2007 must be submitted no later than September 30, 2010;
- c. Medicaid Plan Year 2008 must be submitted no later than September 30, 2011.

Contractor submission dates are based upon assumptions that all necessary documentation will be received timely from providers and DHHS based upon the schedule established between the Contractor and DHHS, and that hospitals will be cooperative and timely in providing any additional documentation that may need to be required during the performance of the engagement. DHHS will work with the Contractor to establish acceptable timeframes that will meet the needs of CMS and DHHS.

C. Assist the Department with reporting and follow-up with CMS.

2.2 General Audit Responsibility:

The audit and reporting requirements apply to each hospital receiving DSH payments in each State Plan Rate Year. A list of DSH may be found in, Appendix B-1, Contractor's Cost Estimate. It is the Contractor's responsibility to:

A. Review the State's methodology for estimating individual hospital's Omnibus Budget Reconciliation Act (OBRA) 1993 hospital-specific DSH payment limit and the State's DSH payment methodologies in the approved Medicaid State plan for the State plan rate year under audit.

B. Review State's DSH audit protocol to ensure protocol's consistency with inpatient / outpatient (IP/OP) Medicaid reimbursable services in the approved Medicaid State plan. Review DSH audit protocol to ensure that only costs eligible for DSH payments are included in the development of the hospital specific DSH payment limit.

C. Conduct reviews and compile hospital specific IP/OP cost report data and IP/OP revenue data to measure hospital specific DSH payment limit for each of the twenty-nine (29) participating hospitals in each auditable year. In determining this limit, the auditor must measure both components of the hospital specific DSH limit. To determine the existence of a Medicaid shortfall, Medicaid IP/OP hospital costs (including Medicaid managed care costs) must be measured against Medicaid IP/OP revenue received for such services in the audited State Plan rate year (including regular Medicaid rate payments, add-ons, supplemental, enhanced payments, and Medicaid managed care revenues). Costs associated with patients with no source of third-party coverage must be reduced by applicable revenues and added to any Medicaid shortfall to determine each individual hospital's total eligible DSH costs. This review will include the New Hampshire Hospital, an acute psychiatric hospital. As a governmental owned and operated facility, the DSH claiming process appropriate to this facility is different from the process appropriate to the other twenty-eight (28) non-governmental hospitals.

D. Compile total DSH payments made to each qualifying hospital in each auditable year, including DSH payments received by each hospital from other states.

E. Compare hospital specific DSH cost limits against hospital specific total DSH payments in the audited Medicaid State plan rate year. Summarize findings identifying any overpayments / underpayments to particular hospitals.

2.3 Independent Certified Audit:

2.3.1 The Contractor must issue independent certified audits for each auditable year that verify the following:

Verification 1: Each hospital that qualifies for a DSH payment in the State is allowed to retain that payment so that the payment is available to offset its uncompensated care costs for furnishing IP/OP hospital services during the Medicaid State plan year to Medicaid eligible individuals and individuals with no source of third-party coverage for the services, in order to determine the total amount of each hospital's claimed DSH expenditures.

Verification 2: DSH payments made to each qualifying hospital comply with the hospital-specific DSH payment limit. For each audited Medicaid State plan rate year, the DSH payments made in that audited Medicaid State plan rate year must be measured against the actual uncompensated care cost in that same audited Medicaid State plan year.

Verification 3: Only uncompensated care costs of furnishing IP/OP hospital services to Medicaid eligible individuals and individuals with no third-party coverage for the IP/OP hospital services they received as described in Section 1923(g)(1)(A) of the Act are eligible for inclusion in the calculation of the hospital-specific disproportionate share payment limit, as described in Section 1923(g)(1)(A) of the Act.

Verification 4: For purposes of this hospital-specific limit calculation, any Medicaid payments (including regular Medicaid FFS rate payments, supplemental / enhanced Medicaid payments, and Medicaid managed care organization payments) made to a DSH for furnishing IP/OP hospital services to Medicaid eligible individuals, which are in excess of the each hospital's Medicaid incurred costs of such services, are applied against the uncompensated care costs of furnishing IP/OP hospital services to individuals with no source of third-party coverage for such services.

