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

Nicholas A. Toumpas
Commissioner

129 PLEASANT STREET, CONCORD, NH 03301-3857
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William L. Baggeroer
Chief Information
Officer/Director

June 12, 2014

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

SOLE SOURCE
906 Federal funds
106 General funds

REQUESTED ACTION

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

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

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

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

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

Continued

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

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

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

EXPLANATION

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

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

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

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

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

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

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

Area served: Statewide.

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

Respectfully submitted,


William L. Baggerger
Chief Information
Officer/Director

Approved by:


Nicholas A. Toumpas
Commissioner

**State of New Hampshire
Department of Health and Human Services**

Medicaid Management Information System
Quality Assurance Request for Proposal
Issued May 14, 2014

Bidders List

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

Letter of Intent *: not a requirement of the RFP



STATE OF NEW HAMPSHIRE
DEPARTMENT OF INFORMATION TECHNOLOGY

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Peter C. Hastings
Commissioner

June 12, 2014

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

Dear Commissioner Toumpas:

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

This contract amendment adds another testing resource/person to the current team of six persons for six months, in order to test health protection Program system changes to MMIS. The expiration date of the current contract remains through *June 30*, 2015. Funding for this contract is increased by \$170,352, from \$15,804,539 to a new amount not to exceed \$15,974,891.

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

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

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

Peter C. Hastings

PCH/ltn
RFP 2005-002

cc: Leslie Mason, DoIT
Brian Earp, DHHS

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

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

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

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

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

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

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

on March 26, 2014, and Amendment 9 is effective on June,18 2014 or date of Governor and Executive Council approval, whichever date is later.

3. The provisions of Exhibit A, Scope of Services are hereby amended as follows: The Contract Period September 1, 2004 through June 30, 2015, includes the option for early termination and reduction in Cognosante staff, exercisable at the sole discretion of the Commissioner of the Department of Health and Human Services any time after June 30, 2014 with 30 calendar days advance written notice to the Contractor.
4. The provisions of Exhibit A: Scope of Services, Section 4.1 Period of Performance, are hereby modified as of the Effective Date as follows: The Contract shall take effect after full execution of the parties including, but not limited to, Governor and Executive Council approval. This Amendment 9 is effective upon the date of Governor and Executive Council approval or June 18, 2014, whichever date is later. It shall remain in effect through June 30, 2015 unless otherwise amended or terminated in accordance with this Contract.
5. Exhibit B is amended to increase the Contract price by an amount not to exceed \$170,352 to a total Contract price of \$15,974,891.
6. The provisions relative to Exhibit A Scope of Services Project Staff Table are amended by replacing them with the following:

Amendment 9 Table 7.2-1: Project Staff

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

7. The provisions relative to Exhibit A, Scope of Services, Section 12 Table 12-1 QA Services Deliverables and Schedule are amended by replacing the table with Amendment 9 Table 12-1:QA Services Deliverables and Schedule below:

Amendment 9 Table 12-1: QA Services Deliverables and Schedule

1.1	Overall Finalized QA Plan	Within five (5) business days after contract approved and notice to
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		proceed issued
1.1.1	Review Sessions and Meetings: <ul style="list-style-type: none"> • Kickoff • Weekly Status Meetings • Other Meetings 	Kickoff-five (5) business days after project start. Weekly Status meeting, ending 12/31/2014
1.1.2	Publish session and meeting minutes and revised Project Plans	Must be done within two (2) business days after each meeting, ending 12/31/2014
1.1.3	Produce monthly Project Status Reports	First business day of the month, beginning January 2, 2005
1.1.4	Produce Monthly Project Risk Management Reports	First business day of the month, beginning January 2, 2005, ending 12/31/2014
1.2	Publish QA Work Plan and Schedule	Updated weekly, as required, ending 12/31/2014
1.3	Integrate QA Work Plan and Implementation Project Work Plan	Complete monthly starting February 1, 2006
1.4	Create Project Communication Plan	Within 30 days of project start
1.5	Create a Documentation plan for the Project	Within 30 days of project start
1.6	Create Paper Work and Electronic Media Control Procedures	Within 30 days of project start
1.7	DDI Deliverable Review and Approval Process	February 15, 2005
1.8	Establish process for review and approval of software development results	February 15, 2005
1.9	Create Expenditure Control Plan	Within 30 days of project start
1.11	Implementation Control Guidelines Plan	Done in conjunction with the MMIS Vendor
1.13	Establish a Project Scope Management and Change Control Plan	February 1, 2005
2. DDIOA - Provider and Provider Billing Rules		
2.1	Business Rules Gap Analysis and Recommendations for new and/or modified Medicaid policy/rules	August 15, 2005
2.2	Create Business Rules Matrix	August 15, 2005
2.3 p.1	Report detailing provider billing manuals, bulletins, and claims resolution manuals	Removed from initial contract
2.3 p. 2	Comprehensive analysis report of provider reimbursement methods, benefit levels, eligibility levels and program integrity requirements.	September 15, 2005
2.4	Embedded MMIS Code and Business Logic Analysis Logic	July 20, 2005
2.5	MMIS Eligibility Conversion Strategy Analysis	June 30, 2005
2.6	Business Processing Reengineering Recommendation Report	October 3, 2005
2.7	Report Specifications Analysis	August 3, 2005

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

3.15	Implementation Readiness Report	Two reports: First is 14 days prior to scheduled PE Implementation and the Second is 14 days prior to MMIS Implementation.
3.16	Security Plan Report	Removed from original contract
3.17	Implementation Close Out Report	30 days after implementation
3.18	Certification Traceability Matrix	3 months after the start of UAT
3.19	Contingent Testing Support	During MMIS UAT Phase
3.20	SIT and UAT - MMIS and Enhancements	Supplemental Testing support during MMIS UAT Phase and during post implementation Enhancements Phase including: ICD-10, T-MSIS, HIPAA Operating Rules, and the NH Health Protection Program.
3.21	Testing Optional Support	Optional testing support during MMIS UAT Phase and during post implementation Enhancements Phase including: ICD-10, T-MSIS, HIPAA Operating Rules, and the NH Health Protection Program.
4. Post-DDI QA		
4.1	MMIS Federal Certification Plan	1 month prior to MMIS implementation
4.2	Certification Readiness Report	12 to 25 months after MMIS implementation
4.3	Certification Plan Review Report	12 to 25 months after MMIS implementation
4.4	Certification Letter	1 month after Certification Readiness Report
4.5	Project Close Out Report	1 month after MMIS Certification Review
4.6	Certification Support	During the 27 months after MMIS implementation
5010 QA		
5.1	5010 Status Report	During the 9 months prior to MMIS implementation
5.2	Review 5010 Deliverables	During the 9 months prior to MMIS implementation

5.3	5010 Testing Support	During the 9 months prior to MMIS implementation
IES IVV		
6.1	Provide DHHS Project Management with monthly status reports clearly describing the state of the IV&V effort, and a monthly management report.	Monthly – starting within 1 month of IV&V work starting
6.1.1	Risk Assessment and Identification: Review existing Risk Management Plan and Risk Report. Evaluate the identified risks and mitigation strategies, identify other risks and create a Risk Assessment Report to include any new recommendations for risk mitigation strategies.	Monthly - include in Monthly Project Status report
6.1.2	IV&V Work Plan: Develop and maintain a work plan and schedule for all IV&V efforts.	Within 1 month after the start-up phase of the IV&V services and updated as necessary
6.1.3	Test Validation: Review and validate test results for mutually agreed-upon sub-projects within the DDI Contract to include at a minimum the FDSH Wave Testing with CMS.	As agreed after start-up of the IV&V service
6.1.4	CMS Gate Review Preparation and Response: Assist in the preparation for the various CMS Gate Reviews and participate in the Gate Review Meetings. This will consist of assistance with updating of the various artifacts already on file such as the Project Management Plan, Risk Management Plan, etc.	Periodic as needed
6.1.5	Quarterly Project Review: Schedule and participate in quarterly IV&V review meetings for the project. These are new meetings with the IV&V vendor and New HEIGHTS management.	Quarterly as requested
6.1.6	Other Project Support: Due to the nature of the verification and validation services to be provided, other specific responsibilities and attendant deliverables may be required within the scope of these services and time availability of the 1 FTE to be provided.	As mutually agreed as time permits
6.2	<p>Third Party IES Security Assessment Review and Report</p> <ul style="list-style-type: none"> • Validate and verify that the New HEIGHTS system security plan (SSP) as documented, has been implemented, by performing a basic internal System Test and Evaluation (ST&E) • Perform basic testing for the operational and management controls through: <ul style="list-style-type: none"> ○ Documentation and procedural reviews ○ Walk-throughs and inspections and ○ Interviews with key personnel • Perform comprehensive testing for the physical and technical controls through: <ul style="list-style-type: none"> ○ Site assessment of the facilities (building and rooms) to evaluate the security safeguards and physical controls 	September 30, 2013

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

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

8.1. Funding of Contract Section C: The total amount of all payments made to the Contractor for costs and expenses incurred in the performance of the Medicaid Management Information System Quality Assurance services during the period September 1, 2004 through June 30, 2015, shall not exceed \$15,974,891 in accordance with the project budget identified in Amendment 9 Exhibit B-1, Budget attached hereto.

