



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

Peter C. Hastings
Acting Commissioner

March 5, 2013

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

Sole Source

REQUESTED ACTION

- 1) Authorize the Department of Information Technology (DoIT) to enter into a **SOLE SOURCE** contract amendment to an existing contract (Purchase Order # 1001434) with Truven Health Analytics Inc. (formerly The Medstat Group, Inc. and Thompson Reuters Healthcare Inc.) (Vendor 177828), Ann Arbor, Michigan by increasing the amount by \$158,749.98, from \$4,822,282.00 to an amount not to exceed \$4,981,031.98 to provide for ongoing contractor system maintenance and enhancements for the Department of Health and Human Services' (DHHS) Medicaid Decision Support System (MDSS).
- 2) Further authorize DoIT to extend the contract expiration date from March 31, 2013 to September 30, 2013, effective upon Governor and Executive Council approval.

100% Other (Agency Class 27) funds: the Agency Class 27 used by DHHS to reimburse DoIT for this contract is 75% Federal and 25% General funds. Funding is available in the DoIT account, with the authority to adjust encumbrances in each of the State fiscal years through the Budget Office if needed and justified, contingent on continued budget authorization.

FY	AT#-DEPT#-AGENCY#-ACTIVITY#-ACCTG UNIT#- DEPT NAME-AGENCY AME-ACCTG UNIT NAME	JOB #	AMOUNT
	CLASS CODE-ACCOUNT CODE -OBJ (ACCOUNT) DESC		
2013	01-03-03-030010-76950000 - DoIT- IT for DHHS 038-509038 - Technology - Software	03950033	\$79,375.00
2014	01-03-03-030010-76950000 - DoIT- IT for DHHS 038-509038 - Technology - Software	03950033	\$79,375.00
	RAND TOTAL		\$158,749.98

EXPLANATION

The purpose of the above requested action is to enable DHHS to continue services provided by Truven Health Analytics Inc. (Truven) in support of the Medicaid Decision Support System (MDSS), the primary data inquiry and federal report-generating component of the Medicaid Management Information System (MMIS), including extending software licenses, and continuing system operations and maintenance as identified and approved by DHHS and DoIT.

This contract amendment is a sole source extension justified by the proprietary nature of the software application, the experience Truven Health Analytics Inc. has acquired in supporting the New Hampshire installation of the product and working with New Hampshire data, and the continuing need of the DHHS for uninterrupted access to critical reports and Medicaid data analysis. Considering the intention to replace this system with functionality in the new MMIS, Truven is the most appropriate resource for the services required by this amendment.

The Governor and Executive Council approved the original Truven (formerly The Medstat Group, Inc. and Thomson Reuters (Healthcare) Inc.) contract on December 19, 2001, (Item #82) for system support services to be provided through June 30, 2005. The original contract resulted from a competitive bid process in response to the published Request for Proposals (RFP) #DHHS 2002-002, for the design, development, and implementation (DDI) of a Medicaid Decision Support System (MDSS). The Medstat Group, Inc. (Medstat) was selected as the preferred vendor based on its product, clinical expertise, and lowest cost bid. The DDI phase of the project was completed and the system was implemented in May 2004. Amendment A, approved by the Governor and Executive Council on June 23, 2004 (Item #265A), extended the contract end date to June 30, 2006, and included an optional extension to June 30, 2007. Amendment A provided for continued software licensing, operational maintenance of the system, and system modification for State-approved enhancements through June 30, 2006. Amendment B, approved by the Governor and Executive Council on June 21, 2006, (Item #16), extended the contract end date to June 30, 2007. Amendment C, (Item #19), approved on June 13, 2007, extended the duration of the contract through June 30, 2009. Amendment D, approved on June 17, 2009, (Item #14) extended the duration of the contract through September 30, 2010, Amendment E, approved on June 23, 2010, (Item # 21) extended the duration of the contract through March 31, 2012, and Amendment F, approved on March 28, 2012, (Item #23) extended the duration of the contract through March 31, 2013.

Delays in the design, development, and implementation (DDI) of the MMIS underway with ACS State Healthcare LLC (ACS), as previously acknowledged to the Governor and Executive Council, require extending this contract through September 30, 2013. This extension is necessary to effectively plan and transition the phase-out of existing MDSS functionality and the phase-in of replacement functionality to be delivered with the State's new MMIS, including continuity of data inquiry and federal reporting capability for up to three months post-implementation. The MMIS implementation is currently anticipated to occur on or before April 1, 2013. This requested extension provides the State with a five-month contingency in the event the MMIS implementation occurs after the prospective April implementation date, and an early termination of the contract as soon as the new MDSS functionality is implemented and the system is stable. Specifically, the State, at its sole option, with the authority and discretion of the MMIS Director, may end the contract effective as early as May 31, 2013, or the last day of any month thereafter, by providing the contractor with thirty days advance written notice.

Funding from the DHHS was used to fund the original contract and Amendment A. Funds for Amendment B were included in the budget for the DoIT and the contract was reassigned to the DoIT from the DHHS through Amendment B, Amendment C, and Amendment D, Amendment E, and Amendment F. Amendment G funds are available in the DoIT budget.

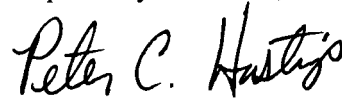
Her Excellency, Governor Margaret Wood Hassan
and the Honorable Executive Council
March 5, 2013
Page 3

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

Geographic area to be served: Statewide

Source of Funds: 100% Other (Agency Class 27) funds: the Agency Class 27 used by DHHS to reimburse DoIT for this contract is 75% Federal and 25% General funds.

Respectfully submitted,

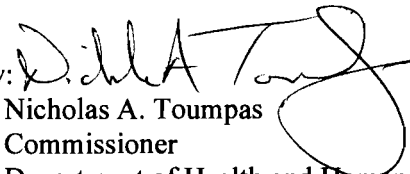


Peter C. Hastings
Acting Commissioner



William L. Baggeroer
Director Office of Information Systems
Department of Health and Human Services

Approved by:



Nicholas A. Toumpas
Commissioner
Department of Health and Human Services

PCH/ltn
RID #13682
RFP 2002-002



**STATE OF NEW HAMPSHIRE
DEPARTMENT OF INFORMATION TECHNOLOGY**

27 Hazen Dr., Concord, NH 03301
Fax: 603-271-1516 TDD Access: 1-800-735-2964
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Peter C. Hastings
Acting Commissioner

March 5, 2013

Nicholas A. Toumpas, Commissioner
Department of Health and Human Services
State of New Hampshire
129 Pleasant St.
Concord, New Hampshire 03301

Dear Commissioner Toumpas:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to amend existing contract 2002-002 DHHS Medicaid Decision Support System, with Truven Health Analytics Inc. (formerly The Medstat Group, Inc. and Thompson Reuters Healthcare Inc.) (Vendor 177828), Ann Arbor, Michigan as described below and referenced as DoIT No. 2002-002G.

This is a request for approval to amend a contract to provide for ongoing MDSS system maintenance and enhancements for the Department of Health and Human Services" (DHHS) Medicaid Decision Support System (MDSS). The amendment will be effective upon Governor and Executive Council approval through September 30, 2013. The amount of this amendment is \$158,749.98, for a total contract amount not to exceed \$4,981,031.98. This project is set forth in the Department of Health and Human Services Strategic Information Technology Plan 2005 – 2009, dated October 21, 2005, Project No. 43.

A copy of this letter shall accompany the Department's submission to the Governor and Executive Council for approval.

Sincerely,

Peter C. Hastings

SWR/ltn
2002-002 Amendment G
RID #13682

cc: Grant Beckman, DHHS
Leslie Mason, DoIT

**State of New Hampshire
Department of Information Technology
Medicaid Decision Support System (MDSS), RFP 2002-002
Thomson Reuters (Healthcare) Inc., Contract Amendment G**

This 7th Amendment to the Truven Health Analytics (formerly "Thomson Reuters (Healthcare) Inc.," and "The Medstat Group, Inc.") contract (hereinafter referred to as "Amendment G") dated this 2nd day of January 2013, is by and between the State of New Hampshire, acting by and through the Department of Health and Human Services, and the Department of Information Technology (hereinafter jointly referred to as "the State" or individually as "DHHS" or "DoIT") and Truven Health Analytics (hereinafter referred to as "Truven"), Inc. with a principle place of business at 777 East Eisenhower Parkway, Ann Arbor, Michigan, 48108.

WHEREAS Thomson Reuters (Healthcare) Inc. was acquired by Veritas Capital and following resolution changed its legal name to Truven Health Analytics effective June 6, 2012, 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 approved by Governor and Executive Council, as a result of RFP #2002-002, on December 19, 2001, agenda item #82 (herein after referred to as the "Contract"), and Amendment A of that Contract approved by Executive Governor and Council on June 23, 2004, agenda item #265A, Amendment B of that Contract approved by Governor and Executive Council on June 21, 2006, agenda item #16, Amendment C of that Contract approved by the Governor and Executive Council on June 30, 2007, agenda item #19, Amendment D of that Contract approved by the Governor and Executive Council on June 17, 2009, agenda item #14, Amendment E of that Contract approved by the Governor and Executive Council on June 23 2010, agenda item #21, Amendment F of that Contract approved by the Governor and Executive Council on March 28, 2012, agenda item #23, Truven Health Analytics agreed to supply certain services upon the terms and conditions specified in the Contract and in consideration of payment by the Department of Information Technology (DoIT) of certain sums as specified therein for services provided to the Department of Health and Human Services (DHHS); and

WHEREAS, pursuant to paragraph 17 of the General Provisions, Form P-37, the Contract may be modified or amended only by a written instrument executed by the parties thereto, and only after approval of such modification or amendment by the Governor and Executive Council; and

WHEREAS, Truven and the State have agreed to extend the Contract in certain respects; and

WHEREAS, the State wishes to continue this Contract with Truven to ensure continued maintenance and support of the existing Medicaid Decision Support System (MDSS) and included in this Contract is the provision for additional analytical and/or technical and enhanced services to supplement and support the existing MDSS, including the annual license fees;

WHEREAS, Department wishes to extend the expiration date of the Contract from March 31, 2013 to September 30, 2013;

WHEREAS, the Department wishes to increase the Contract price by \$158,749.98 to bring the total contract price from \$4,822,282.00 to \$4,981,031.98;

WHEREAS, the Department and Truven seek to clarify the Agreement.

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

1. Except as specifically amended and modified by the terms and conditions of this Amendment G, the Contract and the obligations of the parties there under, shall remain in full force and effect in accordance with the terms and conditions set forth therein. This Amendment G shall take effect on the date of Governor and the Executive Council approval, and upon appropriation of sufficient funds by the NH State Legislature.

PC

State of New Hampshire
Department of Information Technology
Medicaid Decision Support System (MDSS), RFP 2002-002
Thomson Reuters (Healthcare) Inc., Contract Amendment G

2. The Contract shall incorporate the changes, further described in Table A: Amended Language.

Table A: Amended Language

Contract # 2002-002 Form P-37 Section Number	AMENDED TEXT
Section 1.1	Delete Section 1.1 <i>State Agency Name</i> and replace with: Department of Information Technology
Section 1.2	Delete section 1.2 <i>State Agency Address</i> and replace with: 27 Hazen Drive Concord, NH 03301
Section 1.3	Delete Section 1.3 <i>Contractor Name</i> and replace with: Truven Health Analytics
Section 1.4	Delete Section 1.4 <i>Contractor Address</i> and replace with: 777 E. Eisenhower Parkway Ann Arbor, MI 48108
Section 1.6	Delete Section 1.6 <i>Completion Date</i> and replace with: September 30, 2013
Section 1.8	Delete Section 1.8 <i>Price Limitation</i> and replace with: \$4,981,031.98
Section 1.9	Delete Section 1.9 <i>Contracting Officer</i> and replace with: Peter C. Hastings, Acting Commissioner
Section 1.10	Delete Section 1.10 <i>State Agency Phone Number</i> and replace with: 603-223-5702
Section 1.12	Delete Section 1.12 <i>Name and Title Contract Signor</i> and replace with: Pat Coppens Block 1.12 "Name and Title Contractor Signor" is amended by replacing "Jonathan S. Newpol, Executive Vice President (734)-913-3000" with Pat Coppens, Vice President of Finance (734) 913-3000
Section 3	Delete Section 3. <i>Effective Date</i> and replace with: 3. EFFECTIVE DATE/COMPLETION OF SERVICES. 3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date"). 3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7. 3.3 The effective date of the original contract is December 19, 2001. The effective date of Amendment A is June 23, 2004. The effective Date of Amendment B is July 1, 2006. The effective date of Amendment C is July 1, 2007. The effective date of Amendment D

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State of New Hampshire
Department of Information Technology
Medicaid Decision Support System (MDSS), RFP 2002-002
Thomson Reuters (Healthcare) Inc., Contract Amendment G

	is June 17, 2009. The effective date of Amendment E is July 1, 2012. The effective date of Amendment F is April 1, 2012 All of the above dates are the dates the contract was approved by the New Hampshire Governor and Executive Council, or a date certain, whichever is later, as specified in each document. This Amendment, Amendment G is effective on the date of Governor and Executive Council approval, February 28, 2013, whichever date is later.
Section 14	Delete Section 14.1.1 in 14 <i>Insurance and Bond</i> , and replace with: 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 \$1,000,000 per incident; and
Contract # 2002-002 Exhibit A Section Number	AMENDED TEXT
Section 1	Add the following language to Section 1. <i>Introduction</i> : All references to "Thomson-Reuters (Healthcare) Inc" or "Thomson-Reuters" shall now be considered to reference the new legal name, "Truven Health Analytics Inc." or "Truven." All contractual obligations and responsibilities that were formerly those of Thomson Reuters (Healthcare) Inc. are assumed by Truven Health Analytics, see, e.g. Exhibit J "Notification."
Section 1.2	Delete the following language from Section 1.2 <i>Period of Performance</i> : The State, at its sole option, may end the Contract effective as early as October 31, 2012, or the last day of any month thereafter, by providing the Contractor with thirty days advance written notice. No additional approval from the Governor and Executive Council shall be required. The price of all services shall be pro-rated at a fixed rate per month of \$26,458.33, up to a maximum of \$317,500. Replace with: The Contract term shall expire on September 30, 2013, however, the State, at its sole option, may end the Contract effective on the last day of any month, by providing the Contractor with thirty days advance written notice. No additional approval from the Governor and Executive Council shall be required. The price of all services shall be pro-rated at a fixed rate per month of \$26,458.33, up to a maximum of \$158,749.98.
Section 1.3	Delete "B. MEDSTAT means:" from Section 1.3 <i>Definition of Term</i> , and replace it with B. Truven means: Truven Health Analytics 777. E. Eisenhower Parkway, Ann Arbor, MI 48108
Contract # 2002-002 Exhibit B Section Number	AMENDED TEXT
Section 1	Add the following language to Section 1: <i>Not To Exceed Price Deliverable Payment Schedule</i> as follows: Payment for services under 2002-002 Amendment G shall increase by \$158,749.98, from \$4,822,282.00 to a Contract total of \$4,981,031.98.
Section 2.1	Delete Section 2.1 and replace with: The Contract price is therefore not to exceed \$4,981,031.98

State of New Hampshire
Department of Information Technology
Medicaid Decision Support System (MDSS), RFP 2002-002
Thomson Reuters (Healthcare) Inc., Contract Amendment G

Table 3 Contract 2002-002 History

CONTRACT AND AMENDMENT NUMBER	AMENDMENT TYPE	EFFECTIVE DATE	CONTRACT AMOUNT
Contract #2002-002	Original Contract	December 19, 2001	\$1,897,777.00 ¹
Amendment #A	First Amendment (A)	June 23, 2004	\$ 526,000.00
Amendment #B	Second Amendment (B)	July 1, 2006	\$ 478,900.00
Amendment #C	Third Amendment (C)	July 1, 2007	\$ 775,480.00
Amendment #D	Fourth Amendment (D)	June 17, 2009	\$ 271,000.00 ^{2, 3}
Amendment #E	Fifth Amendment (E)	July 1, 2010	\$ 555,625.00 ⁴
Amendment #F	Sixth Amendment (F)	April 1, 2012	\$ 317,500.00
Amendment #G	Seventh Amendment (G)	April 1, 2013	\$ 158,749.98
	CONTRACT TOTAL		\$4,981,031.98

¹ As a result of a Departmental (DHHS) Contract Reduction measure in 2004, the original Contract amount total in this table has been adjusted from \$1,958,209 to \$1,897,777.

² Reflects the net value of Amendment D, after the offset of \$64,000 of funds approved in Amendment C, and applied in Amendment D.

³ As a result of the July 1, 2010 effective date of this Amendment E, the end date of Amendment D has been adjusted from September 30, 2010 to June 30, 2010 and the "Contract Amount" has also been adjusted accordingly from \$354,750 to \$271,000.

⁴ The value of Amendment E, \$555,625, includes \$83,750 previously authorized on June 17, 2009 for Amendment D resulting in a \$471,875 net increase in the total value of the Contract.

R/C

State of New Hampshire
Department of Information Technology
Medicaid Decision Support System (MDSS), RFP 2002-002
Thomson Reuters (Healthcare) Inc., Contract Amendment G

Except as provided herein, all provisions of the Agreement shall remain in full force and effect. This modification shall take effect upon the approval date from the Governor and the Executive Council.

IN WITNESS WHEREOF, the parties have hereunto set their hands as of the day and year first above written.

Pat Coppens
Pat Coppens, Vice President of Finance
Truven Health Analytics Inc.

Date: 1/30/13

Corporate Signature Notarized:
STATE OF Michigan
COUNTY OF Washtenaw

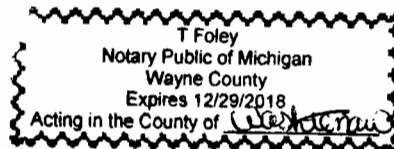
On this 30th day of January, 2013 before me, *Theresa Foley*, the undersigned Officer *Patricia Coppens*, personally appeared and acknowledged her/himself to be the VP of Finance for Truven Health Analytics Inc., and that she/he, as such VP of Finance being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by her/himself as *Patricia G. Coppens*.

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

T. Foley
Notary Public/Justice of the Peace

My Commission Expires: 12-29-2018

(SEAL)



State of New Hampshire

Peter C. Hastings
Peter C. Hastings, Acting Commissioner
State of New Hampshire
Department of Information Technology

Date: 2/22/13

Approved by the Attorney General (Form, Substance and Execution)

[Signature]
State of New Hampshire, Department of Justice

Date: 2/25/13

RC

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 Truven Health Analytics Inc., a(n) Delaware corporation, is authorized to transact business in New Hampshire and qualified on June 16, 1999. I further certify that all fees and annual reports required by the Secretary of State's office have been received and that the attached is a true copy of the list of documents on file in this office.



In TESTIMONY WHEREOF, I hereto
set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 19th day of February, A.D. 2013

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

William M. Gardner
Secretary of State

All Entity Information for: Truven Health Analytics Inc. - Corporation

Profile Details

<u>Status</u> Good Standing	<u>Citizenship</u> 0	<u>Inc.</u> DE	<u>Filter</u>	
<u>Charter #</u> 316667	<u>Duration</u> Perpetual	<u>Purpose</u> PROVIDES HEALTHCARE INFORMATION , SOFT- WARE, DATABASES & CONSULTING SERVICES	<u>Report Due</u>	<u>Fiscal Day</u>

Federal
061467923

Date Formed
6/16/1999

Notes: V:FC P:35865 Date:06/16/1999
FOREIGN CORP. QUALIFIED. RET.
TO DOC U SEARCH, 63 PLEASANT
ST, CONCORD, NH 03302

Profile Events

Date: 03/27/2000	Event: Annual Report	Comment:
Filed Document: Annual Report		
DocID:		New Name: 2000
<input checked="" type="checkbox"/> Committed		

Date: 02/22/2001	Event: Annual Report	Comment:
Filed Document: Annual Report		
DocID:		New Name: 2001
<input checked="" type="checkbox"/> Committed		

Date: 02/21/2002	Event: Annual Report	Comment:
Filed Document: Annual Report		
DocID:		New Name: 2002
<input checked="" type="checkbox"/> Committed	Effective: 02/21/2002	

Date: 12/15/2003	Event: Annual Report	Comment: Back Scanned: 12/7/2005 11:38:15 AM, Connected by User: JNorthcott on 12/21/2005 10:25:49 AM
Filed Document: Annual Report		
DocID:		New Name: 2003
<input checked="" type="checkbox"/> Committed	Effective: 12/15/2003	

Date: 05/19/2004	Event: Annual Report	Comment:
Filed Document: Annual Report		
DocID: T0414003051		New Name: 2004
<input checked="" type="checkbox"/> Committed	Effective: 05/19/2004	Invoice #: 4551743

Date: 04/08/2005	Event: Annual Report	Comment:
Filed Document: Annual Report		
DocID: LBX-00142765		New Name: 2005
<input checked="" type="checkbox"/> Committed	Effective: 04/08/2005	Invoice #: 4649265

All Entity Information for: Truven Health Analytics Inc. - Corporation

Date: 04/06/2006	Event: Annual Report	Comment:
Filed Document: Annual Report		
DocID: LBX-00319145		New Name: 2006
<input checked="" type="checkbox"/> Committed	Effective: 04/06/2006	Invoice #: 4801381
Date: 01/07/2008	Event: Amend/Restate	Comment:
Filed Document: Application for Amended Certificate of Authority		
DocID: T0800731016		New Name: Thomson Healthcare Inc.
<input checked="" type="checkbox"/> Committed	Effective: 01/07/2008	Invoice #: 5040890
Date: 06/13/2008	Event: Annual Report	Comment:
Filed Document: Annual Report		
DocID: T0816549028		New Name: 2008
<input checked="" type="checkbox"/> Committed	Effective: 06/13/2008	Invoice #: 5145784
Date: 08/04/2008	Event: Amend/Restate	Comment:
Filed Document: Application for Amended Certificate of Authority		
DocID: T0821731079		New Name: Thomson Reuters (Healthcare) Inc.
<input checked="" type="checkbox"/> Committed	Effective: 08/04/2008	Invoice #: 5159988
Date: 02/17/2009	Event: Annual Report	Comment:
Filed Document: Annual Report		
DocID: LBX-00774971		New Name: 2009
<input checked="" type="checkbox"/> Committed	Effective: 02/17/2009	Invoice #: 5221903
Date: 03/01/2010	Event: Annual Report	Comment:
Filed Document: Annual Report		
DocID: LBX-00947159		New Name: 2010
<input checked="" type="checkbox"/> Committed	Effective: 03/01/2010	Invoice #: 5381246
Date: 04/04/2011	Event: Annual Report	Comment:
Filed Document: Annual Report		
DocID: LBX-01157113		New Name: 2011
<input checked="" type="checkbox"/> Committed	Effective: 04/04/2011	Invoice #: 5580366
Date: 04/11/2012	Event: Annual Report	Comment:
Filed Document: Annual Report		
DocID: T1210305114		New Name: 2012
<input checked="" type="checkbox"/> Committed	Effective: 04/11/2012	Invoice #: 5718955
Date: 07/10/2012	Event: Problem Report	Comment: new agent must sign 7th art
Filed Document: Statement of Change of Registered Office, Agent or Both		
DocID: T1219231033		
<input checked="" type="checkbox"/> Committed	Effective: 07/10/2012	Invoice #: 5740595

All Entity Information for: Truven Health Analytics Inc. - Corporation

Date: 07/10/2012 **Event:** Amend/Restate **Comment:**
Filed Document: Application for Amended Certificate of Authority
DocID: T1219231031 **New Name:** Truven Health Analytics Inc.
☒ **Committed** **Effective:** 07/10/2012 **Invoice #:** 5740595

Date: 07/17/2012 **Event:** Agent Change/Resign **Comment:**
Filed Document: Statement of Change of Registered Office, Agent or Both
DocID: T1219945059
☒ **Committed** **Effective:** 07/17/2012 **Invoice #:** 5741858

Entity Information

Legal Entity Name: Truven Health Analytics Inc.

Entity Type: Commercial

Entity Names

<u>Entity Name</u>	<u>Entity Name Type</u>	<u>Corp Name?</u>
THE MEDSTAT GROUP, INC.	Prev Legal	No
Thomson Healthcare Inc.	Prev Legal	No
Thomson Healthcare Inc.	Prev Home State	No
Thomson Reuters (Healthcare) Inc.	Prev Legal	No
Thomson Reuters (Healthcare) Inc.	Prev Home State	No
Truven Health Analytics Inc.	Legal	Yes
Truven Health Analytics Inc.	Home State	No

Entity Address(s)

<u>Address Type</u>	<u>County</u>	<u>Address Info</u>
Mailing	Fulton	3100 Cumberland Boulevard Suite 900 Atlanta, GA 30339
Prev Mailing		C/O THOMSON SCIENTIFIC 3501 MARKET STREET PHILADELPHIA, PA 19104
Prev Mailing		Attn: Tax Department 610 Opperman Drive Eagan, MN 55123
Principal Office		777 E EISENHOWER PKY ANN ARBOR, MI 48108
Reg Office	Merrimack	63 Pleasant Street Concord, NH 03301
Prev Reg. Office	Merrimack	14 Centre Street Concord, NH 03301
Prev Reg. Office	Merrimack	1 Old Loudon Road Concord, NH 03301

All Entity Information for: Truven Health Analytics Inc. - Corporation

Entity Contact Information

No Contact Information Available

Registered Agent

National Corporate Research, Ltd.

Primary Relationships

National Corporate Research, Ltd. is a Registered Agent
THE MEDSTAT GROUP, INC. is a Corp Representative
The Research Connection Inc. of New Hampshire is a Corp Representative
Truven Health Analytics Inc. is a Corp Representative
Concord Search & Retrieval, Inc. is a Corp Representative
State of NH - Secretary of State is a Corp Representative
Thomson Reuters (Tax & Accounting) Services Inc. is a Corp Representative
Thomson Healthcare Inc is a Corp Representative
Lawyers Incorporating Service is a Prev. Registered Agent
NATIONAL CORPORATE RESEARCH LTD is a Prev. Registered Agent

External Relationships

No External Relationship Information is Available

**TRUVEN HEALTH ANALYTICS INC.
CERTIFICATE OF THE SECRETARY**

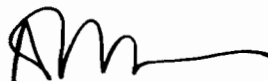
I, Andra K. Heller, in my capacity as Secretary of Truven Health Analytics Inc., a Delaware corporation (the "Corporation"), hereby certify as follows.

1. I am the duly elected and acting Secretary of the Corporation.
2. I maintain and have custody of the minute books of the Corporation.
3. I am duly authorized to issue certificates in my capacity as Secretary of the Corporation.
4. Pursuant to authorization by the Board of Directors of the Corporation, which authorization has not been revoked, annulled, or amended in any manner whatsoever, and which remains in full force and effect as of the date hereof:
 - (a) the Corporation may enter into a written agreement with the State of New Hampshire, acting by and through the Department of Health and Human Services, providing for the performance by the Corporation of obligations for maintenance and support of the existing Medicaid Decision Support System ("MDSS"), and related services to supplement and support the existing MDSS and granting an annual license in connection therewith, all as provided in such written agreement (the "State of NH Agreement"); and
 - (b) each of the Chief Executive Officer, Executive Vice President, and the Chief Financial Officer (or any of them acting singly) is authorized and directed for and on behalf of the Corporation to enter into the State of NH Agreement and to take any and all such actions and to execute, seal, acknowledge and deliver, or to appoint his designee to execute, seal, acknowledge and deliver, for and on behalf of the Corporation any and all documents, agreements and other instruments (and any amendments, revisions or modifications thereto) as any of them may deem necessary, desirable or appropriate to accomplish the same.
5. The signature of any officer of the Corporation affixed to the State of NH Agreement or any instrument or document described in or contemplated thereby shall constitute conclusive evidence of the authority of said officer to bind the Corporation thereto.
6. Any Assistant Secretary of the Corporation is duly authorized to affix the seal of the Corporation hereto.
7. The following persons have been duly elected and now occupy the offices indicated below:

Michael Boswood, Chief Executive Officer
Jonathan Newpol, Executive Vice President
Philip Buckingham, Chief Financial Officer
James Owings, Assistant Secretary

[Signature page follows]

IN WITNESS WHEREOF, I have hereunto set my hand as the Secretary of the Corporation.



Andra K. Heller, Secretary
Truven Health Analytics Inc.

Subscribed and sworn to before me this

30th day of January, 2013.



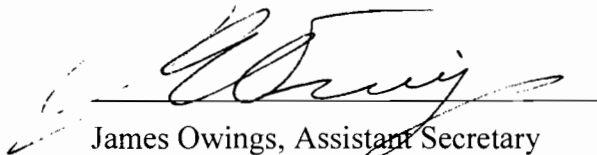
Notary Public

My commission expires: August 12, 2014



IN WITNESS WHEREOF, I have set my hand as the Assistant Secretary of the Corporation and affixed its corporate seal this ~~2nd~~ day of February, 2013.

1st



James Owings, Assistant Secretary
Truven Health Analytics, Inc.

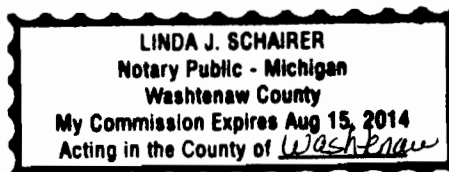
Subscribed and sworn to before me this

1st day of February, 2013.



Notary Public

My commission expires: 8-15-2014

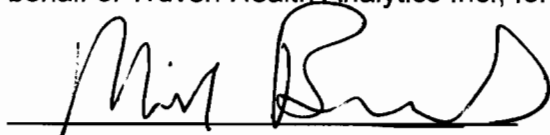


SIGNATURE VERIFICATION

The following document was signed by Patrick J. Coppens on January 30, 2013:

State of New Hampshire
Department of Information Technology
Medicaid Decision Support System (MDSS), RFP 2002-002
Thomson Reuters (Healthcare) Inc., Contract Amendment G

This is to certify that on January 30, 2013, Patrick J. Coppens had the authority to sign on behalf of Truven Health Analytics Inc., formerly known as Thomson Reuters (Healthcare) Inc.



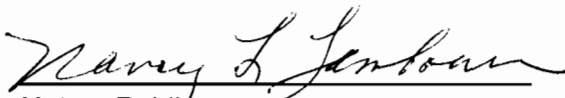
Mike Boswood, President & CEO
Truven Health Analytics Inc.

STATE OF MICHIGAN

COUNTY OF WASHTENAW

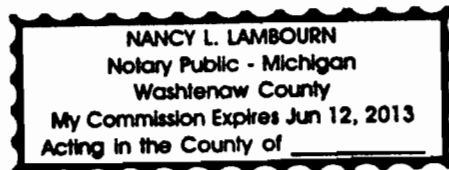
On this 6th day of March, 2013, before me, Mike Boswood, the undersigned Officer, personally appeared and acknowledged himself to be the President & CEO, of Truven Health Analytics Inc., a corporation, and that he as such President & CEO being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as President and CEO.

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


Notary Public

Notary Commission Expiration Date: 6-12-13

(SEAL)





CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)
01/16/2013

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

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

PRODUCER Aon Risk Services Northeast, Inc. New York NY Office 199 Water Street New York NY 10038-3551 USA	CONTACT NAME:	
	PHONE (A/C. No. Ext): (866) 283-7122	FAX (A/C. No.): (847) 953-5390
INSURED Truven Health Analytics, Inc. 777 Eisenhower Parkway Ann Arbor MI 48108 USA	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	
	NAIC #	
	INSURER A: National Fire Ins. Co. of Hartford	20478
	INSURER B: American Casualty Co. of Reading PA	20427
	INSURER C:	
	INSURER D:	
INSURER E:		
INSURER F:		

COVERAGES **CERTIFICATE NUMBER:** 570048863766 **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC			5086349832	06/06/2012	06/06/2013	EACH OCCURRENCE	\$1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$1,000,000
							MED EXP (Any one person)	\$5,000
							PERSONAL & ADV INJURY	\$1,000,000
							GENERAL AGGREGATE	\$2,000,000
							PRODUCTS - COM/OP AGG	\$2,000,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident)	
							BODILY INJURY (Per person)	
							BODILY INJURY (Per accident)	
							PROPERTY DAMAGE (Per accident)	
	UMBRELLA LIAB EXCESS LIAB DED <input type="checkbox"/> RETENTION						EACH OCCURRENCE	
							AGGREGATE	
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			5086349829 5086349863 WC CA	06/06/2012 06/06/2012	06/06/2013 06/06/2013	<input checked="" type="checkbox"/> WC STATUTORY LIMITS E.L. EACH ACCIDENT E.L. DISEASE-EA EMPLOYEE E.L. DISEASE-POLICY LIMIT	 \$1,000,000 \$1,000,000 \$1,000,000

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

CERTIFICATE HOLDER**CANCELLATION**

State of New Hampshire Department of Information Technology Attn: Chief Information Officer 27 Hazen Drive Concord NH 03301 USA	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE <i>Aon Risk Services Northeast, Inc.</i>

Holder Identifier :

Certificate No : 570048863766



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

S. William Rogers
Commissioner

March 13, 2012

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

REQUESTED ACTION

- 1) Authorize the Department of Information Technology (DoIT) to amend an existing Contract (Purchase Order # 1001434) on a **SOLE SOURCE** basis with Thomson Reuters (Healthcare) Inc. (formerly The Medstat Group, Inc.) (Vendor 177828), Ann Arbor, Michigan by increasing the amount by \$317,500, from \$4,504,782 to an amount not to exceed \$4,822,282 to provide for ongoing contractor system maintenance and enhancements for the Department of Health and Human Services' (DHHS) Medicaid Decision Support System (MDSS). The original contract was approved by Governor and the Executive Council (G&C) on December 19, 2001, Item #167. Contract amendments were approved by G&C on June 23, 2004 (Item # 256A), June 21, 2006 (Item #16), June 13, 2007 (Item #19), June 17, 2009 (Item #14), and June 23, 2010 (Item #21).
- 2) Further authorize DoIT to extend the contract expiration date from to March 31, 2012 to March 31, 2013; effective upon Governor and Executive Council approval.

100% Other (Agency Class 27) funds: the Agency Class 27 used by DHHS to reimburse DoIT for this contract is 75% Federal and 25% General funds. Funding is available in the DoIT account, with the authority to adjust encumbrances in each of the State fiscal years through the Budget Office if needed and justified, contingent on continued budget authorization.

FY	CAT#-DEPT#-AGENCY#-ACTIVITY#-ACCTG UNIT#- DEPT NAME- AGENCY NAME-ACCTG UNIT NAME	JOB#	Amendment Increase/ (Decrease)
	CLASS CODE-ACCOUNT CODE -OBJ (ACCOUNT) DESC		
2012	01-03-03-030010-76950000 - DoIT- IT for DHHS 038-509038 - Technology - Software	03950033 LL 1928	\$79,375.00
2013	01-03-03-030010-76950000 - DoIT- IT for DHHS 038-509038 - Technology - Software	03950033 LL1928	\$238,125.00
	GRAND TOTAL		\$317,500.00

EXPLANATION

This contract amendment is a **sole source** extension justified by the proprietary nature of the software application, the experience Thomson Reuters (Healthcare) Inc. has acquired in supporting the New Hampshire installation of the product and working with New Hampshire data, and the continuing need of the DHHS for uninterrupted access to critical reports and Medicaid data analysis. Considering the intention to replace this system with functionality in the new MMIS, Thomson Reuters (Healthcare) Inc. is the most appropriate resource for the services required by this amendment.

The purpose of the above requested action is to enable DHHS to continue services provided by Thomson Reuters (Healthcare) Inc. in support of the Medicaid Decision Support System (MDSS), the primary data inquiry and federal report-generating component of the Medicaid Management Information System (MMIS), including extending software licenses, and continuing system operations and maintenance as identified and approved by DHHS and DoIT.

The Governor and Executive Council approved the original Thomson Reuters (Healthcare) Inc. (formerly The Medstat Group, Inc.) contract on December 19, 2001, (Item #82) for system support services to be provided through June 30, 2005. The original contract resulted from a competitive process in response to the published Request for Proposals (RFP) #DHHS 2002-002, for the design, development, and implementation (DDI) of a Medicaid Decision Support System (MDSS). The Medstat Group, Inc. (Medstat) was selected as the preferred vendor based on its product, clinical expertise, and lowest cost bid. The DDI phase of the project was completed and the system was implemented in May 2004. Amendment A, approved by the Governor and Executive Council on June 23, 2004 (Item #265A), extended the contract end date to June 30, 2006, and included an optional extension to June 30, 2007. Amendment A provided for continued software licensing, operational maintenance of the system, and system modification for State-approved enhancements through June 30, 2006. Amendment B, approved by the Governor and Executive Council on June 21, 2006, (Item #16), extended the contract end date to June 30, 2007. Amendment C, (Item #19), approved on June 13, 2007, extended the duration of the contract through June 30, 2009. Amendment D, approved on June 17, 2009, (Item #14) extended the duration of the contract through September 30, 2010, and Amendment E, approved on June 23, 2010, (Item # 21) extended the duration of the contract through March 31, 2012.

Delays in the design, development, and implementation (DDI) of the MMIS underway with ACS State Healthcare LLC (ACS), as previously acknowledged to the Governor and Executive Council, require extending this contract through March 31, 2013. This extension is necessary to effectively plan and transition the phase-out of existing MDSS functionality and the phase-in of replacement functionality to be delivered with the State's new MMIS, including continuity of data inquiry and federal reporting capability for up to three months post-implementation. This requested extension provides the State with the option for early termination of the contract as soon as the new MDSS functionality is implemented and the system is stable. Specifically, the State, at its sole option, with the authority and discretion of the MMIS Director, may end the contract effective as early as October 31, 2012, or the last day of any month thereafter, by providing the contractor with thirty days advance written notice.

Funding from DHHS was used to fund the original contract and Amendment A. Funds for Amendment B were included in the budget for the DoIT and the contract was reassigned to the DoIT from the DHHS through Amendment B, Amendment C, Amendment D and Amendment E. Amendment F funds are available in the DoIT budget.

His Excellency, Governor John H. Lynch
and the Honorable Executive Council
March 13, 2012
Page 3

This project, including funding, is guided by the parameters defined in the State's MMIS Reprocurement Project's Implementation Advanced Planning Document (IAPD). Upon determination that the DDI Phase of the MMIS required additional time for completion, the DHHS and ACS executives and key program leaders met with Regional Directors from the federal Centers for Medicare and Medicaid Services (CMS) to review the project status and future strategy. CMS concurred with the DHHS on the direction of the project and verbally extended continued support. The DHHS is now preparing Amendment 7 to the IAPD, which will be formally reviewed by the federal Centers for Medicare and Medicaid Services (CMS). Amendment 7 to the IAPD will include modification of the Thomson Reuters contract, with scope of services and pricing consistent with and as described in this amendment.

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

Geographic area to be served: Statewide

Source of Funds: 100% Other (Agency Class 27) funds: the Agency Class 27 used by DHHS to reimburse DoIT for this contract is 75% Federal and 25% General funds.

Respectfully submitted,

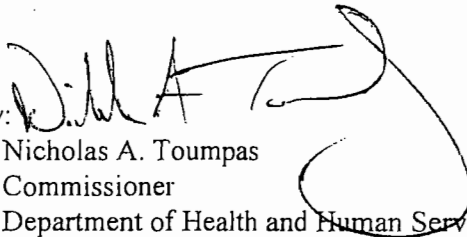


S. William Rogers
Commissioner



William L. Baggeroer
Director Office of Information Systems
Department of Health and Human Services

Approved by:



Nicholas A. Toumpas
Commissioner
Department of Health and Human Services



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

S. William Rogers
Commissioner

March 13, 2012

Nicholas A. Toumpas, Commissioner
Department of Health and Human Services
State of New Hampshire
129 Pleasant St.
Concord, New Hampshire 03301

Dear Commissioner Toumpas:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to amend existing contract 2002-002 DHHS Medicaid Decision Support System, with Thomson Reuters (Healthcare) Inc. (formerly The Medstat Group) as described below and referenced as DoIT No. 2002-002F.

This is a request for approval to amend a contract to provide for ongoing MDSS system maintenance and enhancements for the Department of Health and Human Services" (DHHS) Medicaid Decision Support System (MDSS). The amendment will be effective upon Governor and Executive Council approval through March 31, 2013. The amount of this amendment is \$317,500, for a total contract amount not to exceed \$4,822,282. This project is set forth in the Department of Health and Human Services Strategic Information Technology Plan 2005 – 2009, dated October 21, 2005, Project No. 43.

A copy of this letter shall accompany the Department's submission to the Governor and Executive Council for approval.

Sincerely,

S. William Rogers
Commissioner

SWR/ltn
2002-002 Amendment F
RID #12461

cc: MaryGaye Grizwin, DHHS
Leslie Mason, DoIT

State of New Hampshire
Department of Information Technology
Medicaid Decision Support System (MDSS), RFP 2002-002
Thomson Reuters (Healthcare) Inc., Contract Amendment F

This sixth Amendment to the Thomson Reuters (Healthcare) Inc. Contract (hereinafter "Amendment F") dated this 13th day of March, 2012, is by and between the State of New Hampshire, acting by and through the Department of Health and Human Services, and the Department of Information Technology (hereinafter jointly referred to as "the State" or individually as "DHHS" or "DoIT") and Thomson Reuters (Healthcare) Inc., formerly known as "The Medstat Group, Inc.", with a principle place of business at 777 East Eisenhower Parkway, Ann Arbor, Michigan, 48108.

WHEREAS, pursuant to an Agreement approved by Governor and Executive Council, as a result of RFP #2002-002, on December 19, 2001, agenda item #82 (herein after referred to as the "Contract"), and Amendment A of that Contract approved by Executive Governor and Council on June 23, 2004, agenda item #265A, Amendment B of that Contract approved by Governor and Executive Council on June 21, 2006, agenda item #16, Amendment C of that Contract approved by the Governor and Executive Council on June 30, 2007, agenda item #19, Amendment D of that Contract approved by the Governor and Executive Council on June 17, 2009, agenda item #14, and Amendment E of that Contract approved by the Governor and Executive Council on June 23, 2010, agenda item #21, Thomson Reuters (Healthcare) Inc. agreed to supply certain services upon the terms and conditions specified in the Contract and in consideration of payment by the Department of Information Technology (DoIT) of certain sums as specified therein for services provided to the Department of Health and Human Services (DHHS); and

WHEREAS, pursuant to paragraph 17 of the General Provisions, Form P-37, the Contract may be modified or amended only by a written instrument executed by the parties thereto, and only after approval of such modification or amendment by the Governor and Executive Council; and

WHEREAS, the Vendor and the State have agreed to extend the Contract in certain respects; and

WHEREAS, the State wishes to continue this Contract with the Vendor to ensure continued maintenance and support of the existing Medicaid Decision Support System (MDSS) and included in this Contract is the provision for additional analytical and/or technical and enhanced services to supplement and support the existing MDSS, including the annual license fees;

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

1. Except as specifically amended and modified by the terms and conditions of this Amendment F, the Contract and the obligations of the parties there under, shall remain in full force and effect in accordance with the terms and conditions set forth therein. This Amendment F shall take effect on April 1, 2012, or on the date of Governor and the Executive Council approval, whichever is later, and upon appropriation of sufficient funds by the NH State Legislature.

Contract Form P-37 is hereby amended as follows:

1. Block 1.6, titled, Completion date, change from March 31, 2012 to March 31, 2013.

Contractor Initials: JS
Date: 3/13/12


2. Block 1.8, Price Limitation, increase by an amount not to exceed \$317,500, from \$4,504,782 to \$4,822,282.
3. Block 1.9 Contracting Officer for State Agency is amended by replacing "Peter C. Hastings, Interim Chief Information Officer, Department of Information Technology" with "S. William Rogers, Commissioner, Department of Information Technology".
4. Block 3, Effective Date: Completion of Services, is amended by adding the following sentence to 3.1:
"This Amendment, Amendment F is effective on the date of Governor and Executive Council approval, or April 1, 2012, whichever date is later.
5. The General Terms, Form P-37 paragraph 10 is amended with the addition of the following paragraph 10.1:
10.1 In the event of infrastructure failure caused by the aging of Department components (hardware or software) beyond their expected useful life, resulting in significant performance degradation, or in the event that the State makes any changes to the aging hardware or software environment that do not support or are incompatible with that hardware or software, which results in the aging components ceasing to function properly, or altogether, such failure to perform shall not be deemed a default by the Contractor. In the event that the parties mutually agree, in writing, that such failure to perform has occurred, either party may terminate this Contract with a thirty calendar-day written notice without being considered in breach of contract. The parties will work together in good faith for a minimum of 60 calendar days to resolve the issue which may result in an agreed upon change in the contract terms and an amendment consistent with the amendment process described in the General Terms and Conditions, Form P-37 paragraph 17. The responsibility for bearing any necessary expenditures related to an agreed upon solution will be negotiated between the parties at that time. "Aging software" or "aging hardware" shall include, but not be limited to: Version 2.8 of Advantage Suite and H.P. Suite.