Verification 5: Any information and records of all of its IP/OP hospital service costs under the Medicaid program; claimed expenditures under the Medicaid program; uninsured IP/OP hospital service costs in determining payment adjustments under this section; and any payments made on behalf of the uninsured from payment adjustments under this section has been separately documented and retained by the State.

Verification 6: The information specified in Verification 5 includes a description of the methodology for calculating each hospital's payment limit under Section 1923 (g) (1) of the Act. Included in the description of the methodology, the audit report must specify how the State defines incurred IP/OP hospital costs for furnishing IP/OP hospital services to Medicaid eligible individuals and individuals with no source of third-party coverage for the IP/OP hospital services they received.

2.3.2 In order to make the assessments on the verifications above, the Contractor shall concurrently adhere to the following two (2) sets of procedures:

(A) State Level Procedures -

(1) Obtain DHHS documentation including the report required in 42 CFR Section 447.299 and other information that DHHS would have access to, such as payments by Medicaid Managed Care Organizations and Upper Payment Limit (UPL) payments. Also, obtain information reported by neighboring States about those states' DSH payments to New Hampshire hospitals.

- (2) Obtain DHHS's assertion over the accuracy of the report required by Section 447.299.
- (3) Obtain and review DHHS's methodology for estimating hospital's hospital-specific DSH limit and DHHS's DSH payment methodologies, in the approved State Medicaid Plan, for the State plan rate year under examination.
- (4) Obtain and review DHHS's DSH review protocol to ensure consistency with Medicaid reimbursable services in the approved State Medicaid Plan and to ensure that only costs eligible for DSH payments are included in the development of the hospital specific DSH payment limit.
- (5) Work with DHHS's OMBP staff to notify hospitals of the procedures, the expectations, and provide them with a list of information required by the Contractor to complete these procedures, and due dates for submittal of the information is to be provided to the Contractor.
- (6) Clarify with DHHS its responsibilities for ensuring that each DSH submits its information by its due date.
- (7) Obtain documentation from DHHS detailing DHHS' DSH methodologies and payments.
- (8) Compare the "Provider Data Summary Schedule" prepared by the Contractor to DHHS's DSH reporting schedule/s and/or documentation, noting any differences.
- (9) Issue an independent report required under 42 CFR Section 455.304.

(B) Hospital Level Procedures -

- (1) The Contractor and DHHS OMBP staff shall negotiate and reach agreement on criteria to be used to divide the State's hospitals receiving DSH payments into two groups (Tiers).
- (2) The Contractor shall perform comprehensive in-depth desk reviews for one group (Tier 1), while performing a higher-level limited scope desk review on the other group (Tier 2)
- (3) The Contractor shall perform the following specific procedures on the hospitals in the in-depth desk review group (Tier 1):
 - i. Request documentation detailing each hospital's uninsured patient data and Medicaid eligible patient data.
 - ii. Ensure that each hospital designated as a DSH hospital meets the minimum requirements to participate.
 - iii. Reconcile hospital revenue and expenses from working trial balance, financial statements and CMS Form 2552 cost reports for each auditable year.
 - iv. Obtain DHHS Medicaid Management Information System (MMIS) summary report and compare to hospital submitted data.
 - v. Perform detailed analysis of uninsured charges.
 - vi. Verify payments to individual DSH from non-governmental and non-third-party payers.

- vii. Validate data from each DSH hospital to determine its hospital-specific DSH limit, its total annual uncompensated care cost, and the amount of disproportionate share hospital payments received from any source.
- viii. Prepare a Provider Data Summary Schedule to compare to DHHS' documentation required by 42 CFR Chapter IV Section 447.299.

2.4 Reporting requirement:

The Contractor will issue reports for each auditable year that lists the information for each DSH to which the State made a DSH payment as follows:

- (1) Hospital name – The name of the hospital that received a DSH payment from the State, identifying facilities that are institutes for mental disease and facilities that are located out-of-state.
- (2) DHHS' estimate of hospital-specific DSH limit – The State's estimate of eligible uncompensated care for the hospital receiving a DSH payment for the year under audit based on the State's methodology for determining such limit.
- (3) Medicaid inpatient utilization rate – The hospital's Medicaid inpatient utilization rate, as defined in Section 1923(b)(2) of the Act, if the State does not use alternative qualification criteria described in paragraph (5) of this section.
- (4) Low income utilization rate – The hospital's low income utilization rate, as defined in Section 1923(b)(3) of the Act if the State does not use alternative qualification criteria described in paragraph (5) of this section.
- (5) State defined DSH qualification criteria – If the State uses an alternate broader DSH qualification methodology as authorized in Section 1923(b)(4) of the Act, the value of the statistic and the methodology used to determine that statistic.
- (6) IP/OP Medicaid fee-for-service (FFS) basic rate payments – The total annual amount paid to the hospital under the State plan, including Medicaid FFS rate adjustments, but not including DSH payments or supplemental / enhanced Medicaid payments, for IP/OP services furnished to Medicaid eligible individuals.
- (7) IP/OP Medicaid managed care organization payments – The total annual amount paid to the hospital by Medicaid managed care organizations for IP/OP hospital services furnished to Medicaid eligible individuals.
- (8) Supplemental / enhanced Medicaid IP/OP payments – Indicate the total annual amount of supplemental / enhanced Medicaid payments made to the hospital under the State plan. These amounts do not include DSH payments, regular Medicaid FFS rate payments, and Medicaid managed care organization payments.
- (9) Total Medicaid IP/OP Payments – Provide the total sum of items identified in 42 CFR Part.447.299(c)(6), (7), and (8).
- (10) Total Cost of Care for Medicaid IP/OP Services – The total annual costs incurred by each hospital for furnishing IP/OP hospital services to Medicaid eligible individuals.
- (11) Total Medicaid Uncompensated Care – The total amount of uncompensated care attributable to Medicaid IP/OP services. The amount should be the result of subtracting the amount identified in 42 CFR Part 447.299(c)(9) from the amount identified in 42 CFR Part 447.299(c)(10). The uncompensated care costs of providing Medicaid physician services cannot be included in this amount.

(12) Uninsured IP/OP revenue – Total annual payments received by the hospital by or on behalf of individuals with no source of third-party coverage for IP/OP hospital services they receive. This amount does not include payments made by a State or units of local government, for services furnished to indigent patients.

(13) Total Applicable Section 1011 Payments – Federal Section 1011 payments for uncompensated IP/OP hospital services provided to Section 1011 eligible aliens with no source of third-party coverage for the IP/OP hospital services they receive.

(14) Total cost of IP/OP care for the uninsured – Indicate the total costs incurred for furnishing IP/OP hospital services to individuals with no source of third-party coverage for the hospital services they receive.

(15) Total uninsured IP/OP uncompensated care costs – Total annual amount of uncompensated IP/OP care for furnishing IP/OP hospital services to Medicaid eligible individuals and to individuals with no source of third-party coverage for the hospital services they receive. The amount should be the result of subtracting paragraphs (12) and (13), from paragraph (14) of this section. The uncompensated care costs of providing physician services to the uninsured cannot be included in this amount. The uninsured uncompensated amount also cannot include amounts associated with unpaid co-pays or deductibles for individuals with third-party coverage for the inpatient and/or outpatient hospital services they receive or any other unreimbursed costs associated with inpatient and/or outpatient hospital services provided to individuals with those services in their third-party coverage benefit package. Nor does uncompensated care costs include bad debt or payer discounts related to services furnished to individuals who have health insurance or other third-party payer.

(16) Total annual uncompensated care costs – The total annual uncompensated care cost equals the total cost of care for furnishing IP/OP hospital services to Medicaid eligible individuals and to individuals with no source of third-party coverage for the hospital services they receive, less the sum of regular Medicaid FFS rate payments, Medicaid managed care organization payments, supplemental / enhanced Medicaid payments, uninsured revenues, and Section 1011 payments for IP/OP hospital services. This should equal the sum of paragraphs (11) and (15) subtracted from the sum of paragraphs (9), (12) and (13) of this section.

(17) DSH payments – Indicate total annual payment adjustments made to each hospital under Section 1923 of the Act.

(18) DSH payments made to all hospitals under the authority of the approved Medicaid State plan – this includes both in-State and out-of-State hospitals.