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

Amendment 9 Table B-1b: Budget by Phase

Project Phase	Budget
Project Monitoring	\$3,616,372
Pre-DDI QA	\$407,036
DDI QA through 3/31/13	\$5,029,930
DDI QA Post Go-Live	\$3,691,411
DDI Contingency	\$327,840
Post DDI	\$1,676,127
DDI 5010 QA	\$239,776
IES IVV	\$986,400
TOTAL	\$15,974,051

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

Amendment 9 Table B-1c: QA Services Staffing Levels

Task	Staffing	SFY 2013	SFY 2014	SFY 2015
		Monthly Budget	Monthly Budget	Monthly Budget
3.20 SIT and UAT - MMIS and Enhancements	6	n/a	\$0	\$170,352
	5	\$134,400	\$137,760	\$141,960
	4	\$107,520	\$110,208	\$113,568
	3	\$80,640	\$82,656	\$85,176
	2	\$53,760	\$55,104	\$56,784
	1	\$26,880	\$27,552	\$28,392
	0	\$0	\$0	\$0
3.21 Testing Optional Support	2	\$53,760.00	\$55,104.00	\$56,784
	1	\$26,880.00	\$27,552.00	\$28,392
	0	\$0	\$0	\$0
4.6 Certification Support	2	\$55,440	\$56,784.00	\$58,464
	1	\$27,720	\$28,392.00	\$29,232
	0	\$0	\$0	\$0
6.3 IES Testing Optional Support	2	\$0	\$49,920.00	\$51,520.00
	1	\$0	\$24,960.00	\$25,760.00
	0	\$0	\$0	\$0

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

12. The provisions relative to Exhibit B-2 Holdback are amended by replacing it with “Amendment 9, Exhibit B-2: Holdback,” as follows:

Amendment 9 Exhibit B-2: Holdback

Project Monitoring Phase 1 – Project inception through 12/31/08	\$201,740	15%
Project Monitoring Phase 2 – 1/1/09 through 12/31/09	\$44,769	15%
Project Monitoring Phase 3 – 01/01/2010 through 06/30/2011	\$69,502	15%
Project Monitoring Phase 4 – 7/1/11 through 3/31/12	\$35,609	15%
Project Monitoring Phase 5 – 4/1/12 through 6/30/13	\$85,023	15%
Project Monitoring Phase 6 – 7/1/13 through 12/31/13	\$34,812	15%
Project Monitoring Phase 7 – 1/1/14 through 6/30/14	\$34,812	15%
Project Monitoring Phase 8 – 7/1/14 through 6/30/15	\$36,190	15%
Pre-DDI QA	\$61,055	15%
DDI Phase through 3/31/13	\$754,489	15%
DDI Post Go-Live 4/1/13 - 6/30/15	\$553,712	15%
DDI Contingency	\$251,419	15%
Post DDI	\$74,928	15%
DDI 5010 QA	\$73,032	15%
IES IV&V - FY14	\$201,740	15%
IES IV&V - FY15	\$44,769	15%
Project Total	\$2,396,108	15%

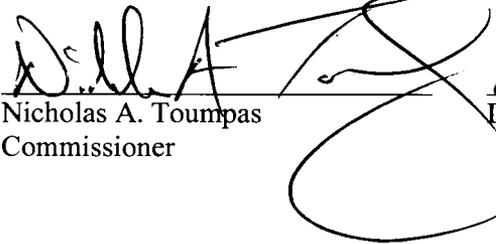
13. The provisions relative to Exhibit B Table B-4 *Future IT Services* are amended by replacing it with Amendment 9 Exhibit B Table B-4 *Future IT Services* as follows:

Amendment 9 Exhibit B Table B-4 Future IT Services

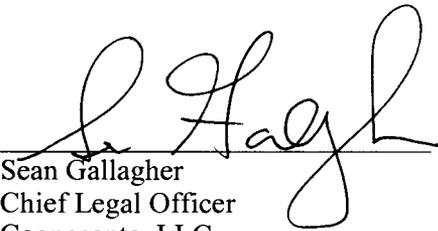
Service Position Title	SFY 2006	SFY 2007	SFY 2008	SFY 2009	SFY 2010	SFY 2011	SFY 2012	SFY 2013	SFY 2014	SFY 2015
Client Executive	\$154	\$158	\$162	\$166	\$170	\$175	\$175	\$195	\$200	\$206
Project Manager	\$139	\$142	\$146	\$150	\$154	\$158	\$158	\$170	\$170	\$175
Medicaid Policy Expert	\$134	\$137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

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

State of New Hampshire
Department of Health and Human Services


Nicholas A. Toumpas
Commissioner
6/10/14
Date

Cognosante, LLC

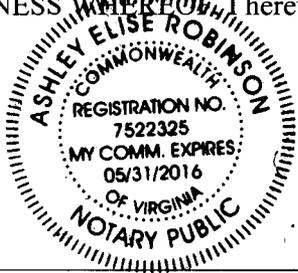

Sean Gallagher
Chief Legal Officer
Cognosante, LLC
June 10, 2014
Date

STATE OF Virginia

COUNTY OF Fairfax

On this the 10th day of June 2014, before me, Sean Gallagher the undersigned officer, personally appeared _____ who acknowledged himself/herself to be the Chief Legal Officer of Cognosante, LLC and that he/she, as such _____ being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself/herself as _____.

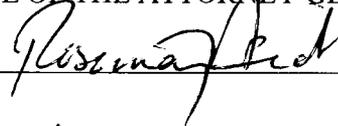
IN WITNESS WHEREOF, I hereunto set my hand and official seal.




Notary Public/Justice of the Peace
My commission expires: 5/31/16

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

OFFICE OF THE ATTORNEY GENERAL

By: 

Date: 6-26-14

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

OFFICE OF THE SECRETARY OF STATE

By: _____

Title: _____

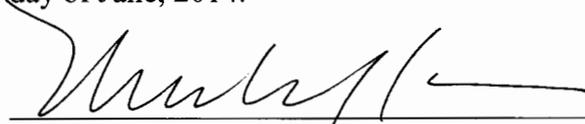
Date: _____

Officer's Certificate

I, Y. Michele Kang, Chief Executive Officer of Cognosante, LLC (f/k/a Fox Systems, LLC), do hereby certify that:

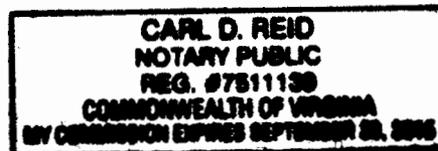
1. I am the duly elected and acting Chief Executive Officer of Cognosante, LLC, a Delaware limited liability company (the "Company") pursuant to official action taken by the Board of Directors of the Company on July 31, 2012.
2. In my role as Chief Executive Officer of the Company, I am familiar with the minute books and actions of the Company.
3. Pursuant to the provisions of the Amended and Restated Limited Liability Company Agreement of Cognosante, LLC, in my role as Chief Executive Officer of the Company, I am duly authorized to provide a certificate naming the persons who are authorized to execute and deliver any instrument or document for or on behalf of the Company.
4. Pursuant to official action taken by the Board of Directors of the Company on July 31, 2012, Sean Gallagher is the duly elected and acting Corporate Secretary of the Company.
5. As Corporate Secretary of the Company, Sean Gallagher is duly authorized to execute and deliver any instrument or document for or on behalf of the Company, including, but not limited to, the entering into of an amendment to the company's contract with the State of New Hampshire, acting by and through the Division of Medicaid Business and Planning of the Department of Health and Human Services.
6. As of the date hereof, the official actions taken by the Company at its meeting on July 31, 2012 have not been modified, amended and revoked in any way.

IN WITNESS WHEREOF, I have hereunto set my hand as Secretary of the Company this 12th day of June, 2014.



 Y. Michele Kang

COMMONWEALTH OF VIRGINIA)
 CITY OF ALEXANDRIA) ss.
 COUNTY OF FAIRFAX)



The foregoing instrument was acknowledged before me this 12th day of June, 2014, by Y. Michele Kang, who acknowledged herself to be the Chief Executive Officer of Cognosante, LLC, a Delaware limited liability company.



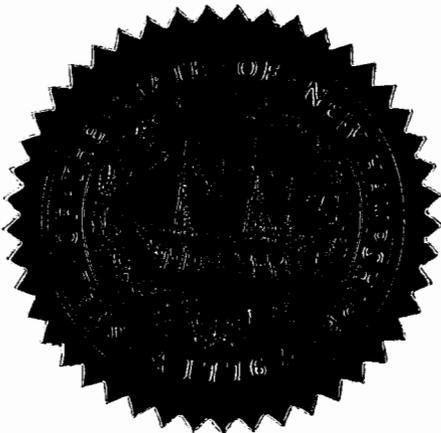
 Notary Public

My Commission Expires: 9/30/2015

State of New Hampshire Department of State

CERTIFICATE

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



In TESTIMONY WHEREOF, I hereto
set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 11th day of June, A.D. 2014

A handwritten signature in cursive script, reading "William M. Gardner".

William M. Gardner
Secretary of State



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

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

Nicholas A. Toumpas
Commissioner

William L. Baggeroer
Chief Information
Officer/Director

March 14, 2014

G&C Approved

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

Date 3-26-14
Item # 25-1A

REQUESTED ACTION

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

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

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

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

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

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

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

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

EXPLANATION

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

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

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

This Amendment 8 will extend the following contract services:

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

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

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

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

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

Geographic area to be served: Statewide.

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

Respectfully submitted,



William L. Baggeroer
Chief Information Officer/Director

Approved by:



Nicholas A. Toumpas
Commissioner



STATE OF NEW HAMPSHIRE
DEPARTMENT OF INFORMATION TECHNOLOGY

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

Peter C. Hastings
Commissioner

March 7, 2014

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

Dear Commissioner Toumpas:

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

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

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

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

Sincerely,

Peter C. Hastings

PCH/lrm
RFP 2005-002

cc: Leslie Mason, DoIT
Brian Earp, DHHS

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

This 8th Amendment to the Cognosante, LLC (formerly FOX Systems, LLC and FOX Systems, Inc.) contract (hereinafter referred to as "Amendment 8") dated this 7th day of March 2014, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Cognosante, LLC, (hereinafter referred to as "Cognosante" or "the Contractor"), a limited liability company with a place of business at 6263 North Scottsdale Road – Suite 200, Scottsdale, Arizona.

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

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

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

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

1. Except as specifically amended and modified by the terms and conditions in this Amendment, the obligations of the parties shall remain in full force and effect in accordance with the terms and conditions set forth in the Contract and its Amendments, Amendment 1, Amendment 2, Amendment 3, Amendment 4, Amendment 5, Amendment 6, and Amendment 7 as referenced above.
2. The General Provisions Form P-37 are hereby amended as follows:
 - 2.1. Block 1.8, Price Limitation, is increased by \$2,547,664 from "\$13,256,875" to "\$15,804,539"
 - 2.2. Block 3.1, Effective Date, is amended by the addition of the following sentence:
Amendment 1 is effective on December 12, 2006, Amendment 2 is effective on December 11, 2007, Amendment 3 is effective on December 18, 2008, Amendment 4 is effective on June 23, 2010, Amendment 5 is effective on March 28, 2012, Amendment 6 is effective on January 16, 2013, Amendment 7 is effective on August 14, 2013, and Amendment 8 is effective on March 26, 2014 or date of Governor and Executive Council approval, whichever date is later.