Exhibit A, Statement of Contract Period of Performance, is hereby amended as follows:

1. The State, at its sole option, with the authority and discretion of the Director of MMIS, may end the Contract effective as early as October 31, 2012, or the last day of any month thereafter, by providing the Contractor with thirty days advance written notice. No additional approval from the Governor and Executive Council shall be required. The price of all services shall be pro-rated at a fixed rate per month of \$26,458.33, up to a maximum of \$317,500.

Exhibit B of the Contract is hereby amended as follows:

1. Section 1: *Not To Exceed Price Deliverable Payment Schedule*, paragraph 1.1 page 1 of 7, Contract price of \$4,504,782 is increased by \$317,500 to \$4,822,282. The parties understand and agree that the price increase is comprised of licensing fees for April 1, 2012 through March 31, 2013 at \$317,500.00 per year, pro-ratable by month at a rate of \$26,458.33.
1. Section 2: *Not To Exceed Price Deliverable Payment Schedule*, paragraph 2.1 page 2 of 7, Contract price is increased by \$317,500 to \$4,822,282.
2. Section 3: *IT Services Configuration Option*, Current Engagement is modified to include the cost for the annual license fee of \$317,500 per year, throughout the Amendment Period. The annual license fee shall be pro-rated by month at a rate of \$ 26,458.33 as appropriate, in the event that the State exercises its early termination option. Billing will be monthly.

Contractor Initials: 
Date: 5/13/12

3. The Table below replaces the "Contract and Amendment Number" table in the current contract in its entirety:

CONTRACT AND AMENDMENT NUMBER	AMENDMENT TYPE	EFFECTIVE DATE	CONTRACT AMOUNT
Contract # 2002-002	Original Contract	December 19, 2001	\$1,897,777.00 ²
Amendment # A	First Amendment (A)	June 23, 2004	\$ 526,000.00
Amendment # B	Second Amendment (B)	July 1, 2006	\$ 478,900.00
Amendment # C	Third Amendment (C)	July 1, 2007	\$ 775,480.00
Amendment # D	Fourth Amendment (D)	June 17, 2009	\$ 271,000.00 ^{3, 3}
Amendment # E	Fifth Amendment (E)	July 1, 2010	\$ 555,625.00 ⁴
Amendment # F	Sixth Amendment (F)	April 1, 2012	\$ 317,500.00
	CONTRACT TOTAL		\$4,822,282.00

Standard Exhibits of the Contract are hereby amended as follows:

Exhibits D and E

1. The "contract periods" identified in DHHS standard Exhibits D and E are extended to March 31, 2013.

Exhibit H

1. The "contract period" identified in DHHS standard Exhibit H, "Certification Regarding Environmental Tobacco Smoke" is extended to March 31, 2013.

Exhibit I

1. The "contract period" identified in DHHS standard Exhibit I, "Business Associates Agreement (9/09)" is extended to March 31, 2013.

¹ As a result of a Departmental (DHHS) Contract Reduction measure in 2004, the original Contract amount total in this table has been adjusted from \$1,958,209 to \$1,897,777.

² Reflects the net value of Amendment D, after the offset of \$64,000 of funds approved in Amendment C, and applied in Amendment D.

³ As a result of the July 1, 2010 effective date of this Amendment E, the end date of Amendment D has been adjusted from September 30, 2010 to June 30, 2010 and the "Contract Amount" has also been adjusted accordingly from \$354,750 to \$271,000.

⁴ The value of Amendment E, \$555,625, includes \$83,750 previously authorized on June 17, 2009 for Amendment D resulting in a \$471,875 net increase in the total value of the Contract.


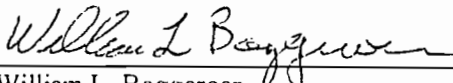
Contractor Initials: 
Date: 3/12/13

Exhibit J

The DHHS standard Exhibit J "FFATA" is hereby added to this contract, as attached.


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

Date _____



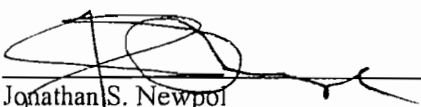
William L. Baggeroer
Director, Office of Information Systems
State of New Hampshire
Department of Health and Human Services

Date 3-13-12




S. William Rogers
Commissioner
State of New Hampshire
Department of Information Technology

Date 3-13-12



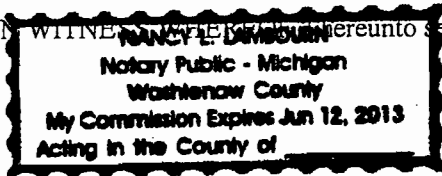
Jonathan S. Newpol
Executive Vice President,
Thomson Reuters (Healthcare), Inc.

Contractor Initials 
Date: 7/12/12

STATE OF Michigan
COUNTY OF Washtenaw

On this the 13th day of March 2012, before me, Nancy L. Lambourn the undersigned officer, personally appeared Jonathan S. Neugebauer who acknowledged himself/herself to be the Executive Vice President of Thomson Reuters (Healthcare) Inc., a Delaware corporation, and that he/she, as such EVP 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 EVP.

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



Nancy L. Lambourn
Notary Public/Justice of the Peace
My commission expires: 6-12-13

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

OFFICE OF THE ATTORNEY GENERAL

By: Lisa M. Payne

Date: 3/14/12

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

Office of the Secretary of State

By: _____

Title: _____

Date: _____

Contractor Initials: JS
Date: 3/12/12

STANDARD EXHIBIT J

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

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

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

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

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

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

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



(Contractor Representative Signature)


Jon Newpol, Executive Vice President

(Authorized Contractor Representative Name & Title)

Thomson Reuters (Healthcare) Inc. 3-13-12

(Contractor Name)

(Date)

Contractor initials: 
Date: 3/13/12

STANDARD EXHIBIT J

FORM A

As the Contractor identified in Section 1.3 of the General Provisions, I certify that the responses to the below listed questions are true and accurate.

1. The DUNS number for your entity is:

03-838092

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

X NO

____ YES

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

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

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

____ NO

____ YES

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

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

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

Name: _____

Amount: _____

Name: _____

Amount: _____

Name: _____

Amount: _____

Name: _____

Amount: _____

Name: _____

Amount: _____

Contractor initials: JK
Date: 5/12/12

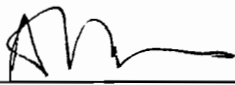
THOMSON REUTERS (HEALTHCARE) INC.

CERTIFICATE OF AUTHORITY

I, Andra Heller, Secretary of Thomson Reuters (Healthcare) Inc., a Delaware corporation (the "Corporation"), DO HEREBY CERTIFY as follows:

1. I am a duly elected, qualified and acting Vice President and Secretary of the Corporation; and
2. On June 14, 2010, Jonathan S. Newpol was duly appointed Executive Vice President of the Corporation by Unanimous Written Consent in Lieu of a Meeting of the Board of Directors, is duly qualified and acting as such officer on the date hereof, and in such capacity he is hereby authorized to execute any and all documents in the name of or on behalf of the Corporation, including, but not limited to, the State of New Hampshire Office of Information Technology Medicaid Decision Support System RFP 2002-02 Medstat/Thomson Reuters (Healthcare) Inc., Contract Amendment F and all related documents and to bind the Corporation as of the 13th day of March, 2012.

IN WITNESS WHEREOF, the undersigned has executed this Certificate this 13th day of March, 2012.



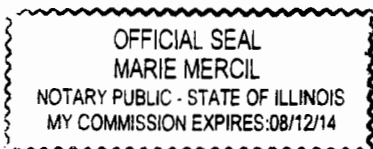
Andra Heller
Vice President and Secretary

STATE OF ILLINOIS)
COUNTY OF Cook) SS

On this 13th day of March, 2012, before me, the undersigned, a notary public in and for the State of Illinois, personally appeared Andra Heller, Vice President and Secretary of Thomson Reuters (Healthcare) Inc., known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that she executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first hereinabove written.

Marie Mercil (Printed Name)
9/12/14 (Date Commission Expires)

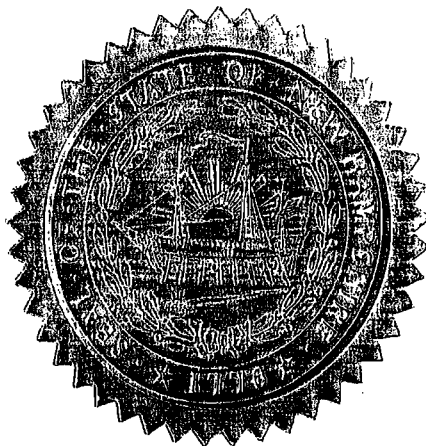


State of New Hampshire

Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that Thomson Reuters (Healthcare) Inc., a(n) Delaware corporation, is authorized to transact business in New Hampshire and qualified on June 16, 1999. 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 13th day of February, A.D. 2012

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

William M. Gardner
Secretary of State



CERTIFICATE OF LIABILITY INSURANCE

 DATE (MM/DD/YYYY)
01/12/2012

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

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

PRODUCER Marsh USA Inc. 1166 Avenue of the Americas New York, NY 10036-2774 101674-Pole-ALL-11-12	CONTACT NAME: PHONE: (A/C, No., Ext.): E-MAIL: ADDRESS: INSURER(S) AFFORDING COVERAGE INSURER A: ACE American Insurance Company INSURER B: N/A INSURER C: N/A INSURER D: N/A INSURER E: INSURER F:
INSURED Thomson Reuters (Healthcare) Inc. 777 East Eisenhower Parkway Ann Arbor, MI 48106	NAIC # 22667 N/A N/A N/A

COVERAGES CERTIFICATE NUMBER: NYC-006324135-01 REVISION NUMBER: 6

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

INSR LTR	TYPE OF INSURANCE	ADDITIONAL INSURER	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> STANDARD CONTRACTUAL LIAB GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC		*HDO G25524391	03/31/2011	03/31/2012	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/OP AGG \$ 2,000,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED: RETENTIONS:		*XOO G25830623	03/31/2011	03/31/2012	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	*WLR C4647806A (AOS) *RSC C46478071 (WI)	03/31/2011	03/31/2012	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

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

CERTIFICATE HOLDER
CANCELLATION

 NEW HAMPSHIRE DEPARTMENT
 OF HEALTH AND HUMAN SERVICES
 ATTN: KATHLEEN DUNN, M.P.H.
 DIRECTOR, OFFICE OF MEDICAID BUSINESS AND POLICY
 129 PLEASANT STREET
 CONCORD, NH 03301

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

 AUTHORIZED REPRESENTATIVE
 of Marsh USA Inc.

Cliff Allen

Thomson Reuters (Healthcare) Inc.

Amendment F

Page 11 of 11

AGENCY CUSTOMER ID: 101674

LOC #: New York



ADDITIONAL REMARKS SCHEDULE

Page 2 of 2

AGENCY Marsh USA Inc.		NAMED INSURED Thomson Reuters (Healthcare) Inc. 777 East Eisenhower Parkway Ann Arbor, MI 48106
POLICY NUMBER		
CARRIER	NAIC CODE	EFFECTIVE DATE:

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,

FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

Each of the insurance policies referenced above provides that should such policy be cancelled by the insurer before the expiration date of the premium, thereof for any reason other than non-payment of premium, the issuing company will endeavor to mail 30 days written notice thereof to the certificate holder, but failure to provide such notice shall impose no obligation or liability of any kind upon the insurer or its agents or representatives will not extend any policy cancellation date and will not negate any cancellation of the policy.

11/17
#2
June 23, 2010

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
Interim Commissioner

May 28, 2010

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

REQUESTED ACTION

- 1) Authorize the Department of Information Technology (DoIT) to amend an existing Contract (Purchase Order # 1001434) on a **SOLE SOURCE** basis with Thomson Reuters (Healthcare) Inc. (formerly The Medstat Group, Inc.) (Vendor 177828), Ann Arbor, Michigan by increasing the amount by \$471,875, from \$4,032,907 to an amount not to exceed \$4,504,782 to provide for ongoing contractor system maintenance and enhancements for the Department of Health and Human Services' (DHHS) Medicaid Decision Support System (MDSS). The original contract was approved by Governor and the Executive Council (G&C) on December 19, 2001, Item #167. Contract amendments were approved by G&C on June 23, 2004 (Item # 256A), June 21, 2006 (Item #16), June 13, 2007 (Item #19), and June 17, 2009 (Item #14).
- 2) Further authorize DoIT to extend the contract expiration date from September 30, 2010, to March 31, 2012; effective upon Governor and Executive Council approval.

100% Other (Agency Class 27) funds: the Agency Class 27 used by DHHS to reimburse DoIT for this contract is 75% Federal and 25% General funds. Funding is available in the DoIT account, with the authority to adjust encumbrances in each of the State fiscal years through the Budget Office if needed and justified, contingent on continued budget authorization.

FY	CAT#-DEPT#-AGENCY#-ACTIVITY#-ACCTG UNIT#- DEPT NAME- AGENCY NAME-ACCTG UNIT NAME CLASS CODE-ACCOUNT CODE -OBJ (ACCOUNT) DESC	JOB #	Amendment Increase / (Decrease)
2011	01-03-03-030010-76950000 - DoIT- IT for DHHS 038-509038 - Technology - Software	03950033	\$233,750.00
2012	01-03-03-030010-76950000 - DoIT- IT for DHHS 038-509038 - Technology - Software	03950033	\$238,125.00
	GRAND TOTAL		\$471,875.00

EXPLANATION

The purpose of the above requested action is to enable DHHS to continue services provided by Thomson Reuters (Healthcare) Inc. in support of the Medicaid Decision Support System (MDSS), the primary data inquiry and federal report-generating component of the Medicaid Management Information System (MMIS), including extending software licenses, and continuing system operations and maintenance as identified and approved by DHHS and DoIT.

The Governor and Executive Council approved the original Thomson Reuters (Healthcare) Inc. (formerly The Medstat Group, Inc.) contract on December 19, 2001, (Item #82) for system support services to be provided through June 30, 2005. The original contract resulted from a competitive bid process in response to the published Request for Proposals (RFP) #DHHS 2002-002, for the design, development, and implementation (DDI) of a Medicaid Decision Support System (MDSS). The Medstat Group, Inc. (Medstat) was selected as the preferred vendor based on its product, clinical expertise, and lowest cost bid. The DDI phase of the project was completed and the system was implemented in May 2004. Amendment A, approved by the Governor and Executive Council on June 23, 2004 (Item #265A), extended the contract end date to June 30, 2006, and included an optional extension to June 30, 2007. Amendment A provided for continued software licensing, operational maintenance of the system, and system modification for State-approved enhancements through June 30, 2006. Amendment B, approved by the Governor and Executive Council on June 21, 2006, (Item #16), extended the contract end date to June 30, 2007. Amendment C, (Item #19), approved on June 13, 2007, extended the duration of the contract through June 30, 2009. Amendment D, approved on June 17, 2009, (Item #14) extended the duration of the contract through September 30, 2010.

Delays in the design, development, and implementation (DDI) of the MMIS underway with ACS State Healthcare LLC (ACS), as previously acknowledged to the Governor and Executive Council, require extending this contract through March 31, 2012. This extension is necessary to effectively plan and transition the phase-out of existing MDSS functionality and the phase-in of replacement functionality to be delivered with the State's new MMIS, including continuity of data inquiry and federal reporting capability for up to three months post-implementation. The MMIS implementation is currently anticipated to occur on or before October 1, 2012.¹ This requested extension provides the State with a three-month contingency in the event the MMIS implementation occurs after the prospective October implementation date while also allowing, in the event implementation occurs before October, early termination of the contract as soon as the new MDSS functionality is implemented and the system is stable. Specifically, the State, at its sole option, with the authority and discretion of the MMIS Director, may end the contract effective as early as July 31, 2010, or the last day of any month thereafter, by providing the contractor with thirty days advance written notice.

This contract amendment is a sole source extension justified by the proprietary nature of the software application, the experience Thomson Reuters (Healthcare) Inc. has acquired in supporting the New Hampshire installation of the product and working with New Hampshire data, and the continuing need of the DHHS for uninterrupted access to critical reports and Medicaid data analysis. Considering the intention to replace this system with functionality in the new MMIS, Thomson Reuters (Healthcare) Inc. is the most appropriate resource for the services required by this amendment.

Funding from the DHHS was used to fund the original contract and Amendment A. Funds for Amendment B were included in the budget for the DoIT and the contract was reassigned to the DoIT from the DHHS through Amendment B, Amendment C, and Amendment D. Amendment E funds are available in the DoIT budget.

His Excellency, Governor John H. Lynch
and the Honorable Executive Council
May 28, 2010
Page 3

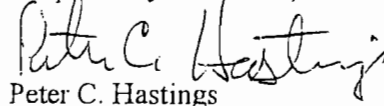
This project, including funding, is guided by the parameters defined in the State's MMIS Reprocurement Project's Implementation Advanced Planning Document (IAPD). Upon determination that the DDI Phase of the MMIS required additional time for completion, the DHHS and ACS executives and key program leaders met with Regional Directors from the federal Centers for Medicare and Medicaid Services (CMS) to review the project status and future strategy. CMS concurred with the DHHS on the direction of the project and verbally extended continued support. The DHHS is now preparing Amendment 7 to the IAPD, which will be formally reviewed by the federal Centers for Medicare and Medicaid Services (CMS). Amendment 7 to the IAPD will include modification of the Thomson Reuters contract, with scope of services and pricing consistent with and as described in this amendment. A copy of the contract itself will be submitted to CMS for review along with IAPD Amendment 7. DHHS fully anticipates that the CMS will approve the DHHS's requested changes to the IAPD and the MMIS project, thereby approving 90% Federal Financial Participation (FFP) for the continuation of the Thomson Reuters contractor services to support MDSS through the extended project timeline.

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

Geographic area to be served: Statewide

Source of Funds: 100% Other (Agency Class 27) funds: the Agency Class 27 used by DHHS to reimburse DoIT for this contract is 75% Federal and 25% General funds.

Respectfully submitted,

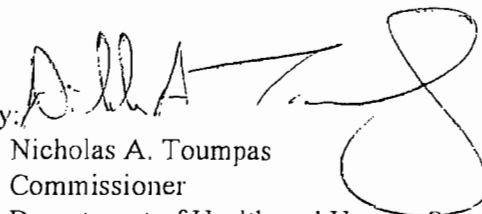


Peter C. Hastings
Interim Commissioner



for: Kathleen A. Dunn, MPH
Medicaid Director
Department of Health and Human Services

Approved by:



Nicholas A. Toumpas
Commissioner
Department of Health and Human Services



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
Interim Commissioner

May 28, 2010

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

Dear Commissioner Toumpas:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to amend existing contract 2002-002 DHHS Medicaid Decision Support System, with Thompson Reuters (Healthcare) Inc. (formerly The Medstat Group), as described below and referenced as DoIT No. 2002-002E.

This is a request for approval to amend a contract to provide for ongoing MDSS system maintenance and enhancements for the Department of Health and Human Services' (DHHS) Medicaid Decision Support System (MDSS). The amendment will be effective upon Governor and Executive Council approval through March 30, 2012. The amount of this amendment is \$471,875.00, for a total contract amount not to exceed \$4,504,782. This project is set forth in the Department of Health and Human Services Strategic Information Technology Plan 2005 – 2009, dated October 21, 2005, Project No.43.

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/ltm
2002-002 Amendment E
A&E RID: 10019

cc: MaryGaye Grizwin, DHHS
Leslie Mason, DoIT

State of New Hampshire
Department of Information Technology
Medicaid Decision Support System (MDSS), RFP 2002-002
Thomson Reuters (Healthcare) Inc., Contract Amendment E

This fifth Amendment to the Thomson Reuters (Healthcare) Inc. Contract (hereinafter "Amendment E") dated this 3rd day of June, 2010, is by and between the State of New Hampshire, acting by and through the Department of Health and Human Services, and the Department of Information Technology (hereinafter jointly referred to as "the State" or individually as "DHHS" or "DoIT") and Thomson Reuters (Healthcare) Inc., formerly known as "The Medstat Group, Inc.", with a principle place of business at 777 East Eisenhower Parkway, Ann Arbor, Michigan, 48108.

WHEREAS, pursuant to an Agreement approved by Governor and Executive Council, as a result of RFP # 2002-002, on December 19, 2001, agenda item # 82 (herein after referred to as the "Contract"), and Amendment A of that Contract approved by Executive Governor and Council on June 23, 2004, agenda item # 265A, and Amendment B of that Contract approved by Governor and Executive Council on June 21, 2006, agenda item #16, Amendment C of that Contract approved by the Governor and Executive Council on June 30, 2007, agenda item #19, and Amendment D of that Contract approved by the Governor and Executive Council on June 17, 2009, agenda item #14, Thomson Reuters (Healthcare) Inc. (formerly known as "The Medstat Group, Inc") agreed to supply certain services upon the terms and conditions specified in the Contract and in consideration of payment by the Department of Information Technology (DoIT) of certain sums as specified therein for services provided to the Department of Health and Human Services (DHHS); and

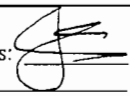
WHEREAS, effective July 31, 2008, the legal name of Thomson Healthcare, Inc. (formerly known as "The MEDSTAT Group, Inc.") was changed to "Thomson Reuters (Healthcare) Inc.," the parties agree that all references in the Agreement and Exhibits between the parties to "MEDSTAT" or "The MEDSTAT Group, Inc." or to "Thomson Healthcare, Inc." shall now be considered to reference the new entity, Thomson Reuters (Healthcare) Inc. (TRH or Vendor) and that all contractual obligations and responsibilities that were formerly those of The MEDSTATE Group Inc, and/or Thomson Healthcare, Inc. are assumed by Thomson Reuters (Healthcare) Inc.; and

WHEREAS, pursuant to paragraph 17 of the General Provisions, Form P-37, the Contract may be modified or amended only by a written instrument executed by the parties thereto, and only after approval of such modification or amendment by the Governor and Executive Council; and

WHEREAS, the Vendor and the State have agreed to extend the Contract in certain respects; and

WHEREAS, the State wishes to continue this Contract with the Vendor to ensure continued maintenance and support of the existing Medicaid Decision Support System (MDSS), included in this Contract is the provision for additional analytical and/or technical and enhanced services to supplement and support the existing MDSS, including the annual license fees; and

WHEREAS, continued funding for the Medicaid Decision Support System is expected to be approved by the New Hampshire State Legislature in the Office of Information Technology budget for FY10 and FY11, and funding for FY 12 is anticipated to be available in the State budget;

Contractor Initials: 
Date: 6/3/10

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

1. Except as specifically amended and modified by the terms and conditions of this Amendment E, the Contract and the obligations of the parties there under, shall remain in full force and effect in accordance with the terms and conditions set forth therein. This Amendment E shall take effect upon July 1, 2010, or the date of Governor and the Executive Council approval, whichever is later, and upon appropriation of sufficient funds by the NH State Legislature.

Contract Form P-37 is hereby amended as follows:

1. Block 1.6, titled, Completion date, change from September 30, 2010 to March 31, 2012.
2. Block 1.8, Price Limitation, increase by an amount not to exceed \$471,875 from \$4,032,907 to \$4,504,782.
3. Block 1.9 Contracting Officer for State Agency is amended by replacing "Richard C. Bailey, Jr." with Peter C. Hasting, Interim Chief Information Officer, Department of Information Technology.
4. Block 1.10 State Agency Telephone Number is amended by replacing "603 271-4208" with (603) 223-5702.
5. Block 1.12 "Name and Title Contractor Signor" is amended by replacing "Glenn Cole, Executive Vice President and Chief Financial Officer" with "Jonathan S. Newpol, Executive Vice President (734)-913-3000".
6. Block 3, "Effective Date: Completion of Services is amended by adding the following sentences to 3.1
"The effective date of the original contract is December 19, 2001. The effective date of Amendment A is June 23, 2004. The effective Date of Amendment B is July 1, 2006. The effective date of Amendment C is July 1, 2007. The effective date of Amendment D is June 17, 2009. All of the above dates are the dates the contract was approved by the New Hampshire Governor and Executive Council, or a date certain, whichever is later, as specified in each document. This Amendment, Amendment E is effective on the date of Governor and Executive Council approval, or July 1, 2010, whichever date is later.
7. The General Terms, Form P-37 paragraph 10 is amended with the addition of the following paragraph 10.1:
10.1 In the event of infrastructure failure caused by the aging of Department components (hardware or software) beyond their expected useful life, resulting in significant performance degradation, or in the event that the State makes any changes to the aging hardware or software environment that do not support or are incompatible with that hardware or software, which results in the aging components ceasing to function properly, or altogether, such failure to perform shall not be deemed a default by the Contractor. In the event that the parties mutually agree, in writing, that such failure to perform has occurred, either party may terminate this Contract with a thirty calendar-day written notice without being considered in breach of contract. The parties will work together in good faith for a minimum of 60 calendar days to resolve the issue which may result in an agreed upon change in the contract terms and an amendment consistent with the amendment process described in the General Terms and Conditions, Form P-37 paragraph 17. The responsibility for bearing any necessary expenditures related to an agreed upon solution will be negotiated between the parties at that time. "Aging software" or "aging hardware" shall include, but not be limited to: Version 2.8 of Advantage Suite and H.P. Suite. The Contractor shall continue to support version 2.8 of Advantage Suite until July 31, 2010.


Contractor Initials: 
Date: 6/3/10


Exhibit A, Statement of Contract Period of Performance, is hereby amended as follows:

1. The Business Associates Agreement added to this Contract in Amendment A, paragraph 6 is updated by the attached Exhibit I, "Business Associates Agreement (9/09)" and "Addendum to Exhibit I." The attached Exhibit I and Addendum, replace the prior Exhibit H, Business Associates Agreement, and the Exhibit I attached to Amendment D.
2. All contractual obligations and responsibilities that were formerly those of The MEDSTATE Group Inc, and/or Thomson Healthcare, Inc., are assumed by Thomson Reuters (Healthcare) Inc. see, e.g. Exhibit J "Notification."
3. The State, at its sole option, with the authority and discretion of the Director of MMIS, may end the Contract effective as early as July 31, 2011, or the last day of any month thereafter, by providing the Contractor with thirty days advance written notice. No additional approval from the Governor and Executive Council shall be required. The price of all services for the nine months from July 1, 2011 through March 31, 2012 shall be pro-rated at a fixed rate per month of \$26,458.33, up to a maximum of \$238,125.00.
4. The Contractor's Contract Manager who shall be responsible for all contractual authorization and administration under the contract is: Keith Putman, Director of Client Services, Thomson Reuters (Healthcare) Inc., 777 East Eisenhower Parkway, Ann Arbor, Michigan, 48108. Telephone: (734)-913-3219, Email: keith.putman@thomsonreuters.com, or his/her designated successor.
5. The State's Contract Manager, who shall be responsible for all contractual authorization and administration under the Contract, is Diane Delisle, Director, MMIS, NH Department of Information Technology, 2 Pillsbury Street, Suite 200, Concord, NH 03301. Telephone: (603) 223-4744. Email diane.delisle@doit.nh.gov or his/her designated successor.
6. The following paragraph shall be added to Exhibit A:

The Contractor shall promptly give the Department notice in the event that any required insurance coverage is canceled for any reason. Notice shall be sent to Kathleen A. Dunn, MPH, Director, Office of Medicaid Business and Policy, New Hampshire Department of Health and Human Services, 129 Pleasant Street, Concord, NH 03301.

Exhibit B of the Contract is hereby amended as follows:

1. Section 1: *Not To Exceed Price Deliverable Payment Schedule*, paragraph 1.1 page 1 of 7, Contract price of \$4,032,907 is increased by \$471,875 to \$4,504,782. The parties understand and agree that the price increase is comprised of licensing fees for July 1, 2010 through March 31, 2012 at \$317,500.00 per year, pro-ratable by month at a rate of \$26,458.33. See Exhibit A, paragraph 3, above.
2. Section 2: *Not To Exceed Price Deliverable Payment Schedule*, paragraph 2.1 page 2 of 7, Contract price is increased by \$471,875 to \$4,504,782.
3. Section 3: *IT Services Configuration Option*, Current Engagement is modified to include the cost for the annual license fee of \$317,500.00 per year, throughout the Amendment Period. The annual license fee shall be pro-rated by month at a rate of \$ 26,458.33, as appropriate, in the event that the State exercises its early termination option. Billing will be quarterly through June 30, 2011, and thereafter shall be monthly.
4. The Table below replaces the "Contract and Amendment Number" table in the current contract in its entirety:

Contractor Initials: 
Date: 6/3/10

CONTRACT AND AMENDMENT NUMBER	AMENDMENT TYPE	EFFECTIVE DATE	CONTRACT AMOUNT
Contract # 2002-002	Original Contract	December 19, 2001	\$1,897,777.00 ¹
Amendment # A	First Amendment (A)	June 23, 2004	\$ 526,000.00
Amendment # B	Second Amendment (B)	July 1, 2006	\$ 478,900.00
Amendment # C	Third Amendment (C)	July 1, 2007	\$ 775,480.00
Amendment # D	Fourth Amendment (D)	June 17, 2009	\$ 271,000.00 ^{2, 3}
Amendment # E	Fifth Amendment (E)	July 1, 2010	\$ 555,625.00 ⁴
	CONTRACT TOTAL		\$4,504,782.00

Remainder of this page intentionally left blank.

¹ As a result of a Departmental (DHHS) Contract Reduction measure in 2004, the original Contract amount total in this table has been adjusted from \$1,958,209 to \$1,897,777.

² Reflects the net value of Amendment D, after the offset of \$64,000 of funds approved in Amendment C, and applied in Amendment D.

³ As a result of the July 1, 2010 effective date of this Amendment E, the end date of Amendment D has been adjusted from September 30, 2010 to June 30, 2010 and the "Contract Amount" has also been adjusted accordingly from \$354,750 to \$271,000.

⁴ The value of Amendment E, \$555,625, includes \$83,750 previously authorized on June 17, 2009 for Amendment D resulting in a \$471,875 net increase in the total value of the Contract.


Contractor Initials: 
Date: 6/2/10

Exhibit C of the Contract is hereby amended as follows:

1. The following paragraphs are added to Exhibit C, Special Provisions:

Consistent with the terms of the State's standard Exhibit I, and by way of addition thereto, by signing this Amendment E, the Contractor acknowledges that it has reviewed and is aware of the additional HIPAA requirements stemming from the American Recovery and Reinvestment Act (ARRA) including but not limited to the provisions of the HITECH ACT of 2009 and the Interim Final Rule. To the extent, if any, that Exhibit I requires the State to notify the Contractor of changes to HIPAA requirements, the State has done so.

Consistent with the terms of the State's General Terms and Provisions, Form P-37, and standard Exhibit I, and Addendum to Exhibit I, attached hereto, and by way of addition thereto, the Contractor will provide the State's Contract Manager and the State's Privacy Officer with notice of any breach, or substantial allegation of breach, of Personal Health Information (PHI), PHI- security and/or any other information protected by HIPAA, as required by law, and with notice of breach or substantial allegation of breach, of any confidential recipient or provider information. The Contractor will pay costs reasonably incurred by the Department to meet state and federal notice requirements to recipients and providers to the extent the Contractor is responsible for the breach or substantial allegation of breach of the PHI, or confidential recipient information or confidential provider information.

The Contractor also agrees to pay reasonable costs of any identity-theft protection the Department might wish to extend to potentially injured parties for up to, and not to exceed, one year following the individual's timely acceptance of the DHHS's offer of identity-theft protection, so long as the Department's offer of identity theft protection occurs within 90 calendar days of the Contractor's notice of breach or substantial allegation of breach. The Contractor will not deal with any providers or recipients directly, but will give notice of breach, or substantial allegation of breach, to the Department. The Department's method of complying with notice requirements, and/or extension of identity-theft protection, shall be solely at the discretion of the Department.

Standard Exhibits D and E of the Contract are hereby amended as follows:

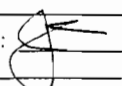
1. The "contract periods" identified in DHHS standard Exhibits D and E are extended to March 31, 2012.

Exhibit H

1. The State's standard Exhibit H, "Certification Regarding Environmental Tobacco Smoke" is added to the Contract, and attached hereto.

Exhibit I

1. See Exhibit A, paragraph 1, above.

Contractor Initials: 
Date: 6/3/12

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

Date 6/4/10

Kathleen A. Dunn
Kathleen A. Dunn, M.P.H.
Medicaid Director
State of New Hampshire
Department of Health and Human Services

Date 6/7/10

Peter C. Hastings
Peter C. Hastings
Interim Chief Information Officer
State of New Hampshire
Department of Information Technology

Date 6/3/10

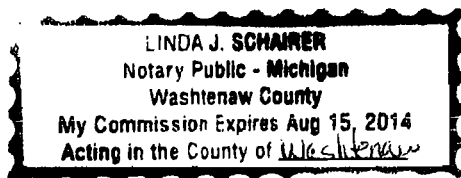
Jonathan S. Newpol
Jonathan S. Newpol
Executive Vice President,
Thomson Reuters (Healthcare), Inc.

STATE OF Michigan

COUNTY OF Washtenaw

On this the 3rd day of June 2010, before me, Linda J. Schairer the undersigned officer, personally appeared Jonathan S. Newpol who acknowledged himself/herself to be the Executive Vice President of Thomson Reuters (Healthcare) Inc., a Delaware corporation, and that he/she, as such Executive Vice President being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself/herself as Thomson Reuters (Healthcare) Inc.

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



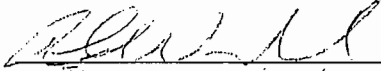
Linda J. Schairer
Notary Public/Justice of the Peace
My commission expires: 8-15-2014

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

Contractor Initials: [Signature]

Date: 6/3/10

OFFICE OF THE ATTORNEY GENERAL

By: 
Rebecca L. Woodward, Attorney

Date: June 8, 2011

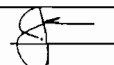
I hereby certify that the foregoing contract was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: _____ (date of meeting)

Office of the Secretary of State

By: _____

Title: _____

Date: _____

Contractor Initials: 
Date: 6/3/11

NH Department of Health and Human Services

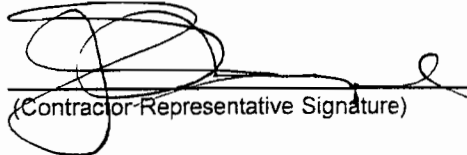
STANDARD EXHIBIT H

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

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

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

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



(Contractor Representative Signature)

Jonathan S. Newpol, Executive Vice President

(Authorized Contractor Representative Name & Title)

Thomson Reuters (Healthcare) Inc.

(Contractor Name)

6/3/11

(Date)

Contractor Initials: 

Date: 6/3/11


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

BUSINESS ASSOCIATE AGREEMENT

(1) Definitions.

- a. "Breach" shall have the same meaning as the term "Breach" in Title XXX, Subtitle D. Sec. 13400.
- b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164.
- i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.501.

Contractor Initials 

Date 6/2/10

- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

(2) Use and Disclosure of Protected Health Information.


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

Contractor Initials 

Date 6/3/11

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

- a. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, including any security incident involving Covered Entity data, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402.
- b. The Business Associate shall comply with all sections of the Privacy and Security Rule as set forth in, the HITECH Act, Subtitle D, Part 1, Sec. 13401 and Sec.13404.
- c. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- d. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section (3)b and (3)k herein. The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard provision #13 of this Agreement for the purpose of use and disclosure of protected health information.
- e. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- f. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- g. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- h. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- i. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.

Contractor Initials 

Date 6/3/10

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

(4) Obligations of Covered Entity


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

(5) Termination for Cause

In addition to standard provision #10 of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, and the HITECH Act as amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the

Contractor Initials 
Date 6/2/10

changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.

- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule and the HITECH Act.
- e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section 3 k, the defense and indemnification provisions of section 3 d and standard contract provision #13, shall survive the termination of the Agreement.

Contractor Initials

Date 6/3/12

IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit 1.

NH DHS / OMBP
The State

Kathleen A. Dunn
Signature of Authorized Representative

Kathleen A. Dunn
Name of Authorized Representative

Director
Title of Authorized Representative

6/1/10
Date

Thomson Reuters (Healthcare) Inc.
Name of the Contractor

[Signature]
Signature of Authorized Representative

Jonathan S. Newpol
Name of Authorized Representative

Executive Vice President
Title of Authorized Representative

6/3/10
Date

Contractor Initials [Signature]
Date 6/3/10

ADDENDUM TO STANDARD EXHIBIT I
Health Insurance Portability and Accountability Act
Business Associates Agreement

The preceding "Standard Exhibit I, Health Insurance Portability and Accountability Act, Business Associates Agreement" is in full force and effect, and is incorporated herein by reference. For the purposes of this Contract, the Standard Exhibit I is hereby amended as follows:

1. Paragraph 2 "Use and Disclosure of Protected Health Information," subsection (d) is omitted and replaced with the following:

(d) The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If the Covered Entity objects to such disclosure, the Business Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies within the requisite time frame. The Business Associate shall not disclose any PHI if disclosure is prohibited by law. See paragraph 6(d) below.

2. Paragraph 2 "Use and Disclosure of Protected Health Information," subsection (e) is omitted and replaced with the following:

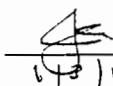
(e) If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, to the extent applicable under this contract, with the exception of Market Scan data, see paragraph 3(k), the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards, subject to the provisions of paragraph 6(d) below.

3. Paragraph 3, "Obligations and Activities of Business Associate" subsection (a) is omitted and replaced with the following:

(a) Business Associate shall report to the designated Privacy Officer of Covered Entity, and to the designated Contract Manager, in writing, any use or disclosure of PHI in violation of the Agreement, including any security breach or supported allegation of breach involving Covered Entity data, in accordance with the HITECH Act, Subtitle D, Part I, Sec. 13402.

Contractor Initials

Date:


1/3/11

4. Paragraph 3, "Obligations and Activities of Business Associate" subsection (e) is omitted and replaced with the following:

(e) Within ten (10) 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.

5. Paragraph 3, "Obligations and Activities of Business Associate" subsection (f) is omitted and replaced with the following:

(f) Within ten (10) business days of receiving a written request from Covered Entity, in the event that Business Associate maintains PHI in a Designated Record Set, 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.

6. Paragraph 3, "Obligations and Activities of Business Associate" subsection (g) is omitted and replaced with the following:

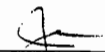
(g) Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, in the event Business Associate maintains PHI in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.

7. Paragraph 3, "Obligations and Activities of Business Associate" subsection (j) is omitted and replaced with the following:

(j) In the event any individual requests access to PHI (see paragraph f, supra), amendment of PHI (see paragraph g, supra), or accounting of PHI directly from Business Associate, with regard to PHI within the Business Associate's possession, 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/or the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify the Covered Entity of such response as soon as practicable.

Contractor Initials

Date:


6/2/10

8. Paragraph 3, "Obligations and Activities of Business Associate" subsection (k) is omitted and replaced with the following:

(k) Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created by (if any), or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as the Business Associate maintains 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. This PHI requirement does not apply to Market Scan data, provided to the Contractor by DHHS pursuant to the parties' 2001 "Data Contribution and Use Agreement," so long as the data remains normative data that cannot be used to constructively identify individuals (i.e. data that is not PHI) and so long as the Contractor's use of the data is consistent with HIPAA including but not limited to the HITECH Act.

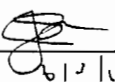
9. Paragraph 5, "Termination for Cause" is omitted and replaced with the following:

In addition to standard provision #10 of the General Terms Form P-37, the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement, as amended in this Addendum, set forth herein as Exhibit I, and Addendum to Standard Exhibit I, and/or the HIPAA and/or the HITECH Act. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

If Business Associate gains knowledge of a breach by Covered Entity of this Agreement and/or HIPAA/HITECH, Business Associate may terminate the Agreement or provide an opportunity for Covered Entity to cure the alleged breach within a timeframe specified by Business Associate. If Business Associate determines that neither termination nor cure is feasible, Business Associate shall report the violation to the Secretary.

Contractor Initials

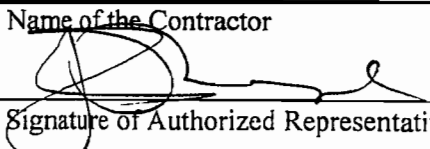
Date:



6/1/10

10. Paragraph 6 "Miscellaneous" subsection (d) "Interpretation" is omitted and replaced with the following:

(d) Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit both parties to comply with HIPAA, the Privacy and Security Rule and the HITECH Act, and, if applicable, New Hampshire law. In the event that the parties cannot reach agreement with regard to said ambiguity, each shall give the other notice of its intended steps to comply, and either party may file a motion for protective order, or seek other equitable relief in the Merrimack County Superior Court for the State of New Hampshire. Notice to the other party shall not be required if prohibited by State or Federal Law.

IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit I and Addendum to Standard Exhibit I.

<u>NH DHHS</u>	Thomson Reuters (Healthcare) Inc.
The State Agency Name	Name of the Contractor
<u>Kathleen A. Dunn</u>	
Signature of Authorized Representative	Signature of Authorized Representative
<u>Kathleen A. Dunn</u>	Jonathan S. Newpol
Name of Authorized Representative	Name of Authorized Representative
<u>Director</u>	Executive Vice President
Title of Authorized Representative	Title of Authorized Representative
<u>6/14/10</u>	<u>6/3/10</u>
Date	Date

Contractor Initials 
Date: 6/2/10



THOMSON REUTERS

777 East Eisenhower Parkway
Ann Arbor, MI 48108

+1 734 913 3000

VIA CERTIFIED MAIL

September 18, 2008

Jackie Leone
State of New Hampshire
Department of Health & Human Services
129 Pleasant Street
Concord, New Hampshire 03301

Re: Notification of Name Change
Contract: DHHS - 2002 - 02

Dear Ms. Leone:

Thomson Healthcare Inc., by an amendment to its certificate of incorporation dated July 31, 2008, has changed its corporate name to "Thomson Reuters (Healthcare) Inc."

Accordingly, we are requesting that you process this change of name in your records. This is a change of corporate name only and all rights and obligations of the parties under the contract(s) referenced above are unaffected by this change.

If you have any questions or concerns regarding this action, please contact our legal counsel, Carol Allis, at 734-913-3228 or your Thomson Reuters client services team.

Sincerely,

Jonathan S. Newpol
Executive Vice President

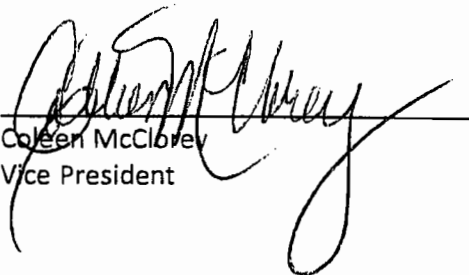
THOMSON REUTERS (HEALTHCARE) INC.

CERTIFICATE OF AUTHORITY

I, Colleen McClorey, Vice President of Thomson Reuters (Healthcare) Inc., a Delaware corporation (the "Corporation"), DO HEREBY CERTIFY as follows:

1. I am a duly elected, qualified and Vice President of the Corporation; and
2. On April 13, 2007, Jon Newpol was duly appointed Executive Vice President of the Corporation by Unanimous Written Consent in Lieu of an Annual Meeting of the Board of Directors, is duly qualified and acting as such officer on the date hereof, and in such capacity he is hereby authorized to execute any and all documents in the name of or on behalf of the Corporation, including, but not limited to, the State of New Hampshire Office of Information Technology Medicaid Decision Support System RFP 2002-02 Medstat/Thomson Reuters (Healthcare) Inc., Contract Amendment E and Exhibit I dated as of the 3RD day of JUNE, 2010, and all related documents on behalf of the Corporation and to bind the Corporation.

IN WITNESS WHEREOF, the undersigned has executed this Certificate this 3RD day of JUNE, 2010.