2.5 The Contractor's responsibilities include:

- A. Meeting all of the requirements, specifications, and qualifications identified in this Contract;
- B. Requesting necessary information and files for the appropriate period and preparing the data for use in the audit;
- C. Preparing all aspects of the audit program;
- D. Maintaining the flexibility for on-going enhancements, updates, and changes as needed during the Contract period;
- E. Assuming the costs of acquiring, developing, and monitoring the necessary professional and administrative support resources and materials. This includes incidentals such as duplication costs; and

F. Preparing and maintaining all materials and testifying in appeals or other legal actions occurring as the result of the DSH audits.

Desk audits will be completed at a site chosen by the Contractor. The State will not provide workspace for the Contractor.

2.6 Project Managers:

The DHHS Project Manager will be:

Paul Casey
Administrator
Office of Medicaid Business and Policy
129 Pleasant Street - Annex I
Concord, New Hampshire 03301-3852
Telephone: 603 271-4382
Email: pcasey@dhhs.state.nh.us
Fax: 603 271-8431

or designee.

The Contractor Project Manager will be:

Mark Hilton
Partner
Clifton Gunderson LLP
9515 Deereco Road
Suite 500
Timonium, Maryland 21093-2184
Telephone: 888 778-9588
Email: mark.hilton@cliftoncpa.com
Fax: 410 453-0914

or designee.

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NH Department of Health and Human Services

STANDARD EXHIBIT B

METHODS AND CONDITIONS PRECEDENT TO PAYMENT

This contract is funded by the New Hampshire General Fund and/or by Federal Funds made available under the Catalog of Federal Domestic Assistance (CFDA), as follows:

NH General Fund: \$225,400

Federal Funds: \$225,400

CFDA #: 93.778

Federal Agency: Centers for Medicare and Medicaid Services

Program Title: Medical Assistance Program

Amount: \$450,800

1. Payment

The State will pay the Contractor \$111,140 for each completed audit on all twenty-nine (29) DSHs, per audit year (exclusive of the one-time training costs of \$6,240 for the first year), inclusive of costs associated with State Procedures, as follows:

- 1.1 Medicaid Plan Year 2005 must be submitted no later than January 31, 2010;
- 1.2 Medicaid Plan Year 2006 must be submitted no later than January 31, 2010;
- 1.3 Medicaid Plan Year 2007 must be submitted no later than September 30, 2010;
- 1.4 Medicaid Plan Year 2008 must be submitted no later than September 30, 2011.

	Hourly Rate	SFY 2010		SFY 2011		SFY 2012		Total Contract Cost
		Hours	Cost	Hours	Cost	Hours	Cost	
State Level Procedures	\$130	256	\$33,280	128	\$16,640	128	\$16,640	\$66,560
Hospital Level Procedures	\$125	1512	\$189,000	756	\$94,500	756	\$94,500	\$378,000
Training	---	---	\$6,240	---	N/A	---	N/A	\$6,240
			\$228,520		\$111,140		\$111,140	\$450,800

Thus, the total price limitation for this Contract is \$450,800.

2. DSH Listing

- Alice Peck Day Memorial - CAH
- Androscoggin Valley Hospital
- Catholic Medical Center
- Cheshire Medical Center
- Concord Hospital
- Cottage Hospital - CAH
- Elliot Hospital
- Exeter Hospital
- Franklin Hospital - CAH
- Frisbie Memorial Hospital

NH DHHS, Office of Business Operations
 Bureau of Provider Relationship Management
 Standard Exhibit B - Methods and Conditions Precedent to Payment NA

Contractor Initials: MEH

Date: 8/17/2009

HealthSouth Rehabilitation Hospital
Huggins - CAH
Lakes Region General
Littleton Hospital - CAH
Mary Hitchcock Hospital
Monadnock - CAH
New Hampshire Hospital
New London Hospital - CAH
Northeast Rehab Hospital
Parkland Medical Center
Portsmouth Hospital
Southern New Hampshire Medical Center
Spere Memorial - CAH
St. Joseph Hospital
The Memorial - CAH
Upper Connecticut Valley Hospital - CAH
Valley Regional Hospital - CAH
Weeks Memorial - CAH
Wentworth-Douglass

3. Contractor Billing

The Contractor shall:

3.1 Submit an invoice for deliverables outlined in Standard Exhibit A, Scope of Services. Invoices shall be submitted to the Department of Health and Human Services on a monthly basis for work performed. Invoices for each applicable year will not exceed the yearly amount established in Paragraph 1, Payment included above.