3. The provisions of Exhibit A, Scope of Services are hereby amended as follows: The Contract Period September 1, 2004 through June 30, 2015, includes the option for early termination and reduction in Cognosante staff, exercisable at the sole discretion of the Commissioner of the Department of Health and Human Services any time after June 30, 2014 with 30 calendar days advance written notice to the Contractor.
4. The provisions of Exhibit A: Scope of Services, Section 4.1 Period of Performance, are hereby modified as of the Effective Date as follows: The Contract shall take effect after full execution of the parties including, but not limited to, Governor and Executive Council approval. This Amendment 8 is effective upon the date of Governor and Executive Council approval or March 26, 2014, whichever date is later. It shall remain in effect through June 30, 2015 unless otherwise amended or terminated in accordance with this Contract.
5. Exhibit B is amended to increase the Contract price by an amount not to exceed \$2,547,664 to a total Contract price of \$15,804,539.
6. The provisions relative to Exhibit A Scope of Services Project Staff Table are amended by replacing them with the following:

Amendment 8 Table 7.2-1: Project Staff

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

7. The provisions relative to Exhibit A, Scope of Services, Section 12 Table 12-1 QA Services Deliverables and Schedule are amended by replacing the table with Amendment 8 Table 12-1:QA Services Deliverables and Schedule below:

Amendment 8 Table 12-1: *QA Services Deliverables and Schedule*

Project Deliverables, Dates and Deliverables Activities including, but not limited to:		
1.1	Overall Finalized QA Plan	Within five (5) business days after contract approved and notice to proceed issued
1.1.1	Review Sessions and Meetings:	Kickoff-five (5) business

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

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

		Second is 14 days prior to MMIS Implementation.
3.16	Security Plan Report	Removed from original contract
3.17	Implementation Close Out Report	30 days after implementation
3.18	Certification Traceability Matrix	3 months after the start of UAT
3.19	Contingent Testing Support	During MMIS UAT Phase
3.20	SIT and UAT - MMIS and Enhancements	Supplemental Testing support during MMIS UAT Phase and during post implementation Enhancements Phase
3.21	Testing Optional Support	Optional testing support during MMIS UAT Phase and during post implementation Enhancements Phase
4.00		
4.1	MMIS Federal Certification Plan	1 month prior to MMIS implementation
4.2	Certification Readiness Report	12 to 25 months after MMIS implementation
4.3	Certification Plan Review Report	12 to 25 months after MMIS implementation
4.4	Certification Letter	1 month after Certification Readiness Report
4.5	Project Close Out Report	1 month after MMIS Certification Review
4.6	Certification Support	During the 27 months after MMIS implementation
5.00		
5.1	5010 Status Report	During the 9 months prior to MMIS implementation
5.2	Review 5010 Deliverables	During the 9 months prior to MMIS implementation
5.3	5010 Testing Support	During the 9 months prior to MMIS implementation
6.00		
6.1	Provide DHHS Project Management with monthly status reports clearly describing the state of the IV&V effort, and a monthly management report.	Monthly – starting within 1 month of IV&V work starting
6.1.1	Risk Assessment and Identification: Review existing Risk Management Plan and Risk Report. Evaluate the identified risks and mitigation strategies, identify other risks and create a Risk Assessment Report to include any new recommendations for risk mitigation strategies.	Monthly - include in Monthly Project Status report

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

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

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

8.1. Funding of Contract Section C: The total amount of all payments made to the Contractor for costs and expenses incurred in the performance of the Medicaid Management Information System Quality Assurance services during the period September 1, 2004 through June 30, 2015, shall not exceed \$15,974,891 in accordance with the project budget identified in Amendment 9 Exhibit B-1, Budget attached hereto.

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

Amendment 9 Table B-1b: Budget by Phase

Project Phase	Budget
Project Monitoring	\$3,616,372
Pre-DDI QA	\$407,036
DDI QA through 3/31/13	\$5,029,930
DDI QA Post Go-Live	\$3,691,411
DDI Contingency	\$327,840
Post DDI	\$1,676,127
DDI 5010 QA	\$239,776
IES IVV	\$986,400
TOTAL	\$15,974,891

 MM 7/2/14

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

Amendment 8 Table B-1c: QA Services Staffing Levels

Task	Staffing	SFY 2013	SFY 2014	SFY 2015
		Monthly Budget	Monthly Budget	Monthly Budget
3.20 SIT and UAT - MMIS and Enhancements	5	\$134,400	\$137,760	\$141,960
	4	\$107,520	\$110,208	\$113,568
	3	\$80,640	\$82,656	\$85,176
	2	\$53,760	\$55,104	\$56,784
	1	\$26,880	\$27,552	\$28,392
	0	\$0	\$0	\$0
3.21 Testing Optional Support	2	\$53,760.00	\$55,104.00	\$56,784
	1	\$26,880.00	\$27,552.00	\$28,392
	0	\$0	\$0	\$0
4.6 Certification Support	2	\$55,440	\$56,784.00	\$58,464
	1	\$27,720	\$28,392.00	\$29,232
	0	\$0	\$0	\$0
6.3 IES Testing Optional Support	2	\$0	\$49,920.00	\$51,520.00
	1	\$0	\$24,960.00	\$25,760.00
	0	\$0	\$0	\$0

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

Amendment 8 Exhibit B-1 Budget Page 2 of 2

3.1	Report on Implementation Vendor	\$ 1,324,789	\$ -	\$ 1,324,789	\$ -	\$ 83,741	\$ 201,956	\$ 427,636	\$ 214,015	\$ 17,142	\$ -	\$ -	\$ -	\$ 1,324,789
3.2	Deliverables (see Exhibit B-1a)	\$ 88,921	\$ -	\$ 88,921	\$ -	\$ 32,634	\$ 16,807	\$ -	\$ 39,480	\$ -	\$ -	\$ -	\$ -	\$ 88,921
3.3	JAD session Report	\$ 72,222	\$ -	\$ 72,222	\$ -	\$ 72,222	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,222
3.4	Technical Review Report	\$ 92,052	\$ -	\$ 92,052	\$ -	\$ -	\$ 46,026	\$ 46,026	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92,052
3.5	OA Test Plan	\$ 68,839	\$ -	\$ 68,839	\$ -	\$ -	\$ -	\$ -	\$ 13,445	\$ 55,394	\$ -	\$ -	\$ -	\$ 68,839
3.6	Integration and System Testing Report	\$ 1,333,978	\$ -	\$ 1,333,978	\$ -	\$ -	\$ -	\$ -	\$ 44,800	\$ 94,868	\$ 261,810	\$ -	\$ -	\$ 1,333,978
3.7	User Acceptance Test Cases and Scripts	\$ 387,521	\$ -	\$ 387,521	\$ -	\$ -	\$ 139,067	\$ 139,067	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 387,521
3.8	User Acceptance Testing	\$ 545,981	\$ -	\$ 545,981	\$ -	\$ -	\$ -	\$ -	\$ 97,780	\$ 448,201	\$ -	\$ -	\$ -	\$ 545,981
3.9	Issues Tracking Report	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3.10	User Acceptance Testing Report	\$ 109,289	\$ -	\$ 109,289	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 109,289	\$ -	\$ -	\$ -	\$ 109,289
3.11	User and Provider Training Readiness Report - removed as requirement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3.12	Provider Readiness Assessment - removed as requirement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3.13	Documentation and Communication - removed as requirement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3.14	Provider Readiness Report	\$ 46,458	\$ -	\$ 46,458	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,458
3.15	Operational Readiness Report	\$ 40,678	\$ -	\$ 40,678	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,678
3.16	Implementation Readiness Report	\$ 44,894	\$ -	\$ 44,894	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,894
3.17	Security Plan Report - removed as requirement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3.18	Implementation Close Out Report	\$ 85,830	\$ -	\$ 85,830	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85,830
3.19	Certification Traceability Matrix	\$ 102,816	\$ -	\$ 102,816	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 102,816
3.20	Contingent Testing Support	\$ 314,496	\$ -	\$ 314,496	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 314,496
3.21	SIT and UAT - MMS and Enhancements	\$ 2,018,688	\$ 1,265,040	\$ 3,283,728	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,283,728
3.22	Testing Optional Support	\$ 355,488	\$ 253,008	\$ 608,496	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 608,496
Subtotal		\$ 7,032,940	\$ 1,518,048	\$ 8,550,988	\$ -	\$ 188,597	\$ 264,789	\$ 473,662	\$ 311,740	\$ 167,404	\$ 326,397	\$ 1,307,392	\$ 2,532,704	\$ 8,550,988
Amendment 6 Monthly Fixed Price Value -														
Max time frame is 3 months														
(Supplements Tasks 1.x, 3.8, 3.10, 3.20, 3.21, 4.2, 4.6, 5.x)														
		\$ 327,840	\$ -	\$ 327,840	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 327,840
4.1	MMS Federal Certification Plan	\$ 100,114	\$ -	\$ 100,114	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,114
4.2	Certification Readiness Report	\$ 85,961	\$ -	\$ 85,961	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85,961
4.3	Certification Plan Review Report	\$ 56,773	\$ 823	\$ 57,597	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,597
4.4	Certification Letter	\$ 35,979	\$ -	\$ 35,979	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,979
4.5	Project Close Out Report	\$ 15,517	\$ -	\$ 15,517	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,517
4.6	Certification Support	\$ 679,392	\$ 701,568	\$ 1,380,960	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,380,960
Subtotal		\$ 887,775	\$ 788,352	\$ 1,676,127	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 326,831	\$ 1,676,127
5.1	Status Report	\$ 16,520	\$ -	\$ 16,520	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,520
5.2	Review 5010 Deliverables	\$ 21,240	\$ -	\$ 21,240	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,240
5.3	5010 Testing Support	\$ 202,016	\$ -	\$ 202,016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 202,016
Subtotal		\$ 239,776	\$ -	\$ 239,776	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 239,776
6.1	Produce Monthly Project Status Reports	\$ 672,960	\$ -	\$ 672,960	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 672,960
6.2	IES Security Plan Review	\$ 59,840	\$ -	\$ 59,840	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,840
6.3	IES Tester (Optional)	\$ 253,600	\$ -	\$ 253,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 253,600
Subtotal		\$ 986,400	\$ -	\$ 986,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 986,400
Project Total		\$ 13,256,875	\$ 2,547,665	\$ 15,804,539	\$ 426,820	\$ 818,733	\$ 527,268	\$ 799,163	\$ 605,802	\$ 470,260	\$ 638,313	\$ 1,727,697	\$ 3,483,219	\$ 15,804,539