Colleen McClorey
Vice President


STATE OF MICHIGAN)

) SS

COUNTY OF WASHTENAW)

On this 3RD day of JUNE, 2010, before me, the undersigned, a notary public in and for the State Michigan, personally appeared Colleen McClorey, Vice President of Thomson Reuters (Healthcare) Inc., known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that she executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first hereinabove written.


Linda J. Schairer (Printed Name)

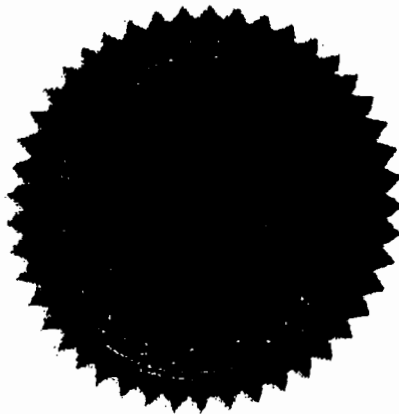
8-15-2014 (Date Commission Expires)

LINDA J. SCHAIRER
Notary Public - Michigan
Washtenaw County
My Commission Expires Aug 15, 2014
Acting in the County of Washtenaw

State of New Hampshire Department of State

CERTIFICATE

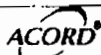
I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that Thomson Reuters (Healthcare) Inc., a(n) Delaware corporation, is authorized to transact business in New Hampshire and qualified on June 16, 1999. I further certify that all fees and annual reports required 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 15th day of April, A.D. 2010

A handwritten signature in dark ink, appearing to read "Wm Gardner", written in a cursive style.

William M. Gardner
Secretary of State



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

04/20/2010

PRODUCER

Marsh USA Inc.
1166 Avenue of the Americas
New York, NY 10036-2774

THIS CERTIFICATION IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERES NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

101674-spec2-ALL-10-11

INSURERS AFFORDING COVERAGE

NAIC #

INSURED

Thomson Reuters (Healthcare) Inc.
777 East Eisenhower Parkway
Ann Arbor, MI 48108

INSURER A: ACE American Insurance Company

22867

INSURER B: N/A

N/A

INSURER C: N/A

N/A

INSURER D: N/A

N/A

INSURER E:

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.

INSR ADD'L LTR INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GENERAL AGGREGATE LIMIT APPLIES PER <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	HDO G24941140	03/31/2010	03/31/2011	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPROP AGG \$ 2,000,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) \$ 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 \$
A	EXCESS / UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$	XOO 2490703A	03/31/2010	03/31/2011	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000 \$ \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input checked="" type="checkbox"/> Y/N (Mandatory in NH) If yes, describe under SPECIAL PROVISIONS below	WLR C46133481 (AOS) RSC C46133493 (WC)	03/31/2010 03/31/2010	03/31/2011 03/31/2011	<input checked="" type="checkbox"/> WC STATUS-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

CERTIFICATE HOLDER

NYC-004163987-17

CANCELLATION

Kathleen Dunn, M.P.H.
Director, Office of Medicaid Business and Policy
New Hampshire Department of Health and Human Services,
129 Pleasant Street
Concord, NH 03301

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
of Marsh USA Inc.
Lauren Glagrande

Lauren Glagrande

IMPORTANT

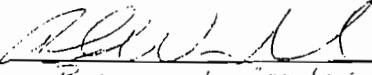
If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

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

DISCLAIMER

This Certificate of Insurance does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

OFFICE OF THE ATTORNEY GENERAL

By: 
Rebecca L. Woodard, Attorney

Date: June 8, 2010


I hereby certify that the foregoing contract was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: JUN 23 2010 (date of meeting)

Office of the Secretary of State

By: 

T **DEPUTY SECRETARY OF STATE**

Date: JUN 23 2010

Contractor Initials: 
Date: 6/3/10

11.11.11

11.11.11



STATE OF NEW HAMPSHIRE
DEPARTMENT OF INFORMATION TECHNOLOGY
27 Hazen Dr., Concord, NH 03301
603-271-2843 1-800-852-3345 x2843
Fax: 603-271-1516 TDD Access: 1-800-735-2964
www.nh.gov/doit

✓
mso
fince

Richard C. Bailey, Jr.
Chief Information Officer

June 3, 2009

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

Approved by G+C
Date 6/17/09
Page —
Item No. 14

MFA

REQUESTED ACTION

Authorize the Department of Information Technology (DoIT) to amend an existing Contract (#2002-002) on a **SOLE SOURCE** basis with ~~William Hanson Refers (H. Hanson)~~ Inc. (formerly The Medstat Group, Inc.) (Vendor #112514), Ann Arbor, Michigan 48108 to provide for ongoing contractor system maintenance and enhancements for the Department of Health and Human Services' (DHHS) Medicaid Decision Support System (MDSS) by:

1. Increasing the contract amount by \$354,750, from \$3,678,157 to an amount not to exceed \$4,032,907.
2. Further authorize extending the contract end date from June 30, 2009, to September 30, 2010 and
3. Further authorize modifying the Scope of Work to remove unneeded tasks and related \$64,000 of funding, previously approved in Amendment C, for FY08.

100% Other (Agency Class 27) funds: the Agency Class 27 used by DHHS to reimburse DoIT for this contract is 75% Federal and 25% General funds.

Funding is available in DoIT account, Agency Software Division, as follows with the authority to adjust encumbrances in each of the State fiscal years through the Budget Office if needed and justified, contingent on continued budget authorization.

Account #	Class Description	SFY 2010	SFY 2011	Job Code	Budget Line
010-003-7679-0300-038-9038	Contracts	\$335,000	\$ 0	03950033	108335
010-003-7679-0300-038-9038	Contracts	\$ 0	\$83,750	03950033	108334
Totals		\$335,000	\$83,750		

EXPLANATION

The purpose of the above requested action is to enable DHHS to continue services provided by Medstat in support of the Medicaid Decision Support System (MDSS), the primary data inquiry and federal report-generating component of the Medicaid Management Information System (MMIS), including extending software licenses, and continuing system operations and maintenance as identified and approved by DHHS and DoIT.

The Governor and Executive Council approved the original Medstat MDSS contract on December 19, 2001, (Item #82) for system support services to be provided through June 30, 2005. The original contract

resulted from a competitive bid process in response to the published Request for Proposals (RFP) #DHHS 2002-002, for the design, development, and implementation (DDI) of a Medicaid Decision Support System (MDSS). Medstat was selected as the preferred vendor based on its product, clinical expertise, and lowest cost bid. The DDI phase of the project was completed and the system was implemented in May 2004. Contract Amendment A, approved by the Governor and Executive Council on June 23, 2004 (Item #265A), extended the contract end date to June 30, 2006, and included an optional extension to June 30, 2007. Contract Amendment A provided for continued software licensing, operational maintenance of the system, and system modification for State-approved enhancements through June 30, 2006. Contract Amendment B, approved by the Governor and Executive Council on June 21, 2006, (Item #16), extended the contract end date to June 30, 2007. Contract Amendment C, (Item #19), approved on June 13, 2007, extended the duration of the contract through June 30, 2009.

The duration of this requested Contract extension is through September 30, 2010. This extension is necessary to effectively plan and transition the phase-out of existing MDSS functionality and the phase-in of replacement functionality to be delivered with the State's new MMIS, currently scheduled on or before July 1, 2010. The requested extension allows for continuity of data inquiry and federal reporting capability for three months beyond the planned implementation date of the new MMIS. The amendment allows the State to terminate the contract early, should there be an opportunity for a transition of reporting functionality to the new MMIS sooner than expected.

This amendment reverses authority, previously granted in Amendment C, for additional tasks specified in Section 4.2.3 of Amendment C, along with the \$64,000 approved for FY08 to fund the effort. Those additional tasks were determined to be unnecessary by the State and, as such, were never initiated nor billed by the Contractor. Costs associated with the fifteen-month extension in this Amendment D are for software license fees at a total price of \$418,750. The net not-to-exceed value of this Contract increase, offset by the \$64,000 that was never expended in FY08, is \$354,750.

This contract amendment is a sole source extension justified by the proprietary nature of the software application, the experience Medstat has acquired in supporting the New Hampshire installation of the product and working with New Hampshire data, and the continuing need of the Department for uninterrupted access to critical reports and Medicaid data analysis. Considering the intention to replace this system with functionality in the new MMIS, Medstat is the most appropriate resource for the services required by this amendment.

Funding from the DHHS was used to fund the original contract and Amendment A. Funds for Amendment B were included in the budget for the DoIT and the Contract was reassigned to the DoIT from the DHHS through Contract Amendment B and Amendment C. Amendment D funds are available in the DoIT budget.

Geographic area to be served: Statewide

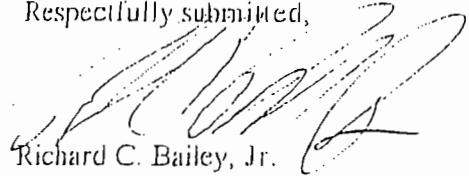
Source of Funds: 100% Other (Agency Class 27) funds: the Agency Class 27 used by DHHS to reimburse DoIT for this contract is 75% Federal and 25% General funds.

The DHHS submitted an amendment to the NH MMIS Reprocurement Project Implementation Document (IAPD) to the Centers for Medicare & Medicaid Services' (CMS), requesting CMS' prior approval for the 15-month extension and additional funding for the MDSS. CMS approved Amendment 6 to the IAPD on June 2, 2009.

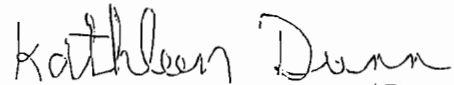
In the event that the Federal funds become no longer available, General Funds will not be requested to support this program.

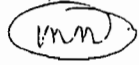
His Excellency, Governor John H. Lynch
and the Honorable Executive Council
June 3, 2009
Page 3

Respectfully submitted,

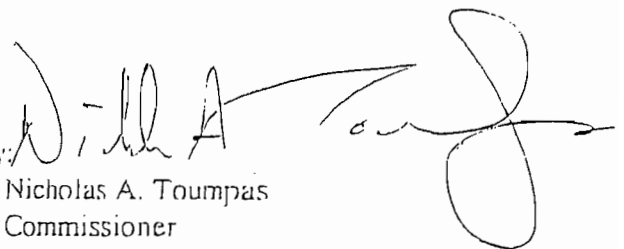


Richard C. Bailey, Jr.
Chief Information Officer
Department of Information Technology



Kathleen A. Dunn, MPH 
Medicaid Director
Department of Health and Human Services

Approved by:



Nicholas A. Toupas
Commissioner
Department of Health and Human Services



STATE OF NEW HAMPSHIRE
DEPARTMENT OF INFORMATION TECHNOLOGY

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

Richard C. Bailey, Jr.
Chief Information Officer

June 3, 2009

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

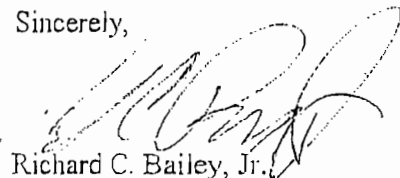
Dear Commissioner Toumpas:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to amend existing contract 2002-002C DHHS Medicaid Decision Support System, with The Medstat Group, Inc. as described below and referenced as DoIT No. 2002-002D.

This is a request for approval to amend a contract to provide for ongoing MDSS system maintenance and enhancements for the Department of Health and Human Services' (DHHS) Medicaid Decision Support System (MDSS). The amendment will be effective upon Governor and Executive Council approval through June 30, 2010. The amount of this amendment is \$354,750, for a total contract amount not to exceed \$3,678,157. This project is set forth in the Department of Health and Human Services Strategic Information Technology Plan 2005 – 2009, dated October 21, 2005, Project No.43.

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

Sincerely,


Richard C. Bailey, Jr.

RCB/ltn
2002-002 Amendment D
RID: 8875

cc: MaryGaye Grizwin, DHHS
Leslie Mason, DoIT

State of New Hampshire
Office of Information Technology
Medicaid Decision Support System (MDSS)
RFP 2002-002

MEDSTAT / Thomson Reuters (Healthcare) INC. CONTRACT AMENDMENT D

This fourth amendment to the Medstat / Thompson Reuters (Healthcare) Inc. Contract (hereinafter "Amendment D") dated this 2nd day of JUNE, 2009, is by and between the State of New Hampshire, acting by and through the Department of Health and Human Services, and the Department of Information Technology (hereinafter jointly referred to as "the State" or individually as "DHHS" or "DoIT") and Thomson Reuters (Healthcare) Inc., formerly known as "The Medstat Group, Inc.") with a principle place of business ~~(Thomson Healthcare Inc.)~~ at 777 East Eisenhower Parkway, Ann Arbor, Michigan, 48108

WHEREAS, pursuant to an Agreement approved by Governor and Executive Council, as a result of RFP # 2002-002, on December 19, 2001, agenda item # 82 (herein after referred to as the "Contract"), and Amendment A of that Contract approved by Executive Governor and Council on June 23, 2004, agenda item # 265A, and Amendment B of that Contract approved by Governor and Executive Council on June 21, 2006, agenda item #16, and Amendment C of that Contract approved by the Governor and Executive Council on June 30, 2007, agenda item #19, Thomson Reuters (Healthcare) Inc. (formerly known as "The Medstat Group, Inc.") agreed to supply certain services upon the terms and conditions specified in the Contract and in consideration of payment by the Department of Information Technology (DoIT) of certain sums as specified therein for services provided to the Department of Health and Human Services;

WHEREAS, effective July 31, 2008, the legal name of The MEDSTAT Group, Inc. was changed to "Thomson Reuters (Healthcare) Inc.," the parties agree that all references in the Agreement and Exhibits between the parties to "MEDSTAT" or "The MEDSTAT Group, Inc." shall now be considered to reference the new legal name, Thomson Reuters (Healthcare) Inc. (TRH or Vendor);

WHEREAS, pursuant to Paragraph 17 of the General Provisions of the Contract, form P-37, the Contract may be modified or amended only by a written instrument executed by the parties thereto and approved by the Governor and Executive Council;

WHEREAS, the Vendor and the State have agreed to extend the Contract in certain respects;

WHEREAS, the State wishes to continue this Contract with the Vendor to ensure continued maintenance and support of the existing Medicaid Decision Support System (MDSS), included in this Contract is the provision for additional analytical and/or technical and enhanced services to supplement and support the existing MDSS, including the annual license fees;

WHEREAS, the State wishes to increase the Contract price by an amount not to exceed \$354,750 to a total Contract price of \$4,032,907; and

WHEREAS, continued funding for the Medicaid Decision Support System is expected to be approved by the New Hampshire State Legislature in the Office of Information Technology budget for FY10 and FY11;

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

Contract Form P-37 is hereby amended as follows:

1. Block 1.3 titled, "Contractor Name" is changed from "The Medstat Group, Inc" or "Medstat" to "Thomson Reuters (Healthcare) Inc." The parties further agree that all references in the Agreement and Exhibits between the parties to

Contractor Initials: PS
Date: 6-2-09

"MEDSTAT" or "The MEDSTAT Group, Inc." shall now be considered to reference the new legal name, Thomson Reuters (Healthcare) Inc.

2. Block 1.6, titled, Completion date, change from June 30, 2009 to September 30, 2010. In addition, after June 30, 2010 the State at its option may end the Contract early by providing the Vendor 30 days advance notice.
3. Block 1.8, Price Limitation, increase by an amount not to exceed \$354,750, from \$3,678,157 to \$4,032,907.

Contract Exhibit A: *Statement of Work* is hereby amended as follows:

4. Section 4.2: Deletion of the following provision:

4.2.3 Additional Tasks: Additional tasks including project management and technical support to the Department for a one-time effort to perform a database rebuild on Advantage Version 2.8A to incorporate NPI as a new dimension in the provider table and make changes to Federal Poverty Level and Income Assistance Amount data fields.


Exhibit B of the Contract is hereby amended as follows:

5. Section 1: *Not To Exceed Price Deliverable Payment Schedule*, paragraph 1.1 page 1 of 7, Contract price of \$3,678,157 is increased by \$354,750 to \$4,032,907. The parties understand and agree that the price increase is comprised of licensing fees for SFY2010 and July – September of SFY 2011 at \$335,000 per year, pro-ratable by month at a rate of \$27,916.67. The total price increase of \$354,750 factors in the elimination of \$64,000 of funds for the additional tasks specified in Section 4.2.3 of Amendment C that were determined to be unnecessary by the State and, as such, were never initiated nor billed by the Vendor. The net value of the Contract increase will be offset by this \$64,000 that was never expended.
6. Section 2: *Not To Exceed Price Deliverable Payment Schedule*, paragraph 2.0 page 2 of 7, total for additional tasks is decreased by \$64,000 from \$995,068 to \$931,068.
7. Section 2: *Not To Exceed Price Deliverable Payment Schedule*, paragraph 2.1 page 2 of 7, Contract price is increased by \$354,750 to \$4,032,907.
8. Section 2: *Not To Exceed Price Deliverable Payment Schedule*, paragraph 2.4 page 4 of 7, additional tasks not to exceed \$995,068 is decreased by \$64,000 to \$931,068.
9. Section 3: *IT Services Configuration Option*, Current Engagement is modified to include the cost for the SFY10 and SFY11 annual license fee of \$335,000 per year.

Contract # 2002-002	Original Contract	December 19, 2001	\$1,897,777.00 ¹
Amendment # A	First Amendment (A)	June 23, 2004	\$ 526,000.00
Amendment # B	Second Amendment (B)	July 1, 2006	\$ 478,900.00
Amendment # C	Third Amendment (C)	July 1, 2007	\$ 775,480.00
Amendment # D	Fourth Amendment (D)	June 17, 2009 anticipated	\$ 354,750.00 ²
			\$4,032,907.00


¹ As a result of a Departmental (DHHS) Contract Reduction measure in 2004, the original Contract amount total in this table has been adjusted from \$1,958,209 to \$1,897,777.

² Reflects the net value of the Contract, after the offset of \$64,000 of funds approved in Amendment C.

Contractor Initials: 
Date: 6-2-09

10. The State's standard "Business Associate Agreement, "Exhibit I" is part of this contract, see Amendment A, paragraph 6. It is attached hereto to, executed by the State and the Vendor, to comply with the requirements of Public Law 104-191, the Health Insurance Portability and Accountability Act (HIPAA) and with the standards for Privacy of Individually Identifiable Health Information, 45 CFR parts 160 and 164.
11. Except as specifically amended and modified by the terms and conditions of this Amendment, the Contract and the obligations of the parties there under, shall remain in full force and effect in accordance with the terms and conditions set forth therein. This Amendment D shall take effect upon the approval date of the Governor and the Executive Council and appropriation of sufficient funds by the NH State Legislature.

The remainder of this page is intentionally left blank

Contractor Initials: 

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

Date 6/3/09

Kathleen A. Dunn
Kathleen A. Dunn, M.P.H. (nw)
Medicaid Director
State of New Hampshire
Department of Health and Human Services

Date _____

Richard C. Bailey, Jr.
Richard C. Bailey, Jr.
Chief Information Officer
State of New Hampshire
Department of Information Technology

Date 6-2-09

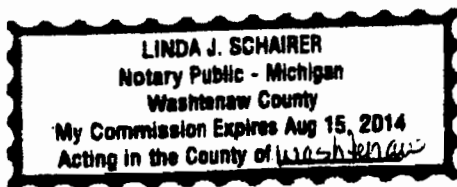
Philip M. Buckingham
Philip M. Buckingham
Chief Financial Officer and Treasurer
Thomson Reuters (Healthcare), Inc.

STATE OF Michigan

COUNTY OF Washtenaw

On this the 2nd day of JUNE 2009, before me, Linda J. Schairer the undersigned officer, personally appeared Philip M. Buckingham who acknowledged himself/herself to be the Chief Financial Officer + TREASURE of Thomson Reuters (Healthcare) Inc., a Delaware corporation, and that he/she, as such CFO 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 Thomson Reuters (Healthcare) Inc

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



Linda J. Schairer
Notary Public/Justice of the Peace
My commission expires: 8-15-2014

Contractor Initials: JS
Date: 6-2-09

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

OFFICE OF THE ATTORNEY GENERAL

By: _____

Date: _____

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: _____

NH Department of Health and Human Services

STANDARD EXHIBIT I

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

(1) Definitions

a. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.

b. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.

c. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.

d. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Pub' Law 104-191.

e. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).

f. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

g. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

h. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.501.

i. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.

j. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.

k. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time.

(2) Use and Disclosure of Protected Health Information

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

b. Business Associate may use or disclose PHI:

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

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

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

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

(3) Obligations and Activities of Business Associate

a. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, including any security incident involving Covered Entity data, of which it becomes aware, within two (2) business days of becoming aware of such unauthorized use or disclosure or security incident.

b. Business Associate shall use administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of protected health information, in electronic or any other form, that it creates, receives, maintains or transmits under this Agreement, in accordance with the Privacy and Security Rules, to prevent the use or disclosure of PHI other than as permitted by the Agreement.

c. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.

- d. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section (3)b and (3)k herein. The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard provision #13 of this Agreement for the purpose of use and disclosure of protected health information.
- e. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- f. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- g. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- h. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- i. Within ten (10) business days of receiving a written request from Covered Entity for request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- j. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- k. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) **Obligations of Covered Entity**

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

(5) **Termination for Cause**

In addition to standard provision #10 of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) **Miscellaneous**

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

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

Department of Health and Human Services

Thomson Reuters (Healthcare) Inc.

State of New Hampshire Agency Name

Contractor Name

Kathleen A. Dunn

ABJ

Signature of Authorized Representative

Contractor Representative
Signature

Kathleen A. Dunn

Philip M. Buckingham

Authorized DHHS Representative Name

Authorized Contractor
Representative Name

Medicaid Director

Chief Financial Officer & Treasurer

Authorized DHHS Representative Title

Authorized Contractor
Representative Title

6/3/09

Date

Date

Contractor Initials: ABJ

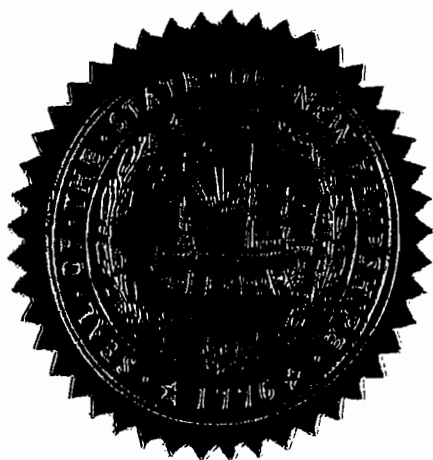
Date: 6-2-09

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 Thomson Reuters (Healthcare) Inc., a(n) Delaware corporation, is authorized to transact business in New Hampshire and qualified on June 16, 1999. 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 15th day of May, A.D. 2009

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

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY

I, Carol Allis, do hereby certify that I am the duly elected, qualified and acting Assistant Secretary of Thomson Reuters (Healthcare) Inc., a Delaware corporation (the "Corporation") and I do further certify that Philip M. Buckingham is the duly appointed, qualified and ~~acting~~ ^{CA} Chief Financial Officer and Treasurer of the Corporation with full power and authority to execute the State of New Hampshire Office of Information Technology Medicaid Decision Support System RFP 2002-02 Medstat/Thomson Reuters (Healthcare) Inc. Contract Amendment D and Exhibit I dated as of June 2, 2009, and all related documents on behalf of the Corporation and to bind the Corporation thereto.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Corporation this 2 day of June, 2009.

THOMSON REUTERS (HEALTHCARE) INC.



Name: Carol Allis

Title: Assistant Secretary



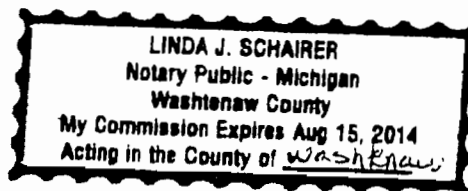
STATE OF MICHIGAN)
) SS
COUNTY OF Washtenaw)

On this 2nd day of June, 2009, before me, the undersigned, a notary public in and for the State of Michigan, personally appeared Carol Allis, Assistant Secretary of Thomson Reuters (Healthcare) Inc., known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that she executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first hereinabove written.

Linda J. Schairer (Printed Name)
(Notary Public)

August 15, 2014 Date Commission Expires





CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
05/29/2009

PRODUCER Marsh USA, Inc. 1186 Avenue of the Americas New York, NY 10036		THIS CERTIFICATION 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.	
101674-2009		INSURERS AFFORDING COVERAGE	
INSURED Thomson Healthcare Inc. 777 East Eisenhower Parkway Ann Arbor, MI 48106		NAIC #	
		INSURER A: ACE American Insurance Company	
		INSURER B: N/A	
		INSURER C:	
		INSURER D:	
		INSURER E:	

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.

INBR ADDL LTR/INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GENERAL AGGREGATE LIMIT APPLIES PER <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	HDO G24629644	03/31/2009	03/31/2010	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPROP AGG \$ 2,000,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) \$ 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 \$
	EXCESS / UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE \$ RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
A A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE Y/N OFFICER/MEMBER EXCLUDED? <input checked="" type="checkbox"/> N (Mandatory in NH) If yes, describe under SPECIAL PROVISIONS below	WLR C46896339(AOS) RSC C46896340(WI)	03/31/2009 03/31/2009	03/31/2010 03/31/2010	<input checked="" type="checkbox"/> IWC STATUS LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

CERTIFICATE HOLDER

NYC-003353906-11

CANCELLATION

State of New Hampshire
Dept. of Health and Human Services
Ofc. of Knowledge Management and Decision Support
129 Pleasant St.
Concord, NH 03301-3857

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
of Marsh USA Inc.
Lauren Russo

Lauren Russo

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

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

DISCLAIMER

This Certificate of Insurance does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.



STATE OF NEW HAMPSHIRE
OFFICE OF INFORMATION TECHNOLOGY

Office of the Governor

27 Hazen Dr., Concord, NH 03301

603-271-4208 1-800-852-3345 x4208

Fax: 603-271-1516 TDD Access: 1-800-735-2964

Richard C. Bailey, Jr.
Chief Information Officer

May 30, 2007

6-1-07 approved
6/12/07 #19

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

REQUESTED ACTION

SOLE SOURCE
AMENDMENT

Authorize the Office of Information Technology (OIT) to amend an existing Contract (#2002-002) on a **SOLE SOURCE** basis with The Medstat Group, Inc. (Vendor #112514), Ann Arbor, Michigan 48108 to provide for ongoing contractor system maintenance and enhancements for the Department of Health and Human Services' (DHHS) Medicaid Decision Support System (MDSS) by: a) increasing the contract amount by \$775,480, from \$2,902,677 to an amount not to exceed \$3,678,157; and b) extending the contract end date from June 30, 2007 to June 30, 2009. Funding Source: 100% Other.

Funding is available in OIT account, Agency Software Division, as follows with the authority to adjust encumbrances in each of the State fiscal years through the Budget Office if needed and justified, contingent on continued budget authorization.

Account #	Class Description	SFY 2008	SFY 2009	Job Code	Budget Line
010-003-1660-046	Consultants	\$64,000	\$ 0	03950033	20328
010-003-1660-024	Maintenance and Subscription	\$355,740	\$355,740	03950033	19249 (FY08) 19349 (FY09)
Totals		\$419,740	\$355,740		

EXPLANATION

The purpose of the above requested action is to enable DHHS to continue services provided by Medstat in support of the Medicaid Decision Support System (MDSS), the primary data inquiry and federal report-generating component of the Medicaid Management Information System (MMIS), including extending software licenses, continuing system operations and maintenance, and implementing enhancements as identified and approved by DHHS and OIT.

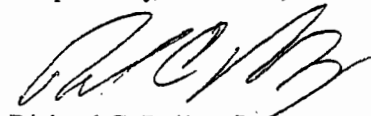
The Governor and Executive Council approved the original Medstat MDSS contract on December 19, 2001, (Item #82) for system support services to be provided through June 30, 2005. The original contract resulted from a competitive bid process in response to the published Request for Proposals (RFP) #DHHS 2002-002, for the design, development and implementation (DDI) of a Medicaid Decision Support System (MDSS). Medstat was selected as the preferred vendor based on its product, clinical expertise, and lowest cost bid. The DDI phase of the project was completed and the system was implemented in May 2004. Contract Amendment A, approved by the Governor and Executive Council on June 23, 2004 (Item #265A), extended the contract end-date to June 30, 2006 and included an optional extension to June 30, 2007. Contract Amendment A provided for continued software licensing, operational maintenance of the system, and system modification for State-approved enhancements through June 30, 2006. Contract Amendment B, approved by the Governor and Executive Council on June 21, 2006 (Item #16), extended the contract to end-date June 30, 2007 with an option for a one-year extension contingent on the approval of Governor and Executive Council.

The duration of this requested Contract extension is through June 30, 2009, one year beyond the date approved by Governor and Executive Council in Amendment B. This extension is necessary to effectively plan and transition the phase-out of existing MDSS functionality and the phase-in of replacement functionality to be delivered with the State's new MMIS. The requested extension and the not-to-exceed contract price increase of \$775,480 allows for continuity of data inquiry and federal reporting capability until the new MMIS is implemented, currently scheduled for January 2009.

This contract amendment is a sole source extension justified by the proprietary nature of the software application, the experience Medstat has acquired in supporting the New Hampshire installation of the product and working with New Hampshire data, and the continuing need of the Department for uninterrupted access to critical reports and Medicaid data analysis. Considering the intention to replace this system with functionality in the new MMIS, Medstat is the most appropriate resource for the services required by this amendment.

Funding from the Department of Health & Human Services (DHHS) was used to fund the original contract and Amendment A. Funds for Amendment B were included in the budget for the Office of Information Technology and the Contract was reassigned to the OIT from the DHHS through Contract Amendment B. Amendment C funds are available in the OIT budget. DHHS estimates that this Class 27 appropriation is comprised of 25% State and 75% Federal funds.

Respectfully submitted,



Richard C. Bailey, Jr.
Chief Information Officer
Office of Information Technology



STATE OF NEW HAMPSHIRE
OFFICE OF INFORMATION TECHNOLOGY

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

Richard C. Bailey, Jr.
Chief Information Officer

May 25, 2007

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

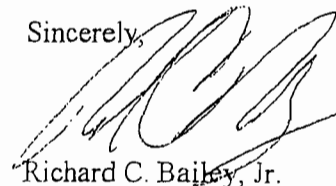
Dear Commissioner Stephen:

This letter represents formal notification that the Office of Information Technology (OIT) has approved your agency's request to amend existing contract 2002-002 DHHS Medicaid Decision Support System, with The Medstat Group, Inc. as described below and referenced as OIT No. 2002-002C.

This is a request for approval to amend a contract to provide for ongoing MDSS system maintenance and enhancements for the Department of Health and Human Services' (DHHS) Medicaid Decision Support System (MDSS). The amendment will be effective upon Governor and Executive Council approval through June 30, 2009. The amount of this amendment is \$775,480.00, for a total contract amount not to exceed \$3,678,157.00. This project is set forth in the Department of Health and Human Services Strategic Information Technology Plan 2005 - 2009, dated October 21, 2005, Project No.43.

A copy of this letter should accompany the Office of Information Technology's submission to Governor and Executive Council for approval.

Sincerely,



Richard C. Bailey, Jr.

RB/ltn

cc: Mary Gaye Grizwin
Leslie Mason

STATE OF NEW HAMPSHIRE
Office of Information Technology
Medicaid Decision Support System (MDSS)
RFP 2002-002
CONTRACT AMENDMENT C

WHEREAS, pursuant to an Agreement approved by Governor and Council, as a result of RFP # 2002-002, on December 19, 2001, agenda item # 82 (herein after referred to as the "Contract"), and Amendment A of that Contract approved by Governor and Council on June 23, 2004, agenda item # 265A, and Amendment B of that Contract approved by Governor and Council on June 21, 2006, agenda item #16, The Medstat Group, Inc., (hereinafter referred to as the "Vendor") agreed to supply certain services upon the terms and conditions specified in the Contract and in consideration of payment by the Department of Health and Human Services (hereinafter referred to as the "Department") of certain sums as specified therein;

WHEREAS, pursuant to Amendment B of the Contract (as authorized by Paragraph 14.21 of the Contract) and the provisions of the Contract, the Contract may be modified or amended only by a written instrument executed by the parties thereto and approved by the Governor and Executive Council;

WHEREAS, the Vendor and the Department have agreed to extend the Contract in certain respects;

WHEREAS, Department wishes to continue this Contract with the Vendor to ensure continued maintenance and support of the existing Medicaid Decision Support System (MDSS). Included in this Contract is the provision for additional analytical and/or technical and enhanced services to supplement and support the existing MDSS, including the annual license fees. The Department and the Vendor seek to amend the Contract as authorized by Paragraph 14.21.

WHEREAS, the Department wishes to increase the Contract price by an amount not to exceed \$775,480 to a total Contract price of \$3,678,157.

WHEREAS, continued funding for the Medicaid Decision Support System is expected to be approved by the New Hampshire State Legislature in the Office of Information Technology budget for SFY08 and SFY09;

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

Contract Form P-37 is hereby amended as follows:

1. Block 1.6, titled, Completion date, change from June 30, 2007 to June 30, 2009. In addition, after January 31, 2009 the State at its option may end the Contract early by providing the Vendor 30 days advance notice.
2. Block 1.8, Price Limitation, increase by an amount not to exceed \$775,480, from \$2,902,677 to \$3,678,157.

Contract Exhibit A: *Statement of Work* is hereby amended as follows:

1. Section 4.2: Inclusions: Addition of the following provisions:
 - 4.2.3 Additional Tasks: Additional tasks include project management and technical support to the Department for a one-time effort to perform a database rebuild on Advantage Version 2.8A to incorporate NPI as a new dimension in the provider table and make changes to Federal Poverty Level and Income Assistance Amount data fields.

Exhibit B of the Contract is hereby amended as follows:

1. Section 1: *Not To Exceed Price Deliverable Payment Schedule*, paragraph 1.1 page 1 of 7, Contract price of \$2,902,677 is increased by \$775,480 to \$3,678,157. The parties understand and agree that the price increase is comprised of licensing fees for SFY2008 and SFY 2009 at \$355,740 per year, pro-ratable by month at a rate of \$29,645. The price increase also includes an option for the State to authorize additional tasks specified in 4.2.3 Contract Exhibit A: *Statement of Work*. Should the State exercise this option, it shall pay no more than \$64,000 for the work described in 4.2.3 Contract Exhibit A.

STATE OF NEW HAMPSHIRE
Office of Information Technology
Medicaid Decision Support System (MDSS)
RFP 2002-002
CONTRACT AMENDMENT C

2. Section 2: *Not To Exceed Price Deliverable Payment Schedule*, paragraph 2.0 page 2 of 7, total for additional tasks is increased by \$64,000 from \$931,068 to \$995,068.
3. Section 2: *Not To Exceed Price Deliverable Payment Schedule*, paragraph 2.1 page 2 of 7, Contract price is increased by \$775,480 to \$3,678,157.
4. Section 2: *Not To Exceed Price Deliverable Payment Schedule*, paragraph 2.4 page 4 of 7, additional tasks not to exceed \$931,068 is increased by \$64,000 to \$995,068.
5. Section 3: *IT Services Configuration Option*, Current Engagement is modified to include the cost for the SFY08 and SFY09 annual license fee, as quoted in the MEDSTAT License Fee proposal dated May 10, 2007 copy included as Attachment A, of \$355,740

CONTRACT AND AMENDMENT NUMBER	AMENDMENT TYPE	EFFECTIVE DATE	CONTRACT AMOUNT
Contract # 2002-002	Original Contract	December 19, 2001	\$1,897,777.00 ¹
Amendment # A	First Amendment (A)	June 23, 2004	\$ 526,000.00
Amendment # B	Second Amendment (B)	July 1, 2006	\$ 478,900.00
Amendment # C	Third Amendment (C)	July 1, 2007	\$ 775,480.00
	CONTRACT TOTAL		\$3,678,157.00

Except as specifically amended and modified by the terms and conditions of this Amendment, the Contract and the obligations of the parties thereunder, shall remain in full force and effect in accordance with the terms and conditions set forth therein. This Amendment shall take effect upon the approval date of 1) of the Governor and the Executive Council on the specific Contract Amendment and 2) appropriation of sufficient funds by the NH State Legislature.

The Remainder of this page is intentionally left blank

¹ As a result of a Departmental (DHHS) Contract Reduction measure in 2004, the original Contract amount total in this table has been adjusted from \$1,958,209 to \$1,897,777.

STATE OF NEW HAMPSHIRE
Office of Information Technology
Medicaid Decision Support System (MDSS)
RFP 2002-002
CONTRACT AMENDMENT C

IN WITNESS WHEREOF, the parties have hereunto set their hands as of the day and year first above written.


Jon Newpol, Executive Vice President
The MEDSTAT Group, Inc.

Date: 5/18/07

Notary:

In the County of Washtenaw, State of Michigan the above individual personally appeared before me
on May 18, 2007 and executed this document.

Name of Notary

NANCY L. LAMBOURN

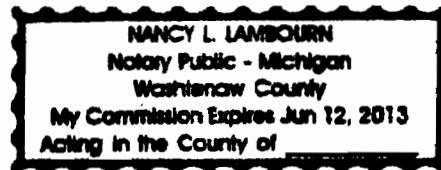
Signature:

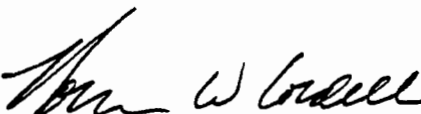
Nancy L. Lambourn

Date:

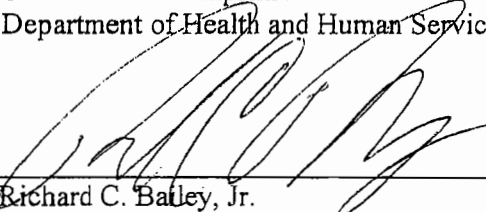
May 18, 2007

Seal

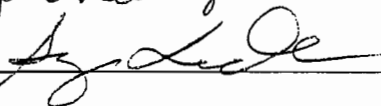



Norman W. Cordell, FACHE
Medicaid Director
State of New Hampshire
Department of Health and Human Services

Date: May 25, 2007


Richard C. Bailey, Jr.
Chief Information Officer
State of New Hampshire
Office of Information Technology

Date: 5/25/07

Approved by

State of New Hampshire, Department of Justice

Date: 5/29/07

STATE OF NEW HAMPSHIRE
Office of Information Technology
Medicaid Decision Support System (MDSS)
RFP 2002-002
CONTRACT AMENDMENT C

ATTACHMENT A

License and Service Fees for FY2008 and FY2009

Memo

From	Beth Schneider	To	MaryGaye Grizwin, Andrew Chalsma, Jackie Leone, Steve Maynard
Date	May 10, 2007	Copies	Michelle MacDonald, Pate McCartney,
Subject	Pricing for FY08-FY09 Renewal		

As a follow up to our conference call yesterday, this memo provides a final quote for Advantage Suite license fees and optional services for the period July 1, 2007 through June 30, 2009. As previously discussed:

- **Annual license fees** are \$355,740 in each fiscal year, bringing total fees for the two-year period to \$711,480. Thomson Healthcare agrees that the State may terminate with 30 days advance written notice on or after January 1, 2009. License fees are based on the following assumptions:
 - New Hampshire Office of Information Technology (OIT) continues to host and maintain Advantage Suite as it does today, including production of Hawkins and MSIS extracts.
 - New Hampshire remains on Advantage Version 2.8A.
- **Fees for an optional database rebuild** to add the National Provider Identifier (NPI) on the provider table and change two eligibility data fields (Federal Poverty Level and Income Assistance Amount) are \$64,000. The database rebuild is an optional service, to be performed only with DHHS' written authorization to proceed. These fees assume that OIT staff performs Advantage Build steps as they do today. Should the State ask Thomson to perform the Build steps, total fees for this optional rebuild are \$75,000. In addition, fees for the optional rebuild assume the following:
 - NPI is added as a new dimension in the provider table.
 - There are no changes to claims extracts and conversion programs.
 - Users continue to use legacy ID to access information in the provider table.
 - Thomson will not make changes to MARS or SURS reports – we assume these reports will continue to use legacy IDs.
 - The rebuild will include testing in 2 environments.

MaryGaye, I believe this summarizes the outcome of our recent discussions. Please let me know if you have any questions or need additional information.

Medstat
777 E. Eisenhower Parkway
Ann Arbor, MI 48108
Tel (734) 913-3000
www.medstat.com

Medstat
777 E. Eisenhower Parkway
Ann Arbor, MI 48108
Tel (734) 913-3000
www.medstat.com

THOMSON
—★—
MEDSTAT

THOMSON
—★—
MEDSTAT

I, Patrick Coppens, do hereby certify and attest that as of May 18, 2007, Jon Newpol is the duly appointed Executive Vice President of The MEDSTAT Group, Inc. In accordance with the current corporate by-laws attached hereto, he is authorized to enter into contracts on behalf of The MEDSTAT Group, Inc.

Signature: Patrick Coppens

Title: VICE-PRESIDENT - FINANCE

Date: MAY 18, 2007

Corporate Seal

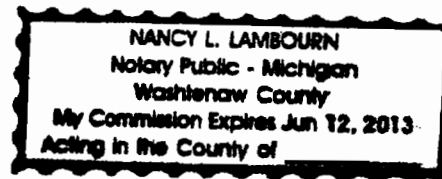
In the County of Washtenaw, State of Michigan the above individual personally appeared before me on May 18, 2007 and executed this document

Name of Notary Nancy L. Lambourn

Signature: Nancy L. Lambourn

Date: May 18, 2007

Seal



CORPORATION SERVICE COMPANY

www.incspot.com

CSC- New York
Suite 3100
1133 Avenue of the Americas
New York, NY 10036
212-299-5600
212-299-5656 (Fax)

Matter# NOT PROVIDED

Project Id :

Additional Reference : NOT PROVIDED

Order# 893298-1

Order Date 05/10/2007

Entity Name : THE MEDSTAT GROUP, INC.

Jurisdiction : NH-Secretary of State

Request for : Good Standing Certificate

Result : Document Retrieved

Ordered by HELEN STAMATIADIS at THE THOMSON CORPORATION

Thank you for using CSC. For real-time 24 hour access to the status of any order placed with CSC, access our website at www.incspot.com.

If you have any questions concerning this order or IncSpot, please feel free to contact us.

Jonathan Giddings
gidding@cscinfo.com

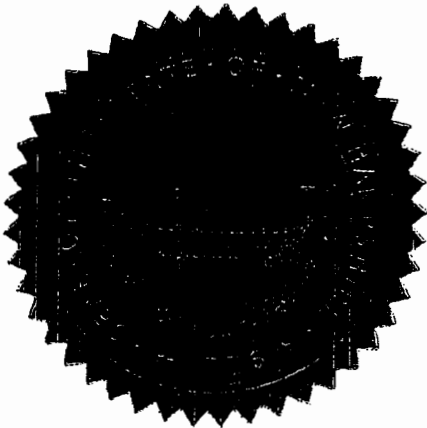
The responsibility for verification of the files and determination of the information therein lies with the filing officer; we accept no liability for errors or omissions.

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 THE MEDSTAT GROUP, INC., a(n) Delaware corporation, is authorized to transact business in New Hampshire and qualified on June 16, 1999. 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 11th day of May, A.D. 2007

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

William M. Gardner
Secretary of State

MARSH**CERTIFICATE OF INSURANCE**CERTIFICATE NUMBER
NYC-001762803-07

PRODUCER

Marsh USA Inc.
1166 Avenue of the Americas
New York, NY 10036-2774

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER OTHER THAN THOSE PROVIDED IN THE POLICY. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES DESCRIBED HEREIN.

COMPANIES AFFORDING COVERAGE

COMPANY

A ACE AMERICAN INSURANCE COMPANY

COMPANY

B N/A

COMPANY

C

COMPANY

D

101674-MICRO-CAS-07.08

INSURED

The MEDSTAT Group, Inc.
777 East Eisenhower Parkway
Ann Arbor, MI 48108

COVERAGES

This certificate supersedes and replaces any previously issued certificate for the policy period noted below.