3.2 The invoice shall be on the Contractor's letterhead and include the following information:

- o the Contractor's state vendor number;
- o the specific date of service;
- o the specific service that was provided;
- o the amount of payment requested; and;
- o the dated signature of the Chief Executive Officer or of an individual with the legal authority to sign on behalf of the Contractor.

3.3 Invoices must contain an original signature. Faxed and / or electronic copies of invoices cannot be accepted.

3.4 The Contractor fees from the Effective Date of this contract through December 31, 2011, shall be all-inclusive and shall include, but not be limited to, the processing of the training, audit, review time, and final reporting.

4. Contract Billing Officer

To resolve issues or concerns about billing, DHHS's Contract Billing Officer shall be:

NH DHHS, Office of Business Operations
Bureau of Provider Relationship Management
Standard Exhibit B - Methods and Conditions Precedent to Payment NA

Contractor Initials: MEH

Date: 8/2/2009

Paul Casey
Business Administrator IV
Office of Medicaid Business and Policy
New Hampshire Department of Health and Human Services
129 Pleasant Street - Annex I
Concord, New Hampshire 03301-3852
Telephone: 603 271-4382
Email: pcasey@dhhs.state.nh.us
Fax: 603 271-8431

or designee.

The Contractor Project Manager will be:

Mark Hilton
Partner
Clifton Gunderson LLP
9515 Deereco Road
Suite 500
Timonium, Maryland 21093-2184
Telephone: 888 778-9588
Email: mark.hilton@cliftoncpa.com
Fax: 410 453-0914

or designee.

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NH Department of Health and Human Services

STANDARD EXHIBIT C

SPECIAL PROVISIONS

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

2. Compliance with Federal and State Laws: If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.

3. Time and Manner of Determination: Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.

4. Documentation: In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.

5. Fair Hearings: The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.

6. Gratuities or Kickbacks: The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.

7. Retroactive Payments: Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.

8. Conditions of Purchase: Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractor's costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than

such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party fundors, the Department may elect to:

8.1 Renegotiate the rates for payment hereunder, in which event new rates shall be established;

8.2 Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

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

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

9. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:

9.1 **Fiscal Records:** books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.

9.2 **Statistical Records:** Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient); records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.

9.3 **Medical Records:** Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.

10. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, Issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.

10.1 **Audit and Review:** During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.

10.2 **Audit Liabilities:** In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.

11. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be

disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

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

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

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

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

13. Completion of Services: Disallowance of Costs: Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

14. Credits: All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:

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

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

16. Additional special provisions are set forth in Exhibit C-1 attached hereto and incorporated by reference.

SPECIAL PROVISIONS – DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

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

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

NH Department of Health and Human Services

STANDARD EXHIBIT C-1

ADDITIONAL SPECIAL PROVISIONS

1. Termination. Paragraph 10 of the General Provisions form P-37 shall have the following paragraphs added:
 - 10.1 The Contract may be terminated in whole or in part by:
 - 10.1.1 mutual written agreement of the State and the Contractor;
 - 10.1.2 the State, in accordance with Paragraph 8 of the General Provisions; and
 - 10.1.3 the State, with sixty (60) days notice to the Contractor, whenever for any reason the State shall determine that such termination is in the best interests of the State.
 - 10.2 Upon receipt of Notice of Termination, Contractor shall cease work under the contract on the date and to the extent specified in the notice and shall:
 - 10.2.1 transfer title of and deliver all files, data, and other documentation that relates to the work terminated by the Notice, to the State as directed by the DHHS Project Manager;
 - 10.2.2 complete the performance of such part of the work as shall not have been terminated by the Notice;
 - 10.2.3 take such action as may be necessary for the protection and preservation of the property related to this contract which is in the possession or control of Contractor and in which the State has or may acquire an interest; and
 - 10.2.4 submit, no less than thirty (30) days after the effective date of termination any remaining claims for services performed up to and including the date of Termination.
2. The Contractor will provide sixty (60) days advance notice to the State on any intended sale of the contracting entity. The State will have the option of terminating the Contract with Contractor upon the sale of the contracting entity.

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