12. The provisions relative to Exhibit B-2 Holdback are amended by replacing it with “Amendment 8, Exhibit B-2: Holdback,” as follows:

Amendment 8 Exhibit B-2: Holdback

Cost	Holdback Amount	Holdback Percentage
Project Monitoring Phase 1 – Project inception through 12/31/08	\$201,740	15%
Project Monitoring Phase 2 – 1/1/09 through 12/31/09	\$44,769	15%
Project Monitoring Phase 3 – 01/01/2010 through 06/30/2011	\$69,502	15%
Project Monitoring Phase 4 – 7/1/11 through 3/31/12	\$35,609	15%
Project Monitoring Phase 5 – 4/1/12 through 6/30/13	\$85,023	15%
Project Monitoring Phase 6 – 7/1/13 through 12/31/13	\$34,812	15%
Project Monitoring Phase 7 – 1/1/14 through 6/30/14	\$34,812	15%
Project Monitoring Phase 8 – 7/1/14 through 6/30/15	\$36,190	15%
Pre-DDI QA	\$61,055	15%
DDI Phase through 3/31/13	\$754,489	15%
DDI Post Go-Live 4/1/13 - 6/30/15	\$528,159	15%
DDI Contingency	\$251,419	15%
Post DDI	\$74,928	15%
DDI 5010 QA	\$73,032	15%
IES IV&V - FY14	\$201,740	15%
IES IV&V - FY15	\$44,769	15%
Project Total	\$2,370,681	15%

13. The provisions relative to Exhibit B Table B-4 *Future IT Services* are amended by replacing it with Amendment 8 Exhibit B Table B-4 *Future IT Services* as follows:

Amendment 8 Exhibit B Table B-4 Future IT Services

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

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

OFFICE OF THE ATTORNEY GENERAL

By: 

Date: 3-14-14

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

OFFICE OF THE SECRETARY OF STATE

By: _____

Title: _____

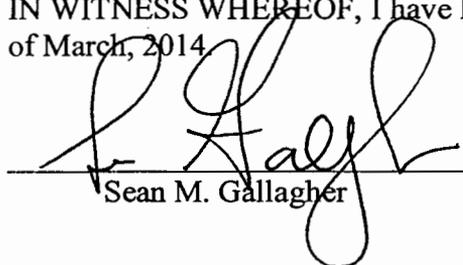
Date: _____

Secretary's Certificate

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

1. I am the duly elected and acting Secretary of Cognosante, LLC a Delaware limited liability company (the "Company") pursuant to official action taken by the Board of Directors of the Company on July 31, 2012.
2. In my role as Secretary of the Company, I maintain, have custody of and am familiar with the minute books of the Company.
3. Pursuant to the provisions of the Amended and Restated Limited Liability Company Agreement of Cognosante, LLC, in my role as Secretary of the Company I am duly authorized to provide a certificate naming the persons who are authorized to execute and deliver any instrument or document for or on behalf of the Company.
4. Pursuant to official action taken by the Board of Directors of the Company on July August 1, 2013, Thomas Stepka is the duly elected and acting Executive Vice President of the Company.
5. As Executive Vice President of the Company, Thomas Stepka is duly authorized to execute and deliver any instrument or document for or on behalf of the Company, including, but not limited to, the entering into of an amendment to the company's contract with the State of New Hampshire, acting by and through the Division of Medicaid Business and Planning of the Department of Health and Human Services.
6. As of the date hereof, the official actions taken by the Company at its meeting on August 1, 2013 have not been modified, amended and revoked in any way.

IN WITNESS WHEREOF, I have hereunto set my hand as Secretary of the Company this 7th day of March, 2014.

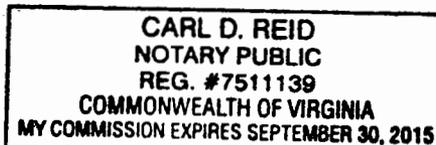


Sean M. Gallagher

COMMONWEALTH OF VIRGINIA)

) ss.

COUNTY OF FAIRFAX)



The foregoing instrument was acknowledged before me this 7th day of March, 2014, by Sean Gallagher, who acknowledged himself to be the Secretary of Cognosante, LLC, a Delaware limited liability company.



Notary Public

My Commission Expires: 9/30/2015



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

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

John A. Stephen
 Commissioner

Stephen A. Norton
 Director

November 1, 2004

OFF
 G+C
 12/1/04
 E
 CE971134

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

REQUESTED ACTION

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

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

EXPLANATION

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

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

system Design, Development, and Implementation (DDI) project activities. Organized by phase, the QA services include:

1. **Pre-DDI Services** – Services to assist with Project Management and Organization and to enhance the Department's readiness for providing business rules criteria to support development of the systems rules logic. These services will be provided in advance of the start of system development and at a high level include:
 - Completing a business rules analysis to ensure the State has compiled all of the business process information that the Implementation Vendor will require thereby helping to ensure that aggressive project timeframes are met;
 - Defining and clearly confirming the business processing rules that will be used to inform the code logic of the new MMIS;
 - Conducting a Critical Report Analysis; and
 - Proposing a conversion strategy for historical MMIS Medicaid eligibility data.

2. **DDI Quality Assurance Services** – Services to monitor, verify, and validate the deliverables produced by the implementation contractor, to conduct all aspects of system testing, and to verify and validate operational readiness. These services will be provided throughout the systems development process through to implementation and at a high level include:
 - Understanding the State's requirements for the MMIS and ensuring that the new MMIS addresses and meets the functional, technical, and operational requirements specified by the State;
 - Participating in Joint Application Design Sessions (JAD) and deliverables review;
 - Providing project monitoring, identifying risks and proposing risk mitigation strategies;
 - Planning, preparing, and conducting requisite auditing and testing of the systems functionality and operations environment; and
 - Providing Independent Validation and Verification (IV&V) for the project.

3. **Post-DDI Services** – Services to assist the Department in its preparation for the eventual MMIS Federal Certification Review. The Centers for Medicare and Medicaid Services (CMS) must review the processing, performance, and output of the MMIS to ensure that it meets Federal MMIS requirements. These services will be provided after the system is operational in production and include:
 - Verifying that the requisite documentation is compiled and preparing the State for the CMS on-site MMIS certification review process; and
 - Facilitating the State's response to the CMS certification process, helping to ensure a successful certification and the realization of maximum Federal Financial Participation (FFP) for MMIS operations.

The implementation of the new MMIS will be a complex and challenging endeavor that will require a detailed translation of business rules logic, extensive data migration, expansion of

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

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

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

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

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

proposal following the evaluation process. FOX received the highest total score overall, concluding that the FOX proposal best met the objectives set forth in the RFP.

The Department, in its QA vendor procurement, was seeking many key components that could not be provided sufficiently in house. These included a critical reinforcement of the State testing effort and supplying MMIS/Medicaid Experience. FOX proposed staffing for the contract that allowed for addressing all of the requirements in the RFP. Other bidders required that the State trade-off or prioritize among requirements to obtain the same level of services. FOX demonstrated a strong commitment to reinforcing the State's system testing effort while other bidders viewed their position in testing as a passive or diminished role. FOX also proposed key individuals with extensive MMIS implementation experience and Medicaid expertise. These resources, which are both technical and business in nature, will help with the specific areas of need and include expertise in technical data architecture, programming code, Medicaid rules, Medicaid eligibility, system and operational readiness testing, Joint Application Design (JAD) and requirements validation. This expertise along with the FOX experience with MMIS Implementation and Quality Assurance will guide the State to ensure that the MMIS implemented in NH meets the project's objectives.

Overall, FOX was determined to be the best value to the State. The FOX proposal best met the Department's objectives and FOX was the lowest unit cost bidder. FOX was, however, the next to lowest total bid price. The cost proposal analysis determined that FOX and another of the three vendors bid the total number of hours required for the project within 2% of each other and the number of hours proposed by these two vendors was considered valid by the evaluation team, given the scope and objectives of the RFP. The third vendor bid 42% less hours than the average of the other two bids. When taking into account the broad scope of the RFP, the approach, and the hours proposed by the other bidders, this significant variance in hours was determined to be inadequate. The third vendor bid the lowest price but proposed significantly less hours. Comparing the bids on a cost per hour basis, where the cost per hour was the total cost of the contract divided by the total number of hours, it was determined that the FOX bid was the lowest cost per hour by approximately 20%. FOX not only proposed the approach that best met the Department's needs, but the cost analysis determined that of the three bidders, FOX was the lowest unit cost bidder and the overall best value to the State.

A key project objective is to have FOX commence work in December 2004; four months in advance of the projected MMIS Reprocurement project start date. FOX will complete the business rules analysis and other business preparatory activities in time for the start up of system development. The information that is compiled during the QA business rules analysis will be used to inform the business rules processing logic of the MMIS.

BACKGROUND

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

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

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

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

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

The State of New Hampshire issued an RFP to solicit proposals from qualified and experienced vendors to implement a state of the art, multi-payer, rules-driven, on-line and real-time, HIPAA compliant MMIS on September 14, 2004. The proposed solution must offer expanded and innovative functionality that reinforces best business practice, rather than a business as usual approach.

The new New Hampshire MMIS will be a web enabled, enterprise-wide MMIS solution. The flexibility and breadth of functionality will facilitate improved management of services across Medicaid program areas, effect more efficient, unduplicated service planning and payment, support the current and evolving business needs of the Department, and provide for improved provider access and communication.