2

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

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY	HDO G23724005	03/31/07	03/31/08	GENERAL AGGREGATE	\$ 2,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS - COMP/OP AGG	\$ 2,000,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV INJURY	\$ 1,000,000
	OWNER'S & CONTRACTOR'S PROT				EACH OCCURRENCE	\$ 1,000,000
					FIRE DAMAGE (Any one fire)	\$ 50,000
					MED EXP (Any one person)	\$ 5,000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT	\$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE	\$
<input type="checkbox"/> HIRED AUTOS						
<input type="checkbox"/> NON-OWNED AUTOS						
GARAGE LIABILITY					AUTO ONLY - EA ACCIDENT	\$
<input type="checkbox"/> ANY AUTO					OTHER THAN AUTO ONLY:	
					EACH ACCIDENT	\$
					AGGREGATE	\$
EXCESS LIABILITY					EACH OCCURRENCE	\$
<input type="checkbox"/> UMBRELLA FORM					AGGREGATE	\$
<input type="checkbox"/> OTHER THAN UMBRELLA FORM						\$
WORKERS COMPENSATION AND EMPLOYERS' LIABILITY					WC STATUTORY LIMITS	OTHER
THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE:	<input type="checkbox"/> INCL <input type="checkbox"/> EXCL				EL EACH ACCIDENT	\$
					EL DISEASE-POLICY LIMIT	\$
					EL DISEASE-EACH EMPLOYEE	\$
OTHER						

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

CERTIFICATE HOLDER

State of New Hampshire
Dept. of Health and Human Services
Ofc. of Knowledge Management and Decision Support
129 Pleasant St.
Concord, NH 03301-3857

CANCELLATION

SHOULD ANY OF THE POLICIES DESCRIBED HEREIN BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER AFFORDING COVERAGE WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED HEREIN, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER AFFORDING COVERAGE, ITS AGENTS OR REPRESENTATIVES, OR THE ISSUER OF THIS CERTIFICATE.

MARSH USA INC.

BY: Thomas J. Edridge

MM1(3/02)

Thomas J. Edridge

VALID AS OF: 04/03/07



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

6-7c
16
6/21/06

Amendment 1

Richard C. Bailey, Jr.
Chief Information Officer

May 26, 2006

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

REQUESTED ACTION

- 1.) Authorize the Office of Information Technology (OIT) to accept the assignment of a contract (#2002-002) with The MedStat Group, Inc. (Vendor #112514), Ann Arbor, Michigan 48108 from the Department of Health and Human Services to provide for ongoing contractor system maintenance and enhancements for the Department of Health and Human Services' (DHHS) Medicaid Decision Support System (MDSS) effective upon Governor and Council approval.
- 2.) Further authorize the Office of Information Technology (OIT) to amend an existing contract (#2002-002) on a **SOLE SOURCE** basis with The Medstat Group, Inc. to provide for ongoing contractor system maintenance and enhancements for the Department of Health and Human Services' (DHHS) Medicaid Decision Support System (MDSS) by: a) increasing the contract amount by \$478,900, from \$2,423,777 to an amount not to exceed \$2,902,677, b) extending the contract end date from June 30, 2006 to June 30, 2007, and c) providing for an option to extend the contract for an additional year up to June 30, 2008, effective upon Governor and Council approval.

Funding is available in OIT account, Agency Software Division, as follows with the authority to adjust encumbrances in each of the State fiscal years through the Budget Office if needed and justified, contingent on continued budget authorization.

Account #	Class Description	SFY 2006	SFY 2007	Job Code	Budget Line
010-003-1660-046	Consultants	\$155,500	\$35,400	03950033	4275 (FY06) 5276 (FY07)
010-003-1660-024	Maintenance and Subscription	\$0	\$2,000	03950033	5215 (FY07)
010-003-1660-024	Maintenance and Subscription	\$0	\$286,000	03950033	5216 (FY07)
Totals		\$155,500	\$323,400		

EXPLANATION

This contract and amendment(s) support the Medicaid Decision Support System (MDSS), the primary data inquiry and report-generating component of the Medicaid Management Information System.

The Governor and Executive Council approved the original MEDSTAT MDSS contract on December 19, 2001, (Item #82) for system support services to be provided through June 30, 2005. The original contract resulted from a competitive bid process in response to the published Request for Proposals (RFP) #DHHS 2002-002, for the design, development and implementation (DDI) of a Medicaid Decision Support System (MDSS). MEDSTAT was selected as the preferred vendor based on its product, clinical expertise, and lowest cost bid. The DDI phase of the project was completed and the system was implemented in May 2004. Contract Amendment A, approved by the Governor and Executive Council on June 23, 2004 (Item #265A), extended the contract end-date to June 30, 2006 and included an optional extension to June 30, 2007. Contract Amendment A provided for continued software licensing, operational maintenance of the system, and system modification for State-approved enhancements through June 30, 2006.

The purpose of this Contract Amendment B is to extend the services provided by MEDSTAT in support of the MDSS system, including extending software licenses, continuing system operations and maintenance, and implementing enhancements as identified and approved by DHHS and OIT, through June 30, 2007. This contract amendment is a sole source extension given the proprietary nature of the software application, the experience MEDSTAT has acquired in supporting the New Hampshire installation of the product and working with New Hampshire data, and the continuing need of the Department for uninterrupted access to critical reports and Medicaid data analysis. MEDSTAT is the most capable resource for the services required by this amendment.

The Medicaid Decision Support System is a component of the larger current MMIS enterprise, through which reports are generated in support of Management Administrative Reporting (MAR), Surveillance and Utilization Review (SUR), and Federal Reporting requirements of the MMIS. Additionally, the MDSS provides the capability to conduct trend, cost benefit, and other statistical analyses in support of administering the Medicaid Program. With the implementation of the new, state of the art MMIS, targeted for January 1, 2008, the MAR, SUR and Federal Reporting functions of the MEDSTAT MDSS will be incorporated into the new MMIS. The Department will assess, during the period of this extension, the need for sustaining the statistical analytical capabilities of the MDSS beyond June 30, 2007 up to and possibly beyond the new MMIS implementation. This Amendment, therefore, includes an option for a one-year extension through to June 30, 2008 in the event that a continuing need is determined by the Department to be necessary.

Funding from the Department of Health & Human Services (DHHS) was used to fund the original contract and Amendment A. Because funds for this Amendment B are included in the budget for the Office of Information Technology, this contract is being reassigned to the OIT from the DHHS through this Contract Amendment B.

His Excellency, Governor John H. Lynch
and the Honorable Executive Council
May 26, 2006
Page 3

Respectfully submitted,

John A. Stephen
Commissioner
Department of Health and Human Services

Richard C. Bailey, Jr.
Chief Information Officer
Office of Information Technology



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

129 PLEASANT STREET, CONCORD, NH 03301-3857
603-271-4297 1-800-852-3345 Ext. 5254
Fax: 603-271-4727 TDD Access: 1-800-735-2964

John A. Stephen
Commissioner

Norman W. Cordell
Director

May 26, 2006

Richard C. Bailey, Jr.
Chief Information Officer
27 Hazen Drive
Concord, NH 03301

Requested Action

The Department of Health and Human Services (DHHS), Office of Medicaid Business and Policy (OMBP), Bureau of Data and Systems Management, (BDSM) requests approval of a contract amendment (contract amendment B) for The Medstat Group, Inc contract # 2002-002. The original contract was approved by G & C on December 19, 2001 (Agenda Item # 82), Contract Amendment A was approved by G & C on June 23, 2004 and is identified in Strategic Information Technology Plan 2005-2009 (SITP), submitted for approval on July 19, 2005, Information Technology Initiatives, Project Number: 96.

Explanation

The purpose of this contract extension is to: a) continue the existing contract with Medstat for the software licensing, support and maintenance of the Medicaid Decision Support System (MDSS), the primary data inquiry and report-generating component of the Medicaid Management Information System (MMIS); b) provide for access to Medstat resources for system enhancements identified and approved by the Department and Medstat (examples include modifications relative to Medicare Part D and/or the National Provider Indicator); c) provide for a Not To Exceed price contract extension of \$478,000, d) assignment of the contract to the Office of Information Technology (OIT) from DHHS, e) extending the contract end date to June 30, 2007, and f) providing for an optional extension exercisable by OIT with G & C approval, to extend the contract date up to June 30, 2008, effective upon G & C approval. MDSS supports the Department's continued effort to provide access to the Medicaid information for rate setting and analysis on the health of New Hampshire's communities for use in program development, community planning and research, and community health care information to New Hampshire citizens. Medstat will assist the Department and OIT in developing solutions for the agreed upon enhancements.

The Medicaid Decision Support System project is a collaboration of BDSM and OIT. The objectives of the project extension include:

- Maintaining license of Medstat proprietary software
- Continuing maintenance and support including assistance with monthly scheduled updates and generation of all Management Accounting Reports (MAR), Surveillance and Utilization Reports (SUR) and Centers for Medicaid and Medicare Services (CMS) Federal reports

- Assist in implementation of system enhancements identified and approved by the Department.

The benefits achieved by this project include:

- Continue to provide Medicaid information requested by the Legislators in a timely manner.
- Continue to provide Federal reports mandated by the Centers for Medicaid and Medicare Services for Federal Financial Participation
- Continue to provide analytical reports and customized ad hoc queries for direct access and use by OMBP, and other DHHS staff
- Continue to support the SURs department for detection of Fraud and Abuse.

The planned budget for the project is \$478,900 with funding that covers SFY'07 with an optional extension exercisable by OIT and DHHS to June 30, 2008. The funding is identified in the following accounts:

FY06	010-003-1660-046	Consultants	\$155,500
FY07	010-003-1660-024	Maintenance & Subscription	\$288,000
FY07	010-003-1660-046	Consultants	\$35,400
Total			\$478,900

A new job number will be assigned once the contract amendment is finalized as the source of funds for the amendment differs from the original contract.

Prior Related Actions

The prior related IT projects that preceded this request:

The first IT initiative provided the foundation for development of the Medicaid Decision Support System, RFP2002-002, *Medicaid Decision Support System*, which began in Jan 2002 and included the design, development and implementation of the DHHS Medicaid Decision Support System (MDSS), utilizing the The Medstat Groups, Inc. software, Decision Analyst Advantage Suite.

The second related IT initiative, was Contract 2002-002, Amendment A, *Medicaid Decision Support System*, between DHHS and The Medstat Group Inc. that began in July 2004. The amendment provided for continued contractor support and maintenance of MDSS, the inclusion of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), and the review, design and completion of the components necessary to meet the requirements outlined in the class action *Hawkins v. Department of Health and Human Services* lawsuit.

Current Related Actions

The current related IT initiative that coincides with this request is the contract with ACS for the design, development and implementation of the new DHHS Medicaid Management Information System (MMIS) including the replacement of the federally mandated, fraud and abuse detection, and financial

Richard C. Bailey, Jr.
CIO
May 26, 2006
Page 3

report-generating components of the MDSS. All components of the ACS system are scheduled for implementation by January 1, 2008. The date the report-generating components of the ACS system will be available could be prior to that date, or potentially after. In light of these timeline uncertainties, this Amendment B includes an optional extension (Amendment C) that would include the support, maintenance and license fees up to June 30, 2008. If the relevant ACS components are implemented earlier than expected, funds will not need to be expended for two overlapping systems or if implementation is later than expected, DHHS will continue to have the reports and data necessary to do business until the ACS components are available.

Alternatives and Benefits

The benefit of amending the contract with The Medstat Group Inc for the use of the software Decision Analyst, Advantage Suite will allow a smooth transition between systems when the new Medicaid Management Information System (MMIS) becomes available. The new MMIS system will replace the Federal, MAR and the SUR reports along with users having access to perform ad hoc queries on an as needed basis.

Support of Information Architecture Principles and Standards

As a result of the MDSS project being hosted within the existing OIT, all work completed conforms to the statewide information architecture principles and standards. OIT's standards for Software Development Methodology, Oracle, etc. are all being leveraged to manage this project.

Impact on Other State Agencies and Municipalities

The MDSS project has no impact on other State Agencies or Municipalities.

Supporting Documentation

Attachment 1: Contract Amendment B for RFP 2002-002 *Medicaid Decision Support System*

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Summary of Requested Action

Date of most recently approved SITP: July 19, 2005

SITP Initiative / Project Name: OMBP/EDW, MDSS Enhancements, Maintenance and License

SITP Initiative / Project Number: 96

Project Beginning Date: July 1, 2006 Project Ending Date: June 30, 2007

Requisition Information:

Vendor Name	Requisition Number	State contract (Y) or (N)
The Medstat Group Inc		Y

Funding Sources and Amounts:

	* Object Code(s)	FY2006	FY2007	FY2008	TOTAL
STATE	230, 465	\$38,875	\$80,850	0	\$119,725
FEDERAL	230, 465	\$116,625	\$242,550	0	\$359,175
OTHER (Specify)		0	0	0	0.00
TOTAL		\$155,500	\$323,400		\$478,900

***Sources of OTHER Funding**

Source

***Object codes:**

115	IT Consultants (Benefited)	243	Desktop Hardware maintenance		
116	IT Service Vendor (Benefited)	256	Computer lease		
220	Minor software (<=500/unit)	310	PC Desktop Hardware (New)		
223	PC Desktop supplies	312	Computer Software Major (>\$500/unit)		
224	Mainframe Computer Supplies	313	Network Hardware (New)	466	IT Service Vendor (Non-Benefited)
225	Contract Equipment Repairs	314	Network Hardware (Replace)	805	IT Training and Development

ASE #
RID

Richard C. Bailey, Jr.
CIO
May 26, 2006
Page 5

230	Software License and maintenance	315	Mainframe Hardware (New)		
231	Computer maintenance (non-desktop)	316	Computer Server Hardware (New)		

CONTACT PERSON:

Jacqueline M Leone
Business Systems Analyst I
Bureau of Data and Systems Management
Department of Health and Human Services
Office of Medicaid Business and Policy
129 Pleasant Street
Concord, NH 03301
Telephone: (603) 271-8169
Fax: (603) 271-4727
Email: jleone@dhhs.state.nh.us

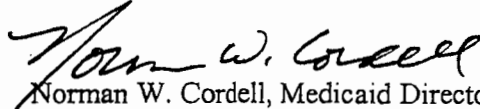
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Richard C. Bailey, Jr.
CIO
May 26, 2006
Page 6

CERTIFICATION

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

Respectfully submitted,


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

Peter D. Croteau,
Director of Application Software Development
Office of Information Technology

Approved by: John A. Stephen,
Commissioner

Copy

STATE OF NEW HAMPSHIRE
Office of Information Technology
Medicaid Decision Support System (MDSS)
RFP 2002-002
CONTRACT AMENDMENT B

WHEREAS, pursuant to an Agreement approved by Governor and Council, as a result of RFP # 2002-002, on December 19, 2001, agenda item # 82 (herein after referred to as the "Contract"), and an Amendment A of that agreement approved by Governor and Council on June 23, 2004, agenda item # 265A, The Medstat Group, Inc., (hereinafter referred to as the "Vendor") agreed to supply certain services upon the terms and conditions specified in the Agreement and in consideration of payment by the Department of Health and Human Services (hereinafter referred to as the "Department") of certain sums as specified therein;

WHEREAS, pursuant to the Amendment A (as authorized by Paragraph 14.21 of the Contract) and the provisions of the Agreement, the Agreement may be modified or amended only by a written instrument executed by the parties thereto and approved by the Governor and Executive Council;

WHEREAS, the Vendor and the Department have agreed to extend the Contract in certain respects;

WHEREAS, Department wishes to continue this Contract with the Vendor to ensure continued maintenance and support of the existing Medicaid Decision Support System (MDSS). Included in this contract is the provision for additional analytical and/or technical and enhanced services to supplement and support the existing MDSS, including the annual license fees. The Department and the Vendor seek to amend the Contract as authorized by Paragraph 14.21.

WHEREAS, the Department wishes to increase the contract price by \$478,900 to bring the total contract price to \$2,902,677;

WHEREAS, continued funding for the Medicaid Decision Support System was approved by the New Hampshire State Legislature in the Office of Information Technology budget for FY06 and FY07;

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

Contract Form P-37 is hereby amended as follows:

1. Block 1.1, titled, State Agency Name, change to reflect the Office of Information Technology.
2. Block 1.2, titled, State Agency Address, change to reflect the address of the Office of Information Technology
3. Block 1.6, titled, Completion date, change from June 30, 2006 to June 30, 2007
4. Block 1.8, Price Limitation, increase by \$478,900 from \$2,423,777 to \$2,902,677.¹

Contract Exhibit A: *Statement of Work* is hereby amended as follows:

- 1.2 Period of Performance: Addition of the following provision:

Provide for an optional extension exercisable by OIT with Governor and Council approval, to extend the contract end date up to June 30, 2008.

- 4.2 Inclusions: Addition of the following provisions:²

4.2.1 Additional Tasks: Included in this contract is the provision for additional tasks as defined in Contract Exhibit B: *Not To Exceed Price Payment Schedule*. These tasks shall be for analytical and/or technical services to supplement and support the existing MDSS and this contract Exhibit A: *Statement of Work* (excepting this Section

¹ As a result of a Departmental (DHHS) Contract Reduction measure in 2004, the total contract price was reduced by \$60,432.00; changing the prior total contract price from \$2,484,209 to \$2,423,777.

² The original contract language within section 4.2 "Listed below are items added to the requirements defined in RFP ITS07 2002-002 Section 3.2: *Statement of Work* and Section 3.4: *Project Deliverables*" has not been changed.

STATE OF NEW HAMPSHIRE
Office of Information Technology
Medicaid Decision Support System (MDSS)
RFP 2002-002
CONTRACT AMENDMENT B

4.2.1) and authorized according to RFP 2002-022 Section 3.7: *Change Control Procedures*. These tasks shall be given a "not to exceed" price based on the fee schedule outlined in Contract Exhibit B and the Department accepted task proposal and shall be tracked by DITM – ITPM phase (reference Definition Z). Contractor may submit a monthly invoice at the hourly rate detailed in Exhibit B for work performed. These tasks shall be:

- 4.2.1.1 Logged as a modification item
- 4.2.1.2 Of sufficient detail to formulate a reasonable estimate
- 4.2.1.3 Estimated collaboratively between Department and Contractor
- 4.2.1.4 Prioritized by Department
- 4.2.1.5 Included in a Modification Work Plan developed and maintained by Contractor
- 4.2.1.6 Included in any weekly status meeting updates

4.2.2 Additional Tasks: Additional tasks include tasks related to the maintenance and continued operation of the MDSS, including system enhancements as necessary to meet Department need. The Contractor shall provide support to Department users in the development of complex reports required for Medicaid data studies and initiatives, shall provide support in the resolution of system and product (Advantage Suite) issues, shall provide ready access to data specialist for system enhancements identified and agreed to by the Department and the Contractor (examples include modifications relative to Medicare Part D and/or the National Provider Indicator). The Contractor shall provide analytic support on the ongoing utilization of the Advantage Suite software on which MDSS is based. Contractor shall provide both access to senior level analytical healthcare resources and training in order to grow analytical healthcare knowledge.

Contract Exhibit A, Attachment B, *Third Party License Provisions and Agreements*, is hereby amended as follows:

1. Page 1, change the number of item 4), to 5).
2. Page 1, add the following third party software as the new item 4: 4) DxCG, Inc.
3. Include the DxCG license provisions and agreements at the end of Attachment B. Details are outlined in Attachment A of this Contract Amendment B.

Contract Exhibit B of the Contract is hereby amended as follows:

1. Section 1: *Not To Exceed Price Deliverable Payment Schedule*, paragraph 1.1 page 1 of 7, contract price of \$2,423,777 is increased by \$478,900 to \$2,902,677.
2. Section 2: *Not To Exceed Price Deliverable Payment Schedule*, paragraph 2.0 page 2 of 7, total for additional tasks is increased by \$155,500 from \$775,568 to \$931,068.³
3. Section 2: *Not To Exceed Price Deliverable Payment Schedule*, paragraph 2.1 page 2 of 7, is increased by \$478,900 to \$2,902,677.
4. Section 2: *Not To Exceed Price Deliverable Payment Schedule*, paragraph 2.4 page 4 of 7, additional tasks not to exceed \$775,568 is increased by \$155,500 to \$931,068.
5. Section 3: *IT Services Configuration Option*, Current Engagement is modified to include the cost for the SFY07 annual license fee, as quoted in the MEDSTAT License Fee proposal dated March 1, 2006, copy included as Attachment B, of \$323,400

³ The reduction referenced in footnote 1 reduced the "total for additional tasks" (MDSS Operations) by \$60,432; change the prior total for additional tasks from \$836,000 to \$775,568.

STATE OF NEW HAMPSHIRE
Office of Information Technology
Medicaid Decision Support System (MDSS)
RFP 2002-002
CONTRACT AMENDMENT B

CONTRACT AND AMENDMENT NUMBER	AMENDMENT TYPE	EFFECTIVE DATE	CONTRACT AMOUNT
Contract # 2002-002	Original Contract	December 19, 2001	\$1,897,777.00 ⁴
Amendment # A	First Amendment (A)	June 23, 2004	\$ 526,000.00
Amendment # B	Second Amendment (B)	July 1, 2007	\$ 478,900.00
	CONTRACT TOTAL		\$2,902,677.00

Except as provided herein, all provisions of the Contract shall remain in full force and effect. This modification shall take effect upon the approval date of 1) the NH State Legislature for the State Fiscal Year 2006 & 2007 Budget that incorporates the funding for this contract extension and 2) from the Governor and the Executive Council on the specific contract extension.

The Remainder of this page is intentionally left blank

⁴ The reductions referenced in footnotes 1 and 2 are reflected in the original contract amount total in this table; from \$1,958,209 to \$1,897,777.

STATE OF NEW HAMPSHIRE
Office of Information Technology
Medicaid Decision Support System (MDSS)
RFP 2002-002
CONTRACT AMENDMENT B

IN WITNESS WHEREOF, the parties have hereunto set their hands as of the day and year first above written.

Carol Diephuis
Carol Diephuis, Executive Vice President
The MEDSTAT Group, Inc.

Date: 5/19/06

Norm W. Cordell
Norman W. Cordell, Medicaid Director
State of New Hampshire
Department of Health and Human Services

Date: 5/26/06

State of New Hampshire, Department of Justice

Date: _____

STATE OF NEW HAMPSHIRE
Office of Information Technology
Medicaid Decision Support System (MDSS)
RFP 2002-002
CONTRACT AMENDMENT B

ATTACHMENT A

D_xCG, Inc. Attachment B 4

Pursuant to MEDSTAT's OEM Agreement with D_xCG, Inc. ("Owner"), as it may now or hereafter be amended ("MEDSTAT/OEM Agreement"), MEDSTAT is authorized to sublicense to Customer certain computer software programs as part of the System, provided that Customer is bound by certain terms and conditions. Those terms and conditions are set forth in the Medstat - DHHS Contract and this attachment. Customer's rights to use the software programs terminate if Customer breaches any of the material terms and conditions of the Medstat-DHHS Contract and this attachment and fails to correct such breach within any specified cure period in the Medstat-DHHS Contract and this attachment.

The terms and conditions set forth in the Medstat -DHHS Contract and this attachment that apply to the System and Software generally also apply to the software referenced below and inure to the benefit of the Owner. The following is a summary of the additional terms and conditions that apply to the license, wherein MEDSTAT is the "Licensor" and Customer is the "Licensee":

1. GRANT OF LICENSE

Licensor hereby grants Licensee a non-exclusive, non-transferable license to use one (1) copy of the current version of computer software known as the D_xCG™ Risk Adjustment Software Program ("Program") as part of the Integrated Product, subject to the following terms, conditions, and restrictions. Licensee hereby agrees that it is contracting for a license, which terminates on the earlier of the date of termination of the license ("Owner License") by and between the Licensor and Owner for the Program or the date of the Medstat- DHHS Contract and this attachment and any extensions. Licensee's use of the Program shall be a) only on the CPU(s) and at the location(s) specified in the Medstat-DHHS Contract and this attachment (as amended from time to time) and with peripheral equipment attached by serial or parallel port to the CPU(s) specified in the Medstat and DHHS Contract and this attachment; b) only in combination with or incorporated within the Integrated Product; and c) only for purposes of servicing Licensee's internal business needs, which internal business needs shall not include (1) use or access by entities other than Licensee, or (2) the provision of service bureau or facility management services. Licensee may make copies of the Program solely for nonproductive backup purposes. Licensee may not assign its rights in the Program hereunder without the prior written consent of the Owner.

2. TITLE TO AND OWNERSHIP OF PROGRAM, MODIFICATIONS

Licensee acknowledges that the Program licensed hereunder is the commercially valuable, proprietary product and property of the Owner. Licensee further acknowledges that the Owner has invested substantial time and economic resources in the design and development of the Program, which required efforts of skilled development experts, and that the Owner treats the Program as confidential and that the Program constitutes trade secrets of the Owner, regardless of whether the Program is or may be copyrighted or patented. Title, full ownership and all proprietary rights to its Program shall remain with the Owner. Licensee shall neither receive nor retain any interest in the Program (other than the right to use the Program in accordance with the provision of the Medstat -DHHS Contract and this attachment nor will any right be vested in Licensee to transfer use of the Program to any other person or entity. Licensee agrees that it may not make any modifications, customizations or enhancements to the Program.

3. LICENSEE'S RESPONSIBILITIES

Licensee acknowledges and agrees that Licensor's role under the Medstat-DHHS Contract and this attachment is solely that of a supplier and that it is solely the Licensee's responsibility to determine its own data processing requirements and to satisfy itself that the Integrated Product and the Program meet such requirements. Licensee

STATE OF NEW HAMPSHIRE
Office of Information Technology
Medicaid Decision Support System (MDSS)
RFP 2002-002
CONTRACT AMENDMENT B

further acknowledges and agrees that it is responsible for the selection and use of the Integrated Product and the Program to achieve Licensee's intended results.

Licensee shall keep and make available to Licensor, upon request, records of and account for the use and distribution of all copies of the Program made by Licensee.

4. NON-DISCLOSURE

Licensee will require execution of a Confidentiality Agreement by a third party containing terms regarding usage and confidentiality restrictions no less stringent than those contained herein, prior to granting third party access to the License Program. Under no circumstances will Licensee "unlock", decompile, or reverse engineer, or attempt to "unlock", decompile or reverse engineer, the code of the Program.

Licensee further agrees that, except for ordinary and necessary backup purposes, it will not use, or have made, any copies of the Program or part thereof. The provision of this Exhibit shall apply to any material or information related to the Program provided to Licensee prior to, and during, the term of the Medstat-DHHS Contract and this attachment and shall survive the termination of the Medstat-DHHS Contract.

Unauthorized use, disclosure or transfer of copies of the Program, or information contained therein, will diminish substantially the value of the Program to the Owner. Accordingly, if Licensee breaches any of its obligations set forth in this attachment, the Owner will be entitled to specific performance, injunctive relief or equitable relief excluding incidental, indirect, special or consequential losses or damages, as well as monetary damages (including legal fees and related expenses), and Licensee hereby consents to the imposition of the same. Licensee in no way waives any rights it has to contest or defend any claim of breach by Owner, in any appropriate court of law or equity and reserves the right to defend itself legally against any such claim by Owner.

5. WARRANTY DISCLAIMER

THE LICENSED PROGRAM IS PROVIDED BY THE OWNER HEREUNDER "AS IS" AND THE OWNER DISCLAIMS ANY AND ALL WARRANTIES WITH RESPECT THERETO, ANY WARRANTIES OF FITNESS FOR ANY PARTICULAR PURPOSE, MERCHANTABILITY, TITLE OR NON-INFRINGEMENT. THE OWNER DOES NOT WARRANT THAT THE PROGRAM WILL MEET LICENSEE'S REQUIREMENTS OR THAT OPERATION OF THE PROGRAM WILL BE ERROR FREE.

6. NO LIABILITY

Licensee agrees the Owner shall have no liability to Licensee for any loss, injury, damage or expense arising directly or indirectly from the Program or additional products or services rendered hereunder. Under no circumstances shall the Owner be liable for procurement of substitute products or services or for any direct, indirect, special, or consequential damages, whether based upon contract, tort, or any other legal theory, including but not limited to, any lost profits or third party claims against Licensee arising from the Owner's performance or non-performance under the Medstat-DHHS Contract or this attachment, even if the Owner has been advised of the possibility of such damages.

7. INSPECTION RIGHTS/RECORDS

Licensee hereby authorizes Licensor to enter its premises in order to inspect the Program in any reasonable manner with at least two (2) days notice in advance, in writing, and to audit Licensee's enrollment records strictly for the purpose of substantiating the accuracy of license fee calculations during Licensee's regular business hours to verify Licensee's compliance with the terms hereof and to audit Licensee's enrollment records strictly for the purpose of

STATE OF NEW HAMPSHIRE
Office of Information Technology
Medicaid Decision Support System (MDSS)
RFP 2002-002
CONTRACT AMENDMENT B

substantiating the accuracy of license fee calculations. Licensee consents to the Owner's accompanying the Licensor during any such inspection and to Licensor's providing such information to the Owner. Licensor and Owner shall execute a confidentiality agreement consistent with HIPAA regulations and State Law prior to conducting any such audit.

STATE OF NEW HAMPSHIRE
Office of Information Technology
Medicaid Decision Support System (MDSS)
RFP 2002-002
CONTRACT AMENDMENT B

ATTACHMENT B

MEDSTAT Memo outlining License Fees for FY2007 and FY2008

Medstat

3405 Piedmont Road, N.E., Suite 440
Atlanta, GA 30305
Tel (404) 812-4500 Fax (404) 812-4501
www.medstat.com



Memo

<hr/> From Beth Schneider <hr/> Date March 1, 2006 <hr/> Subject License Fees for FY2007 and FY2008	<hr/> To Andrew Chalsma, John Bonds, Jackie Leone, Steve Maynard, Laureen Zaikowski <hr/> Copies Michelle MacDonald, Pate McCartney
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In response to your request, this memo provides a quote for Medstat license fees for State Fiscal Year 2007 (July 1, 2006 through June 30, 2007). Annual license fees for SFY 2007 will increase to \$323,400, a 10% increase from the current fees of \$294,000. Note the following:

- These fees include the licenses for Advantage Suite, Medstat's Episode Grouper, and DCGs from DxCG, Inc., as well as the support services we provide today under our base contract.
- Even with this increase, New Hampshire benefits from a favorable fee structure. Medstat's current minimum license fee for Advantage Suite (without Episodes or DCGs) is \$350,000.
- The 10% increase applies to license fees only. For special projects, enhanced support, or modifications, Medstat offers to hold our hourly rates at the FY2006 levels specified in Exhibit B of the contract.

We understand that DHHS is interested in extending our contract for an additional six to eight months in SFY 2008, which begins July 1, 2007. Our annual license fees for SFY 2008 will increase by 10% to \$355,740. We offer to prorate these fees on a monthly basis for the length of term that best meets DHHS needs to provide the flexibility you require during this period.

Michelle and I are reviewing opportunities for enhanced support and will address these in a separate communication. We wanted to provide the above information on license fees, knowing the urgency of your need for this information for budgeting purposes. If you have any questions before our scheduled conference call on March 9th, please do not hesitate to call. We look forward to talking further with you on how we can best support DHHS in the coming year.

Medstat
777 E. Eisenhower Parkway
Ann Arbor, MI 48108
Tel (734) 913-3000
www.medstat.com

Medstat
777 E. Eisenhower Parkway
Ann Arbor, MI 48108
Tel (734) 913-3000
www.medstat.com

THOMSON
MEDSTAT

THOMSON
MEDSTAT

I, Glenn Cole, do hereby certify and attest that as of May 19, 2006, Carol Diephuis is the duly appointed Executive Vice President of The MEDSTAT Group, Inc. In accordance with the current corporate by-laws attached hereto, she is authorized to enter into contracts on behalf of The MEDSTAT Group, Inc.

Signature: Glenn Cole

Title: CFO

Date: 5-19-06

Corporate Seal

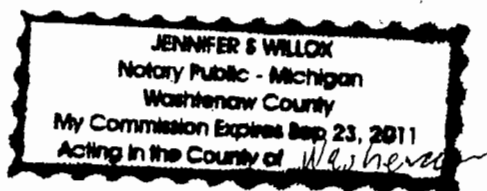
In the County of Washtenaw, State of Michigan the above individual personally appeared before me on May 19, 2006 and executed this document

Name of Notary Jennifer S. Willox

Signature: Jennifer S. Willox

Date: 5-19-06

Seal

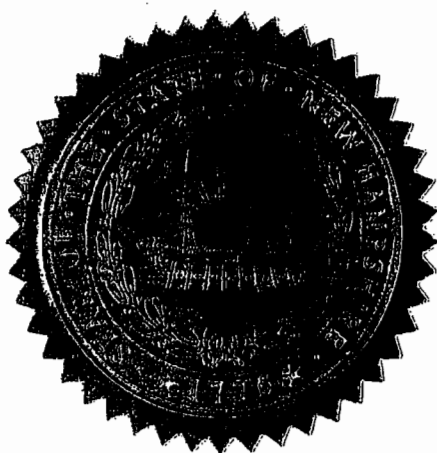


State of New Hampshire

Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that THE MEDSTAT GROUP, INC., a(n) DELAWARE corporation, is authorized to transact business in New Hampshire and qualified on JUNE 16, 1999. 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 21st day of APRIL, A.D. 2006

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

William M. Gardner
Secretary of State

MARSH**CERTIFICATE OF INSURANCE**CERTIFICATE NUMBER
NYC-001762803-C

PRODUCER

Marsh USA Inc.
1166 Avenue of the Americas
New York, NY 10036-2774

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER OTHER THAN THOSE PROVIDED IN THE POLICY. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES DESCRIBED HEREIN.

COMPANIES AFFORDING COVERAGE

COMPANY

A ACE AMERICAN INSURANCE COMPANY

COMPANY

B N/A

COMPANY

C

COMPANY

D

101674-MICRO-CAS-01-02

INSURED

The MEDSTAT Group, Inc.
777 East Eisenhower Parkway
Ann Arbor, MI 48108**COVERAGES**

This certificate supersedes and replaces any previously issued certificate for the policy period noted below.

1

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

CO LTR	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 <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR OWNER'S & CONTRACTOR'S PROT	HDO G21730087	03/31/06	03/31/07	GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/OP AGG \$ 2,000,000 PERSONAL & ADV INJURY \$ 1,000,000 EACH OCCURRENCE \$ 1,000,000 FIRE DAMAGE (Any one fire) \$ 50,000 MED EXP (Any one person) \$ 5,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EACH ACCIDENT \$ AGGREGATE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY THE PROPRIETOR/ PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL				WC STATU- TORY LIMITS OTH- ER EL EACH ACCIDENT \$ EL DISEASE-POLICY LIMIT \$ EL DISEASE-EACH EMPLOYEE \$
	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

CERTIFICATE HOLDERState of New Hampshire
Dept. of Health and Human Services
Ofc. of Knowledge Management and Decision Support
129 Pleasant St.
Concord, NH 03301-3857**CANCELLATION**SHOULD ANY OF THE POLICIES DESCRIBED HEREIN BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER AFFORDING COVERAGE WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED HEREIN, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER AFFORDING COVERAGE, ITS AGENTS OR REPRESENTATIVES, OR THE ISSUER OF THIS CERTIFICATE

MARSH USA INC.

BY: Wesley Farish

MM1(3/02)

W-F-X

VALID AS OF: 03/31/06

ASSIGNMENT

THIS ASSIGNMENT is made by and between the Department of Health and Human Services (herein after referred to as "DHHS") and the Office of Information Technology (herein after referred to as "OIT").

RECITALS

WHEREAS, DHHS was previously charged with administering the contract;

WHEREAS, DHHS's former functions, powers, duties, and responsibilities included, without limitation, the execution of the contract;

WHEREAS, all functions, powers, duties, and responsibilities of DHHS relative to the contract have been transferred to OIT;

WHEREAS, the contract agreement executed by DHHS, DHHS continues in operation;

WHEREAS, to the extent OIT is identified as a State agency in the Contracts, DHHS desires to assign to OIT the Contract number 611811 between DHHS and the MEDSTAT Group, Inc. 777 East Eisenhower Parkway, Ann Arbor, Michigan 48108.

NOW, THEREFORE, the parties hereby agree as follows:

ASSIGNMENT OF CONTRACTS. DHHS hereby assigns, transfers and sets over unto OIT the Contracts.

This Agreement shall be governed by and construed in accordance with the laws of the State of New Hampshire.

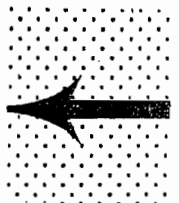
IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered as of the date first above written.

Department of Health and Human Services

Dated 5/26/08 By: John A. Stephen
Commissioner

Office of Information Technology

Dated _____ By: Richard C. Bailey, Jr.
Chief Information Officer





STATE OF NEW HAMPSHIRE
OFFICE OF INFORMATION TECHNOLOGY

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

Richard C. Bailey, Jr.
Chief Information Officer

May 31, 2006

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

Dear Commissioner Stephen:

This letter represents formal notification that the Office of Information Technology (OIT) has approved your agency's request to amend existing contract 2002-002 DHHS Medicaid Decision Support System, with The Medstat Group, Inc. as described below and referenced as OIT No. 2002-002B.

This is a request for approval to amend a contract to provide for ongoing contractor system maintenance and enhancements for the Department of Health and Human Services' (DHHS) Medicaid Decision Support System (MDSS). The amendment will be effective upon Governor and Executive Council approval through June 30, 2007, with one (1) optional one-year extension periods not to exceed June 30, 2008. The amount of this amendment is \$478,900.00, for a total contract amount not to exceed \$2,902,677.00. In addition, the Office of Information Technology accepts the assignment of this contract from DHHS to OIT. This project is set forth in the Department of Health and Human Services Strategic Information Technology Plan 2005 - 2009, dated October 21, 2005, Project No.96.

A copy of this letter should accompany the Office of Information Technology's submission to Governor and Executive Council for approval.

Sincerely,

Richard C. Bailey, Jr.

RB/ltn

cc: Laureen Zaikowski
Andrew Chalsma



John A. Stephen
Commissioner

Stephen A. Norton
Director

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF RESEARCH & ANALYSIS

129 PLEASANT STREET, CONCORD NH 03301-3857
603-271-4297 1-800-852-3345 Ext. 4297
FAX: 603-271-4727 TDD Access: 1-800-735-2964

APPROVED BY

DATE

PAGE

May 26, 2004

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

REQUESTED ACTION

Authorize approval of the contract amendment A between the State of New Hampshire, Department of Health and Human Services and The MEDSTAT Group, Inc., 777 East Eisenhower Parkway, Ann Arbor, Michigan 48108, (vendor number 112514). (contract number 611811) by extending the contract end date from June 30, 2005 to June 30, 2006, and to increase the price limitation by \$526,000 from \$1,958,209 to \$2,484,209 for 1) Court-ordered Hawkins enhancements to MDSS functionality, 2) ongoing operations contractor support services and 3) inclusion of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) Business Associate Agreement, between the Department and MEDSTAT - Exhibit H to the contract, effective upon date of Governor and Council approval.

Funds should be encumbered in the following accounts according to State fiscal year:

SFY	Account Title	Account Number	Current Contract Amount	Increase/ (Decrease) Amount	Revised Contract Amount
2002	DHHS Infor. Tech	030-095-0145-090-0115	\$359,825	\$0	\$359,825
2003	DHHS Infor. Tech	030-095-0145-090-0115	\$1,070,384	\$0	\$1,070,384
2004	MDSS Operations	010-095-5000-095-0115	\$258,000	\$0	\$258,000
2004	Dental Contracts	010-095-6126-093-0115	\$0	\$184,000	\$184,000
2005	MDSS Operations	010-095-5000-095-0115	\$270,000	\$171,000	\$441,000
2006	MDSS Operations	010-095-5000-095-0115	\$0	\$171,000	\$171,000
	Total		\$1,958,209	\$526,000	\$2,484,209



John A. Stephen
Commissioner

Stephen A. Norton
Director

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF RESEARCH & ANALYSIS

129 PLEASANT STREET, CONCORD NH 03301-3857
603-271-4297 1-800-852-3345 Ext. 4297
FAX: 603-271-4727 TDD Access: 1-800-735-2964

May 26, 2004

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

*Page Replaced
w/ new one*

REQUESTED ACTION

Authorize approval of the contract amendment A between the State of New Hampshire, acting by and through the Office of Research and Analysis (hereinafter referred to as the "Department") and The MEDSTAT Group, Inc., 777 East Eisenhower Parkway, Ann Arbor, Michigan 48108 (hereinafter referred to as the "Contractor" or "MEDSTAT"), (vendor number 112514) (contract number 611811) by extending the contract end date from June 30, 2005 to June 30, 2006, to increase the price limitation by \$526,000 from \$1,958,209 to \$2,484,209 for 1) Court-ordered Hawkins enhancements to MDSS functionality, 2) ongoing operations contractor support services and 3) inclusion of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) Business Associate Agreement, between the Department and MEDSTAT, Exhibit H to the contract, effective upon approval.

Funds should be encumbered in the following accounts according to State fiscal year with authority to adjust amounts through the Director of Accounting Services, if needed and justified, between the State fiscal years:

SFY	Account Title	Account Number	Current Contract Amount	Increase/ (Decrease) Amount	Revised Contract Amount
2002	DHHS Infor. Tech	030-095-0145-090-0115	\$359,825	\$0	\$359,825
2003	DHHS Infor. Tech	030-095-0145-090-0115	\$1,070,384	\$0	\$1,070,384
2004	MDSS Operations	010-095-5000-095-0115	\$258,000	\$0	\$258,000
2004	Dental Contracts	010-095-6126-093-0115	\$0	\$184,000	\$184,000
2005	MDSS Operations	010-095-5000-095-0115	\$270,000	\$171,000	\$441,000
2006	MDSS Operations	010-095-5000-095-0115	\$0	\$171,000	\$171,000
Total			\$1,958,209	\$526,000	\$2,484,209

EXPLANATION

This contract and amendment support the Medicaid Decision Support System (MDSS), the primary data inquiry and report-generating component of the Medicaid Management Information System (MMIS).

The original MEDSTAT contract end date is June 30, 2005 as approved by the Governor and Council on December 19, 2001, Item # 82. This contract includes two consecutive periods of performance: one that includes Design, Development and Implementation (DDI), federal Centers for Medicare and Medicaid Services (CMS) systems certification and additional tasks, ending June 30, 2003, and a second that includes two annual periods of licensing and operational maintenance, ending June 30, 2005. DDI and CMS certification have been accomplished, almost one year behind the original schedule. The two sequential periods of annual maintenance have now begun. A contract amendment is necessary to address this schedule change. The revised schedule contract end date, including the two years of maintenance, should be June 30, 2006. However, since potential schedule slips could occur with other planned programs, the revised schedule contract end date will still be June 30, 2006, but with an option, exercisable by the State with Governor and Council approval, to extend the contract end date to June 30, 2007.

The present contract between the Department and The MEDSTAT Group, Inc., Ann Arbor, Michigan resulted from the published Request for Proposals #DHHS 2002-002, for the design, development and implementation (DDI) of a Medicaid Decision Support System (MDSS). Three vendor proposals were received and evaluated. Presentations and Best and Final Offers (BAFO) from all three vendors were solicited and given. MEDSTAT was selected as the preferred vendor, for their product, clinical expertise and also was the lowest cost bid. The original contract price is \$1,958,209.

Given the experience MEDSTAT has on the project, the immediacy of the Court-ordered Hawkins requirements and the proprietary nature of the software application, there is no other capable source than MEDSTAT, for the services required by this amendment. The hourly rates quoted for this effort are the same rates quoted in the original proposal, now in effect, in a competitively won contract.

Hawkins lawsuit:

On September 4, 2003, the United States District Court for the District of New Hampshire granted preliminary approval to settlement of the class action *Hawkins v. Department of Health and Human Services* lawsuit. A hearing for the Final Court Order approving the Decree was held on December 15, 2003. The result of the litigation is a Consent Decree, with the requirements contained in it becoming effective beginning in April 2004. As part of the settlement, the NH DHHS is required to perform ongoing analysis of dental services utilization by children in the Medicaid fee-for-service program. To meet its obligations under this decree, the Department requires the design, development, and implementation of a specialized dental reporting module within the MDSS functionality. Specifically, the consent decree outlines a series of reports, measures, and data extracts that are required beginning in April 2004 and continuing thereafter. MEDSTAT will assist DHHS by facilitating agreement by the various decree stakeholders on report design, producing a design document, developing and testing customized MDSS reports and data extract programs, delivering the first set of reports, and supporting DHHS in taking over responsibility for ongoing reporting with the second set of reports, all in accordance with the task description outlined in a MEDSTAT proposal sent September 23, 2003, and attachment sent

September 26, 2003. The MEDSTAT fee for such services the Department negotiated is \$184,000 after substantial discounts in the aggregate price. This work would commence immediately upon CMS and Governor and Council approval and conclude on or about June 30, 2005.

MEDSTAT Enhanced Support:

The present MEDSTAT contract includes operations support focused on software upgrades and help desk support for technical issues and end-user queries. However, in the sixteen states now using *Advantage Suite* or other MEDSTAT products or services, every one of the successful users has opted for the additional capability provided by enhanced support. This support involves both MEDSTAT and State resources in reporting and analysis activities. MEDSTAT resources assist in advanced training, help in the development of reports, offer advice formulating study designs, do short-term special advice or analytic projects, (e.g., budget cost driver analysis or disease/case management program monitoring) and longer-term, major projects that are dependent on future program decisions or additional funding and that frequently involve new data sources and specialized resources. This substantial level of support would be critically helpful and highly valuable to the State, given the foundation already established.

The analytic capacity described above provides a way to update user needs over time and specifies concrete action items for applying the MDSS to improve program planning and evaluation. This would be a significant benefit for the strategic use of MDSS information. Additionally, because MEDSTAT worked closely with the State's Research and Analysis Team during analytic agenda development, opportunities exist to partner on future projects. In these joint projects, MEDSTAT would bring specialized methods and resources and extend the State's analytic capacity, while the State would bring program knowledge and experience. The distinct benefit to the State is the opportunity to learn through collaborative projects, taking advantage of MEDSTAT's product knowledge along with its national, multi-state and New Hampshire knowledge.

In many states that use enhanced support services, a key focus is program integrity – analysis of fraud, waste, abuse, and overpayment. Results of these analyses have produced quantifiable savings ranging from hundreds of thousands of dollars to many millions, depending on the issues and size of the state. An obvious benefit to the State of New Hampshire would be the identification of savings opportunities. Other benefits involve ongoing user training, assistance with database enhancements and modifications and additional technical support.

MDSS is an essential component of the Department's Medicaid Management Information System (MMIS) strategy. The MEDSTAT product, *Advantage Suite*, is the standard within the Medicaid industry and is used by many states. As a proprietary system, all the states now successfully using *Advantage Suite* or other MEDSTAT products or services, have opted for enhanced support

These services are available for a two-year period for a fee of \$342,000 at the same hourly rates as contained in the original contract.

HIPAA compliance:

One of the purposes of this Amendment A to the Contract is to document compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (HIPAA) and the Standards for Privacy of Individually Identifiable Health Information (Privacy Rule), 45 CFR Sections 160 and 164, promulgated there under by the United States Department of Health and Human Services. Accordingly, Exhibit H, the HIPAA Business Associate Agreement, has been

His Excellency, Governor Craig R. Benson
and Honorable Executive Council
May 26, 2004
Page 4

the Standards for Privacy of Individually Identifiable Health Information (Privacy Rule), 45 CFR Sections 160 and 164, promulgated there under by the United States Department of Health and Human Services. Accordingly, Exhibit H, the HIPAA Business Associate Agreement, has been prepared by the HIPAA Compliance Group, within DHHS; has been sent to, reviewed and commented on by the Vendor's legal group, has been further reviewed and revised by the Attorney General's Office and agreed to by the Vendor. There is no cost impact involved with the HIPAA agreement.

Geographic areas served are Statewide.

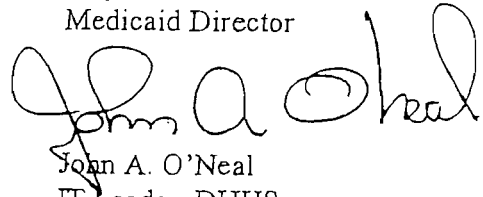
Source of funds: Initial funding for the development of MDSS was derived from a Federal/State match of 90%/10% funding. Subsequent maintenance and support are funded utilizing a 75% federal/25% general fund ratio.

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

Respectfully submitted,

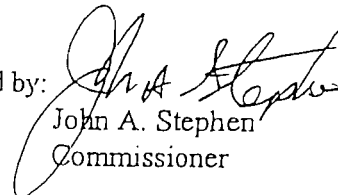


Stephen Norton
Medicaid Director



John A. O'Neal
IT Leader, DHHS
Office of Information Technology
Embedded Agency Applications

Approved by:



John A. Stephen
Commissioner



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

June 1, 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 reviewed your request. Accordingly, your agency's requested action, as described below, to use federal EPA grant funding not to exceed \$526,000.00 and referenced as OIT No. 2004-054, is hereby approved.

Authorize approval of contract amendment A to the contract resulting from RFP 2002-002 between the State of New Hampshire, and The MEDSTAT Group, Inc. Contract amendment A's purpose is to extend the contract end date, to increase funding (\$184K) for Court ordered Hawkins enhancements to MDSS functionality, to increase funding (\$342K) to provide ongoing operations contractor support services and to approve the HIPAA Business Associate Agreement, between the Department and MEDSTAT, Exhibit H to the contract. This contract Amendment also extends the contract expiration date to June 30, 2006.

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

Sincerely,

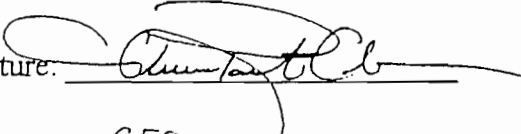
Richard C. Bailey Jr.

RCB/lm

Medstat
777 E. Eisenhower Parkway
Ann Arbor, MI 48108
Tel (734) 913-3000
www.medstat.com



I, Glenn Cole, do hereby certify and attest that as of May 28, 2004, I am the duly appointed Executive Vice President and Chief Financial Officer of The MEDSTAT Group, Inc. In accordance with the current corporate by-laws attached hereto, I am authorized to enter into contracts on behalf of The MEDSTAT Group, Inc.

Signature: 

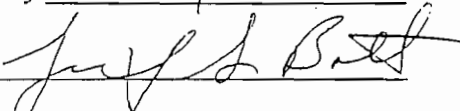
Title: CFO

Date: 5-28-04

Corporate Seal

In the County of Washtenaw, State of Michigan the above individual personally appeared before me on May 28, 2004 and executed this document

Name of Notary Jennifer S. Bott

Signature: 

Date: 5-28-04

Seal

JENNIFER S BOTT
Notary Public, Washtenaw County, MI
My Commission Expires Sep 23, 2004

Medstat
777 E. Eisenhower Parkway
Ann Arbor, MI 48108
Tel (734) 913-3000
www.medstat.com



I, Carol Diephuis, do hereby certify and attest that as of May 28, 2004, Glenn Cole is the duly appointed Executive Vice President and Chief Financial Officer of The MEDSTAT Group, Inc. In accordance with the current corporate by-laws attached hereto, he is authorized to enter into contracts on behalf of The MEDSTAT Group, Inc.

Signature: Carol Diephuis

Title: SVP

Date: May 28, 2004

Corporate Seal

In the County of Washtenaw, State of Michigan the above individual personally appeared before me on May 28, 2004 and executed this document

Name of Notary Jennifer S. Bott

Signature: Jennifer S. Bott

Date: 5-28-04

Seal

JENNIFER S BOTT
Notary Public, Washtenaw County, MI
My Commission Expires Sep 23, 2004



STATE OF NEW HAMPSHIRE
OFFICE OF INFORMATION TECHNOLOGY

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Richard C. Bailey, Jr.
Interim Chief Information Officer

June 1, 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 reviewed your request. Accordingly, your agency's requested action, as described below, to use federal EPA grant funding not to exceed \$526,000.00 and referenced as OIT No. 2004-054, is hereby approved.

Authorize approval of contract amendment A to the contract resulting from RFP 2002-002 between the State of New Hampshire, and The MEDSTAT Group, Inc. Contract amendment A's purpose is to extend the contract end date, to increase funding (\$184K) for Court ordered Hawkins enhancements to MDSS functionality, to increase funding (\$342K) to provide ongoing operations contractor support services and to approve the HIPAA Business Associate Agreement, between the Department and MEDSTAT, Exhibit H to the contract. This contract Amendment also extends the contract expiration date to June 30, 2006.

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

Sincerely,

Richard C. Bailey Jr.

RCB/lm

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF KNOWLEDGE MANAGEMENT AND DECISION SUPPORT
MEDICAID DECISION SUPPORT SYSTEM (MDSS)
RFP 2002-002
Contract Amendment A**

This Agreement (hereinafter called the "Amendment") dated May 25, 2004, is by and between the State of New Hampshire, acting by and through the Office of Research and Analysis, Department of Health and Human Services (hereinafter referred to as the "Department") and The MEDSTAT Group, Inc., organized under the laws of the State of Delaware, with a place of business at 777 East Eisenhower Parkway, Ann Arbor, Michigan 48108 (hereinafter referred to as the "Contractor").

WHEREAS, pursuant to an agreement approved by the Governor and Executive Council on December 19, 2001, agenda item # 82, the Contractor agreed to supply certain services upon the terms and conditions specified in the Agreement and in consideration of payment by the Department of certain sums as specified therein; and

WHEREAS, pursuant to the provisions of the Agreement, the Agreement may be modified or amended only by a written instrument, executed by the parties thereto, and approved by the Office of Information Technology, and the Governor and Council.

WHEREAS, the Contractor and the Department have agreed to amend the Agreement in certain respects:

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

Amendment and Modification of Agreement is as follows:

1. Contract Form P-37, block 1.6, titled, Completion date, change from June 30, 2005 to June 30, 2006
2. Contract Form P-37, block 1.8, Price Limitation, increase by \$526,000 from \$1,958,209. to \$2,484,209.
3. Contract Exhibit A: *Statement of Work*, add the following sentence after the last sentence of paragraph number 1.2, Period of Performance, on page 4 of 31 of the original agreement: At its sole option, the Department may or may not extend the contract for one additional year, from the completion date of June 30, 2006 to June 30, 2007.
4. Contract Exhibit A: *Statement of Work*, replace paragraph 4.2 with the following:

4.2 Inclusions: Listed below are items added to the requirements defined in RFP ITS07 2002-002 Section 3.2: *Statement of Work* and Section 3.4: *Project Deliverables*.

4.2.1 Additional Tasks: Included in this contract is the provision for additional tasks as defined in Contract Exhibit B: *Not to Exceed Price Payment Schedule*. These tasks shall be for analytical and/or technical and enhanced services to supplement and support the construction of the MDSS as defined by RFP 2002-002 and this contract Exhibit A: *Statement of work* (excepting this Section 4.2.1) and authorized according to RFP 2002-002 Section 3.7: *Change Control Procedures*. These tasks shall be given a "not to exceed" price based on the fee schedule outlined in Contract Exhibit B and the Department accepted Contractor task proposal and shall be tracked by DITM - ITPM phase (Reference

Definition Z). Contractor may submit a monthly invoice at the hourly rate detailed in Exhibit B for work performed. These tasks shall be:

- 4.2.1.1 Logged as a modification item
- 4.2.1.2 Of sufficient detail to formulate a reasonable estimate
- 4.2.1.3 Estimated collaboratively between Department and Contractor
- 4.2.1.4 Prioritized by Department
- 4.2.1.5 Included in a Modification Work Plan developed and maintained by Contractor
- 4.2.1.6 Included in any weekly status meeting updates

4.2.2 Additional tasks related to the Court Ordered Consent Decree in the case of Cassandra Hawkins et al, v. Commissioner, United States District Court for the District of New Hampshire, Civil No. 99-143-JD (hereinafter referred to as "Hawkins") as follows: The Contractor shall provide all reports, measures and data extracts listed in the Court ordered Consent Decree resulting from the settlement of Hawkins beginning April 15, 2004 or the date of Governor and Council approval, whichever is later. Contractor shall assist the Department by facilitating agreement by the various stakeholders, as defined by the Department, on report design, producing a design document, developing and testing customized MDSS reports and data extract programs, delivering the first set of reports, and supporting the Department in taking over responsibility for ongoing reporting, with the second set of reports, all in accordance with the cost proposed of \$184,000, as outlined in the Contractor proposal sent September 23, 2003, which is attached.

4.2.3 Additional tasks related to maintaining and continued operation of the MDSS. The Contractor shall provide analytic support on the ongoing utilization of the Advantage Suite software on which MDSS is based. Contractor shall provide both access to senior level analytical healthcare resources and advanced training in order to grow analytical healthcare knowledge. Contractor shall provide support to Department users in the development of complex reports required for Medicaid data studies and initiatives, shall provide support in the resolution of system and product (Advantage Suite) issues, shall provide ready access to data specialists for assistance in adding new data sources, developing conversion specifications and COBOL programs for new data sources and shall provide additional training and coaching to Department staff in carrying out these functions. This two year support shall be in accordance with the cost proposed, \$500,000. minus the \$100,000 deletion and minus the 10% discount of \$58,000, per Beth Schneider Email of 5/19/04, copy attached, for a net price of \$342,000. and the task description, as outlined in the Contractor proposal dated September 30, 2003, which is attached.

5. Contract Exhibit B: *Not to Exceed Price Deliverables Payment Schedule*, of the original Agreement, is modified as follows:

a. Section 1: *Not to Exceed Price Deliverable Payment Schedule*, paragraph 1.1 page 1 of 7, contract price of \$1,958,209 is increased by \$526,000 to \$2,484,209.

b. Section 2: *Not to Exceed Price Deliverables Payment Schedule*, paragraph 2.0, page 2 of 7, total for additional tasks is increased by \$526,000 from \$310,000 to \$836,000.

c. Section 2: *Not to Exceed Price Deliverables Payment Schedule*, paragraph 2.1, page 2 of 7, is increased by \$526,000 to \$2,484,209.

d. Section 2: *Not to Exceed Price Deliverables Payment Schedule*, paragraph 2.4, page 4 of 7, Additional tasks not to exceed \$310,000 is increased by \$526,000 to \$836,000.

6. Contract Exhibit H: *Business Associate Agreement* is added to the contract; this agreement has been appropriately executed by both the Department and the Contractor and addresses the requirements of Public Law 104-191, the Health Insurance Portability and Accountability Act (HIPAA) and with the standards for Privacy of Individually Identifiable Health Information, 45 CFR parts 160 and 164.

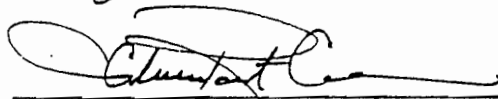
Continuance of Agreement:

Except as specifically amended and modified by the terms and conditions of this Amendment, the Agreement and the obligations of the parties there under shall remain in full force and effect in accordance with the terms and conditions set forth herein.

IN WITNESS WHEREOF, the parties have hereunto set their hands as of the date and year first above written.



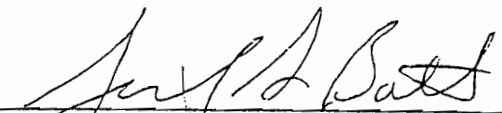
Stephen A. Norton.
DHHS, Medicaid Director
Date: 5/28/04



Glenn R. Cole
Chief Financial Officer, Medstat
Date: 5-25-04

Sworn and subscribed before me, a Notary Public / Justice of the Peace, this 25th day
of May, 2004, by Glenn R. Cole, known to me as Chief Financial Officer, Medstat

JENNIFER S BOTT
Notary Public, Washtenaw County, MI
My Commission Expires Sep 23, 2004



NOTARY PUBLIC / JUSTICE OF THE PEACE
My Commission expires: 9-23-04

Approved by the Attorney General this 15th day of June, 2004

OFFICE OF THE ATTORNEY GENERAL

By: 

Email from Beth Schneider dated 5/19/04:

To: "snorton@dhhs.state.nh.us" <snorton@dhhs.state.nh.us>
cc: "McCartney, Pate" <Pate.McCartney@thomson.com>

Subject: Revised Services and Fees for Contract Amendment A

Steve:

As a follow up to our discussion yesterday, I am writing to confirm Medstat's offer to reduce services and fees for the additional tasks and services included in the draft MDSS Contract Amendment A. To review, these services include:

- Additional tasks related to the Hawkins Court Ordered Consent Decree \$184,000
- Enhanced Post Production Support Year 1 \$200,000
- Enhanced Post Production Support Year 2 \$200,000
- Initial One-time Consulting Retainer \$100,000
- Total Fees \$684,000

To meet the State's need for a less costly package, Medstat recommends that we remove the \$100,000 retainer from this Amendment. This retainer was proposed to provide funds for ad hoc special projects that may arise during the year that require either more intensive or more specialized support than we will be making available through the additional dedicated staff resources funded under the \$200,000 annual fees for enhanced support. I suggest we start by leveraging the additional \$200,000 in ongoing fixed fees and evaluate more specialized needs at a later date.

In addition, in the interest of partnering with DHHS to move these important projects forward, Medstat agrees to a 10% reduction in fees on each of the remaining components, for a total discount of \$58,000 from the \$584,000 that remains once we remove the \$100,000 retainer. We believe strongly that the enhanced support is critical to the success of MDSS and are willing to take this fee cut if it helps to ensure the funds needed to continue working closely with the NH DHHS business team and your end user community.

Please let me know if you need any additional information. I can be reached today by cell phone at 678-575-1856.

Beth A. Schneider
Director, Client Services
The MEDSTAT Group
Phone: (404) 812-4508
Fax: (404) 812-4501
E-Mail: beth.schneider@medstat.com

MEDSTAT Hawkins proposal sent 9/23/03:

Objectives

As part of the settlement of the *Hawkins* lawsuit, the New Hampshire Department of Health and Human Services (DHHS) under a consent decree to perform ongoing monitoring of access to dental care by children in the Medicaid Fee-for-Service Program (the Class Members). To meet its obligations under the consent decree, the Department requires the design, development, and implementation of a specialized reporting module within the Medicaid Decision Support System (MDSS). Specifically, the Settlement Decree outlines a series of reports, measures, and data extracts that will be updated on April 15th and October 15th of each year beginning April 15, 2004. Medstat will assist DHHS by facilitating agreement by the various stakeholders on report design, producing a Design document, developing and testing customized MDSS reports and data extract programs, delivering the first set of reports, and supporting DHSS in taking over responsibility for ongoing reporting with the second set of reports.

Scope of Work

Medstat will work with DHHS, the Attorney General, and the Plaintiffs to develop reports and data extracts to meet the requirements specified in the excerpt from Section XI (Data Gathering and Reports) of the Settlement Decree provided to Medstat on September 18, 2003. These reporting requirements are summarized in Attachment 1 along with initial assumptions on methodology based on a conference call with DHSS on September 22, 2003. Specific Medstat tasks and deliverables include the following:

- 1) *Dental Module Design:* Medstat will facilitate a collaborative process involving DHHS, the Attorney General's office, and the Plaintiffs to confirm and document the final design of the reports and data extracts. The design process will begin with a Kick-Off meeting attended by three Medstat staff in Concord to review and confirm reporting objectives and time lines, discuss any data availability and completeness issues, and clarify reporting definitions and methodologies. Medstat will play a consultative role, working to assist the group in determining the most effective and efficient way of meeting the needs of all stakeholders. Following this meeting, Medstat will draft a detailed design document and circulate it for review. Medstat will meet in Concord with DHHS and representatives of the Attorney General (AG) and Plaintiffs to review the Design and answer questions. Medstat assumes that each party (DHHS, AG, and Plaintiffs) will designate a single contact and spokesperson for final sign-off.

Deliverable: Design Document with Report and Extract Specifications

Completion Date: In order to meet the April 15, 2004 deadline for the first set of reports, final sign-off on the Module Design must be received by December 1, 2003; the availability of reports will slip a day for each day after December 1st that sign-off is postponed.

- 2) *Custom Report Development and Testing:* Medstat staff will develop and test custom reports for the MDSS Dental Monitoring Module. This module will be accessible by a separate tab within the Advantage Suite Portfolio. The Dental Monitoring reports will include but not be limited to the reports specified in the Settlement Decree, as listed in Attachment 1. In addition to those reports specified in the Decree, which primarily focus on continuously enrolled members, Medstat will also produce a set of supplemental cost and use reports on the entire Class Membership. These reports will be similar to those included in Appendix D of the Dental Access Study prepared by Medstat prior to the settlement, and will help provide a broader context of total enrollment and service utilization.

Completion Date: March 15, 2003

- 3) *Data Extract Development and Testing:* Medstat staff will code and unit test programs to create the required claims and eligibility extracts. Extracts will be developed using PL/SQL, modeled after the approach being used for the MSIS module of MDSS. The advantages of the PL/SQL approach include:
 - a. It is a methodology DHHS technical staff support and use regularly.
 - b. There are no size limitations, as would be the case with Record Listing in Advantage Version 2.4 or Excel.
 - c. This project can leverage the lessons learned from the MSIS extract development and apply relevant portions of the MSIS logic or code.

Completion Date: March 15, 2003

- 4) *Documentation*: Medstat anticipates that documentation above and beyond the Design document with its detailed specifications will be required to assist with knowledge transfer to DHHS, to accompany deliverables to the Plaintiffs, etc. We have budgeted 10 days of support for these documentation deliverables, which we will agree on and specify during the Design Phase. Documentation activities in excess of 10 days will be billed separately at Medstat contract rates.
- 5) *First Production Run*: Medstat staff will produce the first set of reports and extracts for the Plaintiffs, which is targeted for April 15, 2004. The time frame for production is contingent on MDSS monthly production cycles, which are yet to be finalized. DHHS will need to consider how to schedule the reports and extracts consistent with other MDSS production priorities, including MSIS, MARS, SUR, etc. It is likely that the first reporting cycle will require somewhat more time than ongoing cycles.

Deliverable: First set of reports and extracts

Completion Date: Medstat will produce the reports on-site in Concord within 2 weeks following completion of the monthly update cycle that includes March 2004 data.

- 6) *Second Production Run*: DHHS will assume responsibility for the second production run, targeted for completion on October 15, 2004. Medstat will assist with knowledge transfer by delivering relevant documentation and being available on-site for two days to support DHHS staff during this production cycle. As stated above, the exact time frame for production is contingent on MDSS monthly production cycles, which are yet to be finalized.

Deliverable: Second set of reports and extracts

Completion Date: Targeted for October 15, 2004

- 7) *Additional Consulting*: In addition to the specific activities described above, during the course of module development it is likely that the State may require assistance from Medstat to resolve issues related to performance measurement and data linkage strategies (e.g., methods for linking the claims to the Bridges transportation data to demonstrate that the Department provided the means of transportation for enrollees to access dental care). We have budgeted a not to exceed amount of \$25,000 for these consulting activities.

Project Schedule

Key milestones are as follows:

Hold Project Kick-Off Meeting	October, 2003
Hold Detailed Design Review	November, 2003
Finalize Study Design	December 1, 2003
Complete Report/Extract Development	March 15, 2004
Produce First Set of Reports/Extracts	2 weeks after March 2004 Update
Support Second Set of Reports/Extracts	October 1-15, 2004

As outlined above, the project schedule requires final sign-off on the Study Design by December 1, 2003 to complete report and extract development in time for the April production cycle. Each day of delay in sign-off will delay report delay by a corresponding number of days.

Project Fees

Medstat's total fixed fees for the activities above are \$184,000. Fees by deliverable are:

Study Design	\$38,000
Enrolled Providers Report	\$15,000
Program Measures	\$37,500
Data Extracts	\$45,000
Supplemental Reports	\$ 8,500
Documentation	\$15,000
Additional Consulting	\$25,000

These fees assume that report and extract design and development will be performed by Medstat staff in their work locations, not on-site at the DHHS office. However, fees do cover travel for 9 person trips to New Hampshire for the following on-site activities: Kick-off Meeting (3 staff), Design Review (2 staff), first production run (2 staff), and second production run (2 staff).

Fees will be billed in three installments: \$40,000 on initiation, \$38,000 on sign-off on the Study Design, and \$106,000 following delivery of the first set of production reports.

Authorization:

Date: _____

MEDSTAT Enhanced Support proposal dated September 30, 2003

Memo

From Beth Schneider

To Steve Norton

Date September 30, 2003

Copies McCartney, Pate

Subject Enhanced MDSS Support Services

As a follow up to our previous discussions, I am writing to highlight the benefits of enhanced Medstat account support during the operational period of our contract. This memo describes how this support will assist DHHS in achieving its goals for the Medicaid Decision Support System (MDSS) and recommends a service package that will increase the State's return on investment.

Background: Consistent with the RFP's requirements, our contracted support during operations is focused on software upgrades and help desk support for technical issues and end-user queries. This focus is typical for clients who install Advantage Suite within their own data centers and choose to maintain the system and perform updates using internal staff. Modest additional account support was specified in our Cost Proposal:

- Client management to include weekly status calls and 1 to 2 meetings per month;
- Analytic support up to 8 hours per month; and
- Technical support up to 8 hours per month.

This support allows for monthly user group meetings and assistance in *responding* to user questions. With additional funding, however, Medstat could play a more proactive role, *reaching out* to the user community to ensure that DHHS obtains maximum value from the MDSS.

Nature of Additional Support and its Benefits: Enhanced account support could take multiple forms.

Analytic agenda development and implementation. In a number of states, Medstat supports the client's Research and Analysis Team in meeting with Medicaid program directors and managers at the beginning of each year to identify analytic priorities and develop an action plan for addressing those needs. Typically, the action plan includes three components:

- Reporting and analysis to be performed by State staff, with support from Medstat such as advanced training, help developing reports, advice formulating study designs, etc.;
- Short-term special consulting or analytic projects conducted by Medstat; for example, these might include budget cost driver analysis or disease/case management program monitoring, etc.;
- Longer-term, major projects that are dependent on future program decisions or additional funding, and that frequently involve new data sources, specialized resources, etc.

This service model is ideally suited to New Hampshire, given the foundation already established. The analytic agenda provides a way to update user needs over time and specifies concrete action items for applying the MDSS to improve program planning and evaluation. One example of a strategic initiative that grew out of Analytic Agenda planning is the Georgia PCCM Quality Improvement project (see success story attached). **Benefit:** Strategic use of the MDSS information.

Because Medstat works closely with each client's Research and Analysis Team during analytic agenda development, we often create opportunities to partner on analytic projects. In these joint projects, Medstat brings specialized methods/resources and extends the State's analytic capacity, while the State brings program knowledge and experience. For example, in Georgia we collaborated with the Manager of the Decision Support Unit and the Program Director of New Initiatives and Nursing Homes, Aging and Community Services to conduct an evaluation of a new waiver program (see annual Connection client conference presentation attached). **Benefit:** Opportunity to learn through collaborative projects.

Special Consulting Projects or Analysis. Even though the MDSS implementation is not yet complete, New Hampshire has already sought assistance from Medstat for several special projects, including the Disease Management Study, Dental Access Study, and Child Health Evaluation. Following MDSS implementation, there will be additional opportunities for analysis in Behavioral Health, MR/DD, and other program areas. With commitment to an enhanced service package during operations, Medstat can plan our resources so that consulting staff are available when needed for these types of studies. Several of our clients, including California, Georgia, and Indiana, purchase the support of one or more dedicated analytic consultant FTEs for this reason. **Benefit:** Ready access to knowledgeable consultants.

A key focus of Medstat consulting support in many states is program integrity – analysis of fraud, waste, abuse, and overpayment. Results of these analyses have produced quantifiable savings ranging from hundreds of thousands of dollars to many millions, depending on the issue and size of the client. For example, Medstat helped one state analyze waiver program billing practices. An internal auditor in that state had noticed the claims processing system allowed payments to providers for amounts substantially higher than billed amounts. Medstat identified 18 claims with estimated overpayments totaling \$360,000. Investigation led to “stop payment” procedures and new system edits to prevent a recurrence. **Benefit:** Identification of savings opportunities.

Ongoing User Training. The MDSS implementation includes training for all licensed NH users. Following this training, DHHS staff will be prepared to apply the system to their day-to-day analytic needs. However, based on the experience of other clients, it is likely that DHHS users will benefit from additional training, including:

- Refresher courses for users who have not used the system enough to become proficient;
- In-depth training on emerging issues (e.g., Disease Management applications);
- Specialized product training (e.g., measure development); and

- Training for new staff in technical, data management, or analytic roles.

Customized, on-site training conducted by our training specialists typically entails fees of \$25,000 per session. Training often can be provided more cost-effectively by dedicated members of the account team, using consultants' hours set aside for this purpose. **Benefit:** Cost-effective training by consultants familiar with the State's programs and analytic needs.

Assistance with Database Enhancements and Modifications. The Department's vision for the MDSS is a comprehensive data repository that helps Medicaid program managers use information to make strategic program decisions. To achieve this vision, DHHS plans to continue to incorporate a variety of Medicaid-related data sources in addition to the medical claims and enrollment data. By enhancing the ongoing Medstat account support package, DHHS will have ready access to Medstat's data specialists for assistance in adding new data sources. Medstat's data consultants could develop conversion specifications and COBOL programs for new data sources, as we performed during DDI, or provide additional training and coaching to DHHS staff in carrying out these functions. **Benefit:** Continued expansion of programmatic information to maximize power of MDSS for DHHS decision-making.

Additional Technical Support. As part of our base contract, Medstat will train DHHS technical staff to operate the system and will assist DHHS in installing generally available upgrades to Advantage Suite. However, DHHS may require additional technical assistance, such as advanced or refresher training, performance tuning, or other services beyond the 8 hours per month covered under base fees. With an enhanced service package, Medstat can plan for these services 'up-front' and allocate staff resources accordingly. In addition, Medstat can also provide more ongoing technical leadership from David Wiggin and other senior Medstat product managers. **Benefit:** Continuity of technical leadership and support.

Recommended Service Package: As summarized above, Medstat can assist DHHS in a number of ways during operations. However, not all of the likely activities can be anticipated at this time, nor can the scope of project work be precisely specified. To best meet the broad range of DHHS needs, Medstat proposes an enhanced service package that includes a mix of dedicated and flexible resources. By dedicating a minimum number of hours for key staff, DHHS will gain increased support from experienced consultants who are familiar with DHHS user needs. By reserving a pool of funds for services yet to be specified, DHHS retains flexibility to tap into more specialized Medstat resources on an as needed basis.

For dedicated staffing, we recommend the enhanced monthly support component shown below, for annual fees of approximately \$200,000.

Key Staff	Monthly Support Hours			Cost of Enhanced Support	
	Base Contract	Enhanced Package	Total	FY04 Rate per Hour	Monthly Fees
Sr. Consultant	8	32	40	\$256.26	\$8,200
Reporting Specialist		16	16	\$170.17	\$2,723
Sr. Data Manager	8	16	24	\$256.26	\$4,084
Project/Client Management	8	8	16	\$255.26	\$2,042
Total					\$17,049

In addition to this dedicated staffing, we recommend a retainer of \$100,000 to cover ad hoc technical support, special database and consulting projects, etc. This retainer would be used to cover expanded support from the dedicated team, or from our Programmer, Installation Consultant, Lead Technical Lead Coordinator, Director of Consulting, and others. For example, this might cover the development of a conversion program for a new data source, which typically entails fees in the \$25,000 to \$35,000 range. Support will be billed against the retainer at

Medstat's contract rates then in effect. In addition, this retainer will cover travel costs above and beyond those required to meet our commitments under the base contract.

We envision that the management of these additional resources will be a collaborative effort. Medstat will offer its recommendations and leadership on how our staff can be most productively employed on specific activities. DHHS will set priorities for ongoing staff and special studies. Together, we will agree on which activities require an on-site presence. Note that on-site activities will require added time for travel, as well as added costs for travel expenses. Before drawing on funds from the ad hoc retainer, Medstat will provide a non-binding estimate of hours for specific projects. Medstat will track its enhanced support time and will report hours and travel expenses to DHHS by staff person and activity on a bi-weekly basis. We successfully employ similar management processes with our other clients.

The critical time for rolling out this enhanced support will be in conjunction with the User Training scheduled for early in calendar 2004. If we do not successfully engage users early, it will be difficult to stimulate ongoing use of the system. Based on our project plan, we recommend starting the enhanced support in February 2004. This will enable us to go beyond the New User Training session, with its focus on system applications, and work more closely with users to help them learn how to incorporate and manage the MDSS information in their daily work flow.

Closing: Steve, we appreciate your interest in an enhanced service package. Our experience with other clients demonstrates that additional time from Medstat's consulting, database, and technical experts will help DHHS make the most complete and effective use of MDSS. I will call you later this week to follow up on the proposed package and address any questions you may have. In the meantime, please let me know if I can provide any additional information.

STANDARD EXHIBIT H

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

BUSINESS ASSOCIATE AGREEMENT

(1) Definitions.

- a. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- b. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- c. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- d. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191.
- e. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- f. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- g. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- h. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.501.
- i. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- j. 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. 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 d. below; or
 - (iii) for data aggregation purposes for the health care operations of Covered Entity.

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

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

e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions on the uses or disclosures 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, 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.

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 business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section (3)k. herein. The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's business associates, who will be receiving PHI pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard provision #13 of this agreement for the purpose of use and disclosure of protected health information.

e. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.

f. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a designated record set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.

g. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.

h. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.

I. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.

j. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.

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

(4) Obligations of Covered Entity

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

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

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

(5) Termination for Cause

In addition to standard provision #10 of this agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit H. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy 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, 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. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.

d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA and the Privacy Rule.

e. 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.

f. 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 standard contract provision #13, shall survive the termination of the Agreement.

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

The State

Name of the Contractor

Signature of Authorized Representative

Signature of Authorized Representative

Name of Authorized Representative

Name of Authorized Representative

Title of Authorized Representative

Title of Authorized Representative

Date

Date

State of New Hampshire
Department of State

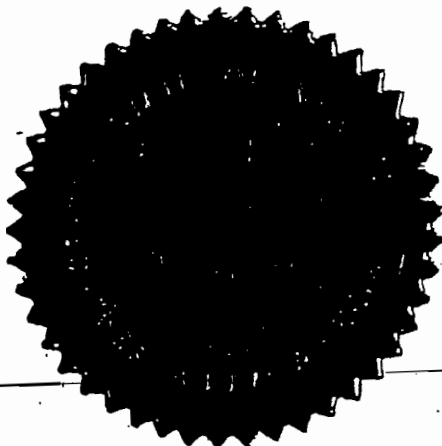
CERTIFICATE OF AUTHORIZATION

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 THE MEDSTAT GROUP, INC., a(n) DELAWARE corporation, on JUNE 16, 1999. 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 3rd day of December, A.D. 2001



William M. Gardner
Secretary of State



PRODUCER

Marsh USA Inc.
1166 Avenue of the Americas
New York, NY 10036-2774

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER OTHER THAN THOSE PROVIDED IN THE POLICY. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES DESCRIBED HEREIN.

COMPANIES AFFORDING COVERAGE

COMPANY

A ACE AMERICAN INSURANCE COMPANY

COMPANY

B N/A

COMPANY

C

COMPANY

D

674-MICRO-CAS-01-02

INSURED

The MEDSTAT Group, Inc.
Attn: Sherry Perkins
777 East Eisenhower Parkway
Ann Arbor, MI 48108

COVERAGES This certificate supersedes and replaces any previously issued certificate for the policy period noted below.

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

CO LTR	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 <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT	HDO G21691720	03/31/04	03/31/05	GENERAL AGGREGATE \$ 2,000 PRODUCTS - COMP/OP AGG \$ 2,000 PERSONAL & ADV INJURY \$ 1,000 EACH OCCURRENCE \$ 1,000 FIRE DAMAGE (Any one fire) \$ 500 MED EXP (Any one person) \$ 500
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EACH ACCIDENT \$ AGGREGATE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL				WC STATUTORY LIMITS <input type="checkbox"/> OTHER <input type="checkbox"/> EL EACH ACCIDENT \$ EL DISEASE-POLICY LIMIT \$ EL DISEASE-EACH EMPLOYEE \$
	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

CERTIFICATE HOLDER

State of New Hampshire
Dept. of Health and Human Services
Ofc. of Knowledge Management and Decision Support
129 Pleasant St.
Concord, NH 03301-3857

CANCELLATION

SHOULD ANY OF THE POLICIES DESCRIBED HEREIN BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER AFFORDING COVERAGE WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED HEREIN, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER AFFORDING COVERAGE, ITS AGENTS OR REPRESENTATIVES, OR THE ISSUER OF THIS CERTIFICATE.

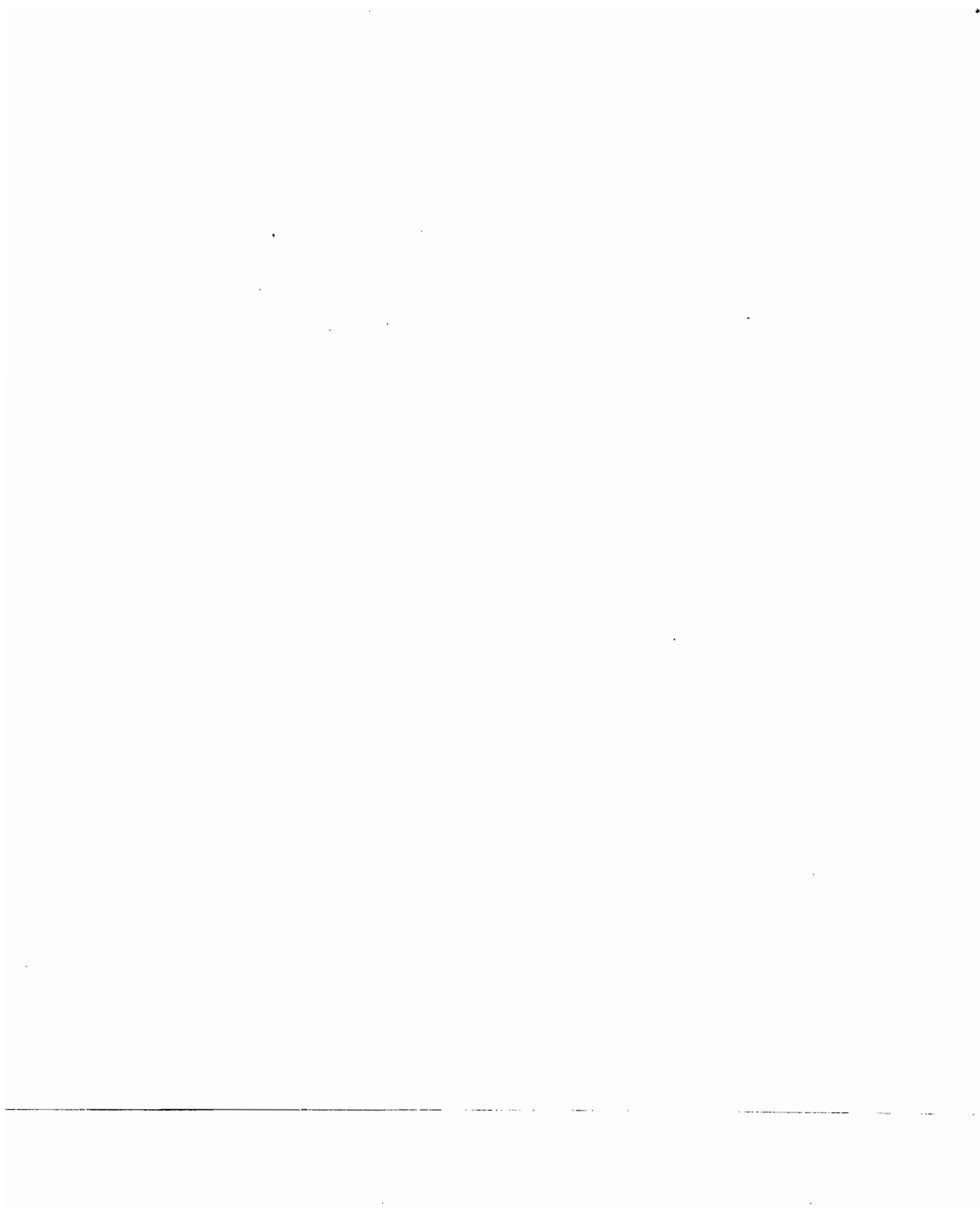
MARSH USA INC.

BY: Wesley Farish

W-47-X

MM1(3/02)

VALID AS OF: 03/24/04





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

129 PLEASANT STREET, CONCORD, NH 03301-3857
603-271-4208 TDD Access: 1-800-735-2964

Donald L. Shumway
Commissioner

Richard C. Bailey, Jr.
Chief Information Officer

December 3, 2001

Her Excellency, Governor Jeanne Shaheen
and the Honorable Executive Council
State House
Concord, New Hampshire 03301

APPROVED BY

DATE

PAGE

ITEM #

G+C

12/19/01

22-17

82

REQUESTED ACTION

Approve the contract between the Department of Health and Human Services (DHHS) and The MEDSTAT Group, Inc., Ann Arbor, Michigan, resulting from RFP DHHS 2002-002 for the design, development and implementation of a Medicaid Decision Support System (MDSS) for \$1,958,209, effective upon Governor & Council approval. Funds are available and should be allocated to the accounts identified below with the authority to adjust amounts through the Comptroller, if needed and justified, between State Fiscal Years. Encumbrances for State Fiscal Years 2004 and 2005 will be sought on an annual basis.

State Fiscal Year	Account Number	Amount
2002	030-095-0145-090-0115	\$359,825
2003	030-095-0145-090-0115	\$1,070,384
2004		\$258,000
2005		<u>\$270,000</u>
Total		\$1,958,209

EXPLANATION

The purpose of this request is to procure a contract with an experienced vendor for the design, development and implementation of a Center for Medicare and Medicaid Services (CMS) certified Medicaid Decision Support System for DHHS. MDSS will allow Medicaid program managers and their staff to better utilize information for program evaluation, including quality, financial purposes, fraud and abuse, and basic program assessment.

Three vendor proposals were received and all were invited to present their proposals orally. The presentations were well attended by the selection team. Best and Final Offers (BAFO) were solicited from all three vendors and, in order to improve the proposals, each vendor was given a letter that detailed any shortfalls in their original offer. The selection team incorporated the BAFOs into the original proposals and re-evaluated their scoring.

The selection team evaluated the proposals based on scoring categories that included a review of technical approach, personnel, project management and experience. Within each of these categories, key subcategories were scored. For example, within technical approach, technical staff training was a key component. Each vendor was scored at both the category and subcategory levels. Each proposal was scored on the above categories prior to applying a score for the cost. MEDSTAT was selected as the preferred vendor, for both their product and their clinical expertise. DHHS sought a vendor with a toolset, experience and staff that would complement the DHHS technical infrastructure, Departmental staffing, and provide a user friendly, sophisticated analytic tool that would allow the Department to integrate and link its various Medicaid data with commercial and normative data. MEDSTAT's proposal was judged to be the most advantageous to the State as reflected in the scoring matrix included as Attachment 2: *Selection Matrix*.

MDSS is an essential component of the Department's Medicaid Management Information System (MMIS) strategy. The approach of DHHS to MMIS design and technology adopts the information technology (IT) industry concept of a modular application or component system with a controlled reporting repository. The New Hampshire MMIS component system includes New Hampshire Advanced Information Management (NHAIM), Pharmacy Benefit Management (PBM), and MCSys (Managed Care System). The current federally mandated Management and Administrative Reporting System (MARS) and Surveillance and Utilization Reporting System (SURS), which are now part of the NHAIM, are unable to support a central controlled reporting repository in a modular MMIS environment. Additions of component subsystems such as MCSys and PBM must be part of a central reporting repository. As health care statuses and population demographics change, DHHS must be capable of receiving, extracting and exchanging Medicaid data from internal and external data sources, validating and transforming that data into useable information and issuing reports. Additionally, MDSS will provide the controlled repository for receipt of encounter data from DHHS contracted managed care organization(s) for its voluntary managed care program.

Through the use of cross-referencing and validation of data, MDSS will ensure data integrity. The validated and aggregated MMIS data will be adaptable to changing business needs to effectively manage the Medicaid enterprise.

Area served: Statewide.

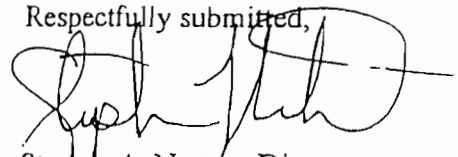
and the Honorable Executive Council

December 3, 2001

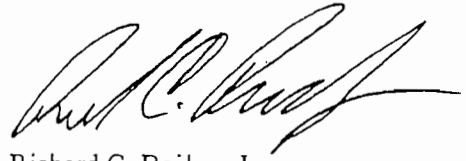
Page 3

Source of funds: The development portion of this contract, totaling \$1,322,000, will be supported with 90% Federal funds, 10% General funds. The operation maintenance portion (remainder) will be 75% Federal funds and 25% General funds.