The Department and OIT have worked collaboratively with the Federal Centers for Medicare and Medicaid Services (CMS) to acquire the requisite approvals to proceed with the project and to release the MMIS procurement RFP. The Department intends, through the MMIS RFP to replace its MMIS, seeking to transfer a state of the art system that will be certified and that will be customized to meet New Hampshire-specific present and future Medicaid business needs.

The New Hampshire MMIS Reprocurement RFP will seek a qualified, experienced vendor to implement an MMIS that supports the functions of the current MMIS, including Fee for Service claims processing as well as additional components including county billing and receipts, acuity rate determination, case tracking, and care management. The State will consider the merits and cost effectiveness of vendor proposals for integrating proposed additional components within the replacement MMIS, and at its option, will select the components to comprise the final solution.

The new NH MMIS will consolidate the automated processing of Medicaid claims transactions and requisite maintenance of provider, recipient, authorization, and reference data that presently is housed and supported in various applications across the Medicaid enterprise, into a single enterprise-wide MMIS solution. Several new interfaces will be created in support of this initiative.

Given the complex and comprehensive nature of the MMIS implementation, the aggressive project implementation timeline, and the considerable cost investment, this acquisition of a Quality Assurance vendor to assist the State in ensuring that the MMIS meets the State's objectives is essential.

The Department will monitor numerous performance measures throughout the life of the QA contract to ensure FOX Systems Inc meets or exceeds the contractual requirements. The Department will monitor the following performance measures at an overall level:

- Timely delivery of written deliverables;
- Quality of deliverables;
- Adequate and appropriate staffing; and

- Deliverables are produced at the cost outlined.

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

1. Pre-DDI Services:

- Completed a Critical Report Analysis that was useful to the MMIS Project;
- Defined and confirmed the business processing rules in a way that it was useful to the new MMIS; and
- Proposed a logical conversion strategy that was effective during the implementation phase of the project.

2. DDI Quality Assurance Services:

- Understood the State's requirement for the MMIS and ensured the new MMIS addressed the functional, technical, and operational requirements;
- Assisted the State in Joint Application Design Sessions (JAD) and deliverables review;
- Provided sufficient project monitoring;
- Identified risk and proposed risk mitigation strategies;
- Planned, prepared, and conducted requisite auditing and testing of the systems functionality and operations environment; and
- Provided Independent Validation and Verification (IV&V) for the project.

3. Post-DDI Services:

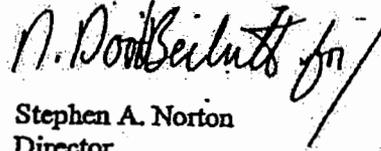
- Verifying that the requisite documentation is compiled and preparing the State for the CMS on-site MMIS certification review process; and
- Helped prepare the State prepare for the CMS on-site visit.

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

Geographic area to be served: Statewide

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

Respectfully submitted,


Stephen A. Norton
Director

Approved by:


John A. Stephen
Commissioner


Richard C. Bailey, Jr.
Interim Chief Information
Officer

Attachment 1: Bidders List

Company	Address	City	State	Zip	Phone	Fax	Website
BDMF	Yes						
Compass	Yes						
Deloitte	Yes	Yes		52.75	\$	4,184,661	
FOX Systems Inc.	Yes	Yes		81.25	\$	3,530,240	\$ 2,977,995
Maximus	Yes	Yes		69.75	\$	1,989,597	
S3 Technologies	Yes						

* Not a requirement of the RFP



STATE OF NEW HAMPSHIRE
OFFICE OF INFORMATION TECHNOLOGY

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

Richard C. Bailey, Jr.
Interim Chief Information Officer

October 8, 2004

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

Dear Commissioner Stephen:

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

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

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

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

Sincerely,

Richard C. Bailey, Jr.

RB/cjw
OIT 2005-002A.doc

cc: David Perry, Contracts Manager, OIT Logistics

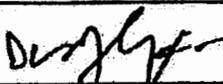
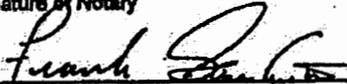
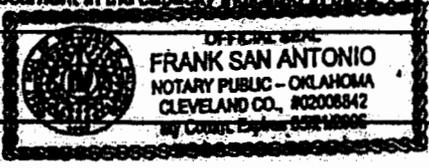
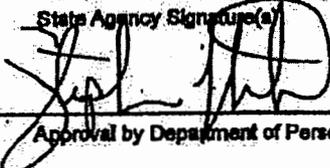
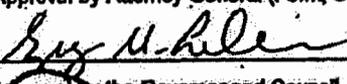
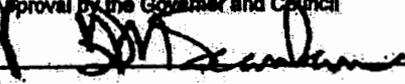
Subject: Medicaid Management Information System Quality Assurance Services

AGREEMENT

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

GENERAL PROVISIONS

Identification and Definitions.

1. State Agency Name Office of Medicaid Business and Policy Department of Health and Human Services		1.2 State Agency Address 129 Pleasant St., Brown Building Concord, NH 03301	
3. Contractor Name FOX Systems, Inc.		1.4 Contractor Address: 6283 North Scottsdale Road, Suite 200 Scottsdale, Arizona 85250	
5. Account No. 10-095-5691-031-0285	1.6 Completion Date December 31, 2008	1.7 Audit Date 12/31/2008	1.8 Price Limitation \$2,977,995.00
9. Contracting Officer for State Agency 1.10 Stephen A. Norton		State Agency Telephone Number 603 -- 271 - 6254	
11 Contractor Signature 		1.12 Name & Title of Contractor Signor Mr. Deesh Ahuja, Executive Vice President	
13 Acknowledgment: State of <u>OK</u> County of <u>Cleveland</u> 9-15-04 I, _____, before the undersigned officer, personally appeared the person identified in block 1.12., or satisfactorily proven to be the person whose name is identified in block 1.11., and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
13.1 Signature of Notary 			
13.2 Name & Title of Notary Frank San Antonio Notary			
State Agency Signature(s) 		1.15 Name/Title of State Agency Signor(s) Stephen A. Norton Medicaid Director	
16 Approval by Department of Personnel (Rate of Compensation for Individual Consultants) Director, On: _____			
7 Approval by Attorney General (Form, Substance and Execution)  Assistant Attorney General, On: 10-4-04			
8 Approval by the Governor and Council  DEPUTY SECRETARY OF STATE On: _____			
EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block "the State", engages contractor identified in block 1.3 ("the Contractor") to perform, and the Contractor shall perform, that work or sale of goods, or identified and more particularly described in EXHIBIT A incorporated herein ("the Services").			
EFFECTIVE DATE: COMPLETION OF SERVICES. This agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Council of the State of New Hampshire approve this agreement, ("the Effective Date"). If the date for commencement in Exhibit A precedes the Effective Date all services performed by Contractor between the commencement date and Effective Date shall be performed at the sole risk of the contractor and in the event that this Agreement does not become effective, the State shall be under no obligation to pay the contractor for any costs incurred or services performed; however that if this Agreement becomes effective all costs incurred prior to the effective date shall be paid under the terms of this Agreement. All services must be completed by the date specified in block 1.6.			
CONDITIONAL NATURE OF AGREEMENT. Notwithstanding anything in this agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of such funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the account identified in block 1.5 in the event funds in that account are reduced or unavailable.			

TRACT PRICE: LIMITATION ON PRICE: PAYMENT.

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

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

The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by RSA 88:7 through 7-C or any other provision of law.

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

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

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

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

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

PERSONNEL

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

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

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

The Contracting Officer specified in block 1.3, or his or her successor, shall be the State's representative. In the event of any dispute concerning the performance of this Agreement, the Contracting Officer's decision shall be final.

EVENT OF DEFAULT; REMEDIES.

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

- failure to perform the Services satisfactorily or on schedule; or
 - failure to submit any report required hereunder; or
 - failure to perform any other covenant or condition of this Agreement.
- Upon the occurrence of any Event of Default, the State may take any one, or all, of the following actions:

- 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 giving the Contractor notice of termination; and
- give the Contractor a written notice specifying the Event of Default and ordering that 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 Contractor; and
- set off against any other obligations the State may owe to the Contractor the amount of the State suffers by reason of any Event of Default; and
- treat the agreement as breached and pursue any of its remedies at law or equity, or both.

DATA: ACCESS; CONFIDENTIALITY; PRESERVATION.

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

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

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

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

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

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

13. **INDEMNIFICATION.** The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant shall survive the termination of this Agreement.

14. INSURANCE AND BOND.

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

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

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 8.2 of these general provisions, in an amount not less than 80% of the whole replacement value of the property.

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

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

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

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

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

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

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

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

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

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

CERTIFICATE OF AUTHORITY

(Corporation With Seal)

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

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

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

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

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

Susan Fox, Chairperson

Mark Shishida, Secretary

Desh Ahuja, Treasurer

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

Mark Shishida
Secretary

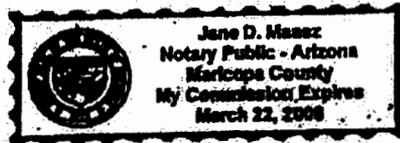
STATE OF Arizona

COUNTY OF Maricopa

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

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

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



Attachment 1: Bidders List

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

* Not a requirement of the RFP

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

Date: August 27, 2004

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

Contractor:

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

1. INTRODUCTION

3.1 DEFINITIONS

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

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

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

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

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

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2. CONTRACT/ORDER OF PRECEDENCE

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

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

3. SCOPE OF SERVICES

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

3.1 PROJECT MONITORING

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

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

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

3.2 PROVIDE OVERALL QA PROJECT MANAGEMENT SUPPORT

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

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

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

3.3 MEDICAID PROGRAM EXPERTISE

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

3.4 PRE-DDI POLICY AND BUSINESS RULES ANALYSIS SUPPORT

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

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

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

3.5 PRE-DDI DATA CONVERSION ACTIVITY

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

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

3.6 CRITICAL REPORT SPECIFICATION DEVELOPMENT

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

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

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

3.7 DDI-QA.

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

a. General and Project Start-Up

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

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

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

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

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

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

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

3.8 POST-DDI STABILIZATION AND CERTIFICATION READINESS

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

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

4 PERIOD OF PERFORMANCE/TERMINATION

4.1 PERIOD OF PERFORMANCE

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

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

4.2 TERMINATION FOR CONVENIENCE

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

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

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

4.3 TERMINATION FOR CAUSE

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

5 CONTRACT ADMINISTRATION

5.1 FOX SYSTEMS, INC. CONTRACT MANAGER

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

Mr. Desh Ahuja, Executive Vice President
6263 North Scottsdale Road – Suite 200
Scottsdale, Arizona 85250
480-423-8184
480-423-8108
desh.ahuja@foxsys.com

or the designated successor.