Respectfully submitted,



Stephen A. Norton, Director
Office of Knowledge
Management and Decision
Support



Richard C. Bailey, Jr.
Chief Information Officer

Approved by:



Donald L. Shumway
Commissioner



DONALD S. HILL
Commissioner
(603) 271-3201

State of New Hampshire

DEPARTMENT OF ADMINISTRATIVE SERVICES
INFORMATION TECHNOLOGY MANAGEMENT
4 Hazen Drive
Concord, New Hampshire 03301-6506

Fax Note #17873 175 1
To Don Perry
Fax# 300 7
From DITM
Phone# 3764

December 5, 2001

THOMAS N. TOWLE
Director
(603) 271-3764

Donald L. Shumway, Commissioner
State of New Hampshire
Department of Health and Human Services
129 Pleasant Street
Concord NH 03301

Dear Commissioner Shumway:

This letter represents formal notification that the Division of Information Technology Management (DITM) has reviewed your request. Accordingly, your agency's requested action, to expend funds not to exceed \$1,958,209.00, as described below and referenced as DITM No. 2001-268D is hereby approved. This contract is a result of DHHS RFP 2002-002.

To enter into a contract to provide design, development and implementation of a Medicaid Decision Support System (MDSS). The initial contract is to be in effect until June 30, 2003, with annual options to extend through June 30, 2006. This project is identified in the DHHS Strategic Information Technology Plan 2002-05, dated September 14, 2001, Project No. 13.4.

This letter is to be included with the Department of Health and Human Services' submission to the Governor and Executive Council for approval.

Sincerely,

Thomas N. Towle
Director

TNT/wra/seg

Cc: Stephen A. Norton, Director Office of Knowledge Management and Decision Support
Richard C. Bailey, CIO, Health & Human Services
David Perry, OIS, Health & Human Services

DIT2001-268D

FAX: 603-271-6531

TDD Access: Relay NH 1-800-735-2964

DHHS MDSS Summary Proposal Evaluation Worksheet

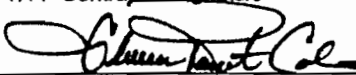
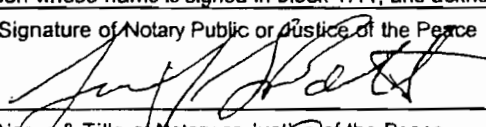
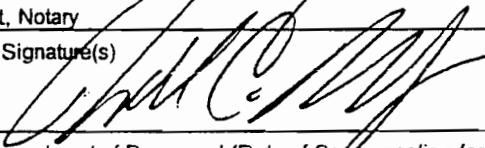
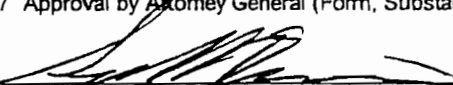
Vendor	Technical - 35 Points	Personnel - 20 Points	Project Management - 10 Points	Experience - 10 Points	Cost - 25 Points	Total Score
MEDSTAT	29.754	18.167	8.042	9.108	25	90.071
EDS	30.385	16.967	9.167	8.492	9.445	74.456
GovConnect	23.899	12.667	6	4	7.498	54.064

AGREEMENT

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

GENERAL PROVISIONS

I. IDENTIFICATION AND DEFINITIONS

1.1 State Agency Name Department of Health and Human Services Office of Information Systems		1.2 State Agency Address 129 Pleasant Street Concord NH 03301	
1.3 Contractor Name The Medstat Group, Inc.		1.4 Contractor Address 777 East Eisenhower Parkway Ann Arbor, MI 48108	
1.5 Account No. n/a	1.6 Completion Date June 30, 2005	1.7 Audit Date n/a	1.8 Price Limitation \$1,958,209
1.9 Contracting Officer for State Agency Richard C. Bailey, Jr.		1.10 State Agency Telephone Number 603-271-4208	
1.11 Contractor Signature 		1.12 Name & Title of Contractor Signor Glenn Cole, Executive Vice President and Chief Financial Officer	
1.13 Acknowledgment: State of Michigan, County of Washtenaw On November 29, 2001, before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that she/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace 		JENNIFER S BOTT Notary Public, Washtenaw County, MI My Commission Expires Sep 23, 2004	
[Seal]			
1.13.2 Name & Title of Notary or Justice of the Peace Jennifer Bott, Notary			
1.14 State Agency Signature(s) 		1.15 Name/Title of State Agency Signor(s) Richard C. Bailey, Jr. Chief Information Officer	
1.16 Approval by Department of Personnel (Rate of Compensation for Individual Consultants) By: _____ Director, On: N/A			
1.17 Approval by Attorney General (Form, Substance and Execution) By:  Assistant Attorney General, On: 12/15/01			
1.18 Approval by the Governor and Council By: _____ On: _____			
2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("the State"), engages contractor identified in block 1.3 ("the Contractor") to perform, and the Contractor shall perform, that work or sale of goods, or both, identified and more particularly described in EXHIBIT A incorporated herein ("the Services").			
3. EFFECTIVE DATE: COMPLETION OF SERVICES 3.1 This Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Council of the State of New Hampshire approve this Agreement, ("the Effective Date"). 3.2 If the date for commencement in Exhibit A precedes the Effective Date all services performed by Contractor between the commencement date and the Effective Date shall be performed at the sole risk of the contractor and in the event that this Agreement does not become effective, the State shall be under no obligation to pay the contractor for any costs incurred or services performed; however that if this Agreement becomes effective all costs incurred prior to the effective date shall be paid under the terms of this Agreement. All services must be completed by the date specified in block 1.6.			
4. CONDITIONAL NATURE OF AGREEMENT. Notwithstanding anything in this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of those funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the account identified in block 1.5 in the event funds in that account are reduced or unavailable.			

5. CONTRACT PRICE: LIMITATION ON PRICE: PAYMENT

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

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

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

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

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

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

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

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

7. PERSONNEL

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

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

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

8. EVENT OF DEFAULT, REMEDIES

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

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

8.1.2 failure to submit any report required hereunder; or

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

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

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

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the Contract price which

would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor; and

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

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

8.2.5 Information Technology Contracts. The Contractor's and the State's monetary liability to one another shall not exceed two times the total contract price, and shall not include consequential damages. This limitation shall not apply to Contractor's indemnification obligations under Paragraph 13 of the General Provisions (Form P-37) or the following:

(a) death, bodily injury or damage to real or personal property.

(b) misappropriation or infringement of any intellectual property including but not limited to any U.S. patent or copyright or any unauthorized use of any trade secret;

(c) losses accruing to any and all contractors, subcontractors, materials, men, laborers and any other person, firm, or corporation furnishing or supplying work, services, materials or supplies to Contractor in connection with the performance of this Agreement;

(d) personal injury;

(e) disclosure of confidential information; or

(f) failure to meet applicable statutes, regulations, codes or guidelines. This provision shall not be subject to any modification; however, the State may modify this provision for a particular project and any language modifying this provision shall appear in the Request for Proposal.

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.

9. DATA: ACCESS; CONFIDENTIALITY; PRESERVATION

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

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

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

10. **TERMINATION.** In the event of an early termination of this Agreement for any reason other than the completion 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,

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

14. INSURANCE AND BOND

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

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

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

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

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

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

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

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

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

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

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

This Data Contribution and Use Agreement (this "DCU Agreement") is dated effective November 29, 2001, by and between State of New Hampshire Department of Health and Human Services Office of Knowledge management and Decision Support ("Customer") and The MEDSTAT Group, Inc., a Delaware corporation ("MEDSTAT"). This DCU Agreement is executed in connection with the following agreement between Customer and MEDSTAT ("Base Agreement"):

Base Agreement Name: Medicaid Decision support system, DHHS RFP 2002-002

Date: Effective upon approval of the New Hampshire Governor and Council

Product(s) licensed in Base Agreement (collectively, "System"): As outlined in Exhibit A to State of New Hampshire Form P-37

A. Agreement to Contribute Customer Data, License Grant and Rights to Use Customer Data and Agreement by MEDSTAT to Protect Customer Data Confidentiality

1. For good and valuable consideration, Customer hereby agrees to deliver and contribute to MEDSTAT all data and other information described in Exhibit A ("Customer Data") in accordance with the specifications and requirements in Exhibit A.
2. Customer hereby grants to MEDSTAT a perpetual, irrevocable, nonexclusive, royalty-free, worldwide license to use, disclose, distribute, license, copy, display and demonstrate all Customer Data for MEDSTAT's business purposes, including, without limitation, for inclusion in MEDSTAT's MarketScan® databases and products, provided that MEDSTAT abides by the following:
3. MEDSTAT shall keep confidential, and shall aggregately compile and present information using Customer Data so as not to uniquely disclose, (i) the identity of any employee, enrollee, subscriber, beneficiary, patient or other individual for whom Customer Data is submitted to MEDSTAT; (ii) the identity of an employer, trade group/union, healthcare purchasing coalition/group or other healthcare purchaser ("Healthcare Purchaser"), or an insurance company, health maintenance organization, health plan, third party administrator, or other healthcare payer ("Healthcare Payer") (collectively "Data Sources"); (iii) confidential negotiated payment arrangements between a specific Healthcare Payer and a specific provider or provider group; or (iv) confidential negotiated pricing arrangements between a specific Healthcare Payer and a specific Healthcare Purchaser. Once the customer data has been encrypted, MEDSTAT agrees it shall destroy, return or put beyond use all identifying data.

Notwithstanding anything to the contrary in the previous paragraph, the identity of Customer as the source of the Customer Data may be disclosed if an "x" is placed here: _____ (otherwise specify N/A).

4. Customer represents, warrants and covenants that the Customer Data shall be provided to MEDSTAT hereunder free and clear of confidentiality and other claims, restrictions and encumbrances inconsistent with the rights granted herein.
- B. License Grant and Rights to Use MarketScan Data and Agreement by Customer to Protect MarketScan Data Confidentiality**
1. As consideration for the contribution of all of the Customer Data to MEDSTAT and the rights of use of such Customer Data granted to MEDSTAT herein, MEDSTAT grants to Customer a nonexclusive, nontransferable, limited license to, and waiver of the license fee for, MarketScan normative data libraries (the "MarketScan Products") during the period in which Customer is actually contributing Customer Data to MEDSTAT and has paid the annual license fee(s) and other fees due or payable under the Base Agreement.

2. Customer's use of the MarketScan Products shall be limited to Customer's use in analyzing, researching and reporting healthcare and/or worker productivity for the number of employees and/or covered lives licensed under the Base Agreement. The MarketScan Products may only be used by Customer in or with the System, both internally and in reports to Customer's Healthcare Purchaser and Healthcare Payer clients with respect to whose covered lives/members/beneficiaries/employees/ dependents/patients Customer Data is being licensed by Customer to MEDSTAT for use pursuant to this Agreement. Customer may also include MarketScan Products or data from MarketScan Products in reports and as support data in the publication of research and analyses, provided that the source of the data is attributed to MEDSTAT by including the following copyright notice in such reports and publications:

Copyright ©#### [use then-current year] The MEDSTAT Group, Inc. All Rights Reserved.

3. Customer shall not attempt to establish data linkages between the data in the MarketScan Products and any other public or private data for the purposes of identifying employees, enrollees, subscribers, beneficiaries, patients or other individuals. If Customer inadvertently discovers the identity of any person or entity, then (i) Customer will not make any use of this knowledge, (ii) Customer will safeguard or destroy the information that would identify any person or entity, and (iii) Customer will not inform anyone else of the discovered identity.

IN WITNESS WHEREOF, the undersigned have executed this DCU Agreement effective as of the date set forth in the first paragraph herein.

The MEDSTAT Group, Inc.

By: 

Name: Glenn R. Cole

Title: CFO

Date: 11/29/01

Customer

By: 

Name: STEPHEN NORTON

Title: DIRECTOR

Date: 12/6/01

Schedule A
(for System2/MEDSTAT Advantage Suite Customers)
Effective Date: November 29, 2001

A. Description of Customer Data to be Contributed by Customer

All data elements contained in or loaded into the System's database(s), including:

1. Medical/surgical and other healthcare claims and encounter data
2. Detailed person-level enrollment data
3. Outpatient prescription drug data (pharmacy and/or mail order)

B. Population for which Customer Data is to be Contributed by Customer

All Customer's covered lives/members/beneficiaries/employees/dependents/patients whose data is included in the System's database(s)

C. Frequency of Customer Data Contribution

As mutually agreed upon but no less frequently than annually.

D. File Format/Media Format

To be mutually agreed upon.

This Schedule A forms a part of the initial DCU Agreement dated effective November 29, 2001.

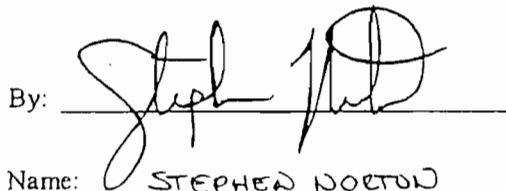
Except as amended hereby, the DCU Agreement remains in full force and effect.

IN WITNESS WHEREOF, the undersigned have executed this Schedule A to the DCU Agreement effective as of the date set forth above.

The MEDSTAT Group, Inc.

Customer

By: 

By: 

Name: Glenn E. Cole

Name: STEPHEN NORTON

Title: CFO

Title: DIRECTOR

Date: 11/29/01

Date: 12/6/01

I, Glenn Cole, do hereby certify and attest that as of November 29, 2001, I am the duly appointed Executive Vice President and Chief Financial Officer of The MEDSTAT Group, Inc. In accordance with the corporate by-laws attached hereto, I am authorized to enter into contracts on behalf of The MEDSTAT Group, Inc.

Signature: Glenn Cole

Title: Chief Financial Officer

Date: November 29, 2001

Corporate Seal

In the County of Washtenaw, State of Michigan, the above individual personally appeared before me on November 29, 2001 and executed this document.

Name of Notary Jennifer S. Bott

Signature: Jennifer S. Bott

Date: 11-29-01

Seal

JENNIFER S BOTT
Notary Public, Washtenaw County, MI
My Commission Expires Sep 23, 2004

I, Carol Diephuis, do hereby certify and attest that as of December 5, 2001, Glenn Cole is the duly appointed Executive Vice President and Chief Financial Officer of The MEDSTAT Group, Inc. In accordance with the corporate by-laws, he is authorized to enter into contracts on behalf of The MEDSTAT Group, Inc.

Signature: Carol Diephuis

Title: VP and GM

Date: 12/5/01

Corporate Seal

In the County of Washtenaw, State of Michigan, the above individual personally appeared before me on December 5, 2001 and executed this document.

Name of Notary Jennifer S. Bott

Signature: Jennifer S. Bott

Date: 12-5-01

Seal

JENNIFER S BOTT
Notary Public, Washtenaw County, MI
My Commission Expires Sep 23, 2004

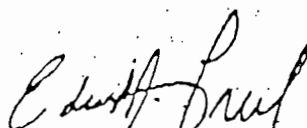
State of Delaware
Office of the Secretary of State

PAGE 1

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "THOMCORP. NO. 18 INC.", CHANGING ITS NAME FROM "THOMCORP. NO. 18 INC." TO "THE MEDSTAT GROUP, INC." FILED IN THIS OFFICE ON THE TWENTY-SIXTH DAY OF DECEMBER, A.D. 1996, AT 9:02 O'CLOCK A.M.

A CERTIFIED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS FOR RECORDING.




Edward J. Freel, Secretary of State

2688848 B100

AUTHENTICATION: 8262538

960383540

DATE: 12-27-96

CERTIFICATE OF AMENDMENT OF CERTIFICATE OF INCORPORATION

OF

THOMCORP. NO. 18 INC.

THOMCORP. NO. 18 INC. (hereinafter called the "corporation"), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, does hereby certify:

1. The name of the corporation is THOMCORP. NO. 18 INC.
2. The certificate of incorporation of the corporation is hereby amended by striking out Article FIRST thereof and by substituting in lieu of said Article the following new Article:

FIRST: The name of the corporation is THE MEDSTAT GROUP, INC.

3. The amendment of the certificate of incorporation herein certified has been duly adopted in accordance with the provisions of Sections 228 and 242 of the General Corporation Law of the State of Delaware.

3. The amendment of the certificate of incorporation herein certified has been duly adopted in accordance with the provisions of Section 228 and 242 of the General Corporation Law of the State of Delaware. Prompt written notice of the adoption of the amendment herein certified has been given to those stockholders who have not been consented in writing thereto, as provided in Section 228 of the General Corporation Law of the State of Delaware.

4. The effective date of this amendment shall be December 31, 1996.

Executed on this 23rd day of December, 1996.

By: 

Michael S. Harris, Vice President

BY-LAWS

of

~~THOMCORP NO 18 INC~~

THE MEDSTAT GROUP, INC.

(A Delaware Corporation)

ARTICLE 1

DEFINITIONS

As used in these By-laws, unless the context otherwise requires, the term:

- 1.1 "Assistant Secretary" means an Assistant Secretary of the Corporation.
- 1.2 "Assistant Treasurer" means an Assistant Treasurer of the Corporation.
- 1.3 "Board" means the Board of Directors of the Corporation.
- 1.4 "By-laws" means the initial by-laws of the Corporation, as amended from time to time.
- 1.5 "Certificate of Incorporation" means the initial certificate of incorporation of the Corporation, as amended, supplemented or restated from time to time.
- 1.6 "Chairman" means the Chairman of the Board of Directors of the Corporation.
- 1.7 "Corporation" means ~~Thomcorp No 18 Inc~~ THE MEDSTAT GROUP, INC.
- 1.8 "Directors" means directors of the Corporation.
- 1.9 "Entire Board" means all directors of the Corporation in office, whether or not present at a meeting of the Board, but disregarding vacancies.

1.10 "General Corporation Law" means the General Corporation Law of the State of Delaware, as amended from time to time.

1.11 "Office of the Corporation" means the executive office of the Corporation, anything in Section 131 of the General Corporation Law to the contrary notwithstanding.

1.12 "President" means the President of the Corporation.

1.13 "Secretary" means the Secretary of the Corporation.

1.14 "Stockholders" means stockholders of the Corporation.

1.15 "Treasurer" means the Treasurer of the Corporation.

1.16 "Vice President" means a Vice President of the Corporation.

ARTICLE 2

STOCKHOLDERS

2.1 Place of Meetings. Every meeting of stockholders shall be held at the office of the Corporation or at such other place within or without the State of Delaware as shall be specified or fixed in the notice of such meeting or in the waiver of notice thereof.

2.2 Annual Meeting. A meeting of stockholders shall be held annually for the election of Directors and the transaction of other business at such hour and on such business day in January or as may be determined by the Board and designated in the notice of meeting.

2.3 Deferred Meeting for Election of Directors, Etc. If the annual meeting of stockholders for the election of Directors and the transaction of other business is not held within the months specified in Section 2.2 hereof, the Board shall call a meeting of stockholders for the election of Directors and the transaction of other business as soon thereafter as convenient.

2.4 Other Special Meetings. A special meeting of stockholders (other than a special meeting for the election of Directors), unless otherwise prescribed by statute, may be called at any time by the Board or by the President or by the Secretary. At any special meeting of stockholders only such business may be transacted as is related to the purpose or purposes of such meeting set forth in the notice thereof given pursuant to Section 2.6 hereof or in any waiver of notice thereof given pursuant to Section 2.7 hereof.

2.5 Fixing Record Date. For the purpose of (a) determining the stockholders entitled (i) to notice of or to vote at any meeting of stockholders or any adjournment thereof, (ii) to express consent to corporate action in writing without a meeting or (iii) to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock; or (b) any other lawful action, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date was adopted by the Board and which record date shall not be (x) in the case of clause (a)(i) above, more than 60 nor less than 10 days before the date of such meeting, (y) in the case of clause (a)(ii) above, more than 10 days after the date upon which the resolution fixing the record date was adopted by the Board and (z) in the case of clause (a) (iii) or (b) above, more than 60 days prior to such action. If no such record date is fixed:

2.5.1 the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held;

2.5.2 the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action by the Board is required under the General Corporation Law, shall be the first day on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded; and when prior action by the Board is required under the General Corporation Law, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the date on which the Board adopts the resolution taking such prior action; and

2.5.3 the record date for determining stockholders for any purpose other than those specified in Sections 2.5.1 and 2.5.2 shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

When a determination of stockholders entitled to notice of or to vote at any meeting of stockholders has been made as provided in this Section 2.5, such determination shall apply to any adjournment thereof unless the Board fixes a new record date for the adjourned meeting.

Delivery made to the Corporation's registered office in accordance with Section 2.5.2 shall be by hand or by certified or registered mail, return receipt requested.

2.6 Notice of Meetings of Stockholders. Except as otherwise provided in Sections 2.5 and 2.7 hereof, whenever under the provisions of any statute, the Certificate of Incorporation or

these By-laws, stockholders are required or permitted to take any action at a meeting, written notice shall be given stating the place, date and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by any statute, the Certificate of Incorporation or these By-laws, a copy of the notice of any meeting shall be given, personally or by mail, not less than ten nor more than sixty days before the date of the meeting, to each stockholder entitled to notice shall be deemed to be given when deposited in the United States mail, with postage prepaid, directed to the stockholder at his or her address as it appears on the records of the Corporation. An affidavit of the Secretary or an Assistant Secretary or of the transfer agent of the Corporation that the notice required by this Section 2.6 has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken, and at the adjourned meeting any business may be transacted that might have been transacted at the meeting as originally called. If, however, the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

2.7 Waivers of Notice. Whenever the giving of any notice is required by statute, the Certificate of Incorporation or these By-laws, a waiver thereof, in writing, signed by the stockholder or stockholders entitled to said notice, whether before or after the event as to which such notice is required, shall be deemed equivalent to notice. Attendance by a stockholder at a meeting shall constitute a waiver of notice of such meeting except when the stockholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction

of any business on the ground that the meeting has not been lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders need be specified in any written waiver of notice unless so required by statute, the Certificate of Incorporation or these By-laws.

2.8 List of Stockholders. The Secretary shall prepare and make, or cause to be prepared and made, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, the stockholder's agent, or attorney, at the stockholder's expense, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. The Corporation shall maintain the stockholder list in written form or in another form capable of conversion into written form within a reasonable time. Upon the willful neglect or refusal of the Directors to produce such a list at any meeting for the election of Directors, they shall be ineligible for election to any office at such meeting. The stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list of stockholders or the books of the Corporation, or to vote in person or by proxy at any meeting of stockholders.

2.9 Quorum of Stockholders; Adjournment. Except as otherwise provided by any statute, the Certificate of Incorporation or these By-laws, the holders of one-third of all outstanding shares of stock entitled to vote at any meeting of stockholders, present in person or represented by proxy, shall constitute a quorum for the transaction of any business at such meeting. When a quorum is once present to organize a meeting of stockholders, it is not broken by the subsequent withdrawal of any stockholders. The holders of a majority of the shares of stock present in person or represented by proxy at any meeting of stockholders, including an adjourned meeting, whether or not a quorum is present, may adjourn such meeting to another time and place. Shares of its own stock belonging to the Corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the Corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the Corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

2.10 Voting Proxies. Unless otherwise provided in the Certificate of Incorporation, every stockholder of record shall be entitled at every meeting of stockholders to one vote for each share of capital stock standing in his or her name on the record of stockholders determined in accordance with Section 2.5 hereof. If the Certification of Incorporation provides for more or less than one vote for any share on any matter, each reference in the By-laws or the General Corporation Law to a majority or other proportion of stock shall refer to such majority or other proportion of the votes of such stock. The provision of Sections 212 and 217 of the General Corporation Law shall apply in determining whether any shares of capital stock may be voted

and the persons, if any, entitled to vote such shares; but the Corporation shall be protected in assuming that the persons in whose names shares of capital stock stand on the stock ledger of the Corporation are entitled to vote such shares. Holders of redeemable shares of stock are not entitled to vote after the notice of redemption is mailed to such holders and a sum sufficient to redeem the stocks has been deposited with a bank, trust company, or other financial institution under an irrevocable obligation to pay the holders the redemption price on surrender of the shares of stock. At any meeting of stockholders (at which a quorum was present to organize the meeting), all matters, except as otherwise provided by statute or by the Certificate of Incorporation or by these By-laws, shall be decided by a majority of the votes cast at such meeting by the holders of shares present in person or represented by proxy and entitled to vote thereon, whether or not a quorum is present when the vote is taken. All elections of Directors shall be by written ballot unless otherwise provided in the Certificate of Incorporation. In voting on any other question on which a vote by ballot is required by law or is demanded by any stockholder entitled to vote, the voting shall be by ballot. Each ballot shall be signed by the stockholder voting or the stockholder's proxy and shall state the number of shares voted. On all other questions, the voting may be viva voce. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy. The validity and enforceability of any proxy shall be determined in accordance with Section 212 of the General Corporation Law. A stockholder may revoke any proxy that is not irrevocable by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or by delivering a proxy in accordance with applicable law bearing a later date to the Secretary.

2.11 Voting Procedures and Inspectors of Election at Meetings of Stockholders. The Board, in advance of any meeting of stockholders, may appoint one or more inspectors to act at the meeting and make a written report thereof. The Board may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting, the person presiding at the meeting may appoint, and on the request of any stockholder entitled to vote thereat shall appoint, one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall (a) ascertain the number of shares outstanding and the voting power of each, (b) determine the shares represented at the meeting and the validity of proxies and ballots, (c) count all votes and ballots, (d) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (e) certify their determination of the number of shares represented at the meeting and their count of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of their duties. Unless otherwise provided by the Board, the date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be determined by the person presiding at the meeting and shall be announced at the meeting.

2.12 Organization. At each meeting of stockholders, the Chairman, or in the absence of the Chairman the President, or in the absence of the President a Vice President, and in case more than one Vice President shall be present, that Vice President designated by the Board (or in the absence of any such designation, the most senior Vice President, based on age, present), shall

act as chairman of the meeting. The Secretary, or in his or her absence one of the Assistant Secretaries, shall act as secretary of the meeting. In case none of the officers above designated to act as chairman or secretary of the meeting, respectively, shall be present, a chairman or a secretary of the meeting, as the case may be, shall be chosen by a majority of the votes cast at such meeting by the holders of shares of capital stock present in person or represented by proxy and entitled to vote at the meeting.

2.13 Order of Business. The order of business at all meetings of stockholders shall be as determined by the chairman of the meeting, but the order of business to be followed at any meeting at which a quorum is present may be changed by a majority of the votes cast at such meeting by the holders of shares of capital stock present in person or represented by proxy and entitled to vote at the meeting.

2.14 Written Consent of Stockholders Without a Meeting. Unless otherwise provided in the Certificate of Incorporation, any action required by the General Corporation Law to be taken at any annual or special meeting of stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered (by hand or by certified or registered mail, return receipt requested) to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Every written consent shall bear the date of signature of each stockholder who signs

the consent and no written consent shall be effective to take the corporate action referred to therein unless, within 60 days of the earliest dated consent delivered in the manner required by this Section 2.14, written consents signed by a sufficient number of holders to take action are delivered to the Corporation as aforesaid. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

ARTICLE 3

DIRECTORS

3.1 General Powers. Except as otherwise provided in the Certificate of Incorporation, the business and affairs of the Corporation shall be managed by or under the direction of the Board. The Board may adopt such rules and regulations, not inconsistent with the Certificate of Incorporation or these By-laws or applicable laws, as it may deem proper for the conduct of its meetings and the management of the Corporation. In addition to the powers expressly conferred by these By-laws, the Board may exercise all powers and perform all acts that are not required, by these By-laws or the Certificate of Incorporation or by statute, to be exercised and performed by the stockholders.

3.2 Number: Qualification: Term of Office. The Board shall consist of one or more members. The number of Directors shall be fixed initially by the incorporator and may thereafter be changed from time to time by action of the stockholders or by action of the Board. Directors need not be stockholders. Each Director shall hold office until a successor is elected and qualified or until the Director's death, resignation or removal.

3.3 Election. Directors shall, except as otherwise required by statute or by the Certificate of Incorporation, be elected by a plurality of the votes cast at a meeting of stockholders by the holders of shares entitled to vote in the election.

3.4 Newly Created Directorships and Vacancies. Unless otherwise provided in the Certificate of Incorporation, newly created Directorships resulting from an increase in the number of Directors and vacancies occurring in the Board for any other reason, including the removal of Directors without cause, may be filled by the affirmative votes of a majority of the entire Board, although less than a quorum, or by a sole remaining Director, or may be elected by a plurality of the votes cast by the holders of shares of capital stock entitled to vote in the election at a special meeting of stockholders called for that purpose. A Director elected to fill a vacancy shall be elected to hold office until a successor is elected and qualified, or until the Director's earlier death, resignation or removal.

3.5 Resignation. Any Director may resign at any time by written notice to the Corporation. Such resignation shall take effect at the time therein specified, and, unless otherwise specified in such resignation, the acceptance of such resignation shall not be necessary to make it effective.

3.6 Removal. Subject to the provisions of Section 141(k) of the General Corporation Law, any or all of the Directors may be removed with or without cause by vote of the holders of a majority of the shares then entitled to vote at an election of Directors.

3.7 Compensation. Each Director, in consideration of his or her service as such, shall be entitled to receive from the Corporation such amount per annum or such fees for attendance at Directors' meetings, or both, as the Board may from time to time determine, together with

reimbursement for the reasonable out-of-pocket expenses, if any, incurred by such Director in connection with the performance of his or her duties. Each Director who shall serve as a member of any committee of Directors in consideration of serving as such shall be entitled to such additional amount per annum or such fees for attendance at committee meetings, or both, as the Board may from time to time determine, together with reimbursement for the reasonable out-of-pocket expenses, if any, incurred by such Director in the performance of his or her duties.

Nothing contained in this Section 3.7 shall preclude any Director from serving the Corporation or its subsidiaries in any other capacity and receiving proper compensation therefor.

3.8 Times and Places of Meetings. The Board may hold meetings, both regular and special, either within or without the State of Delaware. The times and places for holding meetings of the Board may be fixed from time to time by resolution of the Board or (unless contrary to a resolution of the Board) in the notice of the meeting.

3.9 Annual Meetings. On the day when and at the place where the annual meeting of stockholders for the election of Directors is held, and as soon as practicable thereafter, the Board may hold its annual meeting, without notice of such meeting, for the purposes of organization, the election of officers and the transaction of other business. The annual meeting of the Board may be held at any other time and place specified in a notice given as provided in Section 3.11 hereof for special meetings of the Board or in a waiver of notice thereof.

3.10 Regular Meetings. Regular meetings of the Board may be held without notice at such times and at such places as shall from time to time be determined by the Board.

3.11 Special Meetings. Special meetings of the Board may be called by the Chairman, the President or the Secretary or by any two or more Directors then serving on at least one day's

notice to each Director given by one of the means specified in Section 3.14 hereof other than by mail, or on at least three days' notice if given by mail. Special meetings shall be called by the Chairman, President or Secretary in like manner and on like notice on the written request of any two or more of the Directors then serving.

3.12 Telephone Meetings. Directors or members of any committee designated by the Board may participate in a meeting of the Board or of such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 3.12 shall constitute presence in person at such meeting.

3.13 Adjourned Meetings. A majority of the Directors present at any meeting of the Board, including an adjourned meeting, whether or not a quorum is present, may adjourn such meeting to another time and place. At least one day's notice of any adjourned meeting of the Board shall be given to each Director whether or not present at the time of the adjournment, if such notice shall be given by one of the means specified in Section 3.14 hereof other than by mail, or at least three days' notice if by mail. Any business may be transacted at an adjourned meeting that might have been transacted at the meeting as originally called.

3.14 Notice Procedure. Subject to Sections 3.11 and 3.17 hereof, whenever, under the provisions of any statute, the Certificate of Incorporation or these By-laws, notice is required to be given to any Director, such notice shall be deemed given effectively if given in person or by telephone, by mail addressed to such Director at such Director's address as it appears on the records of the Corporation, with postage thereon prepaid, or by telegram, telex, telecopy or similar means addressed as aforesaid.

3.15 Waiver of Notice. Whenever the giving of any notice is required by statute, the Certificate of Incorporation or these By-laws, a waiver thereof, in writing, signed by the person or persons entitled to said notice, whether before or after the event as to which such notice is required, shall be deemed equivalent to notice. Attendance by a person at a meeting shall constitute a waiver of notice of such meeting except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting has not been lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Directors or a committee of Directors need be specified in any written waiver of notice unless so required by statute, the Certificate of Incorporation or these By-laws.

3.16 Organization. At each meeting of the Board, the Chairman, or in the absence of the Chairman the President, or in the absence of the President a chairman chosen by a majority of the Directors present, shall preside. The Secretary shall act as secretary at each meeting of the Board. In case the Secretary shall be absent from any meeting of the Board, an Assistant Secretary shall perform the duties of secretary at such meeting; and in the absence from any such meeting of the Secretary and all Assistant Secretaries, the person presiding at the meeting may appoint any person to act as secretary of the meeting.

3.17 Quorum of Directors. The presence in person of a majority of the entire Board shall be necessary and sufficient to constitute a quorum for the transaction of business at any meeting of the Board, but a majority of a smaller number may adjourn any such meeting to a later date.

3.18 Action by Majority Vote. Except as otherwise expressly required by statute, the Certificate of Incorporation or these By-laws, the act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board.

3.19 Action Without Meeting. Unless otherwise restricted by the Certificate of Incorporation or these By-laws, any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting if all Directors or members of such committee, as the case may be, consent thereto in writing, and the writing of writings are filed with the minutes of proceedings of the Board or committee.

ARTICLE 4

COMMITTEES OF THE BOARD

The Board may, by resolution passed by a vote of the entire Board, designate one or more committees, each committee to consist of one or more of the Directors of the Corporation. The Board may designate one or more Directors as alternate members of any committee to replace absent or disqualified members at any meeting of such committee. If a member of a committee shall be absent from any meeting, or disqualified from voting thereat, the remaining member or members present and not disqualified from voting, whether or not such member or members constitute a quorum, may, by an unanimous vote, appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in a resolution of the Board passed as aforesaid, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be impressed on all papers that

may require it, but no such committee shall have the power or authority of the Board in reference to amending the Certificate of Incorporation, adopting an agreement of merger or consolidation under Section 251 or 252 of the General Corporation Law, selling, leasing or exchanging all or substantially all of the Corporation's property and assets, dissolving or revoking the dissolution of the Corporation or amending the By-laws of the Corporation; and, unless the resolution designating it expressly so provides, no such committee shall have the power and authority to declare a dividend, to authorize the issuance of stock or to adopt a certificate of ownership and merger pursuant to Section 253 of the General Corporation Law. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board. Unless otherwise specified in the resolution of the Board designating a committee, at all meetings of such committee a majority of the total number of members of the committee shall constitute a quorum for the transaction of business, and the vote of a majority of the members of the committee present at any meeting at which there is a quorum shall be the act of the committee. Each committee shall keep regular minutes of its meetings. Unless the Board otherwise provides, each committee designated by the Board may make, alter and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board conducts its business pursuant to the Article 3 of these By-laws.

ARTICLE 5

OFFICERS

5.1 Positions. The officers of the Corporation shall be a Chairman, a President, a Secretary, a Treasurer and such other officers as the Board may appoint, including one or more Vice Presidents and one or more Assistant Secretaries and Assistant Treasurers, who shall exercise such powers and perform such duties as shall be determined from time to time by the Board. The Board may designate one or more Vice Presidents as Executive Vice Presidents any may use descriptive words or phrases to designate the standing, seniority or areas of special competence of the Vice Presidents elected or appointed by it. Any number of offices may be held by the same person unless the Certificate of Incorporation or these By-laws otherwise provide.

5.2 Appointment. The officers of the Corporation shall be chosen by the Board annually or at such other time or times as the Board shall determine.

5.3 Compensation. The compensation of all officers of the Corporation shall be fixed by the Board. No officer shall be prevented from receiving a salary or other compensation by reason of the fact that the officer is also a Director.

5.4 Term of Office. Each officer of the Corporation shall hold office until such officer's successor is chosen and qualifies or until such officer's earlier death, resignation or removal. Any officer may resign at any time upon written notice to the Corporation. Such resignation shall take effect at the date of receipt of such notice or at such later time as is therein

specified, and, unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective. The resignation of an officer shall be without prejudice to the contract rights of the Corporation, if any. Any officer elected or appointed by the Board may be removed at any time, with or without cause, by vote of a majority of the entire Board. Any vacancy occurring in any office of the Corporation shall be filled by the Board. The removal of an officer without cause shall be without prejudice to the officer's contract rights, if any. The election or appointment of an officer shall not of itself create contract rights.

5.5 Fidelity Bonds. The Corporation may secure the fidelity of any or all of its officers or agents by bond or otherwise.

5.6 Chairman. The Chairman shall preside at all meetings of the Board and shall exercise such powers and perform such other duties as shall be determined from time to time by the Board.

5.7 President. The President shall be the Chief Executive Officer of the Corporation and shall have general supervision over the business of the Corporation, subject, however, to the control of the Board and of any duly authorized committee of Directors. The President shall preside at all meetings of the stockholders and at all meetings of the Board at which the Chairman is not present. The President may sign and execute in the name of the Corporation deeds, mortgages, bonds, contracts and other instruments except in cases in which the signing and execution thereof shall be expressly delegated by the Board or by these By-laws to some other officer or agent of the Corporation or shall be required by statute otherwise to be signed or executed and, in general, the President shall perform all duties incident to the office of President.

of a corporation and such other duties as may from time to time be assigned to the President by the Board.

5.8 Vice Presidents. At the request of the President, or, in the President's absence, at the request of the Board, the Vice Presidents shall (in such order as may be designated by the Board or, in the absence of any such designation, in order of seniority based on age) perform all of the duties of the President and, in so performing, shall have all the powers of, and be subject to all restrictions upon, the President. Any Vice President may sign and execute in the name of the Corporation deeds, mortgages, bonds, contracts or other instruments, except in cases in which the signing and execution thereof shall be expressly delegated by the Board or by these By-laws to some other officer or agent of the Corporation, or shall be required by statute otherwise to be signed or executed, and each Vice President shall perform such other duties as from time to time may be assigned to such Vice President by the Board or by the President.

5.9 Secretary. The Secretary shall attend all meetings of the Board and of the stockholders and shall record all the proceedings of the meetings of the Board and of the stockholders in a book to be kept for that purpose, and shall perform like duties for committees of the Board, when required. The Secretary shall give, or cause to be given, notice of all special meetings of the Board and of the stockholders and shall perform such other duties as may be prescribed by the Board or by the President, under whose supervision the Secretary shall be. The Secretary shall have custody of the corporate seal of the Corporation, and the Secretary, or an Assistant Secretary, shall have authority to impress the same on any instrument requiring it, and when so impressed the seal may be attested by the signature of the Secretary or by the signature

of such Assistant Secretary. The Board may give general authority to any other officer to impress the seal of the Corporation and to attest the same by such officer's signature. The Secretary or an Assistant Secretary may also attest all instruments signed by the President or any Vice President. The Secretary shall have charge of all the books, records and papers of the Corporation relating to its organization and management, shall see that the reports, statements and other documents required by statute are properly kept and filed and, in general, shall perform all duties incident to the office of Secretary of a corporation and such other duties as may from time to time be assigned to the Secretary by the Board or by the President.

5.10 Treasurer. The treasurer shall have charge and custody of, and be responsible for, all funds, securities and notes of the Corporation; receive and give receipt for moneys due and payable to the Corporation from any sources whatsoever; deposit all such moneys and valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board; against proper vouchers, cause such funds to be disbursed by checks or drafts on the authorized depositories of the Corporation signed in such manner as shall be determined by the Board and be responsible for the accuracy of the amounts of all moneys so disbursed; regularly enter or cause to be entered in books or other records maintained for the purpose full adequate account of all moneys received or paid for the account of the Corporation; have the right to require from time to time reports or statements giving such information as the Treasurer may desire with respect to any and all financial transactions of the Corporation from the officers or agents transacting the same; render to the President or the Board, whenever the President or the Board shall require the Treasurer so to do, an account of the financial condition of the

Corporation and of all financial transactions of the Corporation; exhibit at all reasonable times the records and books of account to any of the Directors upon application at the office of the Corporation where such records and books are kept; disburse the funds of the Corporation as ordered by the Board; and, in general, perform all duties incident to the office of Treasurer of a corporation and such other duties as may from time to time be assigned to the Treasurer by Board or the President.

5.11 Assistant Secretaries and Assistant Treasurers. Assistant Secretaries and Assistant Treasurers shall perform such duties as shall be assigned to them by the Secretary or by the Treasurer, respectively, or by the Board or by the President.

ARTICLE 6

CONTRACT, CHECKS, DRAFTS, BANK ACCOUNTS, ETC.

6.1 Execution of Contracts. The Board, except as otherwise provided in these By-laws, may prospectively or retroactively authorize any officer or officers, employee or employees or agent or agents, in the name and on behalf of the Corporation, to enter into any such contract or execute and deliver any instrument, and any such authority may be general or confined to specific instances, or otherwise limited.

6.2 Loans. The Board may prospectively or retroactively authorize the President or any other officer, employee or agent of the Corporation to effect loans and advances at any time for the Corporation from any bank, trust company or other institution, or from any firm, corporation or individual, and for such loans and advances the person so authorized may make,

ARTICLE 6

CONTRACT, CHECKS, DRAFTS, BANK ACCOUNTS, ETC.

6.1 Execution of Contracts. The Board, except as otherwise provided in these By-laws, may prospectively or retroactively authorize any officer or officers, employee or employees or agent or agents, in the name and on behalf of the Corporation, to enter into any such contract or execute and deliver any instrument, and any such authority may be general or confined to specific instances, or otherwise limited.

6.2 Loans. The Board may prospectively or retroactively authorize the President or any other officer, employee or agent of the Corporation to effect loans and advances at any time for the Corporation from any bank, trust company or other institution, or from any firm, corporation or individual, and for such loans and advances the person so authorized may make, execute and deliver promissory notes, bonds or other certificates or evidences of indebtedness of the Corporation, and, when authorized by the Board so to do, may pledge and hypothecate or transfer any securities or other property of the Corporation as security for any such loans or advances. Such authority conferred by the Board may be general or confined to specific instances, or otherwise limited.

6.3 Checks, Drafts, Etc. All checks, drafts and other orders for the payment of money out of the funds of the Corporation and all evidences of indebtedness of the Corporation shall be signed on behalf of the Corporation in such manner as shall from time to time be determined by resolution of the Board.

6.4 Deposits. The funds of the Corporation not otherwise employed shall be deposited from time to time to the order of the Corporation with such banks, trust companies, investment banking firms, financial institutions or other depositories as the Board may select or as may be selected by an officer, employee or agent of the Corporation to whom such power to select may from time to time be delegated by the Board.

ARTICLE 7

STOCK AND DIVIDENDS

7.1 Certificates Representing Shares. The shares of capital stock of the Corporation shall be represented by certificates in such form (consistent with the provisions of Section 158 of the General Corporation Law) as shall be approved by the Board. Such certificates shall be signed by the Chairman, the President or a Vice President and by the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer, and may be impressed with the seal of the Corporation or a facsimile thereof. The signature of the officers upon a certificate may be facsimiles, if the certificate is countersigned by a transfer agent or registrar other than the Corporation itself or its employee. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon any certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, such certificate may, unless otherwise ordered by the Board, be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue.

7.2 Transfer of Shares. Transfers of shares of capital stock of the Corporation shall be made only on the books of the Corporation by the holder thereof or by the holder's duly authorized attorney appointed by a power of attorney duly executed and filed with the Secretary or a transfer agent of the Corporation, and on surrender of the certificate or certificates representing such shares of capital stock properly endorsed for transfer and upon payment of all necessary transfer taxes. Every certificate exchanged, returned or surrendered to the Corporation shall be marked "Cancelled", with the date of cancellation, by the Secretary or an Assistant Secretary or the transfer agent of the Corporation. A person in whose name shares of capital stock shall stand on the books of the Corporation shall be deemed the owner thereof to receive dividends, to vote as such owner and for all other purposes as respects the Corporation. No transfer of shares of capital stock shall be valid as against the Corporation, its stockholders and creditors for any purpose, except to render the transferee liable for the debts of the Corporation to the extent provided by law, until such transfer shall have been entered on the books of the Corporation by an entry showing from and to whom transferred.

7.3 Transfer and Registry Agents. The Corporation may from time to time maintain one or more transfer officers or agents and registry offices or agents at such place or places as may be determined from time to time by the Board.

7.4 Lost, Destroyed, Stolen and Mutilated Certificates. The holder of any shares of capital stock of the Corporation shall immediately notify the Corporation of any loss, destruction, theft or mutilation of the certificate representing such shares, and the Corporation may issue a new certificate to replace the certificate alleged to have been lost, destroyed, stolen or mutilated.

The Board may, in its discretion, as a condition to the issue of any such new certificate, require the owner of the lost, destroyed, stolen or mutilated certificate, or his or her legal representatives, to make proof satisfactory to the Board of such loss, destruction, theft or mutilation and to advertise such fact in such manner as the Board may require, and to give the Corporation and its transfer agents and registrars, or such of them as the Board may require, a bond in such form, in such sums and with such surety or sureties as the Board may direct, to indemnify the Corporation and its transfer agents and registrars against any claim that may be made against any of them on account of the continued existence of any such certificate so alleged to have been lost, destroyed, stolen or mutilated and against any expense in connection with such claim.

7.5 Rules and Regulations. The Board may make such rules and regulations as it may deem expedient, not inconsistent with these By-laws or with the Certificate of Incorporation, concerning the issue, transfer and registration of certificates representing shares of its capital stock.

7.6 Restriction on Transfer of Stock. A written restriction on the transfer or registration of transfer of capital stock of the Corporation, if permitted by Section 202 of the General Corporation Law and noted conspicuously on the certificate representing such capital stock, may be enforced against the holder of the restricted capital stock or any successor or transferee of the holder, including an executor, administrator, trustee, guardian or other fiduciary entrusted with like responsibility for the person or estate of the holder. Unless noted conspicuously on the certificate representing such capital stock, a restriction, even though permitted by Section 202 of the General Corporation Law, shall be ineffective except against a

person with actual knowledge of the restriction. A restriction on the transfer or registration of transfer of capital stock of the Corporation may be imposed either by the Certificate of Incorporation or by an agreement among any number of stockholders or among such stockholders and the Corporation. No restriction so imposed shall be binding with respect to capital stock issued prior to the adoption of the restriction unless the holders of such capital stock are parties to an agreement or voted in favor of the restriction.

7.7 Dividends, Surplus, Etc. Subject to the provisions of the Certificate of Incorporation and of law, the Board:

7.7.1 may declare and pay dividends or make other distributions on the outstanding shares of capital stock in such amounts and at such time or times as it, in its discretion, shall deem advisable giving due consideration to the condition of the affairs of the Corporation;

7.7.2 may use and apply, in its discretion, any of the surplus of the Corporation in purchasing or acquiring any shares of capital stock of the Corporation, or purchase warrants therefor, in accordance with law, or any of its bonds, debentures, notes, scrip or other securities or evidences of indebtedness; and

7.7.3 may set aside from time to time out of such surplus or net profits such sum or sums as, in its discretion, it may think proper, as a reserve fund to meet contingencies, or for equalizing dividends or for the purpose of maintaining or increasing the property or business of the Corporation, or for any purpose it may think conducive to the best interest of the Corporation.

ARTICLE 8

INDEMNIFICATION

8.1 Indemnity Undertaking. To the extent not prohibited by law, the Corporation shall indemnify any person who is or was made, or threatened to be made, a party to any threatened, pending or completed action, suit or proceeding (a "Proceeding"), whether civil, criminal, administrative or investigative, including, without limitation, an action by or in the right of the Corporation to procure a judgment in its favor, by reason of the fact that such person, or a person of whom such person is the legal representative, is or was a Director or officer of the Corporation, or is or was serving in any capacity at the request of the Corporation for any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise (an "Other Entity"), against judgments, fines, penalties, excise taxes, amounts paid in settlement and costs, charges and expenses (including attorney's fees and disbursements). Persons who are not Directors or officers of the Corporation may be similarly indemnified in respect of service to the Corporation or to an Other Entity at the request of the Corporation to the extent the Board at any time specifies that such persons are entitled to the benefits of this Section 8.

8.2 Advancement of Expenses. The Corporation shall, from time to time, reimburse or advance to any Director or officer or other person entitled to indemnification hereunder the funds necessary for payment of expenses, including attorneys' fees and disbursements, incurred in connection with any Proceeding, in advance of the final disposition of such Proceeding; provided, however, that, if required by the General Corporation Law, such expenses incurred by or on behalf of any Director or officer or other person may be paid in advance of the final

disposition of a Proceeding only upon receipt by the Corporation of an undertaking, by or on behalf of such Director or officer (or other person indemnified hereunder), to repay any such amount so advanced if it shall ultimately be determined by final judicial decision from which there is no further rights of appeal that such Director, officer or other person is not entitled to be indemnified for such expenses.

8.3 Rights Not Exclusive. The rights to indemnification and reimbursement or advancement of expenses provided by, or granted pursuant to, this Section 8 shall not be deemed exclusive of any other rights to which a person seeking indemnification or reimbursement or advancement of expenses may have or hereafter be entitled under any statute, the Certificate of Incorporation, these By-laws, any agreement, any vote of stockholders or disinterested Directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office.

8.4 Continuation of Benefits. The rights to indemnification and reimbursement or advancement of expenses provided by, or granted pursuant to, this Section 8 shall continue as to a person who has ceased to be a Director or officer (or other person indemnified hereunder) and shall inure to the benefits of the executors, administrators, legatees and distributees of such person.

8.5 Insurance. The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of an Other Entity, against any liability asserted against such person and incurred by such person in

State of New Hampshire
Department of Health and Human Services
Office of Knowledge Management and Decision Support
Medicaid Decision Support System
DHHS RFP 2002-002 Contract Exhibit A
Statement of Work

TABLE OF CONTENTS

INTRODUCTION

Scope of Services	4
Period of Performance	4
Definition of Terms.....	5

ORDER OF PRECEDENCE	10
----------------------------------	-----------

MEDSTAT / DHHS ADMINISTRATION.....	10
---	-----------

STATEMENT OF WORK.....	10
-------------------------------	-----------

Reference	11
Inclusions	11
Exclusions	12
Project Inputs	12
Statement of Work Clarification	
Business Requirements Task	13
Database Construction	14
Data Validation, Editing, Scrubbing and Transformations.....	15
Data Acquisition, Load and Linkage Plan	15
Data File Updates/Availability	16
Post Implementation	16
Operational MDSS.....	16
Documentation	17
Ongoing Operational Support Documentation	17
Training.....	17
Licenses.....	18
HIPAA Assumptions	18

PROJECT MANAGEMENT AND PROCEDURES	19
--	-----------

Project Management	19
Project Work Plan.....	19
Project Organization	19

**State of New Hampshire
Department of Health and Human Services
Office of Knowledge Management and Decision Support
Medicaid Decision Support System
DHHS RFP 2002-002 Contract Exhibit A
Statement of Work**

COMMUNICATIONS AND REPORTING.....	20
Status Meeting and Reports	20
ACCEPTANCE TEST PROCEDURES AND IT STANDARDS.....	20
User Acceptance Testing (UAT)	20
DOCUMENTATION DEVELOPMENT PROCESS.....	21
ASSUMPTIONS AND DEPENDENCIES.....	21
Administrative.....	21
Technical.....	22
General.....	23
Work Schedules	25
Copyright, Intellectual Property Rights, and Confidentiality	25
DHHS PARTICIPATION.....	25
CHANGE CONTROL PROCEDURES	25
INTERNAL ESCALATION PROCEDURES	26
PROJECT MANAGEMENT AND SYSTEM DEVELOPMENT METHODOLOGY	26
DELIVERABLES/MILESTONES/DOCUMENTATION.....	27
Deliverables	27
Selected Optional MEDSTAT Services.....	29
Additional Tasks	29
POST IMPLEMENTATION SUPPORT	29
Warranty	29
Software Enhancements.....	30
Software Maintenance	30

State of New Hampshire
Department of Health and Human Services
Office of Knowledge Management and Decision Support
Medicaid Decision Support System
DHHS RFP 2002-002 Contract Exhibit A
Statement of Work

User Inquiry	30
Document Updates	30

ATTACHMENTS

ATTACHMENT A, MEDSTAT Product Support Service Level Agreement

ATTACHMENT B, Acknowledgment of Third Party License Provisions and Agreements

- B1. Torrent Systems, Inc.**
- B2. Information Advantage, Inc.**
- B3. Information Resource Products**

ATTACHMENT C, DHHS OIS Database Standards

- C1. Oracle Database Action Request System (ODAR)**
- C2. Oracle Database Naming Conventions and Standards**
- C3. Oracle SQL and PL/SQL Coding Standards**
- C4. Oracle Data Naming Conventions and Standards**
- C5. Oracle Abbreviations**

State of New Hampshire
Department of Health and Human Services
Office of Knowledge Management and Decision Support
Medicaid Decision Support System
DHHS RFP 2002-002 Contract Exhibit A
Statement of Work

1. INTRODUCTION

1.1 SCOPE OF SERVICES

This document defines the agreed upon services and products MEDSTAT shall provide to the New Hampshire Department of Health and Human Services (DHHS). Primarily, these services involve the Design, Development and Implementation of a Centers for Medicaid and Medicare (CMS) certified Medicaid Decision Support System capable of meeting MARS, SURS and Federal reporting requirements, as defined in the U.S. Department of Health and Human Services' Health Care Financing Administration's State Medicaid Manual (SMM), Part 11- Medicaid Management Information System (SMM, Part 11).

1.2 PERIOD OF PERFORMANCE

This contract shall become effective upon approval of both CMS and the New Hampshire Governor and Council, whichever is later. This approval shall be subsequent to signature of the parties. The anticipated project start work date is December 2001 and design, development and implementation of a certified Medicaid Decision Support System (MDSS) is anticipated to occur approximately within a sixteen (16) month period. The MDSS project shall consist of the design, development and implementation (hereinafter DDI) and certification of the system. Following the implementation, DHHS shall request CMS certification during which time MEDSTAT shall provide support services to DHHS for the certification. DHHS is also contracting for additional tasks over and above the construction of the system. Additional tasks may be required concurrently with the construction of the MDSS or following certification.

There shall be two (2) periods of performance. The first period of performance for the MDSS shall be considered complete upon written receipt of CMS certification. The second period of performance, for the additional tasks, shall be complete no later than June 30, 2003. The second period of performance, which may include interim license fees for the period between completion of DDI and June 30, 2003, as well as the annual license renewals (Exhibit B, Section 3.2) thereafter, singularly or collectively, may commence prior to the completion of the first period of performance. Interim licensing fees shall be reimbursed at a per diem rate for a period not to exceed seventy-one (71) days for the period ending at the completion of DDI and ending June 30, 2003. Immediately following June 30, 2003 there shall be two consecutive annual license renewals covering the period from July 1, 2003 through June 30 2005. Follow on support may be required through June 30, 2006.

State of New Hampshire
Department of Health and Human Services
Office of Knowledge Management and Decision Support
Medicaid Decision Support System
DHHS RFP 2002-002 Contract Exhibit A
Statement of Work

1.3 DEFINITION OF TERMS

A. DHHS OKMDS means:

State of New Hampshire
Department of Health and Human Services
Office of Knowledge Management and Decision Support
129 Pleasant Street
Concord, NH 03301

B. MEDSTAT means:

The MEDSTAT Group, Inc.
777 East Eisenhower Parkway
Ann Arbor, Michigan 48108

C. **Acuity Based Nursing Facility Reimbursement** means the Department's provider payment system for select Medicaid recipients residing in nursing facilities.

D. **Additional Tasks** means analytical and/or technical services provided by MEDSTAT over and above the construction of the MDSS.

E. **Advantage Build** means MEDSTAT software and utilities used to construct the database in Oracle 8.1.7 or a later version, as mutually agreed upon. The Advantage Build includes a series of C++ programs to enhance data with additional clinical fields and analytical groupings, build episodes of care and create a star schema database in Oracle 8.1.7 or a later version, as mutually agreed upon.

D. **Advantage Suite®** means a MEDSTAT licensed set of proprietary reporting tools (Decision Analyst®, NetEffect™ and data subscriptions) that query data sets on healthcare costs, use, quality and access. The reports range from aggregated data queries to customized detailed reports.

E. **ArcInfo®** means a proprietary toolset to ESRI ArcGIS used for geographic mapping of data.

F. **Applicable Documents** means documents referred to or incorporated into this Contract or DHHS RFP 2002-002.

State of New Hampshire
Department of Health and Human Services
Office of Knowledge Management and Decision Support
Medicaid Decision Support System
DHHS RFP 2002-002 Contract Exhibit A
Statement of Work

- G. **Certified MMIS** means a CMS approved information retrieval system that is compatible with claims processing and information retrieval systems used in the administration of the Title XIX Medicaid Program. The guidelines for a CMS certification are found in the State Medicaid Manual, Part 11, and further defined below.
- I. **Change Control Procedures (CCP)** means procedures to be followed in the event either party wishes to alter the *Specifications* or the *Statement of Work*. These procedures are detailed in DHHS RFP 2002-002, Section 3.7: *Change Control Procedures*.
- J. **Configuration Management (CM)** means management of system change control requests, management of source code and the versioning of software releases and documentation.
- K. **CMS** – Centers for Medicare and Medicaid Services (formerly Health Care Financing Administration (HCFA)).
- L. **Data Subscriptions** means MEDSTAT's MarketScan normative data and the national benchmark data provided as part of the base Advantage Suite capability (e.g., Healthy People 2010 and Medicaid norms based on HCFA 2082 data).
- M. **Decision Analyst®** means a MEDSTAT proprietary toolset that is comprised of a portfolio of report templates and a predefined clinical measures catalog.
- N. **Defects** means deviation from approved specification of design document. The deviations are broken into three categories:
- | | |
|------------------|---|
| Class A Defect - | Critical defect does not allow system to operate, no work around, demands immediate action. |
| Class B Defect - | Defect does not stop operation. There is a work around and user can perform tasks. |
| Class C Defect - | Defect cosmetic in nature, minimal effect on system, low priority. User can use system. |
- O. **DHHS OIS Database Standards** means the database construction standards required by the Department of Health and Human Services, such as use of

**Department of Health and Human Services
Office of Knowledge Management and Decision Support
Medicaid Decision Support System
DHHS RFP 2002-002 Contract Exhibit A
Statement of Work**

Oracle 8i, standard naming conventions, etc.

- P. Documentation** means, unless otherwise specified, an electronic or hard copy report summarizing the task or activity, outcome and/or procedure(s) of the specific task or activity.
- Q. ESRI ArcGIS** means proprietary geoprocessing mapping software that provides data visualization, query, analysis and integration.
- R. Episode Grouper Software** means MEDSTAT's proprietary software that allows the user to organize data into clinically relevant groupings that allow analysts to review the costs, treatments, locations (inpatient/outpatient) and practitioners associated with the treatment of medical conditions.
- S. Federal Reporting** means the series of reports required by a certified Medicaid Management Information System as defined in the State Medicaid Manual Part 11.
- T. Foundation Database** means the Medicaid operational data store.
- U. Healthy Kids** means the Title XXI program administered by the New Hampshire Department of Health and Human Services.
- V. Implementation Contingency Plan** means a plan to identify and document critical path tasks, dates, dependencies and resources of an activity or project.
- W. Incident Tracking System** means a process to document descriptions of incidents, associated incident dates and their statuses, the staff who discovered the incident, the incident resolution and any residual impact from the incident.
- X. Input Systems** means source data to be used in the Medicaid Decision Support System.
- Y. Information Technology Project Methodology Standards (ITPMS)** means Attachment A of the DHHS RFP 2002-002.
- Z. Knowledge Transfer** is described in Appendix B, Transfer of Knowledge, to Attachment A to DHHS RFP 2002 - 002.
- AA. Management and Administrative Reporting System (MARS)** means the series of reports required by a certified Medicaid Management Information

**State of New Hampshire
Department of Health and Human Services
Office of Knowledge Management and Decision Support
Medicaid Decision Support System
DHHS RFP 2002-002 Contract Exhibit A
Statement of Work**

System as defined in the State Medicaid Manual Part 11.

- BB. MarketScan®** means MEDSTAT proprietary data subscriptions to normative health care information from private and public health care sources for use by the Department of Health and Human Services.
- CC. MCSYS** means DHHS' application to support the enrolling of clients and making payments for coordinated systems of care.
- DD. MDSS** means the Medicaid Decision Support System that encompasses MARS, SURS, federal and Ad Hoc reporting of data.
- EE. MMIS Modules** means components of the certified New Hampshire Medicaid Management Information System. The system modules include (1) NHAIM, (2) MCSys, (3) PBM, (4) Acuity for Nursing Facility Recipients and (5) MDSS.
- FF. MEG** means Medstat Episode Grouper software.
- GG. NetEffect™** means a MEDSTAT proprietary web based executive information system.
- HH. NHAIM** means the fee-for-service system which include items such as provider enrollment, claims processing, reporting, financial management, third party liability and operational and management reporting. The Department contracted with EDS to develop and maintain this system.
- II. Operational Data Store (ODS)** means a system of record database for transaction processing systems that uses data warehouse concepts to provide clean data from which to perform analysis and reporting. The data within an ODS is volatile in nature and contains detailed information without summarization.
- JJ. Ongoing Operational Support** means MEDSTAT's product support as defined in Attachment D, MEDSTAT Product Support Service Level Agreement.
- KK. ODBC** means Open Database Connectivity. This term refers to common technical terminology meaning a system environment in which databases can be accessed by compliant software applications.
- LL. Order of Precedence** – The order in which documents pertaining to this contract take precedence in the event of a conflict or ambiguity.

**State of New Hampshire
Department of Health and Human Services
Office of Knowledge Management and Decision Support
Medicaid Decision Support System
DHHS RFP 2002-002 Contract Exhibit A
Statement of Work**

- MM. Pharmacy Benefit Management (PBM)** means the claims adjudication system and pharmacy benefit management services for the NH Medicaid population. DHHS has contracted with First Health for these services.
- NN. Products** means the MEDSTAT provided Services and Software Project Inputs.
- OO. Project Manager (PM)** means the DHHS MDSS project manager and point of contact for the Vendor.
- PP. Reference Documents** means technical and programmatic documents that provide additional material for use by Vendor as an aid in the execution of this contract.
- QQ. Review** means the process of agreeing on validity and content of deliverables.
- RR. Review Period** means the period set for review as described in the Statement of Work. If none is specified, then ten (10) business days will be effective.
- SS. State Medicaid Manual Part 11** means the U.S. Department of Health and Human Services, Health Care Financing Administration's State Medicaid Manual, Part 11 – Medicaid Management Information System (SMM, Part 11).
- TT. Statement of Work (SOW)** means this document, including all exhibits, attachments, specifications or materials called out within this document, either physically included with this portion of the Statement of Work or available separately.
- UU. Support Services** means services provided by MEDSTAT in assisting OKMDS in responding to CMS requests for information necessary in obtaining Federal certification.
- VV. Surveillance and Utilization Review Subsystem (SURS)** means the series of reports required by a certified Medicaid Management Information System as defined in the State Medicaid Manual Part 11.
- WW. Technical Authorization** means direction to MEDSTAT that fills in details, clarifies, interprets or specifies technical requirements. It must be consistent with Scope of Services within the SOW, not constitute a new assignment and not change the terms and/or documents of specifications of SOW.

**State of New Hampshire
Department of Health and Human Services
Office of Knowledge Management and Decision Support
Medicaid Decision Support System
DHHS RFP 2002-002 Contract Exhibit A
Statement of Work**

XX. **Voluntary Managed Care** means the New Hampshire Medicaid Program's benefit that provides eligible recipients with a choice to enroll in a managed care plan to receive health benefits.

2 ORDER OF PRECEDENCE

The authorizing document, New Hampshire Contract Terms and Conditions (Form P-37 and any attachments such as this Contract Exhibit A: *Statement of Work*, Contract Exhibit B: *Not to Exceed Price Schedule* and Exhibit C: *Special Provisions*) has precedence over all other documents. In the event of a conflict or ambiguity among the text of these documents and the references cited herein, the following order of precedence is defined:

- A. New Hampshire Standard Contract Terms and Conditions (Form P-37).
- B. DHHS RFP 2002-002 as published on April 26, 2001.
- C. DHHS Final Responses to Vendor Questions (including its Attachment A: *Data Source Specification for MDSS Development*) distributed May 17, 2001.
- D. MEDSTAT Original Proposal submitted on May 31, 2001 as clarified by its Best and Final Offer dated July 2, 2001.

NOTE: As Exhibits A B and C are an extension to the P-37, this document takes precedence over any other document. The above order of precedence is non- negotiable.

3 MEDSTAT / DHHS ADMINISTRATION

MEDSTAT will designate a Contract Manager who shall be responsible for all contractual authorization and administration under the Contract. This person is:

Carol Diephuis
Vice President and General Manager
The MEDSTAT Group, Inc.
777 East Eisenhower Parkway
Ann Arbor, Michigan 48108
Telephone: (734) 913-3599
Fax: (734) 913-3333
e-mail: Carol.Diephuis@medstat.com

or her designated successor.

**State of New Hampshire
Department of Health and Human Services
Office of Knowledge Management and Decision Support
Medicaid Decision Support System
DHHS RFP 2002-002 Contract Exhibit A
Statement of Work**

The DHHS administrative counterpart is:

David C. Perry, Jr.
Contract Manager
129 Pleasant Street
Concord, NH 03301
Phone: (603) 271-4030
Fax: (603) 271-3007
Email: dperry@dhhs.state.nh.us

or his designated successor.

4 STATEMENT OF WORK

MEDSTAT shall have a good understanding of the information cited in Section 2: *Order of Precedence*, to begin this project. The Statement of Work (SOW), at a minimum, will define the scope of tasks, deliverables and time frames. Additional inclusions or exclusions are listed below:

4.1 **Reference** RFP ITS07 2002-002 Section 3.2: *Statement of Work*, Section 3.3 *Detail Requirements* and Section 3.4: *Project Deliverables*.

4.2 **Inclusions:** Listed below are items added to the requirements defined in RFP ITS07 2002-002 Section 3.2: *Statement of Work* and Section 3.4: *Project Deliverables*.

4.2.1 Additional Tasks:

Included in this contract is the provision for additional tasks as defined in Contract Exhibit B: *Not to Exceed Price Payment Schedule*. These tasks shall be for analytical and/or technical services other than those contracted for in the construction of the MDSS as defined by RFP 2002-002 and this contract Exhibit A: *Statement of work* (excepting this Section 4.2.1) and authorized according to RFP 2002-002 Section 3.7: *Change Control Procedures*. These tasks shall be given a "not to exceed" price based on the fee schedule outlined in Contract Exhibit B and the DHHS accepted MEDSTAT task proposal and shall be tracked by DITM - ITPM phase (Reference Definition Z). MEDSTAT may submit a monthly invoice at the hourly rate detailed in Exhibit B for work performed. These tasks shall be:

4.2.1.1 **Logged as a modification item**

State of New Hampshire
Department of Health and Human Services
Office of Knowledge Management and Decision Support
Medicaid Decision Support System
DHHS RFP 2002-002 Contract Exhibit A
Statement of Work

- 4.2.1.2 Of sufficient detail to formulate a reasonable estimate
 - 4.2.1.3 Estimated collaboratively between DHHS and MEDSTAT
 - 4.2.1.4 Prioritized by DHHS
 - 4.2.1.5 Included in a Modification Work Plan developed and maintained by MEDSTAT
 - 4.2.1.6 Included in any weekly status meeting updates
- 4.3 Exclusions: Listed below are items excluded from the requirements defined in DHHS RFP 2002-002 Section 3.2: *Statement of Work* and Section 3.4: *Project Deliverables*.
- 4.3.1 None
- 4.4 Project Inputs: Listed below are items to be provided by DHHS OKMDS
- 4.4.1 Applicable documents of standards, policies, guidelines and procedures as required by DHHS RFP 2002-002, Section 3.2: *Statement of Work* or as otherwise defined in this document.
- 4.4.2 Access to buildings and equipment as required by DHHS RFP 2002-002, Section 3.2: *Statement of Work*.
- 4.4.3 DHHS OIS shall provide the following hardware and software for the Medicaid decision support database:
- 4.4.3.1 Development Environment:
 - (1) Hewlett Packard UNIX server with:
HP UX Version 11i
 - (4) CPUs running at 550 MHz
 - (4) Gigabytes of RAM
 - (400) Gigabytes of usable disk storage
 - Oracle 8i
 - SyncSort UNIX
 - Merant MicroFocus Object COBOL
 - 4.4.3.2 Production Environment:
 - (1) Hewlett Packard UNIX server with:
HP UX Version 11i
 - (6) CPUs running at 550 kHz
 - (6) Gigabytes of RAM
 - (400) Gigabytes of usable disk storage

State of New Hampshire
Department of Health and Human Services
Office of Knowledge Management and Decision Support
Medicaid Decision Support System
DHHS RFP 2002-002 Contract Exhibit A
Statement of Work

Oracle 8i
SyncSort UNIX
Merant MicroFocus Object COBOL

4.4.3.3 NetEffect Server:

Compaq Server ML370 1 Ghz/133 Rack Mount
Dual Processor Option
Smart Array Controller #431
Redundant Power Supply
100 gig usable disk space (RAID 5)
(2) Gigabytes of RAM
Windows 2000 Server

Macromedia JRun 3.0 or equivalent

4.4.3.4 Equipment changes may be made by mutual agreement of the parties without amending the Contract.

4.4.4 DHHS shall provide adequate tape backup systems and software. All facilities requirements, such as air conditioning, uninterruptible power, generator services, and physical security shall also be provided by DHHS.

4.4.5 DHHS OIS shall provide network logons and required access to MEDSTAT team members as required.

4.5 Statement of Work Clarifications

4.5.1 Business Requirements: The results of the business requirements shall be of sufficient scope and duration to gain knowledge of, and document, New Hampshire's Medicaid business needs in order to build the MDSS. They shall be of sufficient detail to ensure that MARS, SURS, Federal and *Ad Hoc* requirements are met. Business requirements shall be complete upon DHHS acceptance and written approval. Business requirements shall follow MEDSTAT's proprietary User Needs Assessment Facilitation Process and shall meet the requirements outlined in DHHS RFP Section 3.3.1: *Business Requirements*. The content and outcomes of the business requirements shall, at a minimum, meet:

4.5.1.1 Data and process requirements found in SMM, Part 11

State of New Hampshire
Department of Health and Human Services
Office of Knowledge Management and Decision Support
Medicaid Decision Support System
DHHS RFP 2002-002 Contract Exhibit A
Statement of Work

- 4.5.1.2 MARS, SURS and federal reporting specifications and certification requirements
- 4.5.1.3. DHHS' data, access and information reporting priorities
- 4.5.1.4. DHHS' clinical analysis needs
- 4.5.1.5. DHHS' need for enterprise wide reporting on its Medicaid population, service delivery systems and provider networks.

4.5.2 **Database Construction:** MEDSTAT shall construct the initial MDSS Decision Support Database. Included in this process are the following requirements:

4.5.2.1 For all data sources and feeds, MEDSTAT shall provide extract specifications, mutually agreed upon between the Department and MEDSTAT, to DHHS. DHHS staff or its designees shall develop and run the extract programs. MEDSTAT shall stage the extracted data in an Operational Data Store (ODS), develop all conversion programs used to prepare the extracted data for the Advantage Suite build and load the data into Advantage Suite.

4.5.2.2 MEDSTAT shall use the following Medicaid programmatic data:

NHAIM ✓
MCSys ✓
PBM
Voluntary Managed Care Encounter data
Healthy Kids CCA #11

4.5.2.3 Based upon its value to the MDSS and upon mutual agreement between the Department and MEDSTAT, MEDSTAT shall integrate selected data from the following into the MDSS:

Vital (Statistics) Records
Uniform Hospital Discharge Data

4.5.2.4 MEDSTAT shall provide consultative assistance in identifying available and useful public and private normative data important to the successful comparison of NH Medicaid's experience to other health care purchasers. The data shall be extracted from the following sources:

Commercial Normative Data
Public Normative Data

State of New Hampshire
Department of Health and Human Services
Office of Knowledge Management and Decision Support
Medicaid Decision Support System
DHHS RFP 2002-002 Contract Exhibit A
Statement of Work

7
4.5.2.5 MEDSTAT shall develop and execute scripts to integrate up to ten (10) data elements (total) from up to four (4) Developmental Medicaid Related Data Sources. Based upon mutual agreement the data sources from which Developmental Medicaid Related Data shall be extracted may include, but not be limited to:

- MSIP Data
- OASIS/Options
- Minimum Data Set Data
- Medicare Data
- Immunization Registry Data
- Lead Assessment Data
- Women with Infant Children Data
- Community Stakeholder Data (e.g. Community Health Center Medical Records)
- New Heights Eligibility Data (Food Stamps, child care, other programs)

4.5.2.6 MEDSTAT shall develop and populate the Medicaid Decision Support Databases in a manner that complies with DHHS' OIS database standards and contains the data identified in Sections 4.5.2.1 through 4.5.2.5 above. (Reference Attachment C to this Contract Exhibit A, *DHHS, OIS Database Standards*)

4.5.3 Data Validation, Editing, Scrubbing and Transformations

4.5.3.1 MEDSTAT shall perform data validation, editing, scrubbing and transformations on all fields used by or passed through the Advantage Suite extracts. Included in this process are the following:

- A. MEDSTAT shall identify data problems including invalid, missing and non-standard data values.
- B. MEDSTAT shall document data problems found, determine the impact to the decision support database and analytical tools, and recommend corrective action.

4.5.4 Data Acquisition, Load and Linkage Plan

**State of New Hampshire
Department of Health and Human Services
Office of Knowledge Management and Decision Support
Medicaid Decision Support System
DHHS RFP 2002-002 Contract Exhibit A
Statement of Work**

A. MEDSTAT shall document the data acquisition, load procedures and linkage plan. The data load plan shall include, at a minimum, the following:

- Source to target mapping;
- File / script names;
- File volumetrics, and recommended load thresholds
- A proposed database load schedule including frequencies, dependencies and estimated time to complete each load;
- Instructions for sequential functions to follow the flow of load activity in a procedural step-by-step format; and
- Load roll back plan

B. The plan shall include, but not be limited to the following:

- Accuracy & validity checks
- Sizing of data files.
- Transformations / mappings
- Schedules and dependencies,
- Communication paths & protocols
- Linkage strategy

4.5.5 Data File Updates/Availability Through Implementation

4.5.5.1 Frequency, Refreshes: Refreshes to the Medicaid Decision Support Databases shall be done on a weekly basis.

4.5.5.2 Frequency, Updates: MEDSTAT agrees to provide routine data file updates with all information available within seven (7) calendar days from receipt of usable data in the formats mutually agreed upon by both parties.

4.5.5.3 Refreshes and Updates during User Acceptance Testing will occur only to test the refresh and update process. Additional refreshes and updates will be halted pending completion of the User Acceptance Test.

State of New Hampshire
Department of Health and Human Services
Office of Knowledge Management and Decision Support
Medicaid Decision Support System
DHHS RFP 2002-002 Contract Exhibit A
Statement of Work

- 4.5.6 **Post Implementation.** MEDSTAT's post implementation obligation for CMS certification shall begin with the production of six (6) months of MARS, SURS and Federal reporting and shall end with DHHS' receipt of written CMS certification or acceptance.
- 4.5.7 **Operational MDSS.** For purposes of understanding the goal of this contract, the following sets forth the operational expectations of a certified MDSS. Pursuant to DHHS RFP 2002 - 002, the operational MDSS shall:
- 4.5.7.1 Be run in a production environment.
 - 4.5.7.2 Be of sufficient product stability to not adversely affect the DHHS MDSS production environment. The products being referred to include:
 - 4.5.7.2.1 Advantage Suite
 - 4.5.7.2.2 MarketScan
 - 4.5.7.2.3 MEDSTAT Episode Grouper (MEG)
 - 4.5.7.3 The overall MDSS production environment shall accommodate changes pursuant to the DHHS OIS database standards as detailed in Attachment C.
 - 4.5.7.4 Produce MARS, SURS, federal and Ad Hoc reports.
 - 4.5.7.5 Have support services available to DHHS staff inquiries pursuant to Attachment A.
 - 4.5.7.6 Have DHHS operational staff maintaining the MDSS at both technical and analytical levels.
 - 4.5.7.7 Have mechanisms and procedures in place to monitor system efficiencies and the ability to take corrective action.
- 4.5.8 **Documentation.** MEDSTAT shall provide standard product user and administrative documentation as part of the licensed product as follows:
- 4.5.8.1 The user product documentation shall be in electronic format for both Advantage Suite© and NetEffect™ and reside on the DHHS servers.

State of New Hampshire
Department of Health and Human Services
Office of Knowledge Management and Decision Support
Medicaid Decision Support System
DHHS RFP 2002-002 Contract Exhibit A
Statement of Work

4.5.8.2 On-line documentation shall be updated whenever a new or revised version of Advantage Suite is installed by the DHHS system administrator.

4.5.8.3 Hard copy administrative documentation shall include two (2) Administrative Manuals which shall be updated by MEDSTAT as part of the product updates. When the product updates occur, MEDSTAT shall provide Administrative Manual updates in addition to the release notes accompanying the product updates.

4.5.9 **Ongoing Operational Support Documentation.** MEDSTAT shall provide operational documentation that includes a log of user calls or correspondence including the nature of the problem, status, resolution, priority status and associated dates.

4.5.10 Training

4.5.10.1 MEDSTAT shall provide user training to DHHS staff according to a mutually agreed upon training plan and shall at a minimum have a trainer student ratio of one to ten (1:10).

4.5.10.2 MEDSTAT shall provide training to seventy-five (75) DHHS staff in the use of its Decision Analyst® software. All seventy-five (75) DHHS staff, shall receive basic training. Twenty-five (25) DHHS staff shall receive advanced training.

4.5.10.3 Prior to release of the production database, MEDSTAT will train a core group of five (5) users. This training shall take place no more than four (4) weeks prior to implementation. This group will consist primarily of the technically proficient users who will be trained on all components of the system. This core group of users will assist in the roll-out and training of other users throughout the implementation phase.

4.5.11 **Licenses.** MEDSTAT shall provide the following licenses:

4.5.11.1 MEDSTAT shall provide two (2) Advantage Suite® server licenses. One server license shall be for the development environment and one shall be for the production environment.

**State of New Hampshire
Department of Health and Human Services
Office of Knowledge Management and Decision Support
Medicaid Decision Support System
DHHS RFP 2002-002 Contract Exhibit A
Statement of Work**

- 4.5.11.2 Seventy-five (75) Advantage Suite user licenses.
- 4.5.11.3 Twenty-five (25) NetEffect™ user licenses.
- 4.5.11.4 One (1) ArcGIS desktop license.
- 4.5.11.5 One (1) MarketScan server license.
- 4.5.11.6 One (1) MEDSTAT Episode Grouper (MEG) server license

4.5.12 HIPAA Assumptions

- 4.5.12.1 MEDSTAT shall accept both HIPAA and non-HIPAA compliant data feeds during the DDI period. The Department shall maintain all data feeds to MEDSTAT in a constant format during the DDI Period.
- 4.5.12.2 Should MEDSTAT services be required to re-design the extract specifications in order to meet HIPAA requirements, the cost for such services are not included in the base price of this agreement.
- 4.5.12.3 The reimbursement for services provided by MEDSTAT pursuant to 4.5.12.2 above may be satisfied either by use of additional tasks according to Section 4.2.1 herein or by an approved Governor and Council contract amendment.

5 PROJECT MANAGEMENT AND PROCEDURES

The project shall require the coordinated efforts of a project team consisting of both MEDSTAT and DHHS personnel. The parties acknowledge that cooperative project administration is essential to the success of the project. Both parties agree to use mutually agreed upon processes and forms to report progress and to identify, track and resolve problems, issues and questions. Unless otherwise agreed, the processes will be based on DHHS methodologies and shall be recorded in a Project Management Plan.

5.1 Project Management.

Each party shall appoint a full-time project manager who shall be the primary representative of the party in relation to administration and other project related activities. Each party may rely on the authority of the other party's project manager to represent its respective entity, provided that neither project manager shall have

**State of New Hampshire
Department of Health and Human Services
Office of Knowledge Management and Decision Support
Medicaid Decision Support System
DHHS RFP 2002-002 Contract Exhibit A
Statement of Work**

the authority to amend or modify this Agreement.

5.2 Project Work Plan.

Initially, MEDSTAT shall prepare a project work plan as described herein Section 14: *IT Services / Deliverables / Milestones*, Deliverable #1. MEDSTAT shall update the workplan as necessitated by the weekly status meetings.

5.3 Project Organization.

5.3.1 The DHHS project team is structured as follows:

Patricia Fostier	Project Manager
Diane Powell	Data Analyst
To Be Named	Financial Analyst

5.3.2 The MEDSTAT project team is structured as follows:

Tim Hanlon	Project Manager
Marcia Militello	Project Coordinator
David Wiggin	Director Technical Coordinator
Sheryl Fumaga	Database Administrator
Keith Putman	Data Specialist
Rachael Thompson	Senior Consultant
A. Michael Collins	Senior Director
Amy Branowicki	Senior Consultant
Laura Christian	Quality Assurance Specialist
Rebecca Louvar	Senior Programmer
Carole Mackey	Programmer
Tony Bisset	Packaging Specialist
Sreeni Neelur	Technical Service Representative

6 COMMUNICATIONS AND REPORTING

Joint communication is imperative for a successful project. In order to determine the extent of progress and to evaluate the technical adequacy of the work and its conformance to system requirements, reviews and audits are performed pursuant to a mutually agreed upon schedule.

State of New Hampshire
Department of Health and Human Services
Office of Knowledge Management and Decision Support
Medicaid Decision Support System
DHHS RFP 2002-002 Contract Exhibit A
Statement of Work

6.1 Status Meetings and Reports Reference RFP 2002-002 Section 3.1.14: *State Agency Project/Status Meetings*.

These status meetings shall be conducted in person or as otherwise mutually agreed upon. The output of these meetings shall be minutes, recorded by MEDSTAT, which will serve as the project status reports. The reports shall be transmitted to the DHHS Project Manager (via e-mail or any other electronically documented means mutually agreed to by the DHHS and MEDSTAT Project Managers respectively). Meeting minutes shall be provided to the DHHS Project Manager at least one and a half (1.5) business days prior to the next status meeting.

7 ACCEPTANCE TEST PROCEDURES AND IT STANDARDS

Information Technology Test Procedures and Standards are defined in DHHS RFP 2002-002, Attachment A: *Information Technology Project Methodology Standards* and DHHS RFP 2002-002, Section 3.3.2: *Technical Requirements*. MEDSTAT has read and agrees to all procedures as defined in these documents.

7.1 User Acceptance Testing (UAT)

7.1.1 DHHS, or its designee shall conduct User Acceptance Testing, for a period of thirty (30) business days at which time the State shall make a decision on approving the system.

7.1.2 UAT will include testing and reconciliation of each MARS/SURS report back to the source data or back to DHHS approved Advantage Suite detailed system design specifications.

7.1.3 UAT will include testing and reconciliation of each federal report back to the source data or back to the DHHS approved Advantage Suite detailed system design specifications.

7.1.4 UAT will include testing and reconciliation of specific user reports back to the source data or back to the DHHS approved Advantage Suite detailed system design specifications.

7.2 Systems Integration Testing shall be conducted by MEDSTAT pursuant to MEDSTAT's specified systems integration testing methodologies.

8 DOCUMENTATION DEVELOPMENT PROCESS

**State of New Hampshire
Department of Health and Human Services
Office of Knowledge Management and Decision Support
Medicaid Decision Support System
DHHS RFP 2002-002 Contract Exhibit A
Statement of Work**

MEDSTAT accepts the Documentation Development Process as defined in RFP 2002-002 Attachment A: *Information Technology Project Methodology Standards* with one exception. The exception is noted herein Section 4.5.1: *Business Requirements*.

When major changes to a document are made, as determined by the State in its reasonable discretion, a complete revision of the document shall be issued and delivered in accordance with the original instructions for the data item. Revisions will be numbered and dated.

9 ASSUMPTIONS AND DEPENDENCIES

In support of DHHS goals and objectives for the system, the following assumptions are listed to assist the integrated project team to formulate an infrastructure and framework for project success:

9.1 Administrative

9.1.1 MEDSTAT shall provide to DHHS a list of all MEDSTAT and MEDSTAT subcontracted team members who will be on-site during the course of the project within 30 days of the time this contract is signed by both parties.

9.1.2 In the event that any MEDSTAT project staff does not meet the State's performance expectations, the State will require MEDSTAT to replace that individual with one with equal or greater skills and experience. The State reserves the right to interview and accept or reject the replacement prior to their starting in the project.

9.1.3 Additional team members may be added to this list during the project, with prior approval by the DHHS MDSS project manager.

9.2 Technical

9.2.1 Proprietary Software

9.2.1.1 Excluding any licensing fees detailed in Contract Exhibit B, MEDSTAT agrees that its licensing fees shall not increase by more than ten percent (10%) of the cost of the previous year's licensing fees. Increases in licensing fees are subject to one

State of New Hampshire
Department of Health and Human Services
Office of Knowledge Management and Decision Support
Medicaid Decision Support System
DHHS RFP 2002-002 Contract Exhibit A
Statement of Work

hundred twenty (120) days' written notice prior to each annual contract anniversary date.

*Shen Schuman not
available (?)*

9.2.1.2 Use of MEDSTAT's proprietary products shall not prohibit, prevent, nor in any way limit, DHHS from accessing MDSS data using other business intelligence tools.

9.2.1.3 In the event that any component of the Vendor's proprietary software is required to maintain CMS certification and the contract is terminated in accordance with the terms of this agreement, the State shall retain usage/licensing of the proprietary software for a period of one (1) year from the date of written notice of termination subject to payment of the appropriate license fee.

9.3 General

9.3.1 DHHS will provide access to State information and managerial, technical, policy and user personnel as reasonably required by the Vendor to perform its obligation under the contract.

9.3.2 For purposes of CMS Certification, MEDSTAT shall make CMS required changes to the MARs, SURs and Federal reporting at no additional cost to DHHS, provided that such required change conforms to those CMS requirements (SMM, Part 11) in effect at the implementation phase of the MDSS.

9.3.3 MEDSTAT shall provide staff support throughout the certification process. This staff support shall include services provided by MEDSTAT in assisting OKMDS in responding to CMS requests for information necessary in obtaining Federal certification. This support shall begin upon the written DHHS request to CMS for certification of the MARS, SURS and Federal reporting and shall continue through receipt of CMS written certification or acceptance.

9.3.4 Contingency Plan

9.3.4.1 MEDSTAT shall develop a contingency plan that shall detail the steps to be taken in the event:

State of New Hampshire
Department of Health and Human Services
Office of Knowledge Management and Decision Support
Medicaid Decision Support System
DHHS RFP 2002-002 Contract Exhibit A
Statement of Work

- 9.3.4.1.1 The implementation goes as planned and subsequent failures require a complete roll back of data and source systems be reactivated; and/or
- 9.3.4.1.2 The implementation date is moved beyond the workplan implementation date within sixty (60) days of the planned implementation date.
- 9.3.4.2 No later than sixty (60) days prior to implementation, MEDSTAT and DHHS shall meet to determine whether the implementation date shall remain as scheduled. In the event that it does not and the date slippage, as reasonably determined by DHHS, constitutes a risk to DHHS or its agents, a contingency plan shall be enacted.
- 9.3.4.3 MEDSTAT shall develop, coordinate and implement the contingency plan. The plan shall minimally include:
 - 9.3.4.3.1 Resources impacted (MEDSTAT, DHHS and Federal)
 - 9.3.4.3.1.1 Detailed estimates for resource allocation
 - 9.3.4.3.1.1.1 Operational staffing and/or funding
 - 9.3.4.3.1.1.2 Development staffing and/or funding
 - 9.3.4.3.1.1.3 Detailed technical implications, including but not limited to changes to the technical infrastructure or job routines.
 - 9.3.4.3.2 A plan to address the impact to project credibility
 - 9.3.4.3.3 External implications (such as changes to additional DHHS vendor contracts, impacts to business partnerships)
 - 9.3.4.3.3.1 Detailed plans from source systems to continue reporting activities
 - 9.3.4.3.3.2 Detailed estimates for resource allocation

State of New Hampshire
Department of Health and Human Services
Office of Knowledge Management and Decision Support
Medicaid Decision Support System
DHHS RFP 2002-002 Contract Exhibit A
Statement of Work

9.3.4.3.3.2.1 Operational staffing and/or funding

9.3.4.3.3.2.2 Development staffing and/or funding

9.3.4.3.3.3 Detailed technical implications, including but not limited to changes to the technical infrastructure or job routines.