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

5.2 STATE QA PROJECT MANAGER

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

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

or the designated successor.

5.3 STATE MMIS PROJECT MANAGER

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

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

or the designated successor.

6 STATEMENT OF WORK/DELIVERABLES/WORK PLAN

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

6.1 WORK PLAN

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

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

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

6.2 WORK PLAN UPDATES

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

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

6.3 SCHEDULE CHANGES

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

6.4 DELIVERABLES/ACCEPTANCE

6.4.1 Deliverables.

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

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

6.4.2 Acceptance Written Deliverables

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

6.4.3 Acceptance Non-Software Deliverables

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

6.4.4 Termination

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

7 PROJECT MANAGEMENT

7.1 FOX SYSTEMS, INC.'S PROJECT MANAGER

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

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

7.2 FOX SYSTEMS, INC.'S PROJECT STAFF

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

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

Table 7.2-1: Project Staff

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

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

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

7.3 REPORTS

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

7.3.1 Status Reports

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

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

8 PROCEDURES

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

These procedures include, but are not limited to:

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

9 ASSUMPTIONS AND DEPENDENCIES

9.1 TECHNICAL

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

9.2 GENERAL

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

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

9.3 WORK SCHEDULES

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

9.4 COPYRIGHT, INTELLECTUAL PROPERTY RIGHTS, AND CONFIDENTIALITY

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

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

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

10 FOX SYSTEMS, INC. PARTICIPATION

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

11 INTERNAL ESCALATION PROCEDURE FOR DISPUTES

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

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

Table 11-1: Dispute Resolution Responsibility and Schedule Table

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

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

12 DELIVERABLES

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

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

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

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

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

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

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

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

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

13 WARRANTIES

13.1 SERVICES:

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

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

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

13.2 WARRANTY PERIOD

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

14 **ASSIGNMENT**

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

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

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

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DA
9/15/2004

EXHIBIT B: METHODS AND CONDITIONS PRECEDENT TO PAYMENT

Contractor: FOX Systems, Inc.

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

Funding of Contract

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

Table B -1b: Budget by Phase

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

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

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

Table B-3: Current Hourly Rates

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

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

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

Table B-4: Future IT Services

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

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

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

O. Invoices shall be sent to:

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

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DA
9/15/2004

Overall Finalized OA Plan	\$ 18,705			\$ 18,705	\$ 18,705		
Review sessions and meetings, Kickoff, Weekly Status Meetings, Other Meetings	\$ 293,500			\$ 293,500	\$ 125,788	\$ 167,714	
Publish session and meeting minutes and revised Project Plans	\$ 4,083	28	113,780	\$ 113,780	\$ 40,825	\$ 48,750	\$ 24,375
Produce Monthly Project Status Reports	\$ 1,337	27	36,108	\$ 36,108	\$ 12,035	\$ 18,047	\$ 8,023
Produce Monthly Project Risk Management Reports	\$ 1,285	27	34,705	\$ 34,705	\$ 11,568	\$ 15,424	\$ 7,712
Publish OA Work Plan and Schedule	\$ 1,238	28	34,705	\$ 34,705	\$ 12,395	\$ 14,874	\$ 7,437
Integrate OA Work Plan and Implementation Project Work Plan	\$ 657	23	18,705	\$ 19,705	\$ 4,284	\$ 10,281	\$ 5,140
Create Project Communication Plan	\$ 28,000			\$ 28,000	\$ 28,000		
Create a Documentation plan for the Project	\$ 18,705			\$ 19,705	\$ 19,705		
Create Paper Work and Electronic Media Control Procedures	\$ 14,705			\$ 14,705	\$ 14,705		
DOI Deliverable Review and Approval Process	\$ 34,705			\$ 34,705	\$ 34,705		
Establish process for review and approval of software development results	\$ 26,205			\$ 26,205	\$ 26,205		
Create Expenditure Control Plan	\$ 14,705			\$ 14,705	\$ 14,705		
Create cost benefit methodology Plan	N/A			N/A	N/A		
Implement Control Guidelines Plan	\$ 14,705			\$ 14,705	\$ 14,705		
Create Project Newsletters for Communications Bi-Monthly until September 2005, monthly thereafter	\$ 1,894	21	32,850	\$ 32,850	\$ 6,257	\$ 17,207	\$ 8,386
Establish a Project Scope Management and Change Control Plan	\$ 45,000			\$ 45,000	\$ 45,000		
Total	\$ 670,834		\$ 271,630	\$ 783,758	\$ 430,344	\$ 280,597	\$ 62,673

2.1 Business Rule Gap Analysis and Recommendations for new and/or modified Medicaid poliostrules	\$ 53,080			\$ 53,080	\$ 53,080		
2.2 Create Business Rule Matrix	\$ 37,955			\$ 37,955	\$ 37,955		
2.3 Report detailing provider billing manuals, bulletins, and claims resolution manuals	\$ 33,342			\$ 33,342	\$ 33,342		
Comprehensive analysis report of provider reimbursement methods, benefit levels, eligibility levels and program integrity requirements, Embedded ICD9 Code and Business Logic	\$ 37,894			\$ 37,894	\$ 37,894		
2.4 Analysis Logic	\$ 48,342			\$ 48,342	\$ 48,342		
2.5 ICD9 Eligibility Conversion Strategy	\$ 73,405			\$ 73,405	\$ 73,405		
2.6 Business Process Reengineering Recommendations Report	\$ 44,180			\$ 44,180	\$ 44,180		
2.7 Report Specifications Analysis	\$ 112,800			\$ 112,800	\$ 112,800		
Total	\$ 440,378			\$ 440,378	\$ 440,378		

1 Report on Implementation Vendor Deliverables (see Exhibit B-1a)	\$ 418,703			\$ 418,703	\$ 138,078	\$ 240,764	\$ 41,870
2 Requirements Traceability Matrix Report	\$ 67,900			\$ 67,900	\$ 48,980	\$ 48,980	
3 JAD session Report	\$ 72,222			\$ 72,222	\$ 72,222		
4 Technical Review Report	\$ 84,322			\$ 84,322	\$ 84,322		
5 OA Test Plan	\$ 68,430			\$ 68,430	\$ 68,430		
6 Integration and System Testing Report	\$ 68,000			\$ 68,000		\$ 68,000	
7 User Acceptance Test Cases and Scripts	\$ 71,222			\$ 71,222		\$ 71,222	
8 User Acceptance Testing	\$ 77,022			\$ 77,022		\$ 77,022	
9 Issue Tracking Report	\$ 54,322			\$ 54,322		\$ 54,322	
User Acceptance Testing Report Knowledge Transfer Plan	\$ 61,822			\$ 61,822		\$ 61,822	
10 User and Provider Training Readiness Reports	\$ 78,890			\$ 78,890		\$ 78,890	
Provider Readiness Assessment-Documentation and Communication	\$ 57,040			\$ 57,040		\$ 57,040	
2 Provider Readiness Report	\$ 40,000			\$ 40,000		\$ 40,000	
4 Operational Readiness Report	\$ 35,022			\$ 35,022		\$ 35,022	
5 Implementation Readiness Report	\$ 98,222			\$ 98,222		\$ 98,222	
3 Security Plan Report	\$ 58,722			\$ 58,722		\$ 58,722	
7 Implementation Close Out Report	\$ 70,022			\$ 70,022			\$ 70,022
Total	\$ 1,348,651			\$ 1,500,873	\$ 404,982	\$ 883,988	\$ 111,882

MIS Federal Certification Plan	\$ 66,578			\$ 66,578			\$ 66,578
Certification Readiness Report	\$ 74,336			\$ 74,336			\$ 74,336
Certification Plan Review Report	\$ 49,807			\$ 49,807			\$ 49,807
Certification Letter	\$ 30,232			\$ 30,232			\$ 30,232
Project Close Out Report	\$ 13,039			\$ 13,039			\$ 13,039
Total	\$ 253,989			\$ 253,989			\$ 253,989
Total				\$ 2,977,995	\$ 1,275,765	\$ 1,274,285	\$ 427,955

A. Project Initiation and Planning	<ul style="list-style-type: none"> 1. Project Management Plan 2. Detailed Project Work Plan 3. Problem Control and Change Management Plan 4. Project Communication Plan. 5. Quality Assurance Plan 6. Issues Tracking and Resolution
B. Requirements Analysis and Validation	<ul style="list-style-type: none"> 1. Requirements Validation Specification 2. Requirements Traceability Matrix
C. Design	<ul style="list-style-type: none"> 1. General System Design 2. Detailed System Design 3. Test Environment Preparation 4. Finalized Disaster Recovery Plan 5. Finalized Security Plan
D. Construction and Unit Testing	<ul style="list-style-type: none"> 1. Construction and Unit Test Summary 2. Integration and System Test Scripts 3. MMIS Implementation Plan 4. Finalized System Test Plan 5. Finalized Contingency Plan 6. Finalized Conversion Plan
E. Integration/System Testing	<ul style="list-style-type: none"> 1. Integration/System Test Summary 2. Integration/System Test Results 3. X12N EDI Companion Guides 4. Provider Status Evaluation 5. Revised Detailed System Design 6. Finalized Training Plan 7. Finalized Operations Plan 8. Finalized Training Materials/Manuals
F. Conversion	<ul style="list-style-type: none"> 1. Conversion Test Results
G. Acceptance Test	<ul style="list-style-type: none"> 1. Acceptance Test Plan 2. Acceptance Test Resolutions Document 3. Acceptance Test Tracking System 4. Operational Readiness Report 5. Finalized MMIS User Manuals 6. Finalized MMIS Provider Handbooks
H. Implementation	<ul style="list-style-type: none"> 1. MMIS Systems Documentation 2. Results of Final Conversion
I. Post Implementation Evaluation	<ul style="list-style-type: none"> 1. Evaluation Plan 2. Evaluation Report 3. Corrective action plan 4. Certification manuals for each required system function, including first-run reports for federally-required reports

Requirements Traceability Matrix Report		\$ 97,900
1/8 of Report on the Implementation Vendor deliverables		<u>\$ 52,338</u>
Total		\$ 150,238
1/8 of Report on the Implementation Vendor deliverables		<u>\$ 52,338</u>
Total		\$ 52,338
JAD Session Report		\$ 72,222
Technical Review Report		\$ 84,322
1/8 of Report on the Implementation Vendor deliverables		<u>\$ 52,338</u>
Total		\$ 208,882
QA Test Plan		\$ 63,420
1/8 of Report on the Implementation Vendor deliverables		<u>\$ 52,338</u>
Total		\$ 115,758
Integration and System Testing Report		\$ 68,000
1/8 of Report on the Implementation Vendor deliverables		<u>\$ 52,338</u>
Total		\$ 120,338
1/8 of Report on the Implementation Vendor deliverables		<u>\$ 52,338</u>
Total		\$ 52,338
DDI Phase I Total		\$ 699,891
User Acceptance Test Cases and Scripts		\$ 71,222
User Acceptance Testing		\$ 77,022
Issues Tracking Report		\$ 54,322
User Acceptance Testing Report Knowledge Transfer Plan		\$ 61,822
1/8 of Report on the Implementation Vendor deliverables		<u>\$ 52,338</u>
Total		\$ 316,726
User and Provider Training Readiness Reports		\$ 78,890
Provider Readiness Assessment-Documentation and Communication		\$ 57,040
Provider Readiness Report		\$ 40,000
Operational Readiness Report		\$ 35,022
Implementation Readiness Report		\$ 98,222
Security Plan Report		\$ 56,722
Implementation Close Out Report		\$ 70,022
1/8 of Report on the Implementation Vendor deliverables		<u>\$ 52,338</u>
Total		\$ 484,256
None		
DDI Phase II Total		\$ 800,982

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

EXHIBIT C
SPECIAL PROVISIONS

1. **Provider's Obligations:** The Provider covenants and agrees that all funds received by the Provider under the Agreement shall be used only as payment to the Provider for services provided to eligible individuals and in the furtherance of the aforesaid covenants the Provider hereby covenants and agrees as follows:
 2. **Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.
 3. **Time and Manner of Determination:** Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department: (Social Service Block Grant).
 4. **Documentation:** In addition to the determination forms required by the Department, the Provider shall maintain a data file on each recipient of Services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Provider shall furnish the Department with all forms and documentation regarding eligibility determinations which the Department may request or require.
 5. **Fair Hearings:** The Contractor understands that all applicants for Services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for Services shall be permitted to fill out an application form and that each applicant or reapplicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.
 6. **Conditions of Purchase and Payment to Contractor:**

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

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

 - 7.1 Renegotiate the rates for payment hereunder, in which event new rates shall be established;
 - 7.2 Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of Costs;
 - 7.3 Demand repayment of the excess payment by the Contractor in which event failure to make such repayment shall constitute an Event of Default hereunder. When the Provider is permitted to determine the eligibility of individuals for Services, the Provider agrees to reimburse the Department for all funds paid by the Department to the Provider for Services provided to any individual who is found by the Department to be ineligible for such Services at any time during the period of retention of records established herein. (Social Services Block Grant).
- Records: Maintenance, Retention, Audit, Disclosure and Confidentiality:**
8. **Maintenance of Records:** In addition to the eligibility records specified above, the Provider covenants and agrees to maintain the following records during the Program Period:
 - 8.1 **Fiscal Records:** Books, records, documents and other data evidencing and reflecting all Costs and other expenses incurred by the Provider in the performance of the Agreement, and all income received or collected by the Provider during the Program Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such Costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, regulations 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:** Program statistical and enrollment, attendance or visit records for each recipient of Services during the Program Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of Services and all invoices submitted to the Department to claim payment for such services.
 - 8.3 **Medical Records:** Where appropriate and as prescribed by the Department regulations, the Provider shall retain medical records on each patient/recipient of Services. (Social Services Block Grant).
 9. **Audit and Review:** During the term of this Agreement and the period for retention hereunder, the Department, the United States Department of Health and Human Services and any of its designated representatives shall have access to all reports and records maintained pursuant to the Agreement for purposes of audit, examination, excerpts and transcripts.
 10. **Audit Liabilities:** In addition to and not in any way in limitation of obligations of the Agreement, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Agreement to which exception has been taken or which have been disallowed because of such an exception.
 11. **Audit:** Contractor shall submit an annual audit to the Department within 90 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provisions of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
 12. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the Services and the Agreement shall be confidential and shall not be disclosed by the Provider, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the Services of the Agreement; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the 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 Agreement for any reason whatsoever.
13. **Reports: Fiscal and Statistical:** The Contractor agrees to submit the following reports at the following times if requested by the Department:
 - 13.1 **Interim Financial Reports:** Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 13.2 **Final Report:** A final report shall be submitted within thirty (30) days after the end of the term of this Agreement. The Final Report shall be in a form satisfactory to the Department and it shall contain a summary statement of progress toward to goals and objectives stated in the Proposal and other information required by the Department.
 14. **Completion of Services: Disallowance of Costs:** Upon the purchase by the Department of the maximum number of Units provided for in the Agreement and upon payment of the price for such Units hereunder, the Agreement and all the obligations of the parties hereunder (except such obligations as, by the terms of the Agreement are to be performed after the end of the term of the Agreement and/or survive the termination of the Agreement) shall terminate; provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any items claimed by the Contractor as Costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such amount from the Contractor.
 15. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the Services or the Agreement shall include the following statement:

16.1 The preparation of this report, document etc.) was financed under an Agreement with the State of New Hampshire, Department of Human Services of the Department of Health and Human Services with funds provided in part by the United States Department of Health and Human Services.

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

SPECIAL PROVISIONS - DEFINITIONS

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

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

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

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

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

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

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

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

DA
9/15/2004

NH Department of Health and Human Services

STANDARD EXHIBIT D

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

**CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS
ALTERNATIVE I - FOR GRANTEEES OTHER THAN INDIVIDUALS**

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

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

Commissioner, NH Department of Health and Human Services, 129 Pleasant Street,
Concord, NH 03301-6505.

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

- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
- (b) Establishing an ongoing drug-free awareness program to inform employees about—
 - (1) The dangers of drug abuse in the workplace;
 - (2) The grantee's policy of maintaining a drug-free workplace;
 - (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- (c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
- (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will—
 - (1) Abide by the terms of the statement; and
 - (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

**CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS
ALTERNATIVE I - FOR GRANTEEES OTHER THAN INDIVIDUALS, cont'd**

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

- (e) Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- (f) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted—
 - (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
- (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).

The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

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

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

FOX Systems, Inc.

From: September 1, 2004 or date of Governor and Council Approval which ever is later through December 31, 2006

Contractor Name

Period Covered by this Certification

DESH AHUJA

Name and Title of Authorized Contractor Representative

Desh Ahuja

9/15/2004

Contractor Representative Signature

Date

NH Department of Health and Human Services

STANDARD EXHIBIT E

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

CERTIFICATION REGARDING LOBBYING

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

Programs (Indicate applicable program covered):

Aid to Families with Dependent Children Program under Title IV-A
Child Support Enforcement Program under Title IV-D
Job Opportunities and Basic Skills (JOBS) Program under Title IV-F
Medicaid Program under Title XIX
Social Services Block Grant Program under Title XX
The Food Stamp Program under Title VII

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

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

No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).

If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions, attached and identified as Standard Exhibit E-I.

The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

CERTIFICATION REGARDING LOBBYING, cont'd

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

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

Derry

EXECUTIVE V.P.

Contractor Signature

Contractor's Representative Title

FOX Systems, Inc.
Contractor Name

9/15/2004
Date

NH Department of Health and Human Services

STANDARD EXHIBIT F

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office Order 12529 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS - PRIMARY COVERED TRANSACTIONS

Instructions for Certification

By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.

The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.

The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.

The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.

The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Non-procurement List (of excluded parties).

**CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER
RESPONSIBILITY MATTERS - PRIMARY COVERED TRANSACTIONS, cont'd**

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

**Certification Regarding Debarment, Suspension, and Other
Responsibility Matters - Primary Covered Transactions**

The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:

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

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

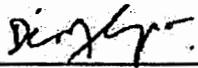
CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS - PRIMARY COVERED TRANSACTIONS, cont'd

**Certification Regarding Debarment, Suspension, Ineligibility and
Voluntary Exclusion - Lower Tier Covered Transactions
(To Be Supplied to Lower Tier Participants)**

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

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

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

 Contractor Signature	EXECUTIVE V.P. Contractor's Representative Title
Systems, Inc. Contractor's Name	9/15/2004 Date

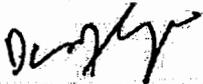
NH Department of Health and Human Services

STANDARD EXHIBIT G

**CERTIFICATION REGARDING THE
AMERICANS WITH DISABILITIES ACT COMPLIANCE**

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

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



EXECUTIVE V.P.

Contractor Signature

Contractor's Representative Title

FOX Systems, Inc.
Contractor Name

01/15/2004
Date

NH Department of Health and Human Services

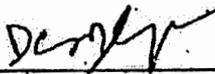
STANDARD EXHIBIT H

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

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

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

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



Contractor Signature

EXECUTIVE V.P.

Contractor's Representative Title

9/15/2004

Systems, Inc.

Contractor Name

Date

STANDARD EXHIBIT I

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-91 and with the Standards for Privacy of Individually Identifiable Health Information, 45 CFR Parts 160 and 164. As defined herein, "Business Associate" shall mean the Contractor and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

BUSINESS ASSOCIATE AGREEMENT

(1) **Definitions.**

- a. "**Designated Record Set**" shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 CFR Section 164.501.
- b. "**Data Aggregation**" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- c. "**Health Care Operations**" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- d. "**HIPAA**" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-91.
- e. "**Individual**" shall have the same meaning as the term "individual" in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- f. "**Privacy Rule**" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- g. "**Protected Health Information**" shall have the same meaning as the term "protected health information" in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- h. "**Required by Law**" shall have the same meaning as the term "required by law" in 45 CFR Section 164.501.
- i. "**Secretary**" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- j. **Other Definitions** - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time.

(2) Use and Disclosure of Protected Health Information.

a. Business Associate shall not use or disclose PHI except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement, as amended to include this Exhibit H. Further, the Business Associate shall not, and shall ensure that its directors, officers, employees and agents, do not use or disclose PHI in any manner that would constitute a violation of the Privacy Rule if so used by Covered Entity.

b. Business Associate may use or disclose PHI:

- (i) for the proper management and administration of the Business Associate;
- (ii) as required by law, pursuant to the terms set forth in paragraph c. below; or
- (iii) for data aggregation purposes for the health care operations of Covered Entity.

c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to immediately notify Business Associate of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.

d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, as amended to include this Exhibit H, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying covered entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions on the uses or disclosures of PHI pursuant to the Privacy Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions.

(3) Obligations and Activities of Business Associate.

a. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, as amended to include this Exhibit H, of which it becomes aware, within two (2) business days of becoming aware of such unauthorized use or disclosure.

b. Business Associate shall use appropriate safeguards to prevent the use or disclosure of PHI other than as permitted by the Agreement, as amended to include this Exhibit H.

c. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the

Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy Rule.

- d. Business Associate shall require all of its directors, officers, employees and agents, subcontractors, and third parties that receive, use or have access to PHI under the Agreement, as amended to include this Exhibit H, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section (3)k. herein. Business Associate shall also require its agents, subcontractors, and third parties to indemnify, defend and hold harmless Covered Entity from and against any claim, liability, or expense arising out of or relating to any non-permitted use or disclosure of PHI by the agents, subcontractors and third parties.
- e. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement, as amended to include this Exhibit H.
- f. Within ten (10) days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a designated record set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- g. Within ten (10) days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.*
- h. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- i. Within ten (10) days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- j. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.

k. Within ten (10) business days of termination of the Agreement, as amended to include this Exhibit H, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, Business Associate shall continue to extend the protections of the Agreement, as amended by this Exhibit H, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

l. Business Associate shall only request, use and disclose the minimum amount of PHI necessary to accomplish the purpose of the request, use or disclosure.

(4) Obligations of Covered Entity

a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.

b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.

c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) Term and Termination

a. Term. The Agreement, as amended to include this Exhibit H, shall become effective as of {insert effective date} and shall continue in effect until (i) termination of the Agreement, (ii) termination as provided herein, or (iii) termination by mutual agreement of the parties.

b. Termination for Cause.

Covered Entity may immediately terminate the Agreement, as amended to include this Exhibit H, if it determines that Business Associate has violated the Agreement. Upon Covered Entity's knowledge of a breach by Business Associate, Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy Rule, as amended from time to time. A reference in the Agreement, as amended to include this Exhibit H, to a Section in the Privacy Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, as amended to include this Exhibit H, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy Rule, and applicable federal and state law.
- c. No Third Party Beneficiaries. Nothing express or implied in the Agreement, as amended to include Exhibit H, is intended or shall be deemed to confer upon any person or entity other than the Covered Entity, the Business Associate, and their respective successors and assigns, any rights, obligations, remedies or liabilities whatsoever.
- d. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- f. Interpretation. The parties agree that any ambiguity in the Agreement, as amended to include this Exhibit H, shall be resolved to permit Covered Entity to comply with HIPAA and the Privacy Rule.
- g. Indemnification. Business Associate shall indemnify, defend and hold harmless Covered Entity from and against any claim, liability, or expense arising out of or relating to any non-permitted use or disclosure of PHI by the Business Associate, including without limitation its directors, officers, and employees.
- h. Segregation. If any term or condition of this Exhibit H or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit H are declared severable.
- i. Survival. Provisions in this Exhibit H regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section 3 k., the defense and indemnification provisions of section 3 d., and section 6 g. shall survive the termination of the Agreement.

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

NA DHHHS, OMBP

The State

[Signature]
Signature of Authorized Representative

Stephen A. Norton
Name of Authorized Representative

Director
Title of Authorized Representative

9/20/04
Date

FOX SYSTEMS, INC.
Name of the Contractor

[Signature]
Signature of Authorized Representative

DESK ANWA
Name of Authorized Representative

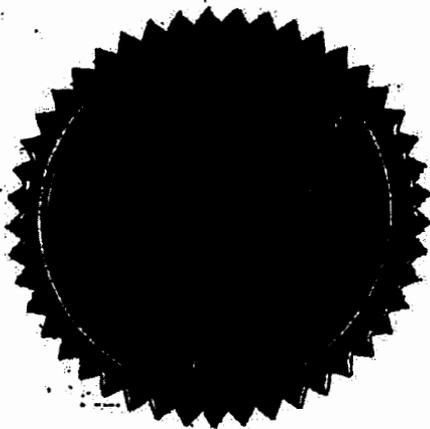
EXECUTIVE V-P.
Title of Authorized Representative

9/18/2004
Date

State of New Hampshire
Department of State

CERTIFICATE OF AUTHORIZATION

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that a certificate of authority to do business in this state was issued to FOX SYSTEMS, INC., a(n) California corporation, on December 9, 1996. I further certify that all fees and annual reports required by the Secretary of State's office have been received.



IN TESTIMONY WHEREOF, I hereto
set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 22nd day of June, A.D. 2004

William M. Gardner

William M. Gardner
Secretary of State

SERVICES, INC. OF FLORIDA SKELL BAY DRIVE, SUITE #1100 33131-4937 130	Serial # A15768	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.
	COMPANIES AFFORDING COVERAGE	
	COMPANY A	AMERICAN HOME ASSURANCE COMPANY
	COMPANY B	
	COMPANY C	
ADP TOTALSOURCE, INC. 0200 SUNSET DRIVE MIAMI, FL 33173 ALTERNATE EMPLOYER: OX SYSTEMS INC.	COMPANY D	

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 DATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, CONDITIONS AND CONDITIONS OF SUCH POLICIES, LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
LIABILITY CIVIL GENERAL LIABILITY WORKERS MADE <input type="checkbox"/> OCCUR & CONTRACTOR'S PROT				GENERAL AGGREGATE	\$
				PRODUCTS-COMP/OP AGG	\$
				PERSONAL & ADV INJURY	\$
				EACH OCCURRENCE	\$
				FIRE DAMAGE (Any one fire)	\$
				MED EXP (Any one person)	\$
AUTO LIABILITY TO OWNED AUTOS NON-OWNED AUTOS HIRENED AUTOS				COMBINED SINGLE LIMIT	\$
				BODILY INJURY (Per person)	\$
				BODILY INJURY (Per accident)	\$
				PROPERTY DAMAGE	\$
AUTO LIABILITY OTHER THAN AUTO ONLY				AUTO ONLY - EA ACCIDENT	\$
				OTHER THAN AUTO ONLY:	
				EACH ACCIDENT	\$
AUTO LIABILITY A FORM NON-UMBRELLA FORM				AGGREGATE	\$
				EACH OCCURRENCE	\$
				AGGREGATE	\$
PENSION AND DISABILITY INCL <input type="checkbox"/> EXCL <input type="checkbox"/>	RMVC 3023187	08/01/2004	07/01/2005	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER	
				EL EACH ACCIDENT	\$ 1,000,000
				EL DISEASE - POLICY LIMIT	\$ 1,000,000
				EL DISEASE - EA EMPLOYEE	\$ 1,000,000

ATTENTION: LOCATIONS/VEHICLES/SPECIAL ITEMS
 WORKING FOR THE ABOVE NAMED CLIENT COMPANY, PAID UNDER ADP TOTAL SOURCE, INC'S PAYROLL, WILL BE COVERED UNDER THE ABOVE STATED POLICY. *THE ABOVE NAMED CLIENT IS AN ALTERNATE EMPLOYER UNDER THIS POLICY.
 0-000-0000-000-0265

STATE OF NEW HAMPSHIRE DEPARTMENT OF MEDICAID BUS. & PLAN DIVISION OF HEALTH & HUMAN SERVICES 100 PLEASANT ST., BROWN BUILDING CONCORD, NH 03301	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES. _____ AUTHORIZED REPRESENTATIVE
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PRODUCER Brown & Brown Insurance of AZ 2800 N. Central Ave., #1600 P.O. Box 2800 Phoenix AZ 85002-2800 Phone: 602-277-6672	THIS CERTIFICATE ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
	INSURERS AFFORDING COVERAGE	NAIC #
INSURED Affiliated Fox Group, Inc. Fox Systems, Inc. 6263 N Scottsdale Rd, Ste 200 Scottsdale AZ 85250	INSURER A: TheTravelers Ind Co of America	25666
	INSURER B: Phoenix Insurance Company	0435
	INSURER C: Travelers Indemnity Co of CT	25682
	INSURER D: Travelers Indemnity Company	25658
	INSURER E:	NAIC #

COVERAGES

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. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSURANCE TYPE	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS MADE <input checked="" type="checkbox"/> OCCUR	68097K16415	07/01/07	07/01/08	EACH OCCURRENCE \$ 1000000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC				DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300000 MED EXP (Any one person) \$ 10000 PERSONAL & ADV INJURY \$ 1000000 GENERAL AGGREGATE \$ 2000000 PRODUCTS - COMP/DP AGG \$ 2000000
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	BA97K14907	07/01/07	07/01/08	COMBINED SINGLE LIMIT (Ea accident) \$ 1000000
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE (Per accident) \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
D	EXCESS/UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$ 0*	CUP4189Y047	07/01/07	07/01/08	EACH OCCURRENCE \$ 3000000
					AGGREGATE \$ 3000000
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below OTHER	UB97K32753	07/01/07	07/01/08	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER
					E.L. EACH ACCIDENT \$ 1000000
					E.L. DISEASE - EA EMPLOYEE \$ 1000000 E.L. DISEASE - POLICY LIMIT \$ 1000000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
 *Except for Ten (10) days notice for non-payment of premium. Does not apply to Workers Compensation.

CERTIFICATE HOLDER STATE OF NEW HAMPSHIRE Office of Medicaid Bus & Plan Dept of Health & Human Svcs 129 Pleasant St, Brown Bldg Concord NH 03301	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30* DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE 
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