9.3.4.3.4 Areas, if any, where time can be made up

9.3.4.3.5 Impact estimates on the tasks of the project caused by the delay

9.3.4.3.6 A detailed plan for data rollbacks

9.3.4.3.7 Risk analyses for reporting, DHHS certification

9.3.4.3.8 Timeframes for project completion

9.3.4.3.9 An adjusted implementation plan

9.4 **Work Schedules.** The MEDSTAT Team will be allowed access to the necessary facilities during off hours with prior approval from the DHHS Project Manager.

9.5 **Copyright, Intellectual Property Rights, and Confidentiality**

9.5.1 **WWW Copyright and Intellectual Property Rights.** All rights, title and interest to the DHHS WWW site, including copyright to all data and information, shall be and remain with the DHHS. The DHHS 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 DHHS's copyright. All rights, title and interest to the Vendor's WWW site shall be and remain with the Vendor. This section shall survive the termination or expiration of this Agreement.

State of New Hampshire
Department of Health and Human Services
Office of Knowledge Management and Decision Support
Medicaid Decision Support System
DHHS RFP 2002-002 Contract Exhibit A
Statement of Work

10 DHHS PARTICIPATION

DHHS participation is as defined in RFP 2002-002, Attachment A: *Information Technology Project Methodology Standards* and Exhibit 2: *Required Work Procedures*. MEDSTAT agrees to all procedures as defined in these documents.

11 CHANGE CONTROL PROCEDURES

Any changes in functional requirements or enhancements will be handled as per the Change Control Procedure (CCP) outlined in DHHS RFP 2002-002 Section 3.7: *Change Control Procedures*. MEDSTAT agrees to all procedures as defined in this document.

12 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:

LEVEL	MEDSTAT	DHHS	ALLOTTED TIME
First	Tim Hanlon, Project Manager	Patricia Fostier, Administrator, OKMDS Project Manager	5 Business Days
Second	Robert Darragh	Stephen A. Norton, Director, OKMDS Project Owner	10 Business Days
Third	Carol Diephuis, Vice President	Stephen A. Norton, Director OKMDS; Richard C. Bailey Jr., DHHS CIO; Gary Thorn, Director, OCOM	15 Business Days

State of New Hampshire
 Department of Health and Human Services
 Office of Knowledge Management and Decision Support
 Medicaid Decision Support System
 DHHS RFP 2002-002 Contract Exhibit A
 Statement of Work

Fourth	Laurence Hagerty, President and CEO	Donald L. Shumway, Commissioner, DHHS	20 Business Days
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First Level, day one (1), shall be the calendar business day that the invoking Party's notice is received by the other party. Each level is allotted a maximum of five (5) business days for a total cumulative time of twenty (20) business days.

13 PROJECT MANAGEMENT AND SYSTEM DEVELOPMENT METHODOLOGY

Is as defined in RFP 2002-002 Attachment A: *Information Technology Project Methodology Standards*, excluding the provisions found herein Section 4.5.1: *Business Requirements*. MEDSTAT agrees to all procedures as defined in this document.

14 DELIVERABLES/MILESTONES/DOCUMENTATION

MEDSTAT deliverables and milestones for all projects in this SOW are as follows. MEDSTAT shall develop all deliverables, materials, reports and other work in progress relating to this contract. MEDSTAT shall store all deliverables, materials, reports and other work in progress relating to this contract on the DHHS network. Upon expiration or termination of this contract with DHHS, MEDSTAT will turn over all state-owned documents, material, reports and work in progress relating to this contract to DHHS. Deliverables and subsequent milestones completed ahead of the estimated end dates shall result in payments if the conditions of payment are met.

14.1 Deliverables (Based upon assumed start date of 1-4-2002)

IT SERVICES -DELIVERABLES/MILESTONES	ESTIMATED END DATE
A. STAGE ONE: DESIGN	
1. Final Detailed Project Work Plan and Schedule; (a) Initiation of ongoing weekly status meetings; (b) Initiation of written weekly status reports;	1/28/02
2. Project Kick-Off Meeting and Documentation; (a) Initiation of Weekly Updates to the Project Work Plan	1/8/02
3. Proposed MDSS System Overview Document;	1/28/02
4. Close-out Report for Phase I: System Request Initiation; (a) Structured walk-through of the Phase Deliverables; (b) Documentation of the business requirements for ad hoc reporting and analysis; (c) A detailed matrix, identifying tools to provide improved ad hoc reporting/analysis capability in the MDSS solution that meet the business requirements and can be deployed within the current DHHS infrastructure.	2/4/02

State of New Hampshire
Department of Health and Human Services
Office of Knowledge Management and Decision Support
Medicaid Decision Support System
DHHS RFP 2002-002 Contract Exhibit A
Statement of Work

5. Requirements Validation and Analysis Document;	2/4/02
6. Data Acquisition and Data Linkage Plan;	2/4/02
7. Application Requirements (High Level) Document;	2/4/02
8. General System Design (High Level) Document;	2/4/02
9. Close-out Report for Phase II: Analysis; (a) Structured walk-through of the Phase Deliverables;	2/11/02
10. System Architecture (High Level) Document;	2/13/02
11. Technical Requirements Design Document;	3/5/02
12. Detailed System Design Plan, including MARS and SURS Reports;	4/5/02
13. Close-out Report for Phase III: Design; (a) Structured walk-through of the Phase Deliverables;	4/9/02
14. Close-out Report for the Design Stage (Phases I to III);	4/9/02
B. STAGE TWO: DEVELOPMENT	
15. System Test Plan, including tests of analysis capabilities;	4/29/02
16. Operational Support Requirements/Documentation;	5/29/02
17. Close-out Report for Phase IV: Construction; (a) Structured walk-through of the Phase Deliverables;	6/10/02
18. Incident Tracking System Plan;	4/29/02
19. System Test Results, with results for MARS and SURS reports;	8/30/02
20. Acceptance Test Resolutions Document;	9/13/02
21. Data Load Plan;	7/8/02
22. Final Data Load Results;	8/30/02
23. Quality Assurance Report;	10/30/02
24. Close-out Report for Phase V: Testing; (a) Structured walk-through of the Phase Deliverables	10/30/02
25. Close-out Report for the Development Stage (Phases IV. to V);	10/30/02
C. STAGE THREE: IMPLEMENTATION	
26. Implementation Contingency Plans;	11/02/02
27. Implementation Deployment Plan;	11/02/02
28. State Staff Training Plan for each user level;	7/5/02
29. Close-out Report for Phase VI: Implementation (a) Structured walk-through of the Phase Deliverables	11/6/02
30. Certification of Training Delivery;	9/22/02
31. MDSS User Manuals;	9/20/02
32. MDSS Operating Procedures;	12/03/02
33. MDSS System Documentation;	12/03/02
34. Close-out Report for Phase VII: Deployment; (a) Structured walk-through of the Phase Deliverables	12/03/02
35. System Operational Knowledge Transfer Plan;	12/03/02

State of New Hampshire
Department of Health and Human Services
Office of Knowledge Management and Decision Support
Medicaid Decision Support System
DHHS RFP 2002-002 Contract Exhibit A
Statement of Work

36. System Operational Training Plan for each user level;	12/03/02
37. System Overview Meeting and Document (High Level);	12/03/02
38. System Overview Detail Meeting and Document;	12/03/02
39. Close-out Report for Phase VIII: Wrap-Up	12/13/02
(a) Structured walk-through of the Phase Deliverables	
40. Close-out Report for the Implementation Stage (Phases VI to VIII)	12/13/02
41. Payment for Hold Back at end of Warranty period	6/4/03

For all of the above written deliverables, each must be delivered in three (3) hardcopies and one (1) electronic copy and shall require formal written approval from DHHS.

Included in the deliverables above is the provision of:

- A. Two (2) Advantage Suite® server licenses. One server license shall be for the development environment and one shall be for the production environment and;
- B. Seventy-five (75) Advantage Suite user licenses;
- C. Twenty-five (25) NetEffect™ user licenses;
- D. One (1) ArcGIS desktop license.
- E. One (1) MEDSTAT MarketScan server license; and
- F. One (1) MEDSTAT Episode Grouper (MEG) server license.

14.2 Selected Optional MEDSTAT Services. DHHS accepts the following optional MEDSTAT services. The costs for said services are detailed in Contract Exhibit B.

IT SERVICES -DELIVERABLES/MILESTONES	DATE
1. Pre Certification consulting requirements	3/27/02
2. PBM Claims Feed requirements	3/27/02
3. Episode Grouper Installation	10/11/02
4. Pre Certification consulting Completed	12/13/02
5. PBM Claims Feed implementation	10/11/02
6. Payment of holdback	06/04/03

14.3 Additional Tasks not to exceed a total of \$310,000. These additional tasks shall be for analytical and/or technical services over and above the construction of the MDSS as defined in Contract Exhibit A, Section 4: *Statement of Work*. Additional tasks shall be authorized according to RFP 2002-002 Section 3.7: Change Control Procedures and Contract Exhibit A, Section 4.2.1: *Additional Tasks*. These hours shall be tracked by each DITM - ITMP phase.

**State of New Hampshire
Department of Health and Human Services
Office of Knowledge Management and Decision Support
Medicaid Decision Support System
DHHS RFP 2002-002 Contract Exhibit A
Statement of Work**

15 POST IMPLEMENTATION SUPPORT

15.1 WARRANTY

Stability and responsiveness to problems is essential. The Vendor must guarantee to have MDSS operating within the time agreed upon. Should it fail to do so, and the failure was not caused by the acts or omissions of DHHS, then the Vendor will be liable for all additional costs to DHHS to assure that the application is up and operating. This includes the addition and replacement of equipment, additional personnel, and additional costs to DHHS for its day-to-day operation and above the anticipated cost had the application been available and operating as planned.

15.1.1 The Warranty Period. The warranty shall extend for one hundred and eighty (180) days after the completion of the MDSS Implementation Phase (Phase VI).

15.1.2 Warranty Problems. All problems found during the Warranty Periods and all problems found with the Warranty releases, shall be corrected by the Vendor no later than 30 days after discovery or the end of the Warranty period, whichever comes last, at no additional cost to the DHHS.

15.2 Software Enhancements. It is anticipated that modifications and improvements to the software may be required from time to time to incorporate changes to State or federal regulations, add new functionality, or address changing business needs. Software changes shall only be authorized by the DHHS project manager.

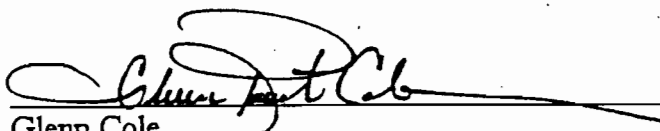
15.2.1 Advance Notice of Software Enhancements. MEDSTAT shall provide DHHS with a thirty (30) day advance notice of software changes, such as updates or enhancements to MEDSTAT's proprietary products that affect DHHS' technical environment. This notification shall encompass:

- A. A log of scheduled events impacting the DHHS
- B. New versions of software shall be accompanied by:
 - 1. A description of how the application has changed;

State of New Hampshire
Department of Health and Human Services
Office of Knowledge Management and Decision Support
Medicaid Decision Support System
DHHS RFP 2002-002 Contract Exhibit A
Statement of Work

2. Explicit instructions for any conversions, special load routines or database requirements that must be met to accept the new version; and/or
3. An impact analysis of technical environment changes required.

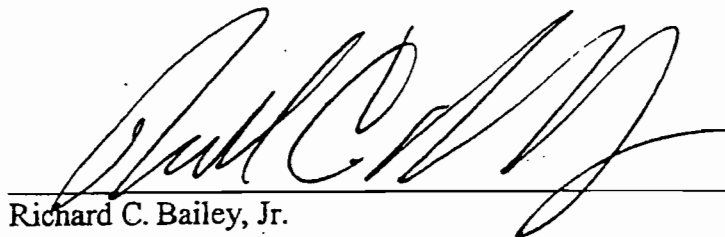
- 15.3 **Software Maintenance.** DHHS anticipates that software maintenance and operations issues included in this contract will be responded to by MEDSTAT within seventy-two (72) hours of any contact by the DHHS designated Point of Contact, during normal business hours, via either phone and/or e-mail
- 15.4 **User Inquiry.** MEDSTAT agrees to provide a response to a user inquiry according to the Product Support Service Level Agreement found in Attachment A to this Contract Exhibit A.
- 15.5 **Document Updates.** MEDSTAT shall provide updated product documentation as part of the product upgrades or releases.



Glenn Cole

Executive Vice President and CFO

Date: 11/29/01



Richard C. Bailey, Jr.

Chief Information Officer, DHHS OIS

Date: 12/4/01

Attachment A
To The MEDSTAT
Service and License Agreement
MEDSTAT
Product Support Service Level Agreement

Support Parameters

MEDSTAT Product Support is available to provide customers with answers to questions regarding the installation, implementation, and use of MEDSTAT's products. Troubleshooting is also provided to determine the root cause of a problem. If the problem is identified as a MEDSTAT product issue, the proper response objectives will be managed and escalation procedures followed to provide a timely resolution. Requests for product enhancements, product upgrades, consulting services, and product training may also be submitted through the Product Support group.

It is highly recommended that the customers establish an internal support structure to serve as the interface to MEDSTAT Product Support. This will serve as a focal point for both items escalated to MEDSTAT and faster turnaround for issues that can be better addressed by internal staff.

Support Availability

Website (<http://support.medstat.com>): A location where clients can quickly and easily find answers to questions and solutions to problems. This self-service option is available 7 days a week and 24 hours a day. The content and features will continue to be developed. This site should be checked frequently for the latest product and support information. If clients cannot find what they are looking for, they may request assistance from our Website. We will respond to the request per the response objectives provided below during our standard business hours.

Email (medstat.product.support@medstat.com): Clients may send requests for assistance, sample files, and replies to previous calls to Product Support's mailbox. Our electronic mail inbox will be monitored during our standard business hours. To ensure the message gets routed most effectively, the priority level, product name, and call number (if referencing an existing call) should be placed in the subject field of the email.

Telephone (888-272-0083): A toll-free number is available for placing calls to Product Support. During our standard business hours as defined in the following paragraph, calls will automatically be routed to product support analysts.

Standard Business Hours: MEDSTAT's standard business hours are 8:30 AM to 6:00PM ET, Monday through Friday, excluding MEDSTAT holidays. For off-hours a voicemail message may be left and a return call will be made the following business day per the response objectives outlined below.

Support Type

		Standard Business Hours : Monday thru Friday 8:30am- 6pm ET (5:30am-3pmPT)
<u>Website</u>		
Initiate Contact	X	
Expected Response	X	
<u>Email</u>		
Initiate Contact	X	
Expected Response	X	
<u>Telephone (Live)</u>		
Initiate Contact	X	
Expected Response	X	
<u>Telephone (VM)</u>		
Initiate Contact	X	
Expected Response	X	

Definition of Priorities

The structure of MEDSTAT's SLA follows a 4-tier priority definition scheme. All requests for assistance are assigned a priority, from which response objectives are set and results measured. The priority is determined mutually between the client and the Product Support team. The following guidelines will be used for priority setting:

Priority 1 – Production Down: The client is experiencing a condition that has stopped production, ceasing the client's ability to conduct business. No workaround is available, and an immediate solution is required.

Priority 2 – Business Critical: The client is experiencing a condition that frequently disrupts or limits production, critically impacting the client's ability to conduct business. No reasonable workaround exists, and an immediate solution is required.

Priority 3 – Operational/Implementation Problem: Overall production is operational with no major impact on the client's business operation. Functionality differs from the intended design, or help is needed to answer installation questions or to resolve implementation issues. Furthermore, a reasonable workaround is available, or an immediate solution is not required.

Priority 4 – General Request: Request for information, analytical problem assistance, software upgrade, or new product feature.

Response Objectives and Escalations

The support operation is priority and process driven to ensure timely and accurate resolutions. The response times shown below are for incoming calls that may go to voicemail or requests placed from the Website or via email. Although the return call is established according to the timeframes stated in the below matrix, the customer continues to have access to MEDSTAT's Product Support staff as described in this document during standard business hours. If a resolution cannot be provided within a reasonable timeframe, a procedure is followed for allocation of additional resources and expertise. Please note that all timeframes stated below may be impacted if additional information or ongoing assistance from Customer is required.

Priority	Response Time	Problem Escalation to Management & Product Development (if needed)	Provide Update to Customer (unless otherwise agreed to)
1	60 minutes	8 business hours	Once every 8 business hours
2	90 minutes	2 business day	Once every 2 business days
3	2 hours	4 business days	Once every 4 business days
4	2 hours	8 business days	Once every 8 business days

Customer Response

The above escalation points are based upon the client providing any requested data and/or assistance as needed to continue working on the issue. If significant delays are encountered, the priority of the case may be re-evaluated and the priority of the call lowered or the case closed. The situation will be escalated to customer management prior to closing the case. The follow guidelines will be used for making these determinations:

Priority	No Customer Response from Time of Request
1	4 business hours
2	8 business hours
3	2 business days
4	4 business days

Customer Escalation Procedures

As outlined above, there are built in escalations throughout the problem resolution process. If a MEDSTAT client is not satisfied with the timeliness of problem resolution, the client may request problem escalation by first contacting the Product Support Specialist assigned to the call. If the client is not satisfied with this level of escalation, one of the following people may be contacted:

Contact Name	Telephone Number	E-mail Address
Susan Quackenbush		susan.quackenbush@medsta

Manager of Product Support	(734) 913-3708	t.com
John Adler Director of Product Support	(734) 913-3610	john.adler@medstat.com

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THIRD PARTY LICENSE PROVISIONS AND AGREEMENTS
Attachment B

Contractor (MEDSTAT) has informed the Department (NH DHHS) that in addition to its own proprietary software, that the Contractor's products incorporate certain third party software which include the third party licenses attached hereto, and that to the extent required to protect their proprietary property rights, such third parties are third party beneficiaries of this contract. The third party software is listed as follows:

- 1) Torrent Systems, Inc.
- 2) Information Advantage, Inc.
- 3) Information Resource Products
- 4) CPT license – NH DHHS currently licenses CPT code use through CMS. MEDSTAT waives the need to license CPT's through MEDSTAT for NH as long as NH remains licensed for CPT use through CMS. NH will remain licensed on the same version of CPT's used in Advantage Suite.

Torrent Systems, Inc. Attachment B 1

Pursuant to MEDSTAT's Value-Added Reseller Agreement with Torrent Systems, Inc. ("Torrent"), as it may now or hereafter be amended, MEDSTAT is authorized to sublicense to Customer certain computer software programs and related documentation (the "Torrent Software") as part of the System, provided that Customer is bound by certain terms and conditions. Customer's rights to use the Torrent Software terminate if Customer fails to comply with any of the material terms and conditions of this Agreement.

The terms and conditions set forth in this Agreement that apply to the System and Software generally also apply to the Torrent Software and inure to the benefit of Torrent.

The following is a summary of the additional terms and conditions that apply to the Torrent Software:

1. Customer is granted a non-exclusive, personal and non-transferable license to the Torrent Software.
2. This Agreement shall specify the designated computer on which Customer is licensed to execute the Torrent Software, as well as the maximum number of processors on which Customer will execute the Torrent Software.
3. Customer shall not disclose the Torrent Software to other persons or permit other persons to have access to the Torrent Software (except for consultants or sub-contractors of Customer who have agreed to be bound by substantially all of Customer's obligations under this Agreement, and for which the requirements in this Agreement have otherwise been satisfied).
4. Customer shall not modify, enhance or create works derivative of the Torrent Software or decompile, disassemble or otherwise attempt to reverse-engineer the Torrent Software.
5. In the event the Agreement is terminated for whatever reason or expires, Customer must cease use and return to MEDSTAT or destroy the Torrent Software and any copies thereof.
6. Customer shall comply with all export control regulations applicable to the Torrent Software.
7. Torrent's warranties and liability shall be limited to at least the extent provided in this Agreement.
8. If Customer is an agency of the federal government the following clause applies:

In accordance with Section 12.212 of the Federal Acquisition Regulations ("FAR"), Customer hereby acknowledges that its use, duplication and disclosure of the Torrent Software are governed by, and subject to, the Agreement. If, for any reason, FAR Section 12.212 is not applicable, Customer hereby acknowledges that its use, duplication and disclosure of the Torrent Software are subject to the Commercial Computer Software Restricted Rights clause, FAR Section 52.227.19(c).
9. Torrent is a third-party beneficiary of this Agreement to the extent required to protect its proprietary property rights.

THIRD PARTY LICENSE PROVISIONS AND AGREEMENTS
Attachment B

Information Advantage, Inc. Attachment B 2

Pursuant to MEDSTAT's License and Distribution Agreement with Information Advantage, Inc. ("IA"), as it may now or hereafter be amended (the "MEDSTAT/IA Agreement"), MEDSTAT is authorized to sublicense to Customer certain computer software programs (the "IA Software") as part of the System, provided that Customer is bound by certain terms and conditions: Customer's rights to use the IA Software terminate if Customer breaches any of the material terms and conditions of this Agreement and fails to correct such breach within any specified cure period in this Agreement.

The terms and conditions set forth in this Agreement that apply to the System and Software generally also apply to the IA Software and inure to the benefit of IA.

The following is a summary of the additional terms and conditions that apply to the IA Software:

1. Customer is prohibited from transferring or duplicating the IA Software except for temporary transfer in the event of CPU malfunction and a single backup or archival copy.
2. Customer is prohibited from using the IA Software for any purpose other than as integrated into and as a part of the System.
3. Customer is prohibited from reverse engineering, disassembling or decompiling, in whole or in part, the IA Software or the System.
4. Title to the IA Software is not passed to Customer.
5. Upon termination of the license to the System, Customer shall discontinue use of the System, including the IA Software, and return to MEDSTAT the System, including the IA Software, and all copies thereof, as well as the Documentation.
6. Customer is restricted from publishing any results from benchmark tests run on the IA Software (this restriction shall not be applicable to benchmark tests run on the System).
7. If Customer is sublicensing the IA Software for use in the United States, then Customer is prohibited from transferring the IA Software outside the United States. If Customer is sublicensing the IA Software for use outside the United States, then Customer must comply fully with all relevant export laws and regulations of the United States to assure that neither the IA Software, nor any direct product thereof, are exported, directly or indirectly, in violation of United States law.
8. IA shall be a third-party beneficiary of this Agreement to the extent required to protect its proprietary property rights.
9. Customer shall provide all information necessary for MEDSTAT to comply with records and reporting requirements under the MEDSTAT/IA Agreement regarding Customer's name, business address, System licensed, designated computer/configuration on which the System operates, and number of End Users, Power Users and Named Users.
10. Customer shall provide such access and assistance as may be required to allow IA to provide maintenance to the extent required in the MEDSTAT/IA Agreement.
11. Customer is required to keep the IA Software and related documentation confidential.

Information Resource Products Attachment B 3

Pursuant to MEDSTAT's agreements with Information Resource Products, Inc. ("IRP"), as they may now or hereafter be amended, MEDSTAT is authorized to sublicense to Customer certain computer software programs (the "IRP Software") as part of the System, provided that Customer is bound by certain terms and conditions. Customer's rights to use the IRP Software terminate if Customer fails to comply with any of the material terms and conditions hereof.

The terms and conditions set forth in this Agreement that apply to the System and Software generally also apply to the IRP Software and inure to the benefit of IRP.

The following is a summary of the additional terms and conditions that apply to the IRP Software:

1. The IRP Software may only be used as part of the System and not on a stand-alone basis or with other software or systems.

State of New Hampshire
Department of Health and Human Services
Office of Knowledge Management and Decision Support
Medicaid Decision Support System
RFP 2002-002 Contract Exhibit B
Not To Exceed Price Payment Schedule

This contract shall become effective upon approval of both CMS and the New Hampshire Governor and Council, whichever is later. This approval shall be subsequent to signature of the parties. The anticipated project start work date is December 2001, and design, development, and implementation of a certified Medicaid Decision Support System (MDSS) is anticipated to occur approximately within a sixteen (16) month period. The MDSS project shall consist of the design, development, and implementation (hereinafter DDI), and certification of the system. Following the implementation, the Department of Health and Human Services (DHHS) shall request CMS certification during which time MEDSTAT shall provide support services to DHHS for the certification. DHHS is also contracting for additional tasks over and above the construction of the system. Additional tasks may be required concurrently with the construction of the MDSS or following certification.

There shall be two (2) periods of performance. The first period of performance for the MDSS shall be considered complete upon written receipt of CMS certification. The second period of performance, for the additional tasks, shall be complete no later than June 30, 2003. The second period of performance, which may include interim license fees for the period between completion of DDI and June 30, 2003, as well as the annual license renewals (Exhibit B, Section 3.2) thereafter, singularly or collectively, may commence prior to the completion of the first period of performance. Interim licensing fees shall be reimbursed at a per diem rate for a period not to exceed seventy-one (71) days for the period ending at the completion of DDI and ending June 30, 2003. Immediately following June 30, 2003 there shall be two consecutive annual license renewals covering the period from July 1, 2003 through June 30 2005.


Follow on support may be required through June 30, 2006. Pricing parameters for the extension contract are outlined in Section 3.2: *Future Engagements*, of this document.

The MEDSTAT Group, Inc.

Glenn Cole: 
Executive Vice President & CFO

Date: 11/29/01

State of New Hampshire, DHHS OIS

Richard C. Bailey, Jr.: 
Chief Information Officer

Date: 12/4/01

1. Deliverable Payment Schedule

This contract will allow MEDSTAT to invoice DHHS OIS for:

1. Payment of up to \$1,958,209 as listed in Section VII: *Cost Proposal*, of the MEDSTAT response to RFP ITS07 2002-002 and this Contract Exhibit B, Section 2: *Not to Exceed Price Deliverables Payment Schedule*.

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Date: 11/29/01

**State of New Hampshire
Department of Health and Human Services
Office of Knowledge Management and Decision Support
Medicaid Decision Support System
RFP 2002-002 Contract Exhibit B
Not To Exceed Price Payment Schedule**

2. DHHS OIS agrees that within five (5) business days of receipt of each MEDSTAT invoice, sent following the acceptance by DHHS of the corresponding project deliverable, the invoice will be either reviewed and accepted or reviewed and returned to MEDSTAT with a written explanation of why the invoice is not acceptable. DHHS OIS agrees to pay all MEDSTAT invoices within thirty (30) calendar days of acceptance of invoice by the DHHS OIS project manager.

2. Not to Exceed Price Deliverables Payment Schedule

The following are the defined deliverables, as described in Section 14: *Deliverables/Milestones* of this Contract Exhibit A and proposed by MEDSTAT in Section VII: *Cost Proposal*, of their response to the RFP. This contract price is calculated as the sum of the total proposal price of \$977,000, plus quoted selected optional deliverables as follows:

- (1) Pre-certification consulting (\$35,000);
- (2) Episode Grouper installation and licensing (\$30,000) and;
- (3) PBM claims feed (\$30,000)

Also included in this contract is the ability to authorize additional tasks. These tasks are proposed and accepted according to Contract Exhibit A Section 4.2.1: *Additional Tasks*, and RFP Section 3.7: *Change Control Procedures*. The total for all additional tasks shall not exceed \$310,000.

Provisions for interim licensing fees and subsequent contract years as detailed in Section 3 provide for an additional \$576,209.

- 2.1 This contract price is therefore not to exceed \$1,958,209.

- 2.2 **Deliverable Services for the duration of the contract in Basic MEDSTAT Proposal.** Both the selected optional services and the additional tasks have been added to the payment schedule below. The optional services span each deliverable and as such are subject to both the payment and holdback provisions.

IT SERVICES - DELIVERABLES/MILESTONES	Date	Price
A. STAGE ONE: DESIGN		
1. Final Detailed Project Work Plan and Schedule; a) Initiation of ongoing weekly Status Meetings; b) Initiation of written weekly Status Reports;	1/28/02	
2. Project Kick-Off Meeting and Documentation; a) Initiation of written weekly updates to the Project Work Plan	1/8/02	
3. Proposed MDSS System Overview Document;	1/28/02	
4. Close-out Report for Phase I: System Request Initiation; a) Structured walk-through of the Phase Deliverables; b) Documentation of the business requirements for ad hoc reporting and analysis;	2/4/02	

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Date: 11/29/01

Department of Health and Human Services
Office of Knowledge Management and Decision Support
Medicaid Decision Support System
RFP 2002-002 Contract Exhibit B
Not To Exceed Price Payment Schedule

c) A detailed matrix, identifying tools to provide improved ad hoc reporting/analysis capability in the MDSS solution that meet the business requirements and can be deployed within the current DHHS infrastructure.		
5. Requirements Validation and Analysis Document;	2/4/02	
6. Data Acquisition and Data Linkage Plan;	2/4/02	
7. Application Requirements (High-Level) Document;	2/4/02	
8. General System Design (High Level) Document;	2/4/02	
9. Close-out Report for Phase II: Analysis; a) Structured walk-through of the Phase Deliverables;	2/11/02	\$166,100.00
10. System Architecture (High-Level) Document;	2/13/02	
11. Technical Requirements Design Document;	3/5/02	
12. Detailed System Design Plan, including MARS and SURS Reports;	4/5/02	
13. Close-out Report for Phase III: Design; a) Structured walk-through of the Phase Deliverables	4/9/02	
14. Close-out Report for the Design Stage (Phases I to III);	4/9/02	\$166,100.00
B. STAGE TWO: DEVELOPMENT		
15. System Test Plan, including tests of analysis capabilities;	4/29/02	
16. Operational Support Requirements/Documentation;	5/29/02	
17. Close-out Report for Phase IV: Construction; a) Structure walk-through of the Phase Deliverables	6/10/02	
18. Incident Tracking System Plan;	4/29/02	
19. System Test Results, with results for MARS and SURS reports;	8/30/02	
20. Acceptance Test Resolutions Document;	9/13/02	
21. Data Load Plan;	7/8/02	
22. Final Data Load Results;	8/30/02	
23. Quality Assurance Report;	10/30/02	
24. Close-out Report for Phase V: Testing; a) Structured walk-through of the Phase Deliverables	10/30/02	
25. Close-out Report for the Development Stage (Phases IV to V);	10/30/02	\$332,200.00
C. STAGE THREE: IMPLEMENTATION		
26. Implementation Contingency Plans;	11/02/02	
27. Implementation Deployment Plan;	11/02/02	
28. State Staff Training Plan for each user level;	7/5/02	
29. Close-out Report for Phase VI: Implementation a) Structured walk-through of the Phase Deliverables	11/6/02	
30. Certification of Training Delivery;	9/22/02	
31. MDSS User Manuals;	9/20/02	
32. MDSS Operating Procedures;	12/03/02	
33. MDSS System Documentation;	12/03/02	
34. Close-out Report for Phase VII: Deployment; b) Structured walk-through of the Phase Deliverables	12/03/02	
35. System Operational Knowledge Transfer Plan; -	12/03/02	
36. System Operational Training Plan for each user level;	12/03/02	
37. System Overview Meeting and Document (High Level);	12/03/02	

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Date: 4/29/01

**State of New Hampshire
Department of Health and Human Services
Office of Knowledge Management and Decision Support
Medicaid Decision Support System
RFP 2002-002 Contract Exhibit B
Not To Exceed Price Payment Schedule**

38. System Overview Detail Meeting and Document;	12/03/02	
39. Close-out Report for Phase VIII: Wrap-Up a) Structured walk-through of the Phase Deliverables	12/13/02	
40. Close-out Report for the Implementation Stage (Phases VI to VIII)	12/13/02	\$166,100.00
41. Payment of Holdback	6/4/03	\$146,500.00
Grand Total		\$977,000.00

Included in the deliverables in this section is the provision of:

- A. Two (2) Advantage Suite® server licenses. One server license shall be for the development environment and one shall be for the production environment and;
- B. Seventy-five (75) Advantage Build user licenses;
- C. Twenty-five (25) NetEffect™ user licenses;
- D. One (1) ArcGIS desktop license;
- E. One (1) MEDSTAT MarketScan server license; and
- F. One (1) MEDSTAT Episode Grouper (MEG) server license

2.3 Optional MEDSTAT Services

IT SERVICES - DELIVERABLES/MILESTONES	Date	Price
1. Pre Certification consulting requirements	3/27/02	\$ 14,875
2. PBM Claims Feed requirements	3/27/02	\$ 12,750
3. Episode Grouper Installation	10/11/02	\$ 25,500
4. Pre Certification consulting Completed	12/13/02	\$ 14,875
5. PBM Claims Feed implementation	10/11/02	\$ 12,750
6. Payment of holdback	6/4/03	\$ 14,250
Grand Total		\$ 95,000

- 2.4 Additional Tasks not to exceed \$310,000.** These tasks shall be for analytical and/or technical services other than those contracted for in the construction of the MDSS as defined by RFP 2002-002 and this contract Exhibit A: Statement of Work and authorized according to RFP 2002-002 Section 3.7: *Change Control Procedures*. These tasks shall be given a "not to exceed" price based on the fee schedule attached to this Contract Exhibit B and the DHHS Accepted MEDSTAT task proposal. MEDSTAT may submit a monthly invoice at the hourly rate detailed in Exhibit B for work performed. The time period for the completion of additional tasks will end on June 30, 2003.

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Date: 11/29/01

Department of Health and Human Services
Office of Knowledge Management and Decision Support
Medicaid Decision Support System
RFP 2002-002 Contract Exhibit B
Not To Exceed Price Payment Schedule

3. IT Services Configuration Option

3.1 Current Engagement.

The price structure for the current engagement is detailed in Attachment 1 to this Contract Exhibit B.

- 3.1.1 The per diem price for interim licensing fees for the period between the completion of DDI on or about May 3, 2003 and June 30, 2003 shall be \$679.00. The period between the completion of DDI and June 30, 2003 shall not exceed seventy-one (71) days or \$48,209. MEDSTAT shall submit an invoice for the entire interim licensing period upon its completion.
- 3.1.2 The price for the first annual extension, July 1 2003 to June 30, 2004, which will include the software licensing fees, requisite user licenses and data subscriptions, and product support as outlined in Contract Exhibit A for Maintenance Year 1, as quoted in the MEDSTAT cost proposal is \$248,000.
- 3.1.3 The price for the first annual extension, which will include the software-licensing fee for the Episode Grouper (MEG), is \$10,000.
- 3.1.4 The price for the second annual extension, July 1, 2004 to June 30, 2005, which will include the software licensing fees, requisite user licenses and data subscriptions, and product support as outlined in Contract Exhibit A for Maintenance Year 2, as quoted in the MEDSTAT cost proposal, is \$260,000. *glo*
- 3.1.5 The price for the second annual extension, which will include the software licensing fee for the Episode Grouper (MEG), is \$10,000.

3.2 Future Engagements.

- 3.2.1 Additional user seats are \$3,000.00 each annually.
- 3.2.2 Following the second annual extension, MEDSTAT agrees quoted licensing fees will never exceed the previous year's licensing fee by more than ten percent (10%). Licensing fee increases shall be subject to one hundred twenty (120) days' written notice prior to each annual contract anniversary date.
- 3.2.3 The pricing schedule for any incrementally required Information Technology services are quoted on the Future Engagements schedule on the bottom of Page VII.6 of the MEDSTAT cost proposal and Attachment 1 to this Contract Exhibit B.
- 3.2.4 While these prices for engagements subsequent to those outlined in Section 3.1 above will be components of a future contract, and subject to further negotiation, it is recognized that DHHS's vendor award decision was based in part upon the tentative future engagement pricing.

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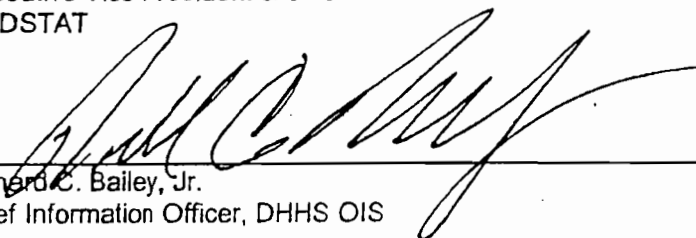
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State of New Hampshire
Department of Health and Human Services
Office of Knowledge Management and Decision Support
Medicaid Decision Support System
RFP 2002-002 Contract Exhibit B
Not To Exceed Price Payment Schedule

In witness whereof, the parties have hereunto set their hands as of the day and year first above written.



Glenn Cole
Executive Vice President & CFO
MEDSTAT
Date: 11/29/01



Richard C. Bailey, Jr.
Chief Information Officer, DHHS OIS
Date: 12/04/01

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Date: 11/29/01

**Department of Health and Human Services
Office of Knowledge Management and Decision Support
Medicaid Decision Support System
RFP 2002-002 Contract Exhibit B
Not To Exceed Price Payment Schedule**

Attachment 1 to Exhibit B

IT Services Hourly Rates (Future Engagements)

IT Services Position Title	SFY Rate 2002/2003	SFY Rate 2004	SFY Rate 2005	SFY Rate 2006
Project Coordinator	\$243.10	\$256.26	\$268.02	\$281.42
Lead Technical Coordinator	\$243.10	\$256.26	\$268.02	\$281.42
Database Administrator	\$243.10	\$256.26	\$268.02	\$281.42
Data Specialist	\$162.07	\$170.17	\$178.68	\$187.61
Senior Consultant	\$243.10	\$255.26	\$268.02	\$281.42
Database Quality Assurance	\$162.07	\$170.17	\$178.68	\$187.61
Training Specialist	\$243.10	\$256.26	\$268.02	\$281.42
Senior Programmer	\$196.80	\$206.64	\$216.97	\$227.82
Programmer	\$127.34	\$133.71	\$140.39	\$147.41
Packaging	\$127.34	\$133.71	\$140.39	\$147.41
Technical Service Representative	\$243.10	\$255.26	\$268.02	\$281.42
Senior Director	\$360.00	\$378.00	\$396.90	\$416.75
Director	\$330.00	\$378.00	\$396.90	\$416.75

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Date: 11/29/01

Exhibit C
Special Provisions
Reference Article 20

Section 8.2.5 as follows has been added to the State of New Hampshire Terms and Conditions (P37):

The Contractor's and the State's monetary liability to one another shall not exceed two times the total contract price, and shall not include consequential damages. This limitation shall not apply to Contractor's indemnification obligations under Paragraph 13 of the General Provisions (Form P-37) or the following:

- (a) death or bodily injury or physical damage to real or personal property;
- (b) misappropriation or infringement of any intellectual property including but not limited to any patent or copyright or any unauthorized use of any trade secret;
- (c) losses accruing to any and all contractors, subcontractors, materials, men, laborers and any other person, firm, or corporation furnishing or supplying work, services, materials or supplies to Contractor in connection with the performance of this Agreement;
- (d) personal injury;
- (e) disclosure of confidential information; or
- (f) failure to meet applicable statutes, regulations, codes or guidelines.

This provision shall not be subject to any modification; however, the State may modify the cap on liability presently set at two times the contract price for a particular project and any such modifications shall appear in the Request for Proposal.

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.

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

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

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

This certification is required by the regulations implementing & Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to: Commissioner, NH Department of Health and Human Services, 129 Pleasant Street, Concord, NH 03301-3857.

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

- Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
- Establishing an ongoing drug-free awareness program to inform employees about --

The dangers of drug abuse in the workplace;

The grantee's policy of maintaining a drug-free workplace;

Any available drug counseling, rehabilitation, and employee assistance programs; and

The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

- Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
- Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will --

Abide by the terms of the statement; and

Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

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

- Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted –

Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

- Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).

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

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

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

The MEDSTAT Group, Inc
2005

From: November 29, 2001 To: June 30,

Contractor Name

Period Covered by this Certification

Glenn Cole, Executive Vice President and Chief Financial Officer

Name and Title of Authorized Contractor Representative


GR

Contractor Representative

November 29, 2001

Date 11/29/01

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 of the Social Security Act
Child Welfare under Title IV-B of the Social Security Act
Child Support Enforcement Program under Title IV-D of the Social Security Act
Foster Care under Title IV-E of the Social Security Act
Job Opportunities and BASIC Skills (JOBS) Program under Title IV-F of the Social Security Act
Medicaid Program under Title XIX of the Social Security Act
Social Services Block Grant Program under Title XX of the Social Security Act
Refugee Resettlement Program under the Refugee Act of 1980
Child Care and Development Block Grant Program
US Department of Agriculture, Food and Consumer Service, Nutrition Program for the Elderly (NPE) and Food Stamp Program

Contract Period: November 29, 2001 to June 30, 2005.

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

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

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


Contractor Signature
Glenn Cole

Executive Vice President & CFO
Contractor's Representative Title

The MEDSTAT Group, Inc.
Contractor Name

Date November 29, 2001

(DHS 09/05/91)
(CERTIFICATION 26-27)

EXHIBIT F

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office of the President, Executive Order 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

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the DHHS agency to which this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549; 45 CFR Part 76. See attached definitions.
6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

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

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

- The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
 - are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - have not within a three-year period preceding this proposal (contract) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
- 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, 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 Part 76, certifies to the best of its knowledge and belief that it and its principals:

are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.

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 entitled "Certification Regarding Debarment, Suspension Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.


Contractor Signature

Executive Vice President & CFO
Contractor's Representative Title

The MEDSTAT Group, Inc.
Contractor Name
(DHS 09/05/91) (CRTCATION pg. 30-32)

November 29, 2001
Date

CERTIFICATION REGARDING THE
AMERICANS WITH DISABILITIES ACT COMPLIANCE

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

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


Contractor Signature

Executive Vice President & CFO
Contractor's Representative Title

Glenn R. Cole
Contractor Name

November 29, 2001
Date

Department of State

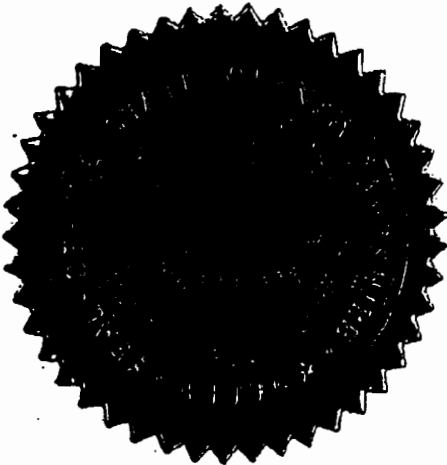
CERTIFICATE OF AUTHORIZATION

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 THE MEDSTAT GROUP, INC., a(n) DELAWARE corporation, on JUNE 16, 1999. 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 3rd day of December, A.D. 2001



William M. Gardner
Secretary of State





Sole Source - DHHS - Exp - 3/31/13 2063-062 AMENDMEN

CERTIFICATE OF LIABILITY INSURANCEDATE (MM/DD/YYYY)
04/02/2012

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

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

PRODUCER Marsh USA Inc. 1166 Avenue of the Americas New York, NY 10036-2774 101674-Peter-ALL-12-13	CONTACT NAME: PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL ADDRESS: INSURER(S) AFFORDING COVERAGE INSURER A: ACE American Insurance Company NAIC # 22667 INSURER B: N/A NAIC # N/A INSURER C: N/A NAIC # N/A INSURER D: N/A NAIC # N/A INSURER E: INSURER F:
INSURED Thomson Prolaw d/b/a Thomson Reuters Corporation 1520 Tramway Blvd. Albuquerque, MN 87112	

COVERAGES **CERTIFICATE NUMBER:** NYC-005393985-18 **REVISION NUMBER:** 2

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY			HDO G27009050	03/31/2012	03/31/2013	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> STANDARD CONTRACTUAL LIAB						
	GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	<input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$
	<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE						
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y <input checked="" type="checkbox"/> N If yes, describe under DESCRIPTION OF OPERATIONS below						WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

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

New Hampshire Department of Administrative Services is included as an Additional Insured but only to the extent that their interest may appear.

CERTIFICATE HOLDER
New Hampshire Department of
Administrative Services
Attn: Leslie Mason
4 Hazzen Drive
Concord, NH 03301
CANCELLATION

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

AUTHORIZED REPRESENTATIVE
of Marsh USA Inc.

Cliff Allen